

**The impact of sustainable entrepreneurship orientation on business
performance in South Africa.**

13005058

A Research project submitted to the Gordon Institute of Business
Science, University of Pretoria, in partial fulfilment of the
requirements for the degree of Master of Business Administration.

03 November 2025

Abstract

This study investigates how sustainable-entrepreneurship orientations influence business performance among South African SMEs, drawing on the Triple Bottom Line (TBL), Resource-Based View (RBV), and Stakeholder Theory. Using a quantitative cross-sectional design, data from 105 entrepreneurs were analysed through Ordinary Least Squares (OLS) regression to test three hypotheses and one exploratory relationship.

Results showed that Perceived Business Performance (PBP)—reflecting entrepreneurial confidence and self-efficacy—was the only statistically significant predictor of reported business performance, while stakeholder, sustainable-practice, and financial-viability orientations were positive but non-significant. The model explained 13.3 % of the variance in performance.

The findings indicate that in emerging markets, psychological and relational capabilities exert stronger short-term effects than formal sustainability practices, whose benefits materialise over longer horizons. The research advances theory by integrating the RBV and Stakeholder Theory, demonstrating that stakeholder trust and legitimacy operate as intangible resources that enhance sustainable advantage when supported by institutional stability. It positions sustainability as a capability-driven, cognition-dependent process, offering practical implications for policy and SME-development programmes aiming to align profitability with social and environmental purpose.

Keywords:

Sustainable Entrepreneurship; Stakeholder Orientation; Sustainable Practice Orientation; Financial Viability; Perceived Business Performance

Plagiarism Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination at any other university. I further declare that I obtained the necessary authorisation and consent to conduct this research.

Julian Labuschagne

03 November 2025

Table of Contents

Chapter 1: Introduction to Research Problem	1
1.1 Background	1
1.2 Problem Statement	2
1.3 Purpose of the Study	4
1.4 Theoretical Context	4
1.5 Significance of the Study	6
1.6 Scope and Delimitation	6
1.7 Structure of the Report	7
Chapter 2: Literature Review	8
2.1 Linking Business Outcomes and the Performance Measurement and Management (PMM) System	8
2.2 Performance Measurement and Management (PMM) Integration in Sustainable Entrepreneurship	9
2.3 Business Environment Analysis and Emerging Trends	10
2.4 Sustainable Entrepreneurship in Context	12
2.5 The Triple Bottom Line Framework: A Measurement of Sustainable Impact	14
2.6 Integrating Stakeholder Theory and the Resource-Based View	15
2.7 Challenges and Opportunities around Sustainable Entrepreneurship	17
2.8 Institutional Voids and Policy Fragmentation in Emerging Economies ...	19
2.9 Barriers to Entry and Systemic Challenges in Sustainable Entrepreneurship	20
2.10 Chapter Summary and Conceptual Linkage	22
Chapter 3: Research Questions and Hypotheses	24
3.1 Introduction	24
3.2 Research Framework	24
3.3 Research Question	25

3.4 Hypotheses Development.....	26
3.4.1 Stakeholder Orientation and Business Performance	26
3.4.2 Sustainable Practice Orientation and Business Performance	26
3.4.3 Financial Viability Orientation and Business Performance	26
3.4.4 Perceived Business Performance and Business Performance	27
Chapter 4: Research Methodology.....	28
4.1 Purpose of Research Design.....	28
4.2 Research Philosophy.....	28
4.3 Research Approach	28
4.4 Methodological Choice	29
4.5 Research Strategy.....	29
4.6 Time Horizon	29
4.7 Population.....	30
4.8 Unit of Analysis	30
4.9 Sampling Method and Size.....	30
4.10 Sample size adequacy and rationale.....	31
4.10 Measurement Instrument.....	32
4.11 Data Gathering Instrument.....	34
4.12 Analysis Approach and Techniques	34
4.13 Quality Controls	35
Chapter 5: Findings and Results	37
5.1 Introduction.....	37
5.2 Sample Description	38
5.3 Reliability Testing.....	40
5.4 Correlation Analysis.....	41
5.5 Regression Analysis	43

5.5.1 Model Diagnostics.....	43
5.5.2 Model Summary.....	43
5.5.3 Coefficients and Hypothesis Testing	44
5.6 Interpretation of Findings	45
5.7 Summary of Findings.....	46
Chapter 6: Discussion of Results	49
6.1 Introduction.....	49
6.2 What the model Explains	49
6.3 Discussion by Hypothesis and Research Question	50
6.3.1 Stakeholder Orientation and Business Performance (H1).....	50
6.3.2 Sustainable Practice Orientation and Business Performance (H2) ..	51
6.3.3 Financial Viability Orientation and Business Performance (H3)	52
6.3.4 Perceived Business Performance and Business Performance (Exploratory H4).....	53
6.3.5 Cross Construct Interpretation	54
6.4 Synthesis: A South African Sustainable Entrepreneurship-Capability Pathway.....	55
6.5 Integrating RBV and Stakeholder Theory	57
6.6 Interpretive Caveats	58
6.7 Summary	59
Chapter 7: Conclusions and Recommendations	60
7.1 Introduction.....	60
7.2 Restatement of the Research Problem.....	60
7.3 Summary of the Study	60
7.4 Conclusions by Research Question.....	61
7.4.1 Stakeholder Orientation	61

7.4.2 Sustainable Practice Orientation	62
7.4.3 Financial Viability Orientation	62
7.4.4 Perceived Business Performance (Exploratory).....	62
7.5 Theoretical Contributions and Originality	62
7.6 Managerial Implications	64
7.7 Policy Recommendations	65
7.8 Limitations of the Study	66
7.9 Directions for Future Research.....	68
7.10 Final Remarks	69
Annexture A: Descriptive Statistics Summary Graphs.....	76
Annexture B: Demographics Frequency Tables	78
Annexture C: Cronbach Reliability Test Results	80
Annexture E: Correlation Matix Output.....	83
Annexture F: Regression Output Tables (ANOVA and Coefficients).....	84
Annexture G: Regression Diagnostics Outputs	85
Annexture H: Survey Questionnaire (Summary)	88

List of Figures

Figure 1: Hypothesis Design Diagram.....	25
Figure 2: Proposed Capability Pathway Model.....	56
Figure 3: Responses by Capacity Output.....	78
Figure 4: Responses by Gender Output.....	78
Figure 5: Responses by Region Output	78
Figure 6: Organisation Size Output.....	79
Figure 7: Organisation Age Output.....	79
Figure 8: Stakeholder Orientation (x5 variables)	80
Figure 9: Sustainable Practices Orientation (x5 variables).....	80
Figure 10: Financial Viability Orientation (x5 variables)	81
Figure 11; Perceived Business Performance (x3 Variables).....	81
Figure 12: Business Performance (x4 variables).....	82
Figure 13: Correlation Matrix Output	83
Figure 14: ANOVA Output	84
Figure 15: Coefficients Output.....	84
Figure 16: Residual Statistics Output	85
Figure 17: Normal P-P Plot of Regression Standardised Residuals.....	85
Figure 18: Scatterplot for Regression Standardized Predicted Value.....	85
Figure 19: Scatterplot for SO.....	86
Figure 20: Scatterplot for FV	86
Figure 21: Scatterplot for SPO	87
Figure 22: Scatterplot for PBP.....	87

List of Tables

Table 1: Construct Analysis Table.....	33
Table 2: Descriptive analysis by gender	38
Table 3: Descriptive Analysis by organisation age.....	38
Table 4: Descriptive analysis by organisation size.	39
Table 5: Reliability Analysis Results	40
Table 6: Correlation Analysis - Mean and Standard Deviation	41
Table 7: Pearson Correlations (r)	41
Table 8: OLS Regression Coefficients for Predictors of Business Performance	44

Chapter 1: Introduction to Research Problem

1.1 Background

South Africa continues to face structural economic challenges, with unemployment rates remaining above 33 percent since the COVID-19 pandemic in 2020 (Stats SA, 2025). Youth unemployment peaked at 45.5 percent in 2024 (Stats SA, 2025). Despite the urgent need for job creation, Total Entrepreneurial Activity (TEA) was measured at only 11.1% percent in 2023 (UN Trade and Development, 2024) — the lowest among Africa's leading economies (UN Trade and Development, 2024). Entrepreneurship therefore represents a crucial lever for inclusive growth and employment generation (Cheng & Adejumo, 2021).

However, entering and sustaining a business in South Africa remains difficult. Entrepreneurs face infrastructure and utility challenges, limited access to finance, and insufficient support from formal markets that favour established players. These barriers constrain innovation and market entry. Traditional business practices have historically prioritised financial returns over social or environmental sustainability (Rosário et al., 2022). Within South Africa's socio-political context, this imbalance is problematic, as national policy frameworks advocate inclusivity and transformation, yet many enterprises fail to embody such values operationally.

In the South African context, government and developmental agencies have introduced multiple policy instruments to encourage sustainable entrepreneurship and SME growth. The National Development Plan 2030, for instance, calls for inclusive and environmentally responsible growth, while the Green Economy Accord and Industrial Policy Action Plan (IPAP) encourage cleaner production, resource efficiency, and job creation through sustainable sectors. The Small Enterprise Development Agency (SEDA) and Small Enterprise Finance Agency (SEFA) have integrated sustainability principles into funding and incubation initiatives, yet these remain unevenly implemented (Cheng & Adejumo, 2021).

Internationally aligned initiatives such as the UNDP's Africa Green Business and Financing Initiative (AGBFI) seek to "enable the development of green businesses and financing models" across the continent. Despite these efforts, research shows that many SMEs struggle to translate policy rhetoric into operational practice due to knowledge gaps, cost barriers, and institutional weaknesses (UNDP, 2023; SME South Africa, 2024). The persistence of these implementation challenges underscores the importance of understanding whether sustainability orientations can yield measurable business benefits in volatile contexts such as South Africa.

The literature also highlights that economic growth often exacerbates environmental degradation (Gu et al., 2021). Governments worldwide must therefore navigate the paradox of pursuing prosperity while mitigating ecological harm. This global challenge intensifies the need for alternative entrepreneurial models capable of balancing profitability with social and environmental stewardship. Sustainable entrepreneurship has emerged as a response to this dilemma.

1.2 Problem Statement

While sustainable entrepreneurship offers a compelling framework for addressing economic, social, and environmental challenges, its practical impact on business performance within developing-economy contexts remains under-examined. South Africa's entrepreneurs operate in an environment marked by volatility, uncertainty, and institutional inefficiencies, making it essential to understand whether adopting sustainable orientations can yield measurable competitive advantages.

Although several studies have established links between sustainability and performance in advanced economies, empirical evidence from emerging markets is limited and fragmented (Phan et al., 2020). Moreover, many South African entrepreneurs perceive sustainability as a moral or compliance issue rather than a strategic driver of profitability. Consequently, the question arises: Does sustainable entrepreneurship orientation translate into improved business performance in South Africa's unique socio-economic environment?

A growing body of literature recognises that many empirical studies linking sustainability and performance are disproportionately concentrated in developed economies. Studies indicate that data from emerging economies remain cross-sectional and contextually narrow. Similarly, Lozano (2022) finds that institutional maturity and governance structures largely explain the stronger sustainability–performance correlations observed in advanced markets.

In South Africa, Ogujiuba et al. (2020) highlight the fragmented nature of SME sustainability research and its dependence on imported theoretical frameworks. This empirical bias matters because it limits the generalisability of established models such as the Triple Bottom Line (TBL) and Resource-Based View (RBV) to contexts characterised by institutional volatility and resource scarcity. Addressing this evidence gap is crucial to refining theoretical models and informing policies that reflect developing-economy realities.

1.3 Purpose of the Study

The purpose of this research was to determine how social and environmental entrepreneurship orientations influence business performance among South African entrepreneurs. Anchored in the Triple Bottom Line (TBL) framework, the study examined how entrepreneurs integrate stakeholder concerns, environmental awareness, and financial-viability practices into decision-making and whether these orientations affect measurable business outcomes.

1.4 Theoretical Context

Scholars have long debated the extent to which sustainability-driven behaviours enhance organisational performance. The Triple Bottom Line (TBL) framework conceptualises business success as a balance among social, environmental, and economic value creation (Srivastava et al., 2022). From this perspective, sustainable entrepreneurship integrates these three pillars in the pursuit of competitive advantage. Enterprises that simultaneously address people, planet, and profit are theorised to build resilience and legitimacy in volatile markets (Gu et al., 2021).

However, critics maintain that the TBL is sometimes adopted as symbolic rather than strategic practice. Srivastava et al. (2022) argue that many firms display “citizenship-like” behaviour—publicly espousing sustainability without embedding it within their operational models. This research acknowledges such critiques and investigates whether, within South Africa’s entrepreneurial landscape, sustainability orientation functions as a genuine performance determinant or merely as normative rhetoric.

Building on RBV, the Dynamic Capabilities View (DCV) (Teece, 2018) highlights the firm's ability to sense, seize, and reconfigure its resource base to sustain advantage under changing conditions. Dynamic capabilities enable entrepreneurs not only to possess sustainable resources but also to renew and adapt them in response to market, environmental, and stakeholder pressures. In volatile environments like South Africa, such adaptive capacity may represent the critical mechanism through which sustainability orientation translates into superior performance. The DCV thus complements RBV by introducing a temporal and behavioural dimension to resource deployment, emphasising that long-term advantage depends on continual renewal of sustainability-related capabilities (Zahra, 2021).

Where RBV focuses on the internal configuration of firm-specific resources that are valuable, rare, inimitable, and non-substitutable (Barney, 1991), Stakeholder Theory (Freeman et al., 2020) broadens the perspective to the network of relationships through which firms co-create value. RBV emphasises what a firm has, whereas Stakeholder Theory stresses with whom and for whom the firm acts. In sustainable entrepreneurship, this contrast is critical: under RBV, sustainability is an internal competence; under Stakeholder Theory, it is a relational and ethical orientation toward diverse stakeholders.

Integrating the two offers a holistic explanation of performance—where internal resources gain strategic value through their alignment with stakeholder expectations (Barney, 2020). Recent research argues that bridging RBV and Stakeholder Theory yields stronger explanatory power for sustainability outcomes (Freeman et al., 2020).

Complementing the TBL, the Resource-Based View (RBV) offers another explanatory lens. RBV suggests that firms gain sustainable competitive advantage through unique, valuable, and inimitable internal resources (Barney et al., 2021). When sustainability-related capabilities—such as stakeholder trust, green innovation, and ethical governance—become embedded organisational resources, they may enhance both reputation and profitability. This study therefore integrates the TBL and RBV frameworks to explore how sustainable orientation may translate into superior business performance.

1.5 Significance of the Study

Understanding the link between sustainable entrepreneurship and business performance holds both theoretical and practical significance. Theoretically, it contributes empirical evidence from a developing-economy context where institutional environments differ substantially from those in high-income nations. Practically, the study informs entrepreneurs, policymakers, and investors seeking to promote inclusive growth without compromising environmental integrity. Demonstrating that sustainable orientation can yield measurable performance benefits may encourage wider adoption of responsible business models in South Africa and comparable emerging markets.

1.6 Scope and Delimitation

The study focused on South African entrepreneurs engaged in small to medium-sized enterprises across diverse sectors. Data were collected from individuals who self-identified as entrepreneurs or founders operating locally. While the cross-sectional design enabled the capture of a broad snapshot of perceptions, it did not account for long-term performance changes. The research was therefore interpretive within a defined timeframe rather than longitudinal.

1.7 Structure of the Report

The dissertation comprises seven chapters. Chapter 1 introduces the research problem, context, and purpose. Chapter 2 presents a review of the relevant academic literature and identifies the theoretical gap addressed by this study. Chapter 3 formulates the research questions and hypotheses. Chapter 4 explains the methodological design, sampling, and analytical approach. Chapter 5 presents the findings, followed by Chapter 6, which discusses and interprets the results relative to prior literature. Chapter 7 concludes with recommendations, implications, and suggestions for future research.

Chapter 2: Literature Review

2.1 Linking Business Outcomes and the Performance Measurement and Management (PMM) System

Organisations consistently sought to enhance competitiveness within their respective market spaces. Improved business performance was generally recognised as the outcome of effective and efficient performance measurement and management (PMM) systems (Melnik et al., 2014). PMM integrated the complementary domains of performance measurement and performance management into a single process for tracking, evaluating, and improving results (Nudurupati et al., 2021).

