Advanced International Journal of Business, Entrepreneurship and SME's
EISSN: 2682-8545
AIJBES
Volume 7 Issue 25 (September 2025) PP. 684-698
DOI 10.35631/AIJBES.725047

ADVANCED INTERNATIONAL JOURNAL OF BUSINESS, ENTREPRENEURSHIP AND SMES (AIJBES)
www.aijbes.com

DETERMINANTS OF SUCCESS FACTOR FOR GREEN ENTREPRENEURSHIP PRACTICES IN MALAYSIAN SMES

Norzalizah Bahari[1*], Siti Hajar Mohamad[2], Nur Syafiah A. Samad[3], Siti Fariha Muhamad[4], Azira Hanani Ab Rahman[5]

[1] Faculty of Entrepreneurship & Business, Universiti Malaysia Kelantan, Malaysia
Email: norzalizah.b@umk.edu.my
[2] Faculty of Business Management and Professional Studies, Management and Science University, Malaysia
Email: sitihajar_mohamad@msu.edu.my
[3] Faculty of Entrepreneurship & Business, Universiti Malaysia Kelantan, Malaysia
Email: nursyafiah.as@umk.edu.my
[4] Faculty of Entrepreneurship & Business, Universiti Malaysia Kelantan, Malaysia
Email: fariha@umk.edu.my
[5] Faculty of Entrepreneurship & Business, Universiti Malaysia Kelantan, Malaysia
Email: hanani@umk.edu.my
[*] Corresponding author

Article Info:

Article history:
Received date: 30.06.2025
Revised date: 21.07.2025
Accepted date: 28.08.2025
Published date: 29.09.2025

To cite this document:

Bahari, N., Mohamad, S. H., Samad, N. S. A., Muhamad, S. F., & Ab Rahman, A. H. (2025). Determinants Of Success Factor for Green Entrepreneurship Practices in Malaysian Smes. *Advanced International Journal of Business Entrepreneurship and SMEs, 7* (25), 684-698.

DOI: 10.35631/AIJBES.725047

Abstract:

The green entrepreneurship concept is gaining significant momentum and is considered one of the key drivers for the green economy due to sustainable development. In Malaysia, small and medium enterprises (SMEs) form and contribute tremendously to the growth of Malaysia's domestic products as a rapidly developing country. Much effort has been made over the recent years to strengthen green practices among entrepreneurs. However, this topic has yet to be given less limelight concerning the SMEs in Malaysia. Thus, this study aims to investigate factors influencing the practice of green entrepreneurship among SME entrepreneurs in Malaysia. The study opted for non-probability and quantitative techniques. A sample of 169 entrepreneurs of Malaysian SME organisations was returned and usable. The data were analysed using the Partial Least Squares approach. Based on the study, the availability of capital and entrepreneurial knowledge enhances SMEs' green entrepreneurship practices. This could be attributed to the importance of green entrepreneurship in Malaysia. The factors influencing green entrepreneurship were found to have variable effects on the practices. Since green entrepreneurial practices by SMEs in Malaysia were still in the nascent stage, it was recommended that relevant stakeholders should put in place measures meant to spur adoption and implementation by most entities, including SMEs. Furthermore, through its appropriate authorities, the government should enhance support for green product innovation, and the investors in green entrepreneurship should form a

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lobby to enable them to have strong negotiating grounds with other stakeholders.

Keywords:

Green Entrepreneurship Practices, Availability of Capital, Entrepreneurial Knowledge, SMEs.

Introduction

As environmental issues become increasingly significant threats to economic growth, firms regard human health and living conditions as integral parts of core business activities (Jiang et al., 2018). Some notable progress has been made and discussed from time to time globally to raise awareness and understanding of the issues that must be addressed. Environmental changes are occurring at a faster pace than previously thought. Contemporary society is marked by numerous economic, financial, technical-productive, industrial, and environmental issues (Singh et al., 2023). They become more acute in certain periods, taking the form of real crises. In the competition related to the increase of national economies and the rise of the population's economic welfare, the countries have adopted, in their historical evolution, development models characterised by inadequate management of social and environmental issues (Mioara & Mihai, 2014). Thus, the unsustainable character of the use of such resources has some negative effects: climatic changes, energy issues, the unsustainable use of lands and ecosystems, or the trend of depletion of non-renewable natural resources (Ameer & Khan, 2022; Potluri & Phani, 2020). The business environment has had to become more sensitive and concerned with adopting some business practices that are more oriented towards the social and natural environment to become green (D'Angelo et al., 2023).

