## GREEN ENTREPRENEURIAL ORIENTATION AND GREEN INNOVATION IN SMALL AND MEDIUM – SIZED ENTERPRISES (SMES) IN BATTICALOA



BY:

## **POOPALAPILLAI SATHUSKUMAR**

REG.NO: EU/IS/2017/MS/046

**INDEX NO: MS 2006** 



A project submitted to the Faculty of Commerce and Management, Eastern University, Sri Lanka, as a partial fulfilment of the requirement for the Degree of Bachelor of Business Administration.

## DEPARTMENT OF MANAGEMENT FACULTY OF COMMERCE AND MANAGEMENT EASTERN UNIVERSITY, SRI LANKA

This study investigates the green entrepreneurial orientation and green innovation in small and medium sized enterprises (SMEs) in Batticaloa. This study was implemented with three dependent variables there are green social performance, green environmental performance and green economic performance, green entrepreneurial orientation is identified as independent variable and green innovation is mediating variable.

Thus the primary motivation for this research is to eliminate the empirical knowledge gap in Batticaloa regarding this topic, green entrepreneurial orientation and green innovation in small and medium sized enterprises, (SMEs) with a focus on the mediating role of the green innovation. By doing so, this study aims to provide small and medium sized enterprises (SMEs) with insights into how they can optimize their green entrepreneurial orientation and green innovation.

Here selected small and medium sized enterprises (SMEs). In this study, the researcher attempts to highlight a difference between practical and theoretical contexts, by using the information found in the particular small and medium sized. For this purpose, the survey questionnaire was considered as a tool to get responses from 210 small and medium sized enterprise owners in Batticaloa.

In this study the statistical tools that used to the collected data were analyzed by using descriptive statistics, correlation, and regression. The findings show that the green entrepreneurial orientation and green innovation are in a high level among the respondents of SMEs. The analyses stated the positive relationship between the green entrepreneurial orientation and green innovation. Therefore these findings help future researchers to create their content effectively

Keywords: Green Entrepreneurial Orientation, Green Innovation, Green Social Performance, Green Environmental Performance and Green Economic Performance

## TABLE OF CONTENT

15

ACKNOWLEDGEMENT	i
ABSTRACT	ii
TABLE OF CONTENT	
LIST OF TABLE	ix
LIST OF FIGURE	xii
CHAPTER – 1	1
INTRODUCTION	1
1.1 Background of the study	1
1.2 Problem statement/ Research gap	3
1.3 Research Questions	4
1.4 Research Objectives	5
1.5 Significance of the study	6
1.6 Scope of the study	6
1.7 Chapter organization	7
1.8 Chapter Summary	8
CHAPTER - 2	9
LITERATURE REVIEW	9
2.1 Introduction	9
2.2 Green Entrepreneurial Orientation	9
2.3 Green Innovation	11
2.4 Green Economic Performance	12
2.5 Green Environmental performance	13
2.6 Green Social performance	14
2.7 The Relationship between Green Entrepreneurial Orientation and Gree Innovation.	
2.8 The Relationship between Green Innovation and Social, Environmenta Economic Performance	
2.9 Chapter Summary	18
CHAPTER - 3	19
CONCEPTUALIZATION AND OPERATIONALIZATION	19
3.1 Introduction	19
3.2 Theoretical Foundation: Resource-Based View Theory	19

3.3 Conceptualization		20
3.3.1 Conceptual Framework	饕	20
3.4 Definition of Key Concepts	s and Variables	21
3.4.1 Green Entrepreneurial (	Orientation	21
3.4.2 Green Innovation		22
3.4.3 Green Environmental P	Performance	22
3.4.4 Green Economic Perfor	rmance	23
3.4.5 Green Social Performan	nce	23
3.5 Operationalization		24
3.6 Chapter Summary		26
CHAPTER - 4	,,,,,,	27
RESEARCH METHODOLOGY.		27
4.1 Introduction		27
4.3 Research Approach		28
4.4 Research Strategy		29
4.5 Methodological Choice		29
4.6 Time Horizon	*	30
4.7 Research Site/ Area Selection	on	30
4.8 Population of the Study		30
4.8.1 Sampling		31
4.8.2 Sample Size		31
4.9 Method of Data Collection.		32
4.9.1 Primary Data		32
4.9.2 Secondary Data		32
4.10 Research Instrument		33
4.11 Method of Data Measurem	nent	34
4.11.1 Method of Measuring	the Personal Information	34
4.11.2 Measurement of Varia	bles	34
4.12 The Pilot Study		35
4.13 Data Presentation, Data Ar	nalysis, and Evaluation	36
4.13.1 Data Presentation		36
4.13.2 Data Analysis and Eva	aluation	36
4.13.3. Reliability and Validit	ty Analysis	37
4.14 Unit of Data Analysis		37