Although performance measurement and performance management represented distinct theoretical concepts, researchers treated them as interdependent elements of a broader organisational system. Changes in organisational culture, structure, or environmental conditions inevitably influenced the effectiveness of the PMM framework (Melnik et al., 2014). When strategy, culture, and environmental factors were aligned, the PMM system enhanced both efficiency and effectiveness by ensuring that objectives, metrics, and actions reinforced one another (Farida & Setiawan, 2022).

Business performance itself was typically assessed through both financial and operational dimensions. Financial performance focused on profitability, sales growth, liquidity, and investment capacity, whereas operational performance emphasised quality, process efficiency, and innovation. Studies demonstrated that well-designed PMM systems improved these outcomes by creating feedback mechanisms between strategic intent and operational execution (Melnik et al., 2014; Farida & Setiawan, 2022).

Farida and Setiawan (2022) identified measurable indicators of business performance that included long-term profitability, sales growth, liquidity resources, investment capacity, and customer loyalty. These dimensions captured how effectively a company utilised its resources to achieve strategic

goals. Latifah et al. (2021) further concluded that organisational performance depended on the degree to which business processes were implemented efficiently and aligned with corporate strategy. Consequently, organisations that achieved strong alignment between PMM and strategic objectives were likely to exhibit greater competitiveness.

Nevertheless, prior studies revealed a gap regarding the downstream impact of broader business trends—such as digitalisation, sustainability, or stakeholder orientation—on PMM systems themselves (Nudurupati et al., 2021). This lack of integration between emerging trends and PMM frameworks highlighted the need to reassess how performance is conceptualised and measured in contemporary, sustainability-driven contexts (Barney, 2020).

2.2 Performance Measurement and Management (PMM)

Integration in Sustainable Entrepreneurship

Recent scholarship suggests that the PMM framework must evolve to capture the multi-dimensional nature of sustainability-oriented entrepreneurship. Traditional PMM models focus primarily on quantitative performance indicators—profitability, productivity, or efficiency—without adequately integrating social and environmental outcomes (Hubbard, 2009; Nudurupati et al., 2021). As businesses adopt sustainability strategies, the PMM framework can serve as a unifying mechanism to balance competing objectives and to embed sustainable metrics within core decision-making processes.

Figge et al. (2021) proposed the integration of the Sustainability Balanced Scorecard (SBSC) as an extension of the conventional Balanced Scorecard. This model explicitly incorporates environmental and social dimensions alongside financial ones, thereby translating sustainability goals into measurable strategic objectives. The SBSC framework links sustainability performance with financial outcomes by integrating cause–effect relationships—such as how energy efficiency projects reduce operating costs or how community investment enhances brand reputation and customer retention.

In the entrepreneurial context, the PMM system can facilitate sustainability adoption by linking resource management, stakeholder feedback, and innovation performance into a single measurement framework. SMEs in particular can use PMM systems to monitor non-financial indicators such as employee well-being, supply chain ethics, and carbon intensity (Latifah et al., 2021). This integration aligns with the Triple Bottom Line (TBL) philosophy by operationalising social and environmental dimensions within existing performance architectures.

The integration of sustainability metrics into PMM also enhances organisational learning. Through feedback loops, entrepreneurs can evaluate the long-term impacts of sustainability initiatives, adjust strategies, and refine resource allocation. By embedding TBL measures into PMM, sustainability transitions become not only ethical or symbolic but also strategic and performance driven. This shift is especially relevant to South African SMEs that must navigate volatile conditions where short-term profitability pressures often overshadow sustainability imperatives.

2.3 Business Environment Analysis and Emerging Trends

The global business environment during the past decade was characterised by volatility, uncertainty, complexity, and ambiguity (VUCA) (Nudurupati et al., 2021). Within such conditions, organisational competitiveness depended on agility, adaptability, and innovation (Nudurupati et al., 2021). As globalisation intensified, businesses faced mounting pressure to respond rapidly to shifting market dynamics, technological advances, and stakeholder expectations.

Demartini and Taticchi (2022) identified five significant emerging trends that reshaped organisational performance and management practices:

1. technological innovation and digital transformation,
2. networking and collaboration,
3. servitisation and value co-creation,
4. innovation and knowledge management, and
5. environmental sustainability.

Each trend influenced not only operational processes but also strategic decision-making and performance measurement frameworks.

Emerging technologies such as artificial intelligence, data analytics, and automation were found to enhance performance monitoring and enable more informed managerial decisions (Battisti, 2022). Similarly, collaboration and networking across supply chains allowed firms to create shared value and optimise resource allocation. The servitisation of manufacturing—shifting from product sales to integrated service solutions—required redefined performance metrics that captured customer outcomes rather than mere output (Nudurupati et al., 2021).

Innovation and knowledge management also emerged as critical enablers of long-term competitiveness. Linton and Kask (2017) demonstrated that organisations adopting innovative strategies and effectively translating them into operational practices achieved superior performance relative to less adaptive competitors. These findings implied that agility and knowledge integration were central to survival in dynamic markets.

Finally, sustainability became a defining feature of modern business strategy. Environmental, social, and governance (ESG) imperatives prompted firms to integrate non-financial performance indicators alongside traditional financial metrics. Organisations that successfully internalised sustainability considerations demonstrated greater legitimacy among stakeholders and improved resilience against regulatory or reputational risks (Jum'a et al., 2022).

In summary, emergent global trends redefined the parameters of competitiveness and performance. Firms no longer competed solely on efficiency or cost, but increasingly on their ability to innovate responsibly, collaborate effectively, and embed sustainability within their strategic frameworks. These developments provided the foundation for understanding the evolution of sustainable entrepreneurship as a distinct field of inquiry.

2.4 Sustainable Entrepreneurship in Context

Sustainable entrepreneurship emerged as a multidisciplinary field that integrated principles of economics, environmental science, and social innovation. Over the past two decades, scholars increasingly recognised it as a transformative force capable of addressing complex societal and ecological challenges while maintaining economic viability (Johnson & Schaltegger, 2020). Sustainable entrepreneurship sought to reconcile profit generation with social equity and environmental stewardship by embedding sustainability within entrepreneurial logic.

Within this perspective, entrepreneurs were viewed not merely as profit-seeking agents but as change catalysts capable of generating societal value. Sustainable entrepreneurship, therefore, involved identifying opportunities that produced enduring benefits for stakeholders while minimising negative externalities. Rosario et al. (2022) noted that this orientation extended beyond corporate social responsibility, representing instead a systemic approach that integrated sustainability into core strategy and innovation processes. In addition, Cabrera and Byrne (2021) show how entrepreneurial citizenship models mobilise civil society for sustainability, highlighting the potential for social entrepreneurs to act as catalysts for inclusive regional development.

However, the conceptual boundaries of sustainable entrepreneurship remained fluid. Some researchers categorised it within the broader construct of “entrepreneurship for sustainable development” or ESG entrepreneurship (Johnson & Schaltegger, 2020). These frameworks emphasised two defining features: the *process dimension*—how entrepreneurs design and implement sustainability-oriented practices—and the *challenge–opportunity dimension*—how they convert environmental and social challenges into business opportunities.

Despite theoretical progress, ambiguity persisted regarding the mechanisms through which sustainable entrepreneurship influenced firm-level outcomes. Johnson and Schaltegger (2020) argued that transformational effects on institutions and markets depended on entrepreneurs' contextual perceptions, such as their understanding of local socio-economic realities and resource constraints. These context-specific dynamics were especially relevant to developing economies like South Africa, where structural inequalities and limited access to capital shaped entrepreneurial behaviour.

To provide conceptual clarity, Holzmann and Gregori (2023) proposed measuring sustainable entrepreneurship orientation through the Triple Bottom Line (TBL) framework. This framework assessed how entrepreneurs balanced social, environmental, and financial dimensions when making strategic decisions. Their research underscored the need to evaluate both perceived and realised value creation, as sustainable entrepreneurship involved subjective judgments about what constituted "value" across multiple stakeholder groups. This aligns with Sung and Park (2018), who describe sustainable entrepreneurship as a mechanism for resolving complex socio-environmental challenges through innovation and adaptive capability.

In essence, sustainable entrepreneurship represented a paradigm shift from purely profit-centric business models toward holistic systems that viewed environmental and social performance as integral to long-term competitiveness. Understanding this evolution was critical to assessing how entrepreneurial orientation influenced business performance in emerging markets.

2.5 The Triple Bottom Line Framework: A Measurement of Sustainable Impact

The Triple Bottom Line (TBL) framework provided one of the most enduring conceptual tools for assessing sustainability in organisational performance. First introduced over three decades ago, it proposed that businesses should measure success through three interrelated pillars: social, environmental, and economic value (Gu et al., 2021). By broadening performance metrics beyond profitability, the framework encouraged enterprises to evaluate how their operations affected both society and the environment.

Over time, the TBL evolved from a normative concept into a widely applied evaluative framework within entrepreneurship and management studies. Researchers adopted it to capture the multidimensional nature of sustainability and its potential to yield competitive advantage. When firms integrated TBL principles into their strategy, they enhanced stakeholder trust, brand legitimacy, and innovation capacity—factors that contributed to long-term performance (Srivastava et al., 2022).

However, the TBL also faced criticism regarding its application and measurement consistency. Srivastava et al. (2022) argued that the framework often became instrumentalised as a marketing or reporting tool rather than as a strategic management instrument. They contended that performance should not merely be assessed by the presence of TBL-related initiatives but by tangible accomplishments aligned with clearly defined goals.

Moreover, scholars suggested that organisations must first identify viable strategies and measurable objectives before evaluating performance through the TBL lens (Srivastava et al., 2022). Without such alignment, sustainability efforts risked remaining symbolic rather than transformative. Despite these critiques, the TBL persisted as a central framework for conceptualising sustainable entrepreneurship because of its holistic orientation and adaptability across sectors and contexts.

Gu et al. (2021) further expanded the framework by linking it to the concept of high-quality economic development, demonstrating that entrepreneurship grounded in the TBL contributed to social welfare and environmental quality while sustaining profitability. Subsequent research introduced additional constructs—such as culture, social justice, and governance quality—to complement the original three pillars, reinforcing the multidimensionality of sustainable impact.

Within the context of this study, the TBL served as both a theoretical and empirical foundation. It guided the formulation of hypotheses exploring how stakeholder orientation, sustainable practice orientation, and financial-viability orientation collectively influenced business performance. The framework thus provided a robust lens for examining the extent to which South African entrepreneurs balanced ethical responsibility with economic imperatives.

2.6 Integrating Stakeholder Theory and the Resource-Based View

While the Triple Bottom Line provides a structural foundation for measuring sustainable performance, the underlying mechanisms that enable firms to achieve sustainability-driven advantage are best explained by integrating Stakeholder Theory and the Resource-Based View (RBV). Stakeholder Theory (Freeman et al., 2020) posits that organisational success is contingent on effectively managing relationships with diverse actors—including customers, suppliers, employees, communities, and regulators—who can influence or are influenced by business activities. Conversely, the RBV (Barney, 1991; Barney et al., 2021) asserts that firms gain sustained competitive advantage from possessing and leveraging unique, valuable, rare, inimitable, and non-substitutable (VRIN) resources.

Integrating these theories establishes a more comprehensive explanation for sustainable entrepreneurship: stakeholder relationships are themselves intangible resources that contribute to firm value. For instance, stakeholder trust, reputation, and shared social capital are non-material assets that enhance legitimacy, access to information, and market differentiation. These attributes meet the RBV criteria for sustainable advantage—being difficult to imitate and deeply embedded in firm–stakeholder interactions.

Moreover, stakeholder engagement functions as a dynamic capability that enables firms to reconfigure resources in response to social, environmental, or regulatory change (Teece, 2018). Entrepreneurs operating in uncertain markets, such as South Africa, can transform stakeholder input into innovation pathways, policy influence, or market legitimacy. This perspective aligns with the Dynamic Capabilities View (DCV), which extends RBV by emphasising learning, sensing, and adaptation as key mechanisms for maintaining competitiveness amid volatility.

The integration of Stakeholder Theory and RBV also reframes sustainability not as an ethical afterthought but as a strategic capability (Freeman et al., 2020). Firms that embed stakeholder collaboration in product design, supply-chain governance, and local partnerships develop unique capabilities that competitors cannot easily replicate. These interactions yield cumulative advantages, particularly in emerging markets where resource scarcity amplifies the value of social capital. Therefore, in sustainable entrepreneurship, the boundary between ethical responsibility and strategic advantage becomes blurred—the act of engaging responsibly is itself a competitive resource.

2.7 Challenges and Opportunities around Sustainable Entrepreneurship

Although the literature confirmed growing scholarly interest in sustainable entrepreneurship, it also revealed persistent structural and market barriers that constrained its adoption. Quantitative studies examining entrepreneurial approaches to sustainability found that while socially and environmentally oriented ventures created positive externalities, they often struggled to achieve financial parity with conventional competitors (Rosário et al., 2022).

Existing institutional frameworks tended to favour established business practices and price structures that prioritised short-term profit over long-term societal value. This bias created unfavourable conditions for sustainability-driven ventures that operated at higher costs due to ethical sourcing, environmental compliance, or community engagement (Rosário et al., 2022). To overcome such disadvantages, scholars argued for macro-level collaboration between public and private sectors to promote sustainable business ecosystems. Policy alignment, access to green finance, and incentives for innovation were identified as key enablers for scaling sustainable ventures (Pabst et al., 2021).

Rosário et al. (2022) further suggested that systemic change required both market and cultural shifts—namely, the adoption of sustainability norms within value chains and the diffusion of awareness among consumers. Without such shifts, sustainable entrepreneurs would remain peripheral actors in mainstream markets. At the same time, technological advances presented notable opportunities. Holzmann and Gregori (2023) found that digital technologies, including data analytics and automation, enhanced the capacity of entrepreneurs to design resource-efficient processes, monitor environmental impact, and engage stakeholders transparently. These innovations reduced operational costs and improved credibility among investors and consumers.

Empirical evidence by Soto-Acosta et al. (2016) revealed a statistically significant relationship between elements of sustainable entrepreneurship and firm performance, indicating that sustainability practices could strengthen competitiveness when effectively implemented. They recommended further research into additional variables—beyond the TBL dimensions—that might mediate or moderate this relationship, such as organisational culture, leadership orientation, and national institutional frameworks. Moreover, cross-cultural studies were needed to compare how contextual factors influenced sustainable-entrepreneurial outcomes across different economies.

In conclusion, sustainable entrepreneurship represented both a challenge and an opportunity. Entrepreneurs faced resource constraints and institutional inertia but could leverage innovation and stakeholder collaboration to generate long-term advantage (Johnsen, 2023). The literature therefore highlighted the necessity of empirically examining how the various orientations embedded in sustainable entrepreneurship—stakeholder, environmental, and financial—jointly affected business performance.

The preceding review demonstrated that sustainable entrepreneurship had evolved into a critical field linking social and environmental responsibility with financial performance. Nevertheless, gaps remained in understanding how these orientations influenced measurable business outcomes within emerging-market contexts such as South Africa. Building on these insights, the next chapter formulates the research questions and hypotheses that guided this study.

2.8 Institutional Voids and Policy Fragmentation in Emerging Economies

Institutional voids—defined as the absence or inefficiency of formal market-supporting institutions—significantly constrain sustainable entrepreneurship in emerging economies. Khanna and Palepu (2010) describe these voids as gaps in regulatory systems, financial markets, and information infrastructure that limit entrepreneurial capacity to scale or access capital. In South Africa, institutional voids manifest through bureaucratic delays, inconsistent enforcement of environmental regulations, and limited coordination between national and municipal policy frameworks. These shortcomings weaken entrepreneurs' confidence in long-term investment and undermine the predictability required for sustainability-oriented strategies.

Policy fragmentation compounds the problem by creating overlapping mandates and incoherent incentive structures (Cabrera & Byrne, 2021). While South Africa's National Development Plan (NDP 2030), Green Economy Accord, and Industrial Policy Action Plan (IPAP) advocate sustainable growth, their implementation remains disjointed across agencies (SEFA, 2024). This fragmentation causes resource duplication, regulatory uncertainty, and limited follow-through on funding or compliance support. For example, small firms seeking green finance often face contradictory criteria between environmental agencies and financial institutions. As a result, many entrepreneurs revert to short-term, survival-oriented business models.