Businesses must be part of the solution to these problems. An entrepreneur must aim for a sustainable business that strives to balance the economic, environmental, and social benefits as part of its core business objective (Caputo et al., 2021; Huang et al, 2024). In the entrepreneurship context, sustainable business can be called green entrepreneurship, which is viewed as implementing innovations related to sustainability (Kolk & van Tulder, 2010). Additionally, the organisation develops a business to be sustainable; it must refrain from exploiting resources or people to improve profit margins. Due to the development of sustainability, the green entrepreneurship concept is gaining significant momentum and is reflected as one of the key drivers in promoting a green economy (Bohnsack et al., 2014; Omar et al., 2017).

As reported in SME Corp Malaysia 2020, Small and Medium Enterprises form the backbone of most economies, providing high employment levels and contributing extensively to GDP growth. Successful enterprises are driven by passionate and committed entrepreneurs who recognise, create, and seize opportunities to capitalise on them through a business. Hence, entrepreneurship results in innovation and sustained economic and social development. Green entrepreneurs provide the hotbed for starting and maintaining a green economy by providing green products and services, introducing greener production techniques, boosting demand for green products and services, and creating green jobs (Mioara & Mihai, 2014).

Malaysia has long undergone policy reforms toward sustainable development. The process of greening Malaysia's economy started as early as the 1970s with the introduction of regulations to manage pollution from the palm oil industry (Hezri & Hasan, 2006). Since then, the

Advanced International Journal of Business, Entrepreneurship and SME's
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EISSN: 2682-8545
Volume 7 Issue 25 (September 2025) PP. 684-698
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importance of environmental or ecological protection in Malaysia's economic development has been incorporated into the five-year development plan. In addition, Malaysia aims to create a pool of 10,000 green entrepreneurs within the next two years, in line with its aspiration toward a green economy and sustainable development (Ong et al., 2011; Tan, 2013). In this case, Deputy Environment and Water Minister Datuk Dr Ahmad Masrizal Muhammad encourages young people these days to become more and more creative by utilising recyclable items and natural resources. These show that Malaysia itself highlights green practices among entrepreneurs as they will significantly impact the country in terms of the economy and the environment.

Most companies from all over the world, including Malaysia, are now implementing green practices not only because they are concerned about environmental concerns but also due to the benefits and opportunities that favour their business (Tan, 2013; Huang & Mohamad, 2025). These companies that practice green activities in their business operation engage in green entrepreneurship practices. It improves corporate image by showing that they care about environmental well-being. This discipline has been popular for years, especially among big companies, as part of their responsibility towards society and the environment (D'Angelo et al., 2023; Lin & Ho, 2011; Perotti et al., 2012; Pinto, 2020). However, it still receives low acceptance from other groups of entrepreneurs, especially small and medium-sized entrepreneurs, particularly in developing countries like Malaysia (Tan, 2013). This needs to be looked at since SME Corporation, in 2020, notified us that 98.5 per cent of business establishments in Malaysia are SMEs.

Even though SMEs embrace green entrepreneurship practices less than large multinational companies, it is hard to ignore that business activities among SMEs have somehow impacted the environment (Tan, 2013). The prior studies reported that opportunities, motivation, green incentives, availability of capital, and entrepreneurial skills could stimulate green entrepreneurship to expand (Hussain, 2023; Nordin & Hassan, 2019; Vasilescu et al., 2023). However, Nordin and Hassan (2019) believe there is still a lack of literature on green business in Malaysia. Specifically, the factors influencing green entrepreneurship activities are limited by the exploratory studies (Speckemeier & Tsivrikos, 2022). Against this background, a study of green entrepreneurship is paramount (Hussain, 2023; Nordin & Hassan, 2019).

