

DRIVERS OF GREEN ENTREPRENEURSHIP SUCCESS AMONG MALAYSIAN MEDIUM ENTERPRISES IN THE TOURISM SECTOR

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Abstract. An increasing number of people think that green entrepreneurship is a crucial strategy for advancing sustainability, particularly in the tourist sector. Despite Malaysia's numerous initiatives to support green enterprises, green entrepreneurs in the country's tourism industry still face challenges. This study looks at the key factors influencing the success of green entrepreneurship. Three elements are emphasized: dynamic capability, green influencers, and green logistics management. This study closes significant gaps in the literature, particularly the lack of research examining the relationship between these factors and green entrepreneurship in Malaysia's tourism sector. The study provides a comprehensive framework by decomposing each main issue into quantifiable components. This enhances our comprehension of the factors influencing the success of green entrepreneurship. A structured questionnaire will be sent to medium-sized tourism businesses in order to gather data for a quantitative research design. Stratified random sampling will be used to choose the sample, ensuring that each firm has an equal chance of being selected. Structural equation modeling will be used in this study to examine the data. The results ought to indicate which factors are most important for the success of green enterprises. This study provides policymakers and entrepreneurs with useful information to help promote environmentally sustainable practices and increase the profitability of green firms in Malaysia's tourism industry.

Keywords: *dynamic capability, green entrepreneurship, green influencers, green logistics management, small and medium enterprises*

Introduction

The environment has emerged as a significant topic of dispute that influences several facets of human existence (Raden Azlane@Zaidey and Saad, 2026). Conversely, corporations are regarded as significant users and pollutants of environmental resources. The imperative to address environmental concerns, including water, air, and solid waste pollution, deforestation, waste management, depletion of natural resources, and the production of eco-friendly products, has compelled firms to prioritize sustainable practices in their operations (WEF, 2025). The company's social responsibility towards the environment and the increasing significance of environmental sustainability in strategic business development has fostered research on green entrepreneurship. Green entrepreneurial organizations are acknowledged as environmentally friendly or responsible, and their operational methods in addressing societal requirements while upholding ethical responsibilities to save nature are very sensitive (Singh et al., 2025). Green entrepreneurship success includes job creation, income growth, social status improvement, and sustainable society development. Studies in Asia and Europe found multiple correlations between entrepreneurial success and environmental leadership. However, dynamic capability, green influencers, and green logistics management are less studied as factors affecting green entrepreneurship success, which is vital for

corporate prosperity and pollution mitigation across various industries. Green entrepreneurship success is vital to sustainable development; nevertheless, little has been established about its effectiveness. Green entrepreneurship success, as an innovative business concept, is increasingly crucial for economic growth, environmental conservation, and social progress.

Green entrepreneurship in Malaysia faces serious sustainability issues that threaten its fragile ecosystem but is gaining more steam as the country tries to be a hub for green technology and creativity. The issue has grown urgent as less than 20% of Malaysia's business sector supports sustainability. Meanwhile, 50% of Malaysian businesses lack the funds for such efforts. Although 60% of SMEs follow ESG guidelines, the transformation of green concepts into tangible deeds is underexamined (Sadiq et al., 2025). Thus, this study addresses these gaps by investigating the factors influencing green entrepreneurship success in Malaysia, focusing on dynamic capabilities, green influencers, and green logistics management. Addressing these shortcomings will help create effective policies supporting economic and environmental sustainability among medium enterprises in Malaysia.