Goyal et al., (2021) argue that fragmented institutional support and unclear policy incentives often limit entrepreneurs' ability to scale sustainability-oriented ventures in emerging markets. Similarly, Gu et al. (2021) note that incoherent policy frameworks weaken the connection between sustainability goals and national development outcomes, reducing the perceived strategic value of sustainability. Conversely, in contexts where institutional alignment exists—such as coherent renewable-energy policy integration—entrepreneurs are more likely to view sustainability as a driver of innovation and investment. Lozano (2022) likewise finds that strong institutional coherence enhances ESG performance by lowering transaction costs and increasing investor trust.

Addressing institutional voids thus requires the state to coordinate regulatory instruments, align sustainability incentives with market mechanisms, and build platforms that reduce informational asymmetries. For South Africa, this implies greater integration between SEDA, SEFA, and provincial enterprise agencies to streamline funding and monitoring processes. Reducing policy fragmentation would enable sustainable entrepreneurs to operate within a more predictable environment, transforming sustainability from a compliance burden into a driver of competitive advantage.

2.9 Barriers to Entry and Systemic Challenges in Sustainable Entrepreneurship

While sustainable entrepreneurship holds transformative potential, its diffusion in emerging markets is impeded by multifaceted barriers. Financial constraints remain the most cited obstacle, as sustainability-driven ventures often require upfront investments in cleaner technologies, certification, or ethical supply-chain compliance (UNDP, 2023). In South Africa, high interest rates, limited venture capital, and collateral requirements disproportionately exclude SMEs from green financing channels (SEFA, 2024). These financial barriers perpetuate a cycle in which only well-capitalised firms can afford sustainability transitions, widening inequality between small and large enterprises.

Beyond finance, informational and educational barriers hinder adoption (Goyal, 2020). Many entrepreneurs lack access to sustainability knowledge, environmental accounting frameworks, or lifecycle-impact methodologies (Soto-Acosta et al., 2016). This knowledge asymmetry prevents firms from identifying the business case for sustainability or quantifying its returns. Moreover, a cultural barrier persists—some entrepreneurs perceive sustainability as a Western import disconnected from local market realities or immediate survival needs.

Regulatory uncertainty adds another layer of difficulty. Fragmented enforcement and shifting compliance requirements create unpredictability in operational costs, especially for micro and informal businesses (Rosário et al., 2022). Additionally, infrastructural deficiencies—such as unreliable energy supply and inadequate waste-management systems—limit entrepreneurs' ability to implement sustainability initiatives effectively.

Despite these barriers, emerging opportunities exist through technological leapfrogging and collaborative ecosystems. Partnerships with universities, NGOs, and development agencies can bridge knowledge and resource gaps. Digital tools such as blockchain and data analytics enhance transparency and traceability, enabling SMEs to differentiate themselves through verified sustainability credentials. Policymakers must therefore design integrated support mechanisms that simultaneously address financial, informational, and regulatory gaps to foster a more inclusive and sustainable entrepreneurial ecosystem (Pabst et al., 2021).

2.10 Chapter Summary and Conceptual Linkage

This chapter systematically explored the theoretical and empirical foundations underpinning sustainable entrepreneurship and its relationship with business performance. It began by examining how performance measurement and management (PMM) systems evolved to accommodate sustainability imperatives, highlighting the need for integrated frameworks such as the Sustainability Balanced Scorecard. The discussion then contextualised global business trends—technological innovation, servitisation, collaboration, and environmental consciousness—that collectively reshape how competitiveness and performance are defined.

The review advanced to position sustainable entrepreneurship as a multidimensional construct that merges profit generation with environmental and social accountability. Through the Triple Bottom Line (TBL) framework, entrepreneurship was conceptualised as a mechanism for value creation across people, planet, and profit. The added integration of Stakeholder Theory and the Resource-Based View (RBV) illustrated how intangible relational assets—trust, legitimacy, and shared knowledge—constitute core strategic resources that reinforce competitive advantage. In volatile environments like South Africa, these stakeholder-based resources become vital dynamic capabilities that allow firms to adapt, innovate, and sustain long-term performance (Holzmann & Gregori, 2023).

The extended review also addressed the institutional and policy context, noting how fragmentation and regulatory inefficiencies in emerging economies, including South Africa, weaken the translation of sustainability rhetoric into practice. At the same time, financial, informational, and infrastructural barriers continue to limit market entry for small and medium enterprises seeking to adopt sustainable models. However, opportunities remain within technological innovation, collaboration networks, and targeted policy alignment that can mitigate institutional voids.

Collectively, these insights reveal that the performance outcomes of sustainable entrepreneurship depend on the synergy between internal resources, stakeholder relationships, and supportive institutional frameworks. The synthesis provides a theoretical foundation for Chapter 3, which operationalises these relationships into measurable constructs and hypotheses. In doing so, the next chapter translates this conceptual grounding into a structured research model that empirically examines how sustainable orientations influence business performance among South African entrepreneurs.

Chapter 3: Research Questions and Hypotheses

3.1 Introduction

This chapter defines the specific research questions and hypotheses that guided the empirical analysis. Drawing on the theoretical foundations established in Chapter 2, the framework integrates the Triple Bottom Line (TBL) and the Resource-Based View (RBV) to explore how three dimensions of sustainable entrepreneurship orientation—stakeholder orientation, sustainable-practice orientation, and financial-viability orientation—relate to business performance within the South African context.

The chapter therefore operationalises the central aim of the study: to determine the extent to which sustainability-oriented strategies influence business performance among entrepreneurs operating in South Africa.

3.2 Research Framework

The literature review demonstrated that the TBL emphasised a balance among social, environmental, and economic outcomes (Srivastava et al., 2022), while the RBV posited that internal resources and capabilities that are valuable, rare, inimitable, and non-substitutable form the basis of sustained competitive advantage (Barney et al., 2021).

By combining these perspectives, the study assumes that sustainability-oriented capabilities—such as stakeholder trust, innovation in green processes, and financially disciplined management—constitute strategic resources that can enhance firm performance. Figure 1 conceptually depicts these relationships, positioning sustainable entrepreneurship orientation as a multidimensional construct influencing business performance.

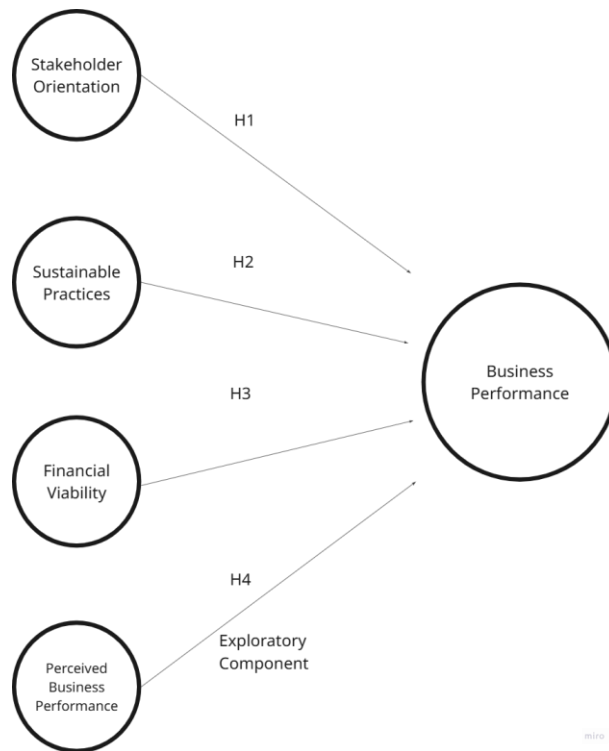


Figure 1: Hypothesis Design Diagram

3.3 Research Question

The central research question underpinning this study is:

To what extent do the dimensions of sustainable entrepreneurship orientation— stakeholder orientation, sustainable-practice orientation, and financial-viability orientation—affect business performance among South African entrepreneurs?

Sub-questions include:

1. How does stakeholder orientation influence business performance?
2. How do sustainable business practices influence business performance?
3. How does financial-viability orientation influence business performance?

3.4 Hypotheses Development

3.4.1 Stakeholder Orientation and Business Performance

Grounded in stakeholder theory, organisations that engage meaningfully with their stakeholders develop legitimacy, trust, and access to diverse resources, which in turn strengthen performance. Proactive and transparent stakeholder engagement facilitates opportunity recognition and fosters loyalty among customers and partners (Latifah et al., 2021). Consequently:

H1: Entrepreneurial orientation toward stakeholders positively influences business performance.

3.4.2 Sustainable Practice Orientation and Business Performance

Drawing on the TBL, firms that adopt sustainable practices often benefit from innovation, resource efficiency, and long-term reputational gains (Gu et al., 2021). However, empirical evidence in emerging markets remains mixed, with some studies reporting weak short-term financial returns. This study tests whether entrepreneurs who prioritise sustainable operations achieve improved performance outcomes.

H2: Entrepreneurial orientation toward sustainable practices positively influences business performance.

3.4.3 Financial Viability Orientation and Business Performance

From an RBV perspective, financial discipline and the ability to manage resources effectively represent strategic competencies that sustain organisational growth. Entrepreneurs who balance profitability with sustainability are more resilient during economic uncertainty (Hart & Milstein, 2003; Barney et al., 2021).

H3: Entrepreneurial orientation toward financial viability positively influences business performance.

3.4.4 Perceived Business Performance and Business Performance

Prior studies suggested that perceived business performance could mediate comparative advantage by influencing decision-making confidence and strategic direction. This exploratory dimension was added to test the internal consistency of the model.

H4: Perceived business performance positively influences business performance.

Unlike the primary hypotheses (H1–H3), which are grounded in established theoretical relationships drawn from the Triple Bottom Line and Resource-Based View frameworks, Hypothesis 4 (H4) is exploratory. It was introduced to examine potential self-perception or cognitive bias effects within entrepreneurial performance assessment. Prior literature (e.g., Linton & Kask, 2017) suggests that perceived performance may influence decision-making confidence, strategic ambition, and subsequent performance outcomes. Testing H4 therefore contributes to validating the internal coherence and perceptual dimensions of the proposed model.

This chapter articulated four hypotheses grounded in stakeholder theory, the TBL, and the RBV. These propositions collectively formed the conceptual basis for the quantitative analysis that follows. The next chapter details the methodological design, including sampling, data collection, and statistical testing used to evaluate the hypotheses.

Chapter 4: Research Methodology

4.1 Purpose of Research Design

This research adopted a descriptive quantitative survey design to examine how sustainable-entrepreneurship orientation affected business performance among South African entrepreneurs. The descriptive approach enabled the systematic identification and analysis of relationships among variables without manipulating the environment (Creswell & Creswell, 2017). It was appropriate for explaining how specific orientations—stakeholder, sustainable-practice, and financial-viability—related to measurable business outcomes.

4.2 Research Philosophy

The study was grounded in a positivist philosophy. Positivism assumes that social phenomena can be observed objectively and quantified through empirical evidence (Saunders & Lewis, 2018). Consistent with this view, the research sought to test pre-formulated hypotheses derived from established theory and to generalise findings from a representative sample. The researcher therefore maintained objectivity throughout the process by using structured instruments and statistical analysis.

4.3 Research Approach

A deductive approach guided the study. Deduction begins with theoretical propositions and tests them empirically (Saunders & Lewis, 2018). Using the insights gained from the literature review, specific hypotheses were developed and then examined through statistical analysis to determine whether the observed relationships supported or contradicted the proposed theory. In addition to these three theoretically derived hypotheses, one exploratory relationship was examined between Perceived Business Performance (PBP) and Business Performance (BP). This supplementary test aimed to assess whether entrepreneurs' subjective perceptions of success correspond with objective performance indicators, thereby offering insight into potential self-efficacy effects not formally theorised within the main model.

4.4 Methodological Choice

A mono-method quantitative strategy was employed. Because the hypotheses required numerical validation, quantitative techniques were appropriate for measuring relationships between variables. Survey research enabled the collection of standardised data from multiple respondents, which was then analysed statistically to evaluate the strength and direction of associations.

4.5 Research Strategy

The research strategy consisted of an online survey distributed via digital channels, including LinkedIn, WhatsApp, and targeted e-mail invitations. Survey methodology was selected because it allowed for the efficient collection of comparable data from geographically dispersed respondents within a limited timeframe (Saunders & Lewis, 2018). Closed-ended questions ensured consistency across participants, while Likert-scale items facilitated quantitative evaluation (Creswell & Creswell, 2017; Sekaran and Bougie, 2016).

4.6 Time Horizon

The investigation followed a cross-sectional design. Data were collected during a single thirty-day period, providing a snapshot of entrepreneurial orientations and performance perceptions at one point in time. Although longitudinal research could reveal changes over time, the cross-sectional approach was sufficient to address the study's objectives given the exploratory nature and time constraints.

4.7 Population

The target population comprised South African entrepreneurs operating small to medium-sized enterprises across diverse sectors who had adopted, or expressed interest in adopting, sustainability-oriented practices. This population was chosen because it reflected the country's growing entrepreneurial base and provided insights into how sustainability principles were applied within emerging-market conditions. Participants were required to be actively involved in strategic or operational decision-making within their enterprises.

4.8 Unit of Analysis

The unit of analysis consisted of individual entrepreneurs who completed the survey questionnaire. Each respondent represented a single business entity. By focusing on individual-level perceptions, the study captured how personal orientation toward sustainability translated into organisational behaviour and performance outcomes.

4.9 Sampling Method and Size

A non-probability snowball-sampling technique was employed. Initial participants were identified through professional networks on LinkedIn and entrepreneurship forums and were asked to refer other qualifying entrepreneurs. Snowball sampling was appropriate because sustainable-entrepreneurship networks in South Africa remain relatively small and informally connected (Cohen & Arieli, 2011).

While snowball sampling is effective for accessing entrepreneur networks, it introduces several non-probability biases. First, network homophily may over-represent certain sectors, geographies, or demographic groups linked to the initial "seed" respondents. Second, self-selection bias can inflate pro-sustainability attitudes, as individuals sympathetic to the topic may be more likely to participate. Third, coverage bias may occur if entrepreneurs with limited digital presence are under-sampled. To mitigate these risks, the researcher (a) initiated

multiple, heterogeneous seed groups across industries such as services, construction, retail, and technology; (b) monitored sample composition to identify under-represented segments and targeted them in subsequent waves; and (c) limited referrals per respondent to reduce cluster dominance (Saunders & Lewis, 2018). Despite these precautions, results should be interpreted as analytically generalisable to similar SME contexts rather than statistically generalisable to the entire South African entrepreneurial population.

Although this approach limited statistical generalisability, it was effective in reaching respondents who met the inclusion criteria. Approximately 260 individuals were invited to participate and contacted through professional networks and digital channels, of which 128 initially responded, yielding a response rate of about 49 percent. Following data screening and validation procedures, 23 incomplete or duplicate entries were removed, resulting in 105 valid and complete responses for analysis. This final sample size, while slightly below the target of 110, remained comparable with those used in similar quantitative studies (Soto-Acosta et al., 2016).

4.10 Sample size adequacy and rationale.

The adequacy of the sample was assessed with reference to the guidelines proposed by Hair et al. (2021). According to their multivariate data analysis criteria, a minimum sample size of approximately 150 observations is recommended to achieve adequate statistical power (0.80) when analysing models with multiple predictors and moderate effect sizes. Although the current study's sample ($n = 105$) falls slightly below this threshold, it remains acceptable given the analytical context. Hair et al. (2021) acknowledge that smaller samples can be justified when model complexity is limited, data quality is high, and statistical assumptions are satisfied. Since the present study employed a parsimonious OLS regression model with four predictors, strong construct reliability, and robust diagnostic results, the achieved sample size is deemed sufficient to ensure valid and interpretable findings within the study's exploratory and emerging-market scope.

4.10 Measurement Instrument

Data were collected using a structured questionnaire adapted from the validated instrument developed by Soto-Acosta et al. (2016), which is presented in Annexure D. Items were measured on a five and seven-point Likert scales. The instrument comprised five constructs:

1. Stakeholder Orientation (SO)
2. Sustainable Practice Orientation (SPO)
3. Financial Viability (FV)
4. Perceived Business Performance (PBP)
5. Business Performance (BP)

Sample items included statements such as *“The organisation engages with local communities”* (SO) and *“The organisation uses financial performance metrics in day-to-day decision-making”* (FV). Prior to distribution, the survey was piloted with five respondents to verify clarity and face validity. The summary of the statements and the aligning construct are tabulated in Table 1 below.