Most of the prior studies about SMEs are concerned with the areas of finance, microcredit, human resource management, strategic management, marketing, and leadership (Gure & Karugu, 2018; Kurter & Husseini, 2021; Suriyankietkaew et al., 2022). Recently, a study on green entrepreneurship has been done, which focused on the key determinants that potentially drive green entrepreneurship practice among SMEs in Malaysia (Nordin & Hassan, 2019). However, the transition to green entrepreneurship is slow due to critical barriers faced by entrepreneurs, and many lack access to sufficient financial resources to invest in sustainable ventures. Moreover, there are notable knowledge gaps regarding how to apply green practices effectively in business, and the government policies and regulations are often inconsistent or poorly implemented, leading to confusion and low compliance. Therefore, this study seeks to examine how capital availability, entrepreneurial knowledge, and regulatory factors influence the practice of green entrepreneurship. They believed that there could be other key determinants that act as independent variables for a similar study that should be discussed, other than opportunities for green entrepreneurship, such as the availability of capital (Malik et al., 2020), entrepreneurial knowledge (Makhloufi et al., 2022), and government regulations (Sun & Zhang, 2019). In this case, the factors influencing the green entrepreneurship practice

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among SMEs in Malaysia are also believed to differ from other countries according to the country's structure, people, government regulation, and level of awareness (Nordin & Hassan, 2019). Therefore, this research aims to determine the factors influencing green entrepreneurship practices among SMEs in Malaysia.

Literature Review

Theoretical Review

As the basis of this study, two models are used to describe entrepreneurship and how it applies to green entrepreneurship. First, Resource Dependence Theory (RDT) studies how the external resources of organisations affect the organisation's behaviour (Ozturk, 2021). Procuring external resources is an important tenet of any company's strategic and tactical management. Resource dependency theory describes organisational success as organisations that optimise their power (Brown, 2005). The resource dependence theory implies that actors deficient in vital resources may attempt to create relationships with others to acquire the required resources (Celtekligil, 2020).

In addition, organisations either reduce their dependency on others or increase other organisations' reliance on them. From this point of view, organisations are seen as coalitions that adopt their structure and behaviours to obtain and retain required external capital. The resource dependency theory suggests that organisations are working towards gaining leverage over resources that reduce other organisations' reliance on them (Cuervo-Cazurra et al., 2019). This theory is important to this study because it implies that a company can achieve independence from other organisations through green entrepreneurship through acts such as emission prevention, call centre-based business services, and green recyclable renewable projects, for instance, bio-compression technology, bio-ethanol technology, biodiesel algae, biogas plants, enhanced cooking stoves, solar thermal systems, solar lanterns, and thermo-chemical technologies. However, can corporations understand actions towards green business based on how they believe they can achieve control and freedom by engaging in green business?

Second, the Structure-Action Theory, by Giddens, considers structure as a set of rules and tools that only become evident when implemented (Cassell, 1993). As individuals communicate, components of how one person sees and does are interpreted to contribute to the conceptions of systems held by others. Individuals, called trained actors, are actively interested in tracking their experiences with the world around them. Meanwhile, dominant systems are improved or modified by individuals' day-to-day behaviour. Thus, individuals may replicate the status quo or choose to behave differently.

This model applies to this research since it describes the impetus behind entrepreneurs to determine whether to go green. It explains why a person's behaviour may replicate existing structures or attempt something new. To understand the greening process, one must then make a conceptual leap to see how a mutually efficient model of structure action can satisfactorily spread over time and space.

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Green Entrepreneurship

Availability of Capital for Green Entrepreneurship

Capital is one of the main elements that influenced the green entrepreneurship practice (Farinelli et al., 2011; Hussain, 2023; Nordin & Hassan, 2019; Speckemeier & Tsivrikos, 2022; Vasilescu et al., 2023). Mwakambirwa (2013) acknowledged the influence of funds for green entrepreneurship. Without funding support, green entrepreneurial practices were a challenge. The availability of different funding sources and their impact on entrepreneurial inclination were compared (Ho et al., 2014). They analysed the impact of business costs using World Bank data as a composite index. Three forms of financing and informal investments. The research showed a statistically significant impact of informal investments on the entrepreneurial tendency. Regulatory business costs have been found to discourage incentive-induced entrepreneurship but have had little effect on entrepreneurship requirements.