4.15 Methods of Data Analysis
4.15.1 Univariate Analysis
4.15.2 Bivariate Analysis
4.15.2.1 Correlation Analysis
4.15.3 Multivariate Analysis
4.15.3.1 Regression Analysis
4.15.3.2 Testing for mediation
4.16 Testing Hypotheses
4.17 Chapter Summary45
CHAPTER - 5
DATA PRESENTATION AND ANALYSIS46
5.1. Introduction
5.2. Reliability Test
5.3 Data Presentation and Analysis of Demographic Information47
5.3.1 Distribution of Gender
5.3.2 Distribution of Age group
5.3.3 Distribution of Level of Education
5.3.4 Distribution of Business Age
5.3.5 Distribution of Number of Employees
5.4 Data Presentation and Analysis of Research Information
5.4.1 Univariate Analysis
5.4.1.1 Level of Green Entrepreneurial Orientation among small and medium size enterprises owners.
5.4.1.2 Level of the Green Innovation among small and medium size enterprises owners
5.4.1.3 Level of Green Social Performance among small and medium size enterprises owners
5.4.1.4 Level of Green Environmental Performance among small and medium size enterprises owners
5.4.1.5 Level of Green Economic Performance among small and medium size enterprises owners
5.4.2 Bivariate Analysis
5.4.2.1 Pearson Correlation Analysis
5.4.2.1.1 Correlation between Green Entrepreneurial Orientation and Green Social Performance.
5.4.2.1.2 Correlation between Green Entrepreneurial Orientation and Green Environmental Performance

	5.4.2.1.3 Correlation between Green Entrepreneurial Orientation and Gree Economic Performance.	
	5.4.2.1.4 Correlation between Green Entrepreneurial Orientation and Gree Innovation	n
	5.4.2.1.5 Correlation between Green Innovation and Green Social Performance.	.55
	5.4.2.1.6 Correlation between Green Innovation and Green Environmental Performance.	
	5.4.2.1.7 Correlation between Green Innovation and Green Economic Performance.	.56
	5.4.3 Regression Analysis	.56
	5.4.4 Mediation Analysis	.68
	5.5. Testing Hypotheses	.76
	5.6. Summary	.77
C	CHAPTER - 6	.78
F	FINDING AND DISCUSSION	.78
	6.1 Introduction	.78
	6.2 Demographic factors of respondents	78
	6.2.1. Gender	78
	6.2.2. Age	78
	6.2.3. Education	79
	6.2.4. Business Age	79
	6.2.5. Number of Employees	79
	6.3 Discussion of Research Information	79
	6.3.1 Discussion for Objective One	79
	6.3.1.1 Level of Green Entrepreneurial Orientation	79
	6.3.1.2 Level of Green Innovation	80
	6.3.1.3 Level of Green Social Performance	80
	6.3.1.4 Level of Green Environmental Performance	80
	6.3.1.5 Level of Green Economic Performance	81
	6.3.2 Discussion for Objective Two	81
	6.3.2.1 Relationship between Green Entrepreneurial Orientation and Green Social Performance	81
	6.3.2.2 Relationship between Green Entrepreneurial Orientation and Green Environmental Performance	81
	6.3.2.3 Relationship between Green Entrepreneurial Orientation and Green Economic Performance	82

6.3.2.4 Relationship between Green Entrepreneurial Orientation and Green Innovation	32
6.3.2.5 Relationship between Green Innovation and Green Social performance	9
6.3.2.6 Relationship between Green Innovation and Green Environmental Performance	
6.3.2.7 Relationship between Green Innovation and Green Economic Performance	33
6.3.3. Discussion for Objective Three	34
6.3.3.1 Simple Regression between Green Entrepreneurial Orientation and Green Innovation.	34
6.3.3.2 Simple regression of the Green Innovation and Green Social Performance.	34
6.3.3.3 Simple regression of the Green Innovation and Green Environmental Performance.	35
6.3.3.4 Simple regression of the Green Innovation and Green Economic Performance.	36
6.3.4. Discussion for Objective Four	66
6.3.4.5 Multiple Regression of mediation analysis Green Social Performance on Both Green Entrepreneurial Orientation and Green Innovation8	36
6.3.4.6 Multiple Regression of mediation analysis Green Environmental Performance on Both Green Entrepreneurial Orientation and Green Innovation	
6.3.4.7 Multiple Regression of mediation analysis Green Economic Performance on Both Green Entrepreneurial Orientation and Green Innovation	
8	
6.4 Findings from Hypotheses Testing	
6.5 Chapter Summary	
CHAPTER - 79	
CONCLUSIONS AND RECOMMENDATIONS	
7.1 Introduction 9	0
7.2 Conclusions9	
7.2.1 First Objective9	
7.2.2 Second Objective	
7.2.3 Third Objective 9	1
7.2.4 Fourth Objective9	2
7.3 Contribution of the Research	4
7.4 Recommendations9	4

7.5 Limitations of the Study		95
7.6 Directions for Future Study	<b>X</b>	95
7.7 Chapter Summary		96
REFERENCES		97
APPENDIX 01		103