Construct	Questionnaire Items
Stakeholder Orientation (SO)	The Organisation engages with local communities.
	Organisational decisions are influenced by stakeholder feedback
	Inclusive practices are upheld for underrepresented groups of people within the organisation.
	Communication within the organisation and to stakeholders are transparent and open.
	Collaboration between the organisation and local communities achieve shared social goals and targets.
Sustainable Practices Orientation (SPO)	The organisation actively seeks means to reduce its environmental footprint.
	The organisation uses environmentally friendly materials and means of production when and whenever possible.
	The organisation partakes in innovative campaigns and includes innovation in their active strategy.
	The organisation considers the environmental impact of their goods and services.
	The organisation invests in technologies which promotes environmental sustainable practices
Financial Viability (FV)	The organisation achieves consistent revenue growth over the past three financial years.
	The organisation uses financial performance metrics in the day-to-day decision making process.
	The organisation aims to balance social and environmental goals with profitability targets.
	The organisation remains marketplace competitive while adhering to sustainability commitments.
	The organisation has seen a return on investment on sustainable practices.x
Perceived Business Performance (PBP) (Exploratory)	The organisation has experienced increased levels of customer loyalty due to sustainable practices.
	The organisation experiences a competitive advantage due to sustainable entrepreneurship practices.
	The organisation's financial performance has improved since the adoption of sustainable entrepreneurial practices.
Business Performance (BP)	In comparison to competitors, the organisation outperforms in the field of innovation.
	In comparison to competitors, the organisation is able to better position themselves in unserved marketspaces.
	In comparison to competitors, the organisation has achieved a higher growth in marketshare.
	In comparison to competitors, the organisation has perceived a better return on investment.

Table 1: Construct Analysis Table

4.11 Data Gathering Instrument

The online survey was hosted on an online survey tool, hosted on Survey Money and was distributed electronically between 01 September and 05 October 2025. Participants accessed the instrument via a secure link. A total of 128 responses were automatically recorded in an Excel dataset, screened for completeness, and exported to SPSS v30 for analysis. Duplicate or incomplete entries were removed, yielding 105 valid cases for statistical testing.

4.12 Analysis Approach and Techniques

Collected data were exported to SPSS v30 for analysis. The following statistical procedures were conducted:

1. Descriptive Statistics: To summarise demographic and organisational characteristics.
2. Reliability Analysis: Cronbach's alpha coefficients assessed the internal consistency of each construct (threshold ≥ 0.60).
3. Correlation Analysis: Pearson's r was used to evaluate bivariate relationships among independent and dependent variables.

Regression Analysis: Ordinary Least Squares (OLS) Multiple Linear Regression (MLR) tested the three hypotheses simultaneously, estimating the extent to which stakeholder orientation, sustainable-practice orientation, and financial-viability orientation predicted business performance. Diagnostic checks (normality, multicollinearity, linearity, and homoscedasticity) were performed to ensure model validity.

Note: Significance Testing: Results were interpreted at a 5 percent significance level ($p \leq 0.05$), with coefficients, R^2 , adjusted R^2 , and F-statistics reported for each model.

An exploratory regression model (H4) was specified to assess the relationship between Perceived Business Performance (PBP) and BP. This analysis extended the study beyond its core theoretical model to investigate perceptual drivers of entrepreneurial outcomes. This analytical framework enabled the quantification of the predictive strength of each entrepreneurial orientation on business performance while maintaining statistical transparency and replicability.

4.13 Quality Controls

To ensure methodological rigour and data integrity, several quality-control procedures were implemented throughout the research process. Instrument reliability and validity were assessed both before and after data collection.

Reliability. Internal consistency was evaluated using Cronbach's alpha coefficients for each construct. All constructs exceeded the minimum threshold of 0.70, indicating satisfactory reliability for exploratory quantitative studies (Hair et al., 2021).

Content validity was ensured through a detailed review of the questionnaire by academic supervisors and entrepreneurship specialists, confirming that each item accurately reflected the theoretical constructs derived from the Triple Bottom Line (TBL) and Resource-Based View (RBV) frameworks.

Face validity was established during the pre-test phase, where ten entrepreneurs assessed item clarity and interpretability. Minor adjustments were made based on their feedback.

Data quality checks were conducted prior to statistical analysis. The dataset was screened for missing values, outliers, and response inconsistencies. Missing data were minimal (below 5%) and managed using listwise deletion. Outliers were examined using z-scores (± 3.29) and boxplots to maintain normal distribution assumptions.

Regression diagnostics were performed to confirm compliance with OLS assumptions, including normality of residuals, multicollinearity (Variance Inflation Factor < 5), homoscedasticity, and linearity. These diagnostic results validated the dataset's suitability for regression modelling.

Collectively, these measures ensured that the data were reliable, valid, and statistically appropriate for testing the study's hypotheses using Ordinary Least Squares multiple linear regression.

This chapter detailed the methodological framework used to investigate the relationship between sustainable-entrepreneurship orientation and business performance. It outlined the research design, sampling strategy, data collection procedures, ethical considerations, and statistical analyses applied. Together, these elements provide a rigorous and transparent foundation for the empirical analysis presented in Chapter 5.

Chapter 5: Findings and Results

5.1 Introduction

This chapter presents the empirical results of the quantitative analysis conducted to test the hypotheses outlined in Chapter 3. The analysis was based on 105 valid survey responses from South African entrepreneurs. Statistical procedures were performed using Ordinary Least Squares (OLS) multiple regression, supported by descriptive statistics, reliability testing, and correlation analysis.

In addition to the three primary hypotheses, an exploratory model (H4) examined the relationship between Perceived Business Performance (PBP) and Business Performance (BP) to assess potential self-efficacy effects.

5.2 Sample Description

The survey yielded 105 valid responses from South African entrepreneurs representing a diverse mix of SMEs. Tables 2–4 summarise the key demographic and organisational characteristics most relevant to the analysis: gender, organisational age, and firm size. These variables are important as they reflect the structural diversity of SMEs and contextualise patterns of entrepreneurial orientation and business performance.

<u>Variable</u>	<u>Category</u>	<u>Frequency</u>	<u>Percentage</u>
<u>Gender</u>	Male	82	79%
	Female	23	21%

Table 2: Descriptive analysis by gender

The sample consisted primarily of male entrepreneurs (79 %) with female respondents representing 21 %. This distribution is broadly consistent with South Africa’s SME sector, where male ownership remains dominant despite gradual growth in women-led enterprises (SEDA, 2024). The gender representation therefore reflects the national entrepreneurial profile while still providing sufficient diversity for comparative analysis.

<u>Variable</u>	<u>Category</u>	<u>Frequency</u>	<u>Percentage</u>
<u>Organisation Age</u>	1 – 2 Years	7	7%
	3 – 5 Years	9	8%
	5 – 8 Years	17	16%
	8+ Years	72	68%

Table 3: Descriptive Analysis by organisation age.

Most firms (68 %) had been operating for more than eight years, indicating a mature and experienced sample. A smaller proportion (15 %) represented newer or early-stage ventures. The dominance of established businesses suggests that respondents had developed structured management systems and were likely familiar with sustainability and financial-performance considerations—conditions suitable for analysing sustainable-entrepreneurship orientation.

<u>Variable</u>	<u>Category</u>	<u>Frequency</u>	<u>Percentage</u>
<u>Organisation Size</u> (Head Count)	1 – 10	30	29%
	11 – 25	15	14%
	25 – 50	12	11%
	51 – 100	10	10%
	101 – 200	8	7%
	200+	30	29%

Table 4: Descriptive analysis by organisation size.

Firm size varied considerably. Micro-enterprises employing up to ten people represented 29 % of the sample, while another 29 % managed larger operations with more than 200 employees. The remaining categories were evenly distributed across small and medium-sized firms. This range strengthens the generalisability of findings across SMEs of different scales and operational capacities.

Regional representation was heavily concentrated in the Gauteng Province, which accounted for approximately 87 percent of all respondents. Other provinces contributed only a small fraction of the total sample, reflecting South Africa's strong entrepreneurial clustering around the Gauteng economic corridor encompassing Johannesburg, Pretoria, and surrounding municipalities. While this concentration underscores the province's centrality to national SME activity, it also limits inter-provincial comparisons.

Although the questionnaire allowed for detailed industry classification, the final dataset (N = 105) did not yield sufficient cases per sector for meaningful between-industry analysis. Consequently, industry effects were not modelled statistically, and the results are presented as sector-agnostic summaries.

Collectively, the demographic and organisational profile demonstrates that the sample was diverse in age and enterprise scale while largely reflective of Gauteng's entrepreneurial landscape. These characteristics reinforce the applicability of the findings to comparable SME contexts where entrepreneurs operate under similar institutional and resource constraints.

5.3 Reliability Testing

Construct reliability was assessed using Cronbach's alpha (Table 5). All constructs met or closely approached the 0.70 threshold acceptable for exploratory quantitative research (Kumar, 2024).

<u>Construct</u>	<u>Cronbach Alpha</u>	<u>Interpretation</u>
SO	0.575	Below acceptable*
SPO	0.91	Excellent
FV	0.718	Acceptable
PBP	0.925	Excellent
BP	0.725	Acceptable

Table 5: Reliability Analysis Results

*Although the Cronbach's α for the Stakeholder-Orientation (SO) construct ($\alpha = 0.575$) falls marginally below the conventional 0.7 threshold, it remains acceptable within the bounds of exploratory research. Kumar (2024) emphasise that in early-stage, theory-testing studies—especially those involving new constructs or heterogeneous samples— α values between 0.5 and 0.6 may be retained if the construct demonstrates theoretical importance and face validity.

Given that stakeholder orientation constitutes a core dimension of the study's conceptual model, exclusion would undermine theoretical completeness. Therefore, the construct was preserved, with interpretation guided primarily by theoretical significance rather than strict statistical optimisation. The remaining constructs demonstrated satisfactory reliability for further analysis, particularly SPO and PBP, which indicated strong item cohesion.

5.4 Correlation Analysis

Pearson product–moment correlations were computed for all study variables (N = 105). Tests in SPSS were specified as one-tailed (directional), consistent with the hypothesised positive associations; for completeness, we note where two-tailed interpretation would change significance.

Variable	Mean	Standard Deviation
1. Business Performance (BP)	3.81	0.618
2. Stakeholder Orientation (SO)	4	0.541
3. Sustainable Practice Orientation (SPO)	4.074	0.752
4. Financial Viability (FV)	4.032	0.571
5. Perceived Business Performance (PBP)	3.794	0.946

Table 6: Correlation Analysis - Mean and Standard Deviation

Variable	1	2	3	4	5
1. Business Performance (BP)	-	-	-	-	-
2. Stakeholder Orientation (SO)	0.190*	-	-	-	-
3. Sustainable Practice Orientation (SPO)	0.087	0.565**	-	-	-
4. Financial Viability (FV)	0.306**	0.607**	0.639**	-	-
5. Perceived Business Performance (PBP)	0.381**	0.381**	0.401**	0.702**	-
One-tailed tests; $p < 0.05$ (*); $p < 0.01$ (**)					

Table 7: Pearson Correlations (r)

The correlation analysis revealed that all zero-order associations with business performance (BP) were positive, consistent with theoretical expectations. Effect-size interpretation indicated that the relationship between stakeholder orientation (SO) and BP was small ($r = .19$, $r^2 \approx 3.6\%$), while financial viability (FV) and perceived business performance (PBP) demonstrated moderate positive associations ($r = .306$, $r^2 \approx 9.4\%$; $r = .381$, $r^2 \approx 14.5\%$, respectively). In contrast, sustainable-practice orientation (SPO) showed a weak correlation with BP ($r = .087$, $r^2 \approx 0.8\%$), suggesting limited short-term influence on performance outcomes.

Examination of inter-predictor relationships indicated moderate intercorrelations among SO, SPO, and FV (ranging from $r = .565$ to $.639$), reflecting conceptual proximity in sustainability and financial practices. The relatively high correlation between PBP and FV ($r = .702$) suggested substantial shared variance (approximately 49%), though this remained within acceptable bounds for multicollinearity.

Diagnostic statistics confirmed that Variance Inflation Factors (VIFs) were below 3.2 (SO = 1.73; SPO = 1.86; FV = 3.19; PBP = 1.99), tolerances exceeded 0.31, and the maximum condition index of 31.8 involved only one variable with a high loading (FV), collectively satisfying the assumptions for OLS regression.

Correlations indicate that financial discipline (FV) and entrepreneurial confidence/perceived performance (PBP) are most closely associated with performance outcomes at the bivariate level, while stakeholder orientation (SO) is modest and sustainable-practice orientation (SPO) is weak in the short term. These relationships provided a coherent basis for OLS estimation and are not confounded by problematic multicollinearity, as confirmed by the VIF and condition-index results.

5.5 Regression Analysis

5.5.1 Model Diagnostics

Before testing the hypotheses, standard diagnostic checks were performed to ensure that the data met the assumptions required for Ordinary Least Squares (OLS) regression. Residual plots confirmed linearity and normal distribution of residuals (Figure 17, Annexure G). The Durbin–Watson statistic (1.760) indicated no autocorrelation among residuals. Multicollinearity was assessed using Variance Inflation Factor (VIF) and tolerance values. As shown in the coefficient output, all VIFs were below 3.2 (SO = 1.73; SPO = 1.86; FV = 3.19; PBP = 1.99) and tolerance values were above 0.31, satisfying conventional thresholds (Hair et al., 2021).

The Condition Index (31.849) identified only one mild high-loading dimension, driven primarily by FV, which remained within acceptable bounds (below 30–35). Collectively, these indicators confirmed that the model met statistical assumptions and that multicollinearity did not threaten the reliability of regression estimates.

5.5.2 Model Summary

The regression model, which included all four predictors (SO, SPO, FV, and PBP), was statistically significant overall ($F(4,100) = 4.995, p = .001$). The model's explanatory power was modest, with $R^2 = .167$ and an adjusted $R^2 = .133$, indicating that approximately 13.3% of the variance in business performance was explained by the four predictors combined (Ruan, 2024). While this level of explained variance is typical for behavioural studies in entrepreneurship, it also highlights the influence of contextual and external factors beyond the model's scope. The standard error of estimate (0.575) and the balanced distribution of residuals supported acceptable model fit.

5.5.3 Coefficients and Hypothesis Testing

Predictor	Beta	t	p	95% CI	Zero-order r	VIF	Interpretation
SO	0.081	0.671	0.504	-0.18 – 0.365	0.190	1.733	Not significant
SPO	-0.181	-1.457	0.148	-0.352 – 0.054	0.087	1.856	Not significant
FV	0.149	0.913	0.364	-0.189 – 0.511	0.306	3.190	Not significant
PBP (Exploratory)	0.319	2.472	0.015	0.041 – 0.375	0.381	1.994	Significant positive

Table 8: OLS Regression Coefficients for Predictors of Business Performance

Although the overall regression was significant, only Perceived Business Performance (PBP) emerged as a statistically significant predictor ($\beta = .319$, $p = .015$). This suggests that entrepreneurs' perceptions of their own business success strongly aligned with reported performance outcomes.

Financial Viability (FV) displayed a moderate positive zero-order correlation with BP ($r = .306$) but did not reach significance once other variables were controlled for, implying potential overlap with PBP or sample-related variability. Stakeholder Orientation (SO) and Sustainable-Practice Orientation (SPO) were not significant predictors ($p = .504$ and $.148$, respectively).

The negative, albeit non-significant, coefficient for SPO may reflect short-term implementation costs or time-lagged benefits associated with sustainability investments (Phan et al., 2020; Srivastava et al., 2022).

5.6 Interpretation of Findings

The regression results indicate that entrepreneurial perceptions—specifically, how entrepreneurs evaluate their firm’s performance (PBP)—had the most substantial and statistically significant relationship with reported business performance (BP).

This finding supports the exploratory hypothesis (H4) and aligns with research linking self-efficacy and cognitive appraisal to entrepreneurial outcomes. Although financial viability (H3) did not achieve statistical significance in the multivariate model, its positive correlation with performance underscores its practical importance as a foundational capability.

Stakeholder orientation (H1) showed a small, non-significant effect, while sustainable-practice orientation (H2) produced a weak and negative coefficient, suggesting that sustainability efforts may not yet yield measurable financial returns in early or resource-constrained stages.