Marshall conducted a study in which they sought to gain insight into the human and financial capital factors impacting urban and rural entrepreneurs (Marshall & Southeastern, 2010). The study found that financial capital was a major factor for entrepreneurs when they took on the challenge of establishing a business. Entrepreneurs with medium and higher net worth rates were more likely to participate in a start-up enterprise. Kim, Aldrich, and Keister conducted a study that tested the theory that personal financial resources are an important factor in becoming an entrepreneur (Kim et al., 2003). The finding showed that, among other variables, the effect of financial resources such as household income and wealth on the decision to become an entrepreneur. Such studies show contradictory results about the effect of financial capital on entrepreneurship innovation. Therefore, it is fair that the literature reviews on the relationship between financial capital and entrepreneurship activities cannot be used to predict how capital affects green entrepreneurship among Malaysian SMEs. Previous research emphasised that human resources as company capital support the implementation of green practices in companies (Malik et al., 2020). This can be decided only by performing an analysis. Hence, the hypotheses stated:

H1: There is a positive relationship between the availability of capital and green entrepreneurship practices among SME entrepreneurs in Malaysia.

Entrepreneurial Knowledge for Green Entrepreneurship Practices

Knowledge is a vital part of the knowledge-based view of the firm, which requires the individual to create and the organisation to apply (Gunawardana, 2005). Knowledge assets are complex and difficult to imitate, making them good assets for producing long-term, sustainable competitive advantages (Chen & Chang, 2013). With knowledge, entrepreneurs can help companies increase their competitive advantages (Cozmei & Rusu, 2015; Mohamad & Roni, 2021). In the highly competitive environment of technology firms, entrepreneurial knowledge can be the key component for green entrepreneurship practices.

Knowledge exchange as a prerequisite for knowledge spillover is driven by the individual's willingness to share knowledge intending to support the emergence of other entrepreneurs (Cozmei & Rusu, 2015). Findings contribute to the knowledge spillover theory of entrepreneurship by better understanding the origin, mechanisms, and effects of knowledge spillover. Moreover, our novel insights about the mechanisms of interpersonal knowledge spillover contribute to the field of entrepreneurial learning.

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The creation and acquisition of knowledge needed for innovation can come from several internal and external sources. For established large firms, the knowledge source of innovation often comes from their investment in research and development or the augmentation of human capital to endogenously create new knowledge and generate innovative output (Chen & Chang, 2013). Prior studies suggest that firms can access external knowledge in two broad ways. First, firms can intentionally exchange knowledge with other firms through knowledge transfer or sharing. Second, they access knowledge through unintended information exchange; such a mechanism of accessing knowledge is called spillover. At the same time, external knowledge is seen as one of the most common and important sources of innovation (Filatotchev & Stahl, 2015). Based on the above discussion, this paper proposes the following hypothesis:
H2: There is a positive relationship between entrepreneurial knowledge and green entrepreneurship practices among SME entrepreneurs in Malaysia.

Government Regulations for Green Entrepreneurship

In conjunction with administration, public policy, laws, and regulations can facilitate private investments in green business ideas (Sun & Zhang, 2019). Cutting the red tape can significantly stimulate entrepreneurship by easing registration processes. As specific policies for stimulating green entrepreneurship are rare in most countries, incentive signals are mostly sent through environmental policies that are turned into business ideas. Assessing the environment for sustainable enterprises can help identify priority intervention areas and align policy initiatives and legal regulations between different ministries and sectors. Targeted investments in green business sectors, financial or tax incentives, and eased public green procurement processes can stimulate green start-up enterprises, creating significant opportunities for employment or helping green SMEs expand (Farinelli et al., 2011).