Taken together, these results suggest that South African entrepreneurs’ self-perceptions and financial management orientations play a more immediate role in explaining business performance than stakeholder or sustainability orientations.

However, the positive zero-order correlations for all predictors—combined with the model’s overall significance—indicate that these orientations collectively contribute to a broader sustainability-performance dynamic that may unfold over time.

5.7 Summary of Findings

Hypothesis 1: (SO $\rightarrow$ BP). Stakeholder orientation showed a small and statistically non-significant relationship with business performance ($\beta = 0.081$, $p = 0.504$). Although the direction of association was positive, the effect was minimal and did not reach significance. This suggests that while efforts to engage and satisfy stakeholders may enhance a firm's reputation and legitimacy, such initiatives alone may not directly translate into short-term financial or operational improvements. In the South African SME context, stakeholder engagement often occurs informally, with limited institutional structures or performance-tracking mechanisms to capture tangible benefits. The result may therefore reflect the underdevelopment of systematic stakeholder strategies within smaller enterprises. In practice, firms might enhance impact by formalising stakeholder processes—such as structured partnerships, transparent reporting, and feedback loops—to strengthen accountability and long-term trust. These activities could, over time, foster reputational advantages and improved resource access that are not immediately visible in short-term financial metrics.

Hypothesis 2: (SPO $\rightarrow$ BP). Sustainable-practice orientation displayed a weak and non-significant relationship with business performance ($\beta = -0.181$, $p = 0.148$). The negative but insignificant coefficient suggests that sustainability practices may impose initial costs or require longer timeframes to generate measurable returns. This pattern aligns with prior findings in emerging markets, where environmental and social initiatives frequently encounter challenges such as limited funding, low consumer demand for sustainable products, and inadequate institutional support. Many SMEs adopt sustainability informally or reactively, focusing on compliance rather than integration into competitive strategy.

Consequently, the absence of short-term performance gains may reflect a time-lag effect, where benefits—such as brand differentiation, cost savings, or risk mitigation—emerge only after sustained investment and market adaptation. Managers are therefore encouraged to phase sustainability implementation, beginning with initiatives that yield operational efficiencies (e.g., waste reduction, energy saving, or resource reuse), before expanding to socially oriented projects that enhance reputation and community trust (Johnsen, 2023; Sung & Park, 2018).

Hypothesis 3: (FV $\rightarrow$ BP). Financial viability orientation exhibited a positive but non-significant relationship with business performance ($\beta = 0.149$, $p = 0.364$). Despite statistical insignificance, the direction and magnitude of the coefficient—along with a moderate positive correlation ($r = .306$)—highlight the strategic importance of financial management in sustaining business outcomes. Entrepreneurs with strong budgeting, cost-control, and liquidity-monitoring capabilities tend to achieve higher operational resilience, enabling them to balance short-term profitability with long-term investment in sustainability. The finding is consistent with the Resource-Based View (RBV), which positions financial acumen as a critical internal capability that enhances firm adaptability and competitive advantage. Its non-significance may stem from overlap with perceived performance (PBP), which captures subjective evaluations of success that may already embed financial confidence. Strengthening internal accounting systems, integrating cash-flow analytics, and linking financial dashboards to performance targets could help entrepreneurs translate financial control into tangible growth and impact over time.

Hypothesis 4:(PBP → BP, exploratory). Perceived business performance demonstrated a significant positive association with reported performance ($\beta = 0.319$, $p = 0.015$). This finding supports the exploratory hypothesis, revealing a strong alignment between entrepreneurs' subjective assessments of their business success and the objective indicators captured in this study. The result may reflect a cognitive self-efficacy mechanism, wherein confident entrepreneurs exhibit greater persistence, proactive behaviour, and willingness to take calculated risks—actions that, in turn, reinforce measurable performance outcomes. From a behavioural perspective, high self-efficacy fosters goal commitment, strategic focus, and effective communication with stakeholders, thereby strengthening overall organisational performance. While this relationship is compelling, it should be interpreted with caution given its perceptual basis. Future research employing longitudinal or mixed-method designs could further test whether perceived performance precedes or follows actual performance, offering deeper insight into causality.

Collectively, the regression results reveal that entrepreneurial self-perception (PBP) is the most immediate and reliable predictor of business performance within this dataset. Financial viability (FV), while not statistically significant under control conditions, remains conceptually critical and likely interacts with perceptual and behavioural factors. Stakeholder orientation (SO) shows weak yet directionally positive effects, suggesting that social legitimacy and trust-building are valuable but may only manifest performance benefits over longer horizons. In contrast, sustainable-practice orientation (SPO) appears to incur short-term trade-offs or delayed payoffs in the South African SME context.

Chapter 6: Discussion of Results

6.1 Introduction

This chapter interprets the empirical results presented in Chapter 5 and connects them to the theoretical frameworks introduced earlier—namely the Triple Bottom Line (TBL), the Resource-Based View (RBV), and Stakeholder Theory.

The purpose is to explain *how* and *why* the observed statistical relationships emerged, to answer each research question and hypothesis directly, and to contextualise the findings within South Africa's small- and medium-enterprise (SME) environment.

No new literature is introduced; rather, this discussion focuses on translating numerical results into theoretical, behavioural, and contextual meaning.

6.2 What the model Explains

The Ordinary Least Squares (OLS) multiple-regression model tested the joint effects of stakeholder orientation (SO), sustainable-practice orientation (SPO), financial-viability orientation (FV), and perceived business performance (PBP) on overall business performance (BP). The overall model was statistically significant ($F(4, 100) = 4.995$, $p = .001$) and explained 13.3 percent of the variance in business performance ($R^2 = 0.167$; $\text{Adj } R^2 = 0.133$).

Among the four predictors, only PBP demonstrated a statistically significant positive relationship with BP ($\beta = 0.319$, $p = 0.015$). The remaining predictors—SO ($\beta = 0.081$, $p = 0.504$), SPO ($\beta = -0.181$, $p = 0.148$), and FV ($\beta = 0.149$, $p = 0.364$)—were positive in direction but not significant at the 5 percent level.

These results indicate that the entrepreneurs' cognitive and perceptual evaluations of their firm's success exert the most immediate and measurable influence on reported performance. By contrast, the structural sustainability orientations—stakeholder, environmental, and financial—may contribute indirectly or over longer time horizons. In emerging markets such as South Africa, institutional immaturity, inconsistent regulatory enforcement, and constrained financing appear to dampen the short-term translation of sustainability orientation into observable financial outcomes.

6.3 Discussion by Hypothesis and Research Question

6.3.1 Stakeholder Orientation and Business Performance (H1)

The relationship between stakeholder orientation and business performance was positive but statistically insignificant ($\beta = 0.081$, $p = 0.504$). Although entrepreneurs who valued stakeholder engagement tended to report marginally higher performance, the effect size was small. This suggests that stakeholder relationships, while intuitively beneficial, are not yet formalised or measured rigorously within most South African SMEs.

From a theoretical perspective, Stakeholder Theory posits that legitimacy and trust function as intangible resources that enhance competitiveness. However, many local entrepreneurs rely on informal interpersonal networks rather than codified partnership agreements, feedback loops, or reporting systems.

Without structured mechanisms for stakeholder consultation, the relational capital generated through goodwill remains under-leveraged.

Contextually, this reflects the fragmented institutional environment in which SMEs operate—often with limited access to stable supply chains, formal procurement, or community-development platforms.

Practically, firms could enhance performance by institutionalising engagement processes: for example, adopting supplier codes of conduct, publishing concise impact updates, and using stakeholder feedback to inform product or service innovation. Such formalisation would allow trust to evolve into reputational advantage and measurable performance gains over time.

6.3.2 Sustainable Practice Orientation and Business Performance (H2)

Sustainable-practice orientation exhibited a weak and negative, though non-significant, relationship with business performance ($\beta = -0.181$, $p = 0.148$). This outcome implies that, within the sampled SMEs, environmental and social initiatives currently impose short-term costs that may outweigh immediate financial benefits.

Many sustainability efforts—such as sourcing eco-friendly materials, improving energy efficiency, or engaging in community projects—require upfront investment and yield benefits only after market adaptation or scale is achieved.

Mechanistically, early-stage adoption increases operating expenses and managerial complexity before efficiency gains materialise. Within the South African context, these pressures are compounded by high energy costs, limited access to green financing, and low consumer willingness to pay price premiums for sustainable products. As a result, sustainability practices are often implemented reactively for compliance or reputational reasons rather than as deliberate performance strategies.

Implications: SMEs should adopt a *phased implementation approach*—beginning with resource-efficiency measures (waste reduction, fuel management, process optimisation) that generate visible cost savings and then reinvesting those savings in longer-term social or environmental initiatives. In policy terms, the finding underscores the need for stronger incentives and accessible financing instruments to support sustainability transitions in smaller enterprises.

6.3.3 Financial Viability Orientation and Business Performance (H3)

Financial-viability orientation displayed a positive but non-significant association with business performance ($\beta = 0.149$, $p = 0.364$). The direction of effect accords with the Resource-Based View, which identifies financial discipline as a key internal capability; however, the absence of significance suggests overlapping variance with perceived performance (PBP). Entrepreneurs who manage liquidity, budgeting, and cost control effectively are likely to feel more confident about their businesses, and that confidence—captured by PBP—appears to mediate the statistical impact of FV on overall performance (Zahra, 2021).

Contextually, South African SMEs operate amid persistent cash-flow challenges, delayed client payments, and limited credit access. Under such conditions, financial discipline may be necessary merely to sustain operations rather than to drive measurable growth. Nevertheless, the moderate positive correlation between FV and BP ($r = .306$) signals that sound financial practices remain strategically vital.

Managerial implication: formalising financial-monitoring systems, employing digital accounting tools, and integrating performance dashboards can transform basic solvency management into a source of competitive resilience. This capability becomes the foundation upon which broader sustainability practices can later build.

6.3.4 Perceived Business Performance and Business Performance (Exploratory H4)

Perceived Business Performance (PBP) was the only statistically significant predictor of reported performance ($\beta = 0.319$, $p = 0.015$), underscoring the influence of entrepreneurial cognition and self-efficacy on outcomes. Entrepreneurs who view their firms as successful tend to set bolder goals, act decisively, and communicate confidence to stakeholders—behaviours that reinforce measurable results. This finding aligns with behavioural and psychological perspectives suggesting that perception and belief can translate into tangible performance advantages through motivation, persistence, and strategic risk-taking.

Although causality cannot be inferred from cross-sectional data, the result highlights a cognitive pathway often underexplored in sustainability research. It suggests that performance in emerging-market SMEs is not solely determined by resources or practices, but also by how entrepreneurs interpret and mobilise those assets. By integrating self-efficacy into the sustainability–performance model, this study extends the Resource-Based View to include perceptual resources as drivers of adaptive capacity and competitive advantage.

Reflexivity:

At face value, the positive association between perceived and reported performance may appear self-evident; entrepreneurs who believe they are performing well often do. However, this relationship represents more than tautology; it reflects the psychological mechanisms through which confidence, framing, and self-efficacy influence actual decision-making and resource utilisation. Recognising this cognitive dimension deepens understanding of how mindset and interpretation mediate performance in uncertain environments.

Implications:

The significance of PBP points to the need for entrepreneurship-development initiatives that build both technical and psychological capability. Programmes such as mentorship, peer-learning networks, and coaching interventions that strengthen goal-setting and reflective self-appraisal can enhance entrepreneurs' confidence and adaptive thinking. In resource-constrained environments, such cognitive readiness may act as a performance multiplier, enabling entrepreneurs to sustain momentum even when financial or institutional enablers are weak.

6.3.5 Cross Construct Interpretation

Taken together, the results imply a sequential interplay among the constructs. Financial-viability orientation underpins operational stability; this stability facilitates stakeholder engagement; effective engagement fosters legitimacy and social capital that enable sustainable practices; and entrepreneurial confidence (PBP) integrates these orientations into tangible performance. While PBP emerged as the strongest short-term driver, it is likely both an outcome of, and a catalyst for, the other orientations—suggesting a circular, capability-building process rather than isolated effects.

6.4 Synthesis: A South African Sustainable Entrepreneurship-Capability Pathway

The empirical evidence suggests that sustainable entrepreneurship in South Africa progresses through sequential capability development rather than simultaneous integration. Performance improvement unfolds in stages, each dependent on the maturity of prior capabilities and the strength of contextual enablers.

1. Step 1 – Financial Viability (FV)

Sound financial management establishes liquidity and organisational stability.

Without consistent cash flow and budgetary discipline, sustainability initiatives remain aspirational.

2. Step 2 – Stakeholder Orientation (SO)

Financially stable firms can invest time and resources in transparent stakeholder engagement, building reputational legitimacy and collaborative networks.

3. Step 3 – Sustainable-Practice Orientation (SPO)

Credible stakeholder relationships and resource availability create the foundation for adopting environmental and social practices that enhance innovation and resilience.

4. Step 4 – Perceived Business Performance (PBP)

As entrepreneurs witness tangible progress, confidence and perceived competence grow, reinforcing proactive behaviour and strategic clarity. This psychological reinforcement translates the orientations into measurable business-performance outcomes.

Together, these stages depict a capability-accumulation pathway consistent with the RBV's notion that competitive advantage derives from unique, valuable, and inimitable capabilities developed over time. They also reflect the TBL logic—financial stability (profit) enables social legitimacy (people) and environmental stewardship (planet). The model acknowledges the institutional voids characteristic of South Africa—fragmented policy support, limited green finance, and infrastructural constraints—that slow the progression from one stage to the next.



Figure 2: Proposed Capability Pathway Model

The pathway illustrates that financial discipline and psychological capital are entry points for sustainability-driven competitiveness in emerging markets. Sustainability practices alone rarely deliver performance gains unless supported by liquidity, legitimacy, and confidence. Accordingly, entrepreneurs and policymakers should view these orientations as interdependent capabilities forming a cumulative trajectory toward long-term, inclusive growth.

6.5 Integrating RBV and Stakeholder Theory

The interaction between the Resource-Based View (RBV) and Stakeholder Theory offers a cohesive explanation for how sustainability orientations convert into performance outcomes. From an RBV perspective, stakeholder trust, reputation, and legitimacy constitute intangible resources—valuable, rare, and difficult to imitate—that can sustain competitive advantage. Stakeholder Theory complements this lens by explaining how these assets are developed and maintained through ongoing engagement, transparency, and ethical reciprocity. In combination, the two frameworks show that stakeholder relationships function as relational capital embedded within the firm's resource base.

This finding aligns with the RBV's emphasis on internal capabilities but also extends Stakeholder Theory by demonstrating that relational capital translates into economic performance only under conditions of contextual stability and institutional support. In weak or volatile environments, this link may attenuate, indicating that the value of stakeholder trust as a resource is contingent upon institutional maturity and the entrepreneur's ability to convert legitimacy into operational advantage. Collectively, this cross-framework interaction reinforces the Triple Bottom Line logic by showing that financial, social, and environmental outcomes depend not only on external legitimacy but also on the firm's internal capacity to mobilise and sustain intangible assets.

6.6 Interpretive Caveats

Although the statistical analysis in this chapter yielded theoretically meaningful insights, several interpretive limitations qualify the conclusions drawn. First, some constructs—particularly Perceived Business Performance (PBP) and actual performance—may exhibit conceptual overlap. Self-reported perceptions often correlate with measurable outcomes, making it difficult to isolate whether cognition shapes performance or whether prior success elevates self-evaluations. This ambiguity constrains construct distinctiveness and calls for careful interpretation of causal direction.

Second, the reliance on self-perception measures introduces the possibility of optimism bias and cognitive dissonance. Entrepreneurs may overstate performance or sustainability engagement to preserve a positive self-image or rationalise prior investments. While such biases can serve adaptive purposes—sustaining motivation, persistence, and risk tolerance—they also risk inflating perceived success and obscuring structural barriers.

Third, the observed relationships may reflect context-specific interpretations shaped by South Africa's institutional and market conditions. Limited access to finance, policy inconsistency, and social expectation pressures can all influence how entrepreneurs construe both “sustainability” and “performance.” As a result, the psychological, financial, and relational dimensions identified in this chapter should be viewed as interacting tendencies rather than universal laws.

Recognising these interpretive caveats strengthens the study's credibility by clarifying that its findings represent contextual insights rather than deterministic claims. Subsequent chapters address these issues through the discussion of methodological limitations and future research directions aimed at triangulating perceptual and objective indicators of sustainable performance.

6.7 Summary

This chapter interpreted the statistical findings through the integrated lenses of TBL, RBV, and Stakeholder Theory. The results revealed that perceived business performance—reflecting entrepreneurial confidence and adaptive cognition—has the strongest immediate impact on business outcomes, while stakeholder, sustainability, and financial orientations contribute indirectly and over extended periods.

The discussion proposed a South African capability pathway in which financial stability and stakeholder credibility precede effective sustainability practices. These insights provide the theoretical and practical foundation for the concluding implications and recommendations presented in Chapter 7.

Chapter 7: Conclusions and Recommendations

7.1 Introduction

This chapter synthesises the findings of the study and discusses their implications for theory and practice. It restates the research problem, summarises the key empirical results, and presents conclusions that address the research questions. The chapter concludes with managerial and policy recommendations, limitations, and directions for future research.

7.2 Restatement of the Research Problem

The study examined how sustainable-entrepreneurship orientations influence business performance in South Africa's emerging-market context. While global discourse links sustainability to superior firm outcomes, there is limited quantitative evidence on whether— and under what conditions—South African entrepreneurs realise measurable performance benefits from stakeholder, environmental/social (sustainable-practice), and financial-viability orientations.

7.3 Summary of the Study

Guided by the Triple Bottom Line (TBL), Resource-Based View (RBV), Stakeholder Theory, and Dynamic Capabilities View (DCV), the study tested whether stakeholder orientation (SO), sustainable-practice orientation (SPO), and financial-viability orientation (FV) predict business performance (BP). An exploratory construct—Perceived Business Performance (PBP)—was also examined. Using a descriptive quantitative design, 105 valid SME responses were analysed with reliability checks, correlations, and OLS multiple regression.

The final model was significant overall ($F(4,100) = 4.995, p = .001; R^2 = .167; \text{Adj } R^2 = .133$). PBP was the only significant predictor of BP ($\beta = 0.319, p = .015$). SO ($\beta = 0.081, p = .504$), SPO ($\beta = -0.181, p = .148$), and FV ($\beta = 0.149, p = .364$) did not yield statistically significant coefficients in the multivariate model, although zero-order correlations with BP were positive for SO, FV and PBP and weak for SPO. The pattern suggests that entrepreneurial cognition/self-perception exerts the most immediate influence on reported performance, while sustainability-related orientations may operate through longer-term or indirect pathways.

7.4 Conclusions by Research Question

Collectively, the results suggest that the sustainable-entrepreneurship–performance relationship is contingent upon cognitive, financial, and institutional readiness. Entrepreneurial confidence and perception (PBP) emerged as the most immediate driver of performance, indicating that psychological resources shape how entrepreneurs mobilise financial and relational capabilities. Financial-viability orientation provides the operational foundation for resilience and long-term investment in sustainability, while stakeholder and sustainability practices exert more gradual or context-dependent effects moderated by institutional support and market maturity. Together, these findings portray sustainable entrepreneurship as an adaptive system in which cognitive belief, financial discipline, and relational legitimacy interact to determine business outcomes in South Africa’s evolving SME landscape.

7.4.1 Stakeholder Orientation

Contrary to expectation, SO did not show a statistically significant effect on BP in the regression model, despite a small positive bivariate association. This implies that while stakeholder engagement may build legitimacy and access to resources, informal or ad hoc practices common in SMEs may blunt short-term financial translation. SO appears necessary but insufficient without structured mechanisms (e.g., formal partnership agreements, feedback loops, co-creation processes) that convert legitimacy into measurable outcomes.

7.4.2 Sustainable Practice Orientation

SPO exhibited a negative, non-significant coefficient. This is consistent with time-lag and cost-burden explanations in resource-constrained contexts: early sustainability investments can raise costs before efficiencies, brand effects, or risk-mitigation benefits materialise. The result does not negate sustainability's strategic value; rather, it underscores that payoffs are contingent on time, institutional support, and market maturity.

7.4.3 Financial Viability Orientation

FV's coefficient was positive but non-significant in the multivariate model, despite a moderate positive zero-order correlation with BP. This suggests shared variance (overlap) with PBP in explaining performance perceptions and outcomes. Substantively, the evidence still supports FV as a foundational capability (RBV): disciplined cash-flow control, budgeting, and analytics enable firms to withstand volatility and to sequence sustainability sensibly—even if the unique incremental effect was not isolated in this dataset.

7.4.4 Perceived Business Performance (Exploratory)

PBP significantly predicted BP, indicating that entrepreneurial self-efficacy/confidence is closely aligned with performance. Behaviourally, higher perceived performance is associated with bolder goals, proactive investment, and stronger stakeholder communication—mechanisms that can reinforce results. Causality cannot be inferred cross-sectionally; nonetheless, the finding highlights a cognitive pathway often overlooked in sustainability-performance models.

7.5 Theoretical Contributions and Originality

This study makes several theoretical contributions by empirically integrating the Triple Bottom Line (TBL) and the Resource-Based View (RBV) within an emerging-market entrepreneurship context. The findings demonstrate that these frameworks jointly explain performance variation, but only when interpreted through the institutional and cognitive realities of developing economies. The

results reveal that financial and stakeholder orientations act as enabling capabilities that support sustainability objectives, while the environmental and social dimensions of sustainability yield more gradual or indirect effects. This confirms that the three pillars of the TBL—economic, social, and environmental—do not contribute uniformly to business performance but operate across different time horizons and levels of institutional maturity.

The study extends the RBV by incorporating the cognitive dimension of entrepreneurship. The significance of perceived business performance (PBP) highlights that psychological resources such as confidence and self-efficacy function as valuable, rare, and inimitable assets. These intangible resources determine how entrepreneurs mobilise and leverage tangible capabilities such as financial management and stakeholder relationships. Thus, the RBV is enriched with a behavioural and perceptual layer that explains variation in firm outcomes beyond traditional resource endowments.

In doing so, this research clarifies the multidimensional nature of sustainable entrepreneurship. Sustainability orientation should not be treated as a single construct but rather as a dynamic combination of complementary orientations that produce different effects depending on context and time. The study therefore refines existing theory by showing that sustainability in emerging economies operates as a hybrid of normative intent, cognitive belief, and resource-based capability—together constituting a contextualised model of sustainable performance.

7.6 Managerial Implications

For entrepreneurs and managers, the findings underscore that financial and psychological readiness are the foundations upon which sustainability efforts must be built. Even though financial viability was not statistically significant in the regression model, its positive association with performance indicates that disciplined financial practices remain essential for resilience and for creating the operational bandwidth needed to pursue social or environmental objectives. Entrepreneurs should prioritise the establishment of internal financial controls, data-driven dashboards, and liquidity management systems before expanding into resource-intensive sustainability projects.

Stakeholder engagement emerges as another important managerial consideration. In the South African SME sector, stakeholder relationships are often informal and short-term. To unlock performance value, entrepreneurs must institutionalise stakeholder collaboration through formal agreements, transparent communication mechanisms, and periodic reporting. These actions convert relational legitimacy into tangible advantages such as market access, co-innovation, and reputational trust.

Sustainability practices should be introduced incrementally, beginning with initiatives that yield operational savings—such as waste minimisation, energy efficiency, and process optimisation—before scaling to community or environmental programmes with longer payback periods. Finally, the significant effect of perceived business performance suggests that managers should consciously cultivate entrepreneurial confidence through measurable goals, reflective feedback, and coaching programmes that build realistic self-efficacy. When grounded in evidence, this confidence can enhance persistence, opportunity recognition, and strategic decision-making.

7.7 Policy Recommendations

From a policy perspective, the study points to the need for a more supportive ecosystem that lowers the cost and risk of sustainability adoption. Government agencies could enhance SME competitiveness by offering targeted tax incentives, subsidised certification programmes, and preferential procurement schemes for businesses meeting environmental or social-impact criteria. Financial institutions should complement these efforts by developing green credit instruments and low-interest sustainability loans tailored for small enterprises, enabling them to invest in cleaner technologies and compliance systems.

Consistency in regulatory enforcement remains equally important. Uniform application of sustainability standards across sectors would ensure that responsible firms are not penalised through higher costs while less compliant competitors gain advantage. Public-private partnerships can further strengthen this landscape by building shared infrastructure—such as waste-processing facilities, renewable-energy hubs, and ESG-data platforms—that reduce individual adoption costs.

Finally, national development programmes should invest in capacity-building initiatives that combine financial-management training with sustainability literacy. By equipping entrepreneurs with both technical and managerial capabilities, policymakers can create a generation of business leaders able to link profitability with social and environmental stewardship.

7.8 Limitations of the Study

Several limitations qualify the interpretation of the results and delineate the boundaries of this research.

First, the study relied on self-reported survey data, which may have introduced perceptual or social-desirability bias, particularly in measures of performance and sustainability behaviour. Respondents' evaluations of their own business performance were not externally verified through audited financial data, which constrains the precision of outcome measures.

Second, the cross-sectional research design restricted causal inference, preventing confirmation of whether sustainability orientations lead to improved performance over time or whether successful firms simply report higher sustainability engagement retrospectively.

Third, the snowball-sampling approach, although effective for reaching entrepreneurs in dispersed networks, may have produced a relatively homogeneous sample. The strong representation of respondents from the Gauteng Province (87%) further limits generalisability to other provinces or regional entrepreneurial ecosystems in South Africa.

Fourth, the model scope was intentionally focused on TBL-derived constructs—stakeholder, sustainable-practice, financial-viability, and perceived-performance orientations. Other potentially influential variables, such as leadership style, innovation capability, or institutional context, were not included and may have provided additional explanatory depth.

Fifth, ordinary least squares regression assumes linearity, independence, and homoscedasticity of residuals. Minor deviations from these assumptions can affect model precision and interpretability.

Sixth, the study did not disaggregate findings by gender or sector, which limits understanding of how sustainability orientations differ across demographic or industry contexts. The male-dominated sample and concentration within certain sectors may obscure variation in how female entrepreneurs or enterprises in manufacturing, services, and social sectors integrate sustainability principles. This limitation is particularly relevant to South Africa's National Development Plan (NDP 2030) and the UN Sustainable Development Goals (SDGs 5 and 9), which emphasise inclusive and gender-equitable participation in sustainable economic growth.

Finally, while methodological constraints were acknowledged, the study maintained robust quality controls. Internal reliability testing, validity alignment, and multicollinearity diagnostics confirmed the credibility of the statistical outcomes. The inclusion of the exploratory construct of perceived business performance (PBP) provided novel insight into the psychological dimension of entrepreneurship, though its interpretation remains bounded by the study's design and sample composition.

7.9 Directions for Future Research

Future research should employ longitudinal designs to capture the delayed or compounding effects of sustainability investments on business performance. Such designs would clarify whether perceived business performance precedes or follows actual financial improvement, thereby strengthening causal inference.

Expanding the current model to include mediating and moderating variables—such as innovation capability, leadership orientation, digital adoption, or market uncertainty—would offer a more nuanced understanding of the mechanisms linking sustainability orientations to firm outcomes.

Comparative research across provinces, sectors, and national contexts could reveal institutional and cultural moderators that shape the sustainability–performance relationship. Within the South African context, gender and sectoral differences merit particular attention. Female entrepreneurs and those operating in different industries may display distinctive sustainability orientations influenced by access to finance, market visibility, and social expectations. Examining these differences would directly support the National Development Plan (Republic of South Africa, 2022) and UN Sustainable Development Goal 5, which prioritise gender inclusivity and equitable participation in economic development.

Furthermore, the integration of objective performance indicators—such as audited financial data, verified ESG metrics, or sustainability certifications—would reduce common-method bias and strengthen construct validity. Finally, mixed-method approaches combining quantitative modelling with qualitative interviews could deepen understanding of how entrepreneurs perceive, interpret, and operationalise sustainability practices in day-to-day decision-making.

7.10 Final Remarks

In conclusion, this study advances understanding of sustainable entrepreneurship in South Africa by demonstrating that performance outcomes are shaped less by formal sustainability adoption and more by the combination of financial discipline, structured stakeholder engagement, and entrepreneurial confidence. Environmental and social practices remain strategically important but deliver returns only when supported by robust internal systems and a conducive institutional environment. The research therefore contributes to both theory and practice by presenting a realistic, context-sensitive model in which sustainable entrepreneurship is not an abstract ideal, but a capability-driven process rooted in cognitive, financial, and relational strength. As South Africa's entrepreneurial ecosystem matures, these findings provide a foundation for designing interventions that balance profitability with purpose, guiding the evolution of a resilient and inclusive sustainable-enterprise sector.

References

- Battisti, S., Agarwal, N., & Brem, A. (2022). Creating new tech entrepreneurs with digital platforms: Meta-organizations for shared value in data-driven retail ecosystems. *Technological Forecasting and Social Change*, 175, 121392.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.
- Barney, J. B. (2020). Measuring firm performance in a way that is consistent with strategic management theory. *Academy of Management Discoveries*, 6(1), 5-7.
- Barney, J. B., Ketchen Jr., D. J., & Wright, M. (2021). Resource-based theory and the value creation framework. *Journal of Management*, 47(7), 1936-1955.
- Cabrera, L., & Byrne, C. (2021). Comparing organisational and alternative regional citizenships: the case of 'Entrepreneurial regional citizenship' in ASEAN. *Australian Journal of International Affairs*, 75(5), 507-526.
- Cheng, W., & Adejumo, O. O. (2021). Entrepreneurship channels and sustainable development: Directions for the asian economy. *Journal of Business Economics and Management*, 22(3), 799-822.
- Cohen, N., & Arieli, T. (2011). Field research in conflict environments: Methodological challenges and snowball sampling. *Journal of peace research*, 48(4), 423-435.
- Creswell, J. W., & Creswell, J. D. (2017). *Research design: Qualitative, quantitative, and mixed methods approaches*. Sage publications.

- Demartini, M., & Taticchi, P. (2022). Performance measurement and management. A literature review focussed on the role played by management theories with a deep dive into the industry 4.0 environment. *International Journal of Productivity and Performance Management*, 71(4), 1008-1033.
- Faul, F., Erdfelder, E., Buchner, A., & Lang, A. G. (2009). Statistical power analyses using G* Power 3.1: Tests for correlation and regression analyses. *Behavior research methods*, 41(4), 1149-1160.
- Farida, I., & Setiawan, D. (2022). Business strategies and competitive advantage: the role of performance and innovation. *Journal of Open Innovation: Technology, Market, and Complexity*, 8(3), 163.
- Freeman, R. E., Phillips, R., & Sisodia, R. (2020). Tensions in stakeholder theory. *Business & society*, 59(2), 213-231.
- Kumar, R. V. (2024). Cronbach's alpha: Genesis, issues and alternatives. *Management*, 1, 17.
- Goyal, S., Agrawal, A., & Sergi, B. S. (2021). Social entrepreneurship for scalable solutions addressing sustainable development goals (SDGs) at BoP in India. *Qualitative Research in Organizations and Management: An International Journal*, 16(3/4), 509-529.
- Gu, W., Wang, J., Hua, X., & Liu, Z. (2021). Entrepreneurship and high-quality economic development: Based on the triple bottom line of sustainable development. *International entrepreneurship and management journal*, 17, 1-27.
- Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2021). *A Primer on Partial Least Squares Structural Equation Modeling (3rd ed.)*. SAGE.