The government of Malaysia has placed great importance on new business creation and has provided incentives and implemented policies and procedures that help entrepreneurs start their businesses (Nordin & Hassan, 2019). Sustainable economic changes need to come from the bottom up, and the transition to a green economy requires the simultaneous integration of top-down incentives, regulations, and bottom-up solutions for green entrepreneurs (Farinelli et al., 2011). The demand for green products and solutions increases as environmental pressures become more acute and societies increasingly seek to adopt a more sustainable way of living. Developing eco-friendly activities and green initiatives among people in businesses requires strong support from individuals, manifested in their willingness and love for what they do (Ho et al., 2014). Moreover, it seems clear that sustainable economic changes need to come from the bottom up, and the transition to a green economy requires the simultaneous integration of top-down incentives and regulations and bottom-up solutions for green entrepreneurs (Farinelli et al., 2011). Hence, this paper proposes the following hypothesis:
H3: There is a positive relationship between government regulations and green entrepreneurship practices among SME entrepreneurs in Malaysia.

Methodology

Based on the debates in the literature discussed above, the theoretical framework illustrates the relationships among the variables in the nine research hypotheses, as depicted in Figure 1. The framework for this research was then developed based on prior empirical studies about green entrepreneurship practice. In this research, the dependent variable is green entrepreneurship practice, and the independent variables are the availability of capital, entrepreneurial knowledge, and government regulations. The conceptual framework used in this research was originally adapted from integrated findings from Nordin and Hassan (Nordin & Hassan, 2019)

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and Mwakambirwa (2013) to create a more specific framework that focuses on identifying all the factors influencing green entrepreneurship practice. Figure 1 displays all causal relationships among variables and analyzes the factors influencing green entrepreneurship practice in Malaysian SMEs.

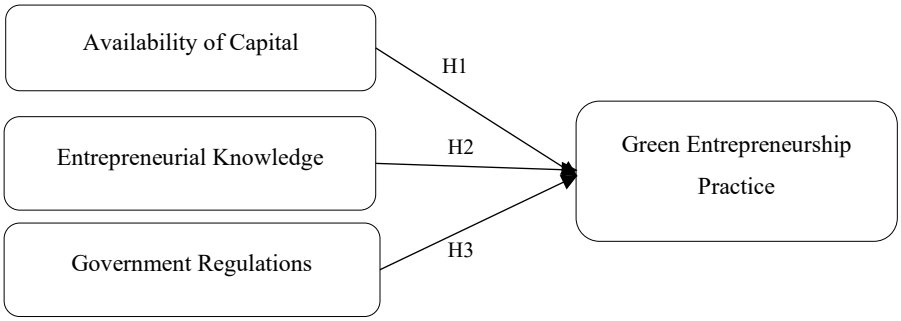

Figure 1: Research Framework

The researcher used non-probability samples and quantitative techniques. One method of sampling that does not skew results in favour or against any certain conclusion about the likelihood that any given set of elements in the universe would be included in the test sample is called "non-probability" (Cheah et al., 2020). It has been decided that this study will be conducted using a questionnaire that participants can complete on their own time. There were three sections to this questionnaire. The initial step was to collect basic information about the respondents, such as their gender, age, and profession. The second section of this research was dedicated to collecting data on the study's independent variables. Thirdly, we get to the meat of the questionnaire, where we measure the dependent variables. In this study, the researcher used non-probability sampling and quantitative techniques. It is possible to select a representative sample from the universe without introducing any bias to your results using a non-probability sampling technique (Cheah et al., 2020). For this study, we will use a questionnaire that participants can complete on time. The survey had three sections. The initial step was collecting basic demographic information from participants, such as age, gender, and line of work. The second section of the study was dedicated to collecting data on the study's independent variables. The survey's dependent variables will be measured in Section 3 as a last step. The factors were measured using a 5-point Likert scale. All the variables are internal and are measured by a five-point Likert scale ranging from (1) strongly disagree to (5) strongly agree.

In the pilot test, 15 questionnaires were distributed to test the reliability of the questionnaire using the Cronbach's Alpha method. Using Cronbach's Alpha, researchers can evaluate the internal consistency and reliability of a set of survey items and determine whether the questionnaire measures the intended construct. The study's target population is the private organisations registered in Malaysia with Suruhanjaya Syarikat Malaysia and the SME Corporation of Malaysia (SME Corp). The current study's population is SME organisations because the information for this study is derived from the respondents' ratings, personal experiences, and current practices in the East area of Malaysia. The sample size is critical for portraying the population. There are numerous methods for identifying and determining the proper sample size. The sample size necessary for this investigation is 134, as estimated by the G*Power analysis. It is subjected to a two-tailed test with a power (1-) = 0.95, provided = 0.05. It is critical to determine the sample size and cope with non-response bias. The basis for this move was that many educational and social research projects employed data-gathering methods

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such as surveys and voluntary participation, with a response rate of less than 100%. In this present research, the questionnaire was distributed to 400 respondents, of whom 169 responses were finally considered.

Result and Analysis

In the present study (Table 1), most of the respondents were female, which accounted for 66.9 per cent of the total number of respondents. As to age, this present study focused on the top managerial department. Thus, the respondents were divided among the following age groups: 21 to 30 years old (64.5%), 31 to 40 years old (26.6%), and 41 to 50 years old (8.9%). Regarding occupation, most respondents are government or private workers (66.3%) and self-employed (33.7%). In terms of business location, most respondents operated in Kelantan (85), followed by Terengganu (56), and Pahang (28). Concerning business registration, 169 respondents were registered with the Companies Commission of Malaysia (SSM), while 88 were registered under SME Corp. Only the businesses registered under these agencies were considered eligible for this study. Regarding business size, 23 were classified as micro enterprises, 34 as small enterprises, and 112 as medium enterprises. Notably, all 112 respondents reported practicing green business initiatives.

Table 2 depicts the reliability test performed on the pilot test data to evaluate the consistency of the measures. Overall, the Cronbach's alpha of the dependent variable and each independent variable ranged between 0.715 and 0.846. Thus, the measurements are considered good because of the satisfactory alpha values. Correlation analyses were used to analyse the data in conjunction with our research objectives, which describe the relationship of potential factors with the green entrepreneurship practice of the group. There is a significant correlation between all the independent variables and green entrepreneurship practices. The entrepreneurial knowledge variables exhibit the highest correlation (r=0.794, p=0.000) between green entrepreneurship practices. Other significant variables are the availability of capital (r=0.354, p=0.000) and government regulations (r=0.657, p=0.000) with green entrepreneurship practices.

Table 1: Sample Characteristics

Questions	Items	Frequency	%
Gender	Male	56	33.1
	Female	113	66.9
Age	21 to 30 years old	109	64.5
	31 to 40 years old	45	26.6
	41 to 50 years old	15	8.9
Occupation	Government or private worker	112	66.3
	Self-employee	57	33.7
Location of business	Kelantan	85	
	Terengganu	56	
	Pahang	28	
Business Registration	SSM Malaysia	169	
	SME Corp Malaysia	88	
SMEs Size	Micro	23	
	Small	34	
	Medium	112	

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Firstly, the EFA with principal component analysis and varimax rotation was applied to examine the constructs' underlying dimensions and group them into a small subset to measure different factors. The results found no cross-loadings, and 22 items loaded four factors as anticipated. It showed that all the items' EFA loading factors and commonalities are above the recommended cut-off value of 0.5 and 0.4, respectively (Hair. et al., 2019). Thus, no items need to be deleted. Kaiser–Meyer–Olkin (KMO) measure of sampling adequacy value was 0.728, which exceeded the minimum value of 0.6. At the same time, each item's KMO exceeds the recommended value of 0.5 (Field, 2000). Bartlett's test of sphericity showed a significant value ($p = 0.000$). Therefore, the sampling was adequate (Field, 2000). Table 3 displays each item's EFA loading factor, commonalities, and KMO.