- Holzmann, P., & Gregori, P. (2023). The promise of digital technologies for sustainable entrepreneurship: A systematic literature review and research agenda. *International Journal of Information Management*, 68, 102593.
- Johnsen, C. G. (2023). Tactics of sustainable entrepreneurship: Ways of operating in the contested terrain of green architecture. *Journal of Management Inquiry*, 32(2), 120-133.
- Johnson, M. P., & Schaltegger, S. (2020). Entrepreneurship for sustainable development: A review and multilevel causal mechanism framework. *Entrepreneurship Theory and Practice*, 44(6), 1141-1173.
- Jum'a, L., Zimon, D., Ikram, M., & Madzik, P. (2022). Towards a sustainability paradigm, the nexus between lean green practices, sustainability-oriented innovation and Triple Bottom Line. *International Journal of Production Economics*, 245, 108393.
- Latifah, L., Setiawan, D., Aryani, Y. A., & Rahmawati, R. (2021). Business strategy–MSMEs' performance relationship: Innovation and accounting information system as mediators. *Journal of Small Business and Enterprise Development*, 28(1), 1-21.
- Linton, G., & Kask, J. (2017). Configurations of entrepreneurial orientation and competitive strategy for high performance. *Journal of Business Research*, 70, 168–176. <https://doi.org/10.1016/j.jbusres.2016.08.022>
- Lozano, R. (2022). Comparative analysis of ESG performance between emerging and developed markets. *Business Strategy and the Environment*, 31(5), 2118–2135. <https://doi.org/10.1002/bse.2968>
- Melnyk, S. A., Bititci, U., Platts, K., Tobias, J., & Andersen, B. (2014). Is performance measurement and management fit for the future?. *Management accounting research*, 25(2), 173-186

- Nudurupati, S. S., Garengo, P., & Bititci, U. S. (2021). Impact of the changing business environment on performance measurement and management practices. *International Journal of Production Economics*, 232, 107942.
- Ogujiuba, K. K., Boshoff, E., Agholor, A. I., & Olamide, E. G. (2020). SMEs and sustainable entrepreneurship in South Africa: impact analysis of contextual factors in the services sector. *Business Administration and Business Economics*.
- Pabst, S., Wayand, M., & Mohnen, A. (2021). Coordinating contributions in crowdfunding for sustainable entrepreneurship. *Journal of Cleaner Production*, 319, 128677.
- Phan, T. T. H., Tran, H. X., Le, T. T., Nguyen, N., Pervan, S., & Tran, M. D. (2020). The relationship between sustainable development practices and financial performance: A case study of textile firms in Vietnam. *Sustainability*, 12(15), 5930.
- Republic of South Africa. (2022). South Africa Sustainable Development Goals (SDG) Country Report 2022. Statistics South Africa (Stats SA) and Department of Planning, Monitoring and Evaluation (DPME). <https://www.statssa.gov.za>
- Risitano, M., Romano, R., Rusciano, V., Civero, G., & Scarpato, D. (2022). The impact of sustainability on marketing strategy and business performance: The case of Italian fisheries. *Business Strategy and the Environment*, 31(4), 1538-1551.
- Rosário, A. T., Raimundo, R. J., & Cruz, S. P. (2022). Sustainable entrepreneurship: A literature review. *Sustainability*, 14(9), 5556.
- Ruan, Y. (2024). Exploring multiple regression models: Key concepts and applications. *Science and Technology of Engineering, Chemistry and Environmental Protection*, 1(7), 1-4.

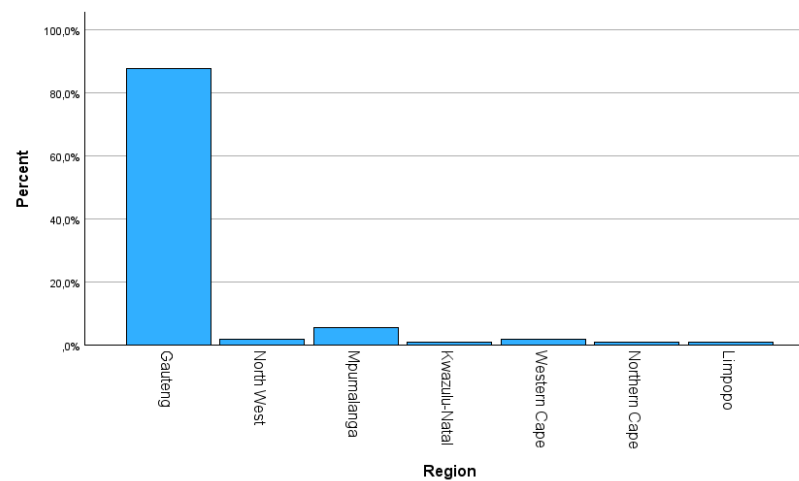
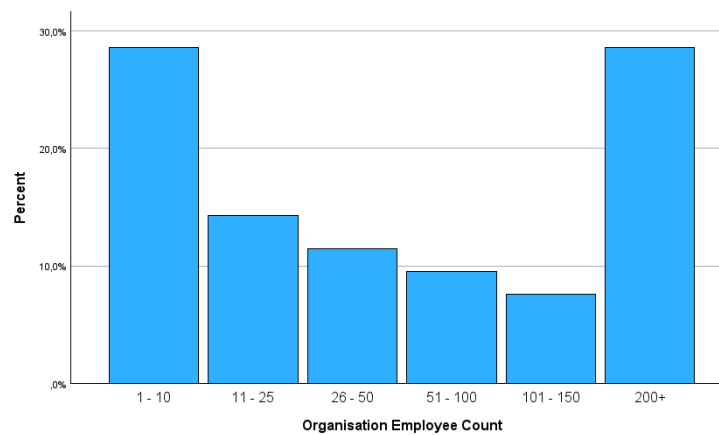
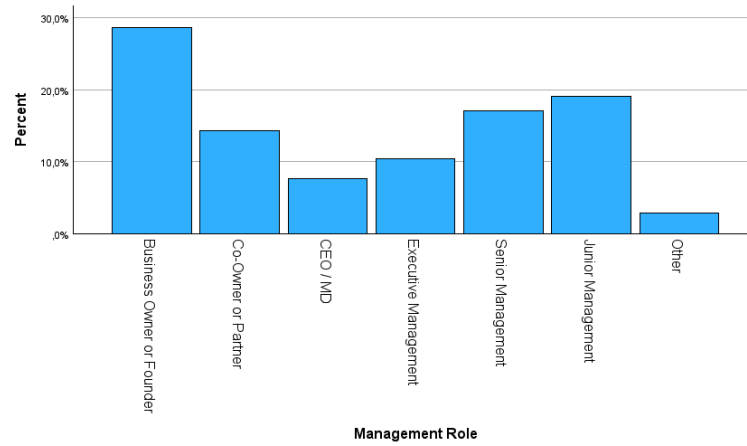
- Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill building approach*. John Wiley & Sons.
- Saunders, M. N., & Lewis, P. (2018). *Doing Research in Business and Management: An Essential Guide to Planning Your Project*. Financial Times/Prentice Hall.
- SME South Africa. (2024). *Sustainable business practices for SMEs*. Retrieved from <https://smesouthafrica.co.za/sustainable-business-practices-for-smes/>
- Soto-Acosta, P., Cismaru, D. M., Vătămănescu, E. M., & Ciochină, R. S. (2016). Sustainable entrepreneurship in SMEs: A business performance perspective. *Sustainability*, 8(4), 342.
- Srivastava, A. K., Dixit, S., & Srivastava, A. A. (2022). Criticism of triple bottom line: TBL (with special reference to sustainability). *Corporate reputation review*, 1-12.
- Statistics South Africa. (2025, February 18). *Quarterly Labour Force Survey (QLFS) – Q4: 2024 (Statistical release P0211)* [PDF]. <https://www.statssa.gov.za/publications/P0211/Media%20Release%20QLFS%20Q4%202024.pdf>
- Sung, C., & Park, J. (2018). *Sustainability orientation and entrepreneurship orientation: Is there a tradeoff relationship between them?* *Sustainability*, 10 (2), 379.
- Teece, D. J. (2018). Business models and dynamic capabilities. *Long range planning*, 51(1), 40-49.

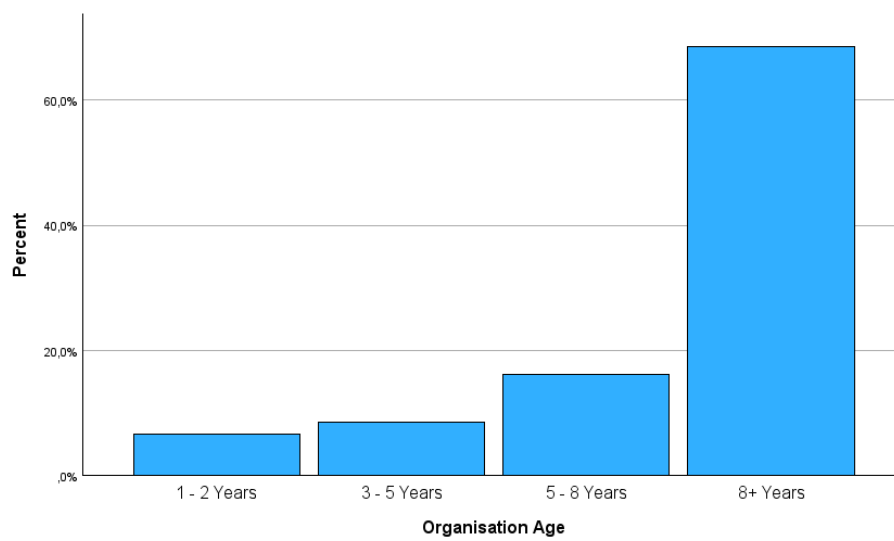
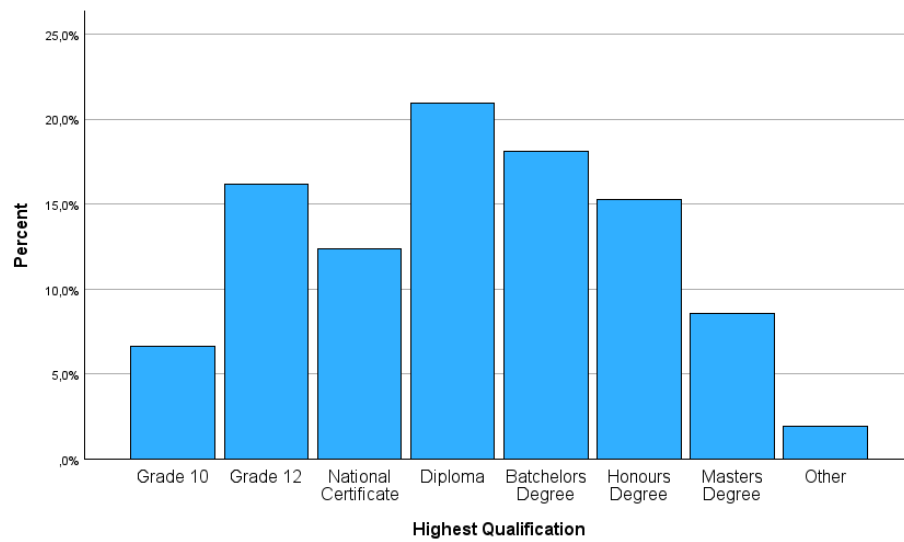
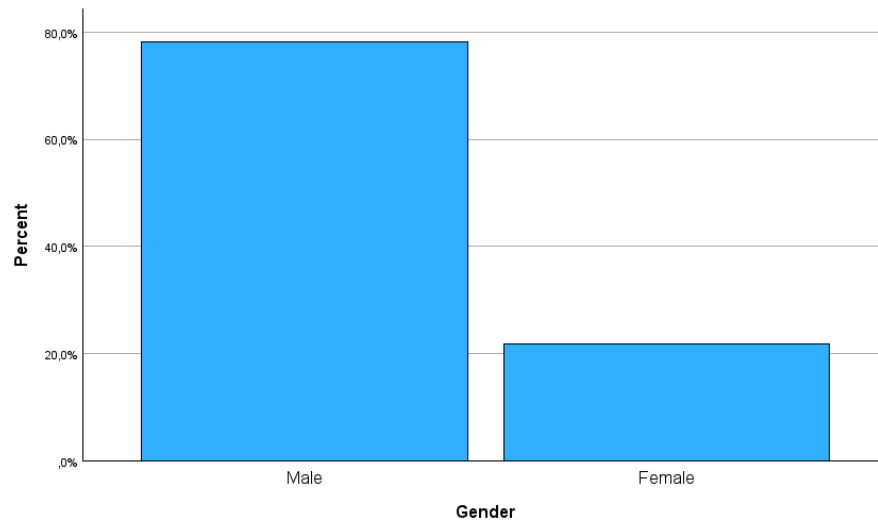
UN Trade and Development. (2024, April 2). *South Africa builds new roadmap to revitalize entrepreneurship*. <https://unctad.org/news/south-africa-builds-new-roadmap-revitalize-entrepreneurship>

UNDP. (2023). *Africa Green Business and Financing Initiative*. Retrieved from <https://www.undp.org/africa/africa-green-business-and-financing-initiative>

Zahra, S. A. (2021). The resource-based view, resourcefulness, and resource management in startup firms: A proposed research agenda. *Journal of management*, 47(7), 1841-1860

Annexure A: Descriptive Statistics Summary Graphs





Annexure B: Demographics Frequency Tables

Management Role					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business Owner or Founder	30	28,6	28,6	28,6
	Co-Owner or Partner	15	14,3	14,3	42,9
	CEO / MD	8	7,6	7,6	50,5
	Executive Management	11	10,5	10,5	61,0
	Senior Management	18	17,1	17,1	78,1
	Junior Management	20	19,0	19,0	97,1
	Other	3	2,9	2,9	100,0
	Total	105	100,0	100,0	

Figure 3: Responses by Capacity Output

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	82	78,1	78,1	78,1
	Female	23	21,9	21,9	100,0
	Total	105	100,0	100,0	

Figure 4: Responses by Gender Output

Region					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Gauteng	92	87,6	87,6	87,6
	North West	2	1,9	1,9	89,5
	Mpumalanga	6	5,7	5,7	95,2
	Kwazulu-Natal	1	1,0	1,0	96,2
	Western Cape	2	1,9	1,9	98,1
	Northern Cape	1	1,0	1,0	99,0
	Limpopo	1	1,0	1,0	100,0
	Total	105	100,0	100,0	

Figure 5: Responses by Region Output

Organisation Employee Count

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 - 10	30	28,6	28,6	28,6
	11 - 25	15	14,3	14,3	42,9
	26 - 50	12	11,4	11,4	54,3
	51 - 100	10	9,5	9,5	63,8
	101 - 150	8	7,6	7,6	71,4
	200+	30	28,6	28,6	100,0
	Total	105	100,0	100,0	

Figure 6: Organisation Size Output

Organisation Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 - 2 Years	7	6,7	6,7	6,7
	3 - 5 Years	9	8,6	8,6	15,2
	5 - 8 Years	17	16,2	16,2	31,4
	8+ Years	72	68,6	68,6	100,0
	Total	105	100,0	100,0	

Figure 7: Organisation Age Output

Annexure C: Cronbach Reliability Test Results

Case Processing Summary			
		N	%
Cases	Valid	105	100,0
	Excluded ^a	0	,0
	Total	105	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
,575	5

Figure 8: Stakeholder Orientation (x5 variables)

Case Processing Summary			
		N	%
Cases	Valid	105	100,0
	Excluded ^a	0	,0
	Total	105	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
,905	5

Figure 9: Sustainable Practices Orientation (x5 variables)

Case Processing Summary			
		N	%
Cases	Valid	105	100,0
	Excluded ^a	0	,0
	Total	105	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
,718	5

Figure 10: Financial Viability Orientation (x5 variables)

Case Processing Summary			
		N	%
Cases	Valid	105	100,0
	Excluded ^a	0	,0
	Total	105	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
,925	3

Figure 11; Perceived Business Performance (x3 Variables)

Case Processing Summary

		N	%
Cases	Valid	105	100,0
	Excluded ^a	0	,0
	Total	105	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
,725	4

Figure 12: Business Performance (x4 variables)

Annexture E: Correlation Matix Output

		Correlations				
		BP_mean	SO_mean	SPO_mean	FV_mean	PBP_mean
Pearson Correlation	BP_mean	1,000	,190	,087	,306	,381
	SO_mean	,190	1,000	,565	,607	,381
	SPO_mean	,087	,565	1,000	,639	,401
	FV_mean	,306	,607	,639	1,000	,702
	PBP_mean	,381	,381	,401	,702	1,000
Sig. (1-tailed)	BP_mean	.	,026	,188	<,001	<,001
	SO_mean	,026	.	,000	,000	,000
	SPO_mean	,188	,000	.	,000	,000
	FV_mean	,001	,000	,000	.	,000
	PBP_mean	,000	,000	,000	,000	.
N	BP_mean	105	105	105	105	105
	SO_mean	105	105	105	105	105
	SPO_mean	105	105	105	105	105
	FV_mean	105	105	105	105	105
	PBP_mean	105	105	105	105	105

Figure 13: Correlation Matrix Output

Annexure F: Regression Output Tables (ANOVA and Coefficients)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6,609	4	1,652	4,995	,001 ^b
	Residual	33,078	100	,331		
	Total	39,687	104			

a. Dependent Variable: BP_mean

b. Predictors: (Constant), PBP_mean, SO_mean, SPO_mean, FV_mean

Figure 14: ANOVA Output

Coefficients ^a												
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95,0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	2,618	,462	5,662	<,001	1,701	3,536					
	SO_mean	,092	,137	,671	,504	-,180	,365	,190	,067	,061	,577	1,733
	SPO_mean	-,149	,102	-,181	-,1457	-,352	,054	,087	-,144	-,133	,539	1,856
	FV_mean	,161	,176	,149	,913	-,189	,511	,306	,091	,083	,314	3,190
	PBP_mean	,208	,084	,319	2,472	,041	,375	,381	,240	,226	,502	1,994

a. Dependent Variable: BP_mean

Figure 15: Coefficients Output

Annexure G: Regression Diagnostics Outputs

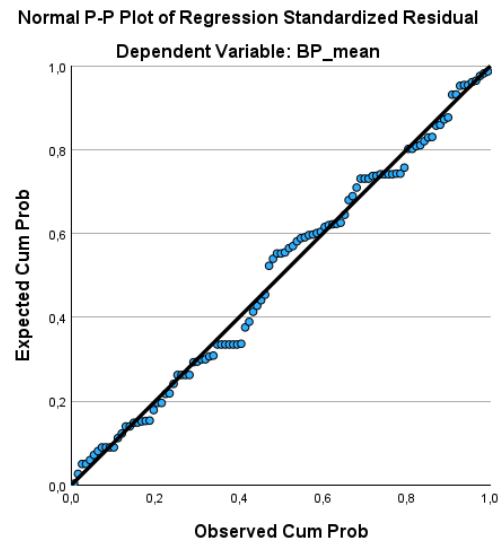


Figure 17: Normal P-P Plot of Regression Standardised Residuals

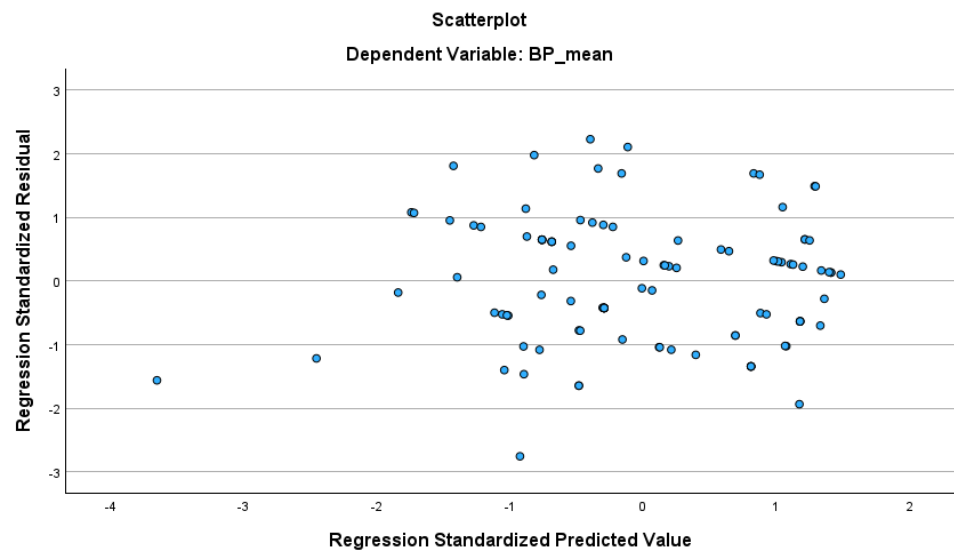


Figure 18: Scatterplot for Regression Standardized Predicted Value

Residuals Statistics ^a					
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2,8987	4,1928	3,8190	,25208	105
Residual	-1,58579	1,28109	,00000	,56397	105
Std. Predicted Value	-3,651	1,483	,000	1,000	105
Std. Residual	-2,757	2,227	,000	,981	105

Figure 16: Residual Statistics Output

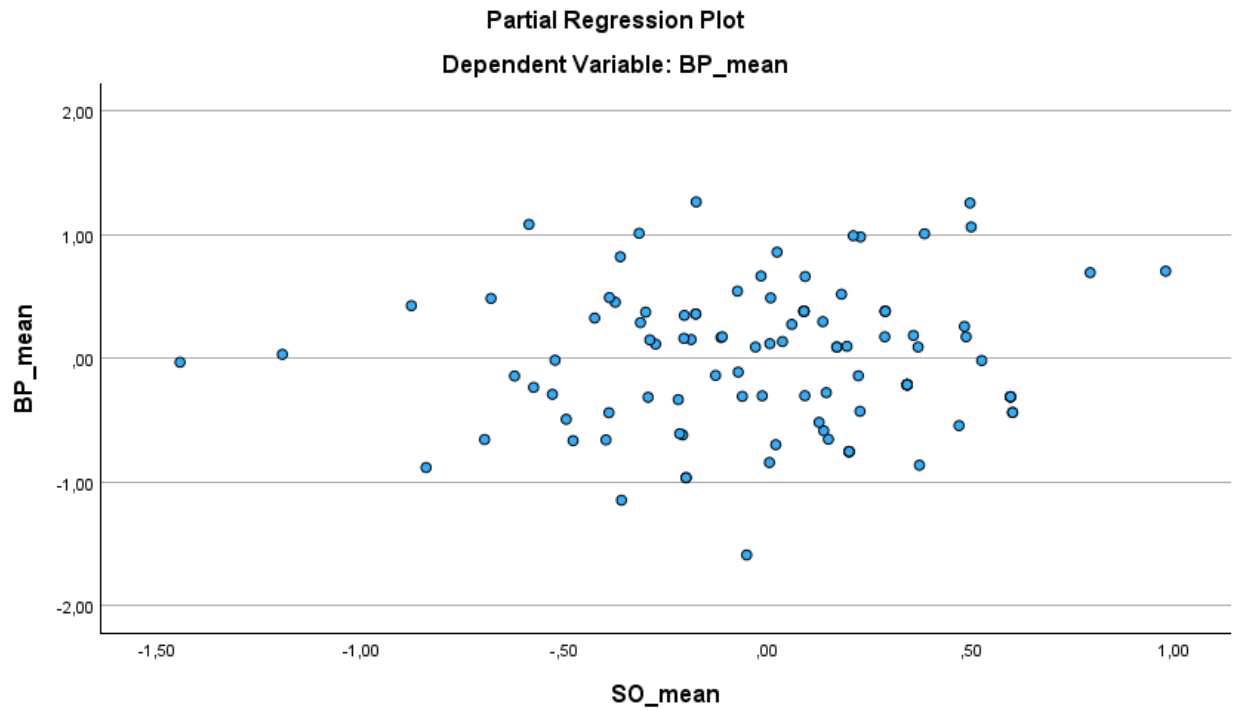


Figure 19: Scatterplot for SO

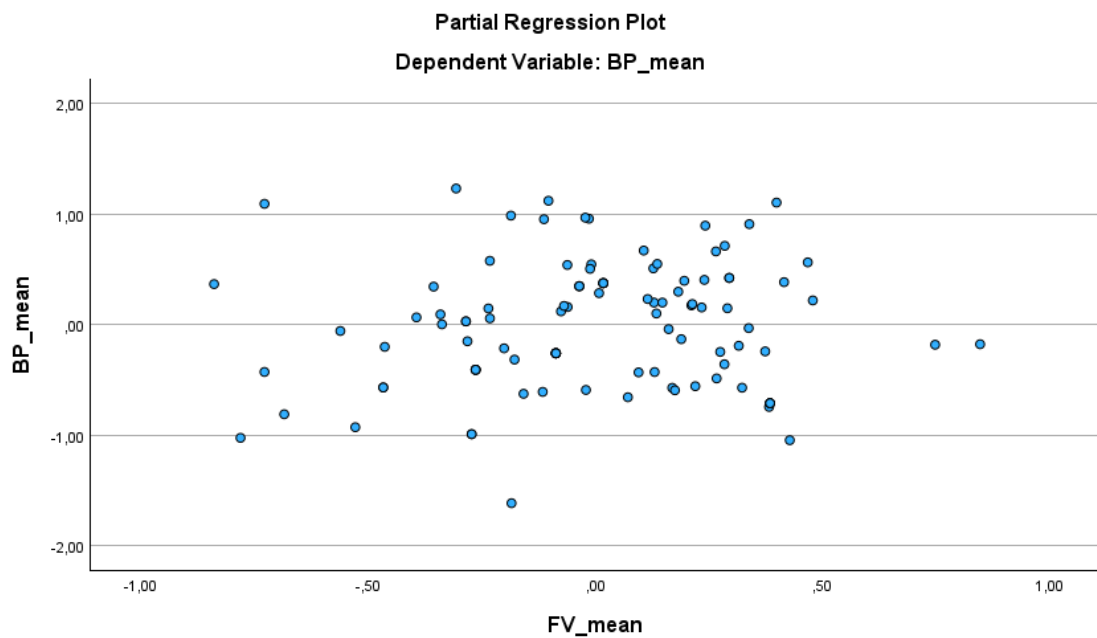


Figure 20: Scatterplot for FV

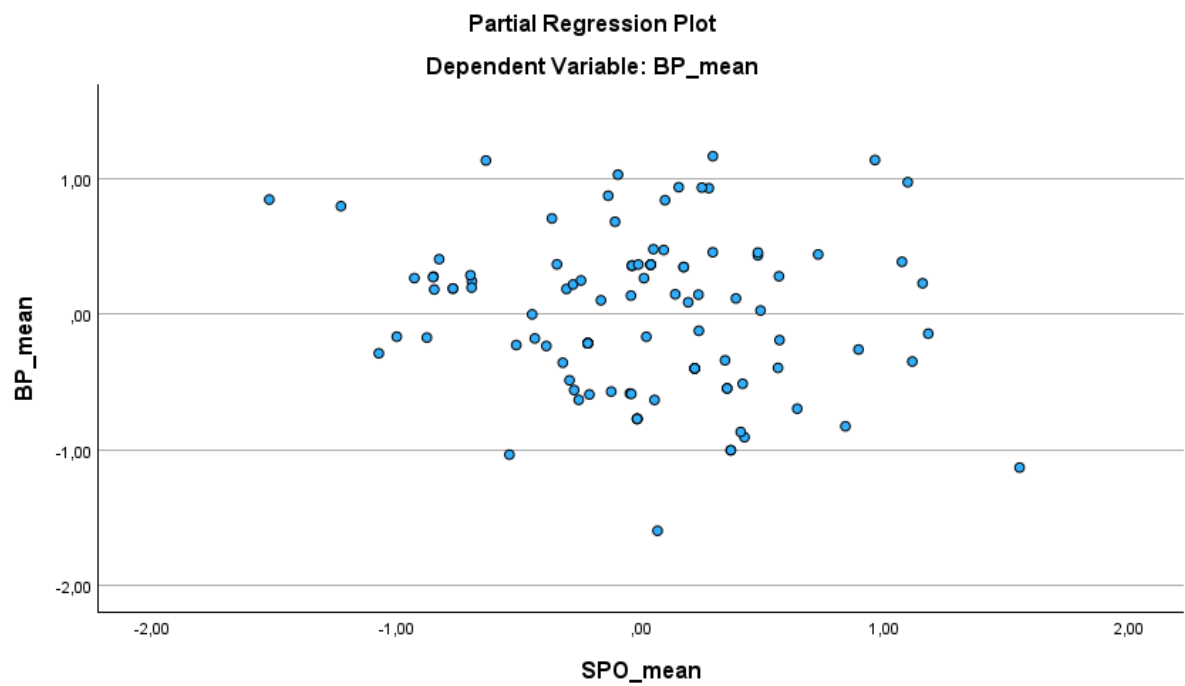


Figure 21: Scatterplot for SPO

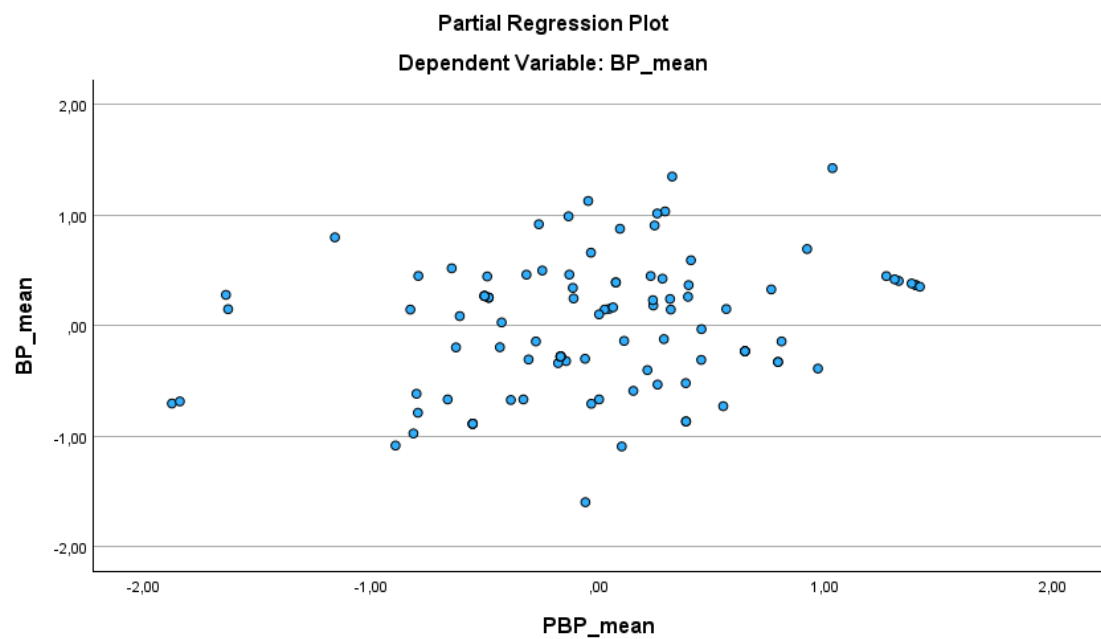


Figure 22: Scatterplot for PBP

Annexure H: Survey Questionnaire (Summary)

Section A: Demographics and Business Profile

Variable	Response Options
Role	Owner/founder; Co-owner/partner; CEO/MD; Executive management; Senior manager; Other
Strategic Authority	Yes / No (<i>“Yes” required to proceed</i>)
Age	18–29; 30–39; 40–49; 50–59; 60–64; 65+
Gender	Male; Female; Prefer not to say
Education	Grade 10; Grade 12; National Certificate; Diploma; Bachelor’s; Honours; Master’s; Other
Province	9 South African provinces (listed alphabetically)
Business Age	1–2 yrs; 3–5 yrs; 5–7 yrs; 8+ yrs
Sector	Industry classification (manufacturing, services, trade, etc.)
Employees	1–10; 11–25; 26–50; 51–100; 101–150; 151–199; 200+

Section B: Stakeholder Orientation (SO)

(1 = Strongly Disagree → 5 = Strongly Agree)

1. Engage with local communities to address needs.
2. Stakeholder feedback influences decisions.
3. Promote inclusive practices for underrepresented groups.
4. Maintain transparent stakeholder communication.
5. Collaborate with partners toward shared social goals.

Section C: Sustainable-Practice Orientation (SPO)

(1 = Strongly Disagree → 5 = Strongly Agree)

6. Reduce environmental footprint (waste, emissions, resources).
7. Use environmentally friendly materials/processes.
8. Integrate sustainability innovation into strategy.
9. Consider long-term environmental impacts.
10. Invest in technologies/processes promoting sustainability.

Section D: Financial-Viability Orientation (FV)

(1 = Strongly Disagree → 5 = Strongly Agree)

11. Achieved consistent revenue growth (past 3 years).
12. Track and apply financial metrics in decisions.
13. Balance social/environmental and profit goals.
14. Maintain sustainable yet competitive pricing.
15. Sustainability investments yield financial benefits.

Section E: Perceived Business Performance (PBP)

(1 = Strongly Disagree → 5 = Strongly Agree)

16. Sustainable practices increase customer loyalty.
17. Sustainability provides competitive advantage.
18. Financial performance improved with sustainability focus.

Section F: Comparative Business Performance (BP)

(1 = Much Better → 7 = Much Worse vs main competitors)

19. Product/service innovation.
20. Serving unserved or underserved markets.
21. Growth in market share.
22. Return on investment (ROI).