Table 2: Correlation Matrix

Constructs	AC	EK	GR	GEP
Availability of Capital (AC)	**0.715**			
Entrepreneurial Knowledge (EK)	0.527**	**0.883**		
Government Regulation (GR)	0.664**	0.818**	**0.846**	
Green Entrepreneurship Practices (GEP)	0.354**	0.794**	0.657**	**0.795**

Note: Diagonal entries (in bold) represent the reliability, while the other entries represent the squared correlations. Significant **p<0.01 (two-tailed)

Hierarchical linear regression was used to test the three hypotheses: the relationships between the availability of capital, entrepreneurial knowledge, and government regulations with green entrepreneurship practices among SMEs in Malaysia. According to the results in Table 4, two of the three hypotheses were strongly supported. Evidence of a positive relationship between government regulations and green entrepreneurship practice is relatively weak, so the third hypothesis was not supported by a usual cut-off p-value of 0.05 and 0.01 from other studies. It can be said that overall, the potential drivers suggested in this paper were seen to have a positive influence on the participation and involvement of SMEs in green entrepreneurship practices. In the regression model, the incremental variance, explained by the three variables, was statistically significant ($\Delta R2 = 0.63$, $p < 0.01$).

Discussion and Conclusion

The results of the data analysis were obtained from questionnaires administered through an online survey method. First and foremost, the study established that the SMEs had within their spheres of entrepreneur capital, knowledge, and government regulation, as was indicated by the correlation, reliability, and exploratory factor analysis used to assess the extent of the SMEs' green entrepreneurial practices. Factor analysis determines each element of green entrepreneurship practices among SMEs by accepting their factor loading. This could be attributed to the importance of SMEs' regard of green entrepreneurship as an emerging phenomenon. Relative to the influence of factors on the practices, various factors were found to manifest varying degrees of effect on the practices, according to most of the respondents. Specifically, the findings showed that entrepreneurial knowledge had the greatest influence on SMEs' green entrepreneurship practices, followed by the availability of capital and government regulations in decreasing order of influence.

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Table 3: Exploratory Factor Analysis

Constructs and Items	EFA factor loading	Communalities	KMO
Availability of Capital			
AC1 Availability of Capital is a major challenge for entrepreneurs in implementing green entrepreneurship	0.565	0.624	0.612
AC2 The availability of capital is an important factor required in implementing green entrepreneurial practices	0.571	0.671	0.743
AC3 The effectiveness and efficiency of green entrepreneurship are determined through the availability of capital	0.662	0.607	0.755
AC4 The lack of availability of capital can affect the effectiveness of green entrepreneurship	0.558	0.510	0.633
AC5 To implement a green entrepreneurship practice, high capital is needed	0.359	0.721	0.809
Entrepreneurship Knowledge			
EK1 Availability of "Knowledge" has a positive impact on Green Entrepreneurship Practice	0.637	0.650	0.709
EK2 Mindset and knowledge can influence attitude toward the implementation of the Green Entrepreneurship Practice	0.702	0.707	0.738
EK3 I adopt Green Entrepreneurship Practice because it is one of the protections of a sustainable environment	0.536	0.616	0.523
EK4 I adopt Green Entrepreneurship Practice because I prefer the service that provides a healthy and good nature and environment by the business entity	0.851	0.783	0.700
EK5 I practice the Green Entrepreneurial Practices because it is free from factors that can cause environmental pollution	0.636	0.447	0.597
EK6 Individuals that alert in a healthy and good environment management lead to the implementation of Green Entrepreneurship Practice	0.796	0.695	0.563
EK7 I have a positive knowledge of Green Entrepreneurship Practice	0.816	0.782	0.758
EK8 The implementation of Green Entrepreneurship Practices can ensure the well-being of the environment and society as well as lead to justice in healthy and sustainable economic development	0.706	0.712	0.742
Government Regulations			
GR 1 I think the government regulation of service regarding Green Entrepreneurship Practice is excellent	0.665	0.763	0.565
GR 2 Green Entrepreneurship Practice and the process can help the government's efforts to resolve the environmental problem	0.848	0.790	0.612

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Constructs and Items	EFA factor loading	Communalities	KMO
GR3 The process of managing Green Entrepreneurship in each institution can provide a high understanding in the knowledge of managing the environment well	0.801	0.752	0.600
GR4 For now, implementing government laws is strong enough to prevent the community and entrepreneurs from not practising this green entrepreneurship well.	0.577	0.634	0.719
GR5 The success and effectiveness of this green entrepreneurial practice are driven by the government's continuous efforts and good compliance by its people.	0.855	0.793	0.652
Green Entrepreneurship Practices			
GEP1 Green Entrepreneurship Practice is one of the efforts toward environmental sustainability	0.748	0.627	0.563
GEP2 Green entrepreneurship Practice has a positive impact on the care of the environment in the long term	0.418	0.751	0.865
GEP3 Green Entrepreneurship is also known as the Green Economy	0.612	0.677	0.599
GEP4 Environmental pollution, such as global warming, ozone depletion, and air and water pollution, can be avoided with an effort towards Green Entrepreneurship Practice	0.616	0.457	0.593
GEP5 The main feature that distinguishes “Green Entrepreneurs” from “Traditional Entrepreneurs” is that Green Entrepreneurs strive to create business models that are not only economically profitable but also create sustainability and benefits	0.751	0.680	0.713

Note: Diagonal entries (in bold) represent the reliability, while the other entries represent the squared correlations. Significant **p<0.01 (two-tailed)

Green entrepreneurs provide the hotbed for starting and sustaining a green economy by providing green products and services, introducing greener production techniques, boosting demand for green products and services, and creating green jobs. In part due to the availability of capital, entrepreneurs facilitate access to finance through conditional market-based or publicly funded grant schemes, which are a vital enabling factor. Such funding can be essential for starting up or expanding an existing green business through productive investments or financing greener production methods. In Malaysia, a major opportunity for green entrepreneurs arises from grants provided by SME Corporations. It targets initiatives that consider dual job creation opportunities and environmental protection within its business. The study findings are advanced based on the relationships that were established for each of the different research objectives. From the preceding summary, it can be concluded that green entrepreneurial practices, as an emerging practice, are progressively gaining popularity among SMEs in Malaysia and are found to be practised by an appreciable number of SMEs. The findings established that several factors influenced these practices, including the availability of capital and entrepreneurial knowledge, with entrepreneurship practices.

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EISSN: 2682-8545
Volume 7 Issue 25 (September 2025) PP. 684-698
DOI 10.35631/AIJBES.725047

Table 4: Hypothesis Result

Hypothesis	Path	Coefficient	SE	*t*-value	*p*-value	Supported
H1	AC → GEP	0.125	0.051	2.004*	< 0.047	Yes
H2	EK → GEP	0.768	0.077	9.429**	< 0.000	Yes
H3	GR → GEP	0.113	0.062	1.219	0.000	No

The findings showed that SMEs' adoption of green entrepreneurial practices in Mombasa was still nascent. Relevant stakeholders should, therefore, put in place measures meant to spur its adoption and implementation by most entities, including SMEs. Such efforts could, for instance, begin with massive awareness creation on the relevance of green entrepreneurship practices through the sensitisation of all stakeholders. This would open up opportunities for access to green technology, internal and foreign markets, and, in some cases, raw materials to spur production.

Through its relevant authorities, the government should enhance support for green product innovation. This could be done by providing attractive incentives for a favourable taxation system for green business activity, creating a fund for green entrepreneurship, and negotiating with financial institutions to provide investors with low-interest loans, among others. The investors in green entrepreneurship should, on their part, form a lobby to give them a stronger negotiating ground with other stakeholders. In addition, business partnerships along value chains are of outstanding importance for green entrepreneurs to remain competitive and innovative and grow, and become sustainable. Helping entrepreneurs identify and exploit related market opportunities and strengthening all aspects of the supply chain can bring benefits from economic growth while entrenching environmental considerations within the value chain.

Future research suggests that a study on the perceptions of Asian countries on the operations of green technology be undertaken to help strengthen the country's policies related to this sector. A study on the factors that promote the effective growth of SMEs in green entrepreneurship in Malaysia is also worth investing in. A comparative study on challenges affecting SMEs involved in green entrepreneurship in Kenya is equally significant.

Acknowledgement
The researcher would like to thank Management and Science University (MSU), and this study was supported under the MSU Seed Grant (Grant ID: SG-036-022023-FBMP).

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