Literature review

Green entrepreneurship has developed from early 20th-century organic farming and renewable energy trailblazers. From the 1970s environmental campaigns, green businesses concentrating on sustainable goods and recycling appeared. Environmental awareness and corporate environmentalism drove green entrepreneurship to grow globally in the 1980s and 1990s, with green finance and sustainable design rising as key sectors (Adamchak, 2025). According to Odeyemi et al. (2024), clean technology and sustainability in corporate practices drove green entrepreneurship in the twenty-first century. Asia has progressed, with Malaysia and Singapore at the forefront of sustainable business and climate technology investments. Though development has been achieved, more specialized research is required on the socio-cultural elements motivating green entrepreneurship and the influence of digital transformation on sustainable business practices (Anghel and Anghel, 2022). Thus, green entrepreneurship draws attention to continuing issues and the necessity of more thorough laws and institutional funding. In Malaysia, the tourism service sector, which includes accommodation, food and beverage, transport, and tour operations, has increasingly adopted green entrepreneurship to promote sustainable business growth. This approach integrates environmental protection, social well-being, and innovation into daily operations (Yin et al., 2022). Green entrepreneurship in developing countries stresses implementing sustainable practices into corporate structures to solve environmental issues (Khezri and Mamkhezri, 2025). According to Khezri and Mamkhezri (2025), though differences still exist, particularly in developing countries, a new study indicates that green entrepreneurship is more prevalent globally. While in the UK and US, over 25% of new companies include sustainability into their plans, just 15% of new businesses in India and Malaysia meet high sustainability criteria. Limited cash availability, government support, and market demand for eco-friendly products pose difficulties for green entrepreneurship. Lack of regulatory systems and financial support aggravates the problems. Including these gaps indicates that future research has to emphasize building focused policies and support systems to foster green entrepreneurship, particularly in developing countries, so as to balance and support a more sustainable world economy (Kumar and Ma, 2024).

Dynamic capabilities refer to a firm's capacity to sense, seize, and reconfigure internal and external competencies to respond swiftly to dynamic options for configuration. Dynamic capability is a company's ability to see risks and opportunities, take advantage of them through strategic actions, and change its resources and processes to stay ahead of the competition in changing settings. In the context of green entrepreneurship, dynamic capability helps businesses deal with the rising need for sustainability (Chen et al., 2024). The three most typical parts of dynamic capability are sensing, seizing, and reconfiguring. These help green businesses find eco-opportunities, put in place long-term strategies, and change how they do business to make sure it lasts. Dynamic capability is an important independent variable that helps green entrepreneurship success, which is the ability to make profit while also reaching environmental and social goals (Shi et al., 2025). Social media influencers whose primary objective is to advocate for sustainable, ecological, and environmentally friendly practices, with the intention of reducing or eradicating the adverse impacts of human behavior on the environment. Leaders, activists, and entrepreneurs dedicated to sustainability are green influencers who motivate people to embrace and advocate for environmentally beneficial practices (Schorn et al., 2025). Green influencers in entrepreneurship change mindsets, assist decision-making, and promote sustainable business practices. Green influencers, an independent variable, positively affect green entrepreneurship success by fostering environmental, social, and economic goals (Neumann, 2022). Previous studies have identified green influencers' key traits, which this study categorizes into six novel dimensions: accuracy, connectedness, integrity, legitimacy, originality, and proficiency. These attributes indicate that influencers are trustworthy, real, and can propagate green ideas. They also support green innovation, connecting inspiration to sustainability activities like eco-product development and green process improvements (Le et al., 2025).

Green logistics management considers the environmental consequences of operations, including information sharing, packing, warehousing, transportation, loading and unloading, logistics networking, logistics emissions, and standards along the supply chain. Green logistics management is the strategic management of logistics processes like transportation, packaging, warehousing, and distribution using environmentally friendly ways (Baglio et al., 2025). It requires logistical solutions that reduce waste, resource use, and carbon emissions throughout the supply chain. Green entrepreneurship relies on green logistics management to provide efficient, environmentally friendly operations. Green logistics management is an independent variable that makes a business more sustainable, cost-effective, and environmentally friendly, thus increasing green entrepreneurship success (Ebinbritto and Subburaj, 2025).

Underpinning theories

Resources-based theory by Barney (1991)

The resource-based view, articulated by Barney (1991), asserts that a firm's enduring competitive advantage stems from the strategic use of its internal resources and capabilities. This paradigm posits that resources that are valuable, rare, inimitable, and non-substitutable are essential determinants of exceptional company success. These resources may encompass both actual and intangible assets, including technology infrastructure, innovation capability, brand equity, and human capital. Within the framework of green entrepreneurship, the resource-based view posits that entrepreneurs

can get a competitive edge by utilizing distinctive and environmentally sustainable methods, skills, and technologies that are challenging for rivals to imitate.

Natural resource-based theory by Hart (1995)

Hart published the 1995 natural resource-based view. It extends the resource-based view theory. The resource-based view emphasizes a company's unique resources that provide it with an edge. However, the natural resource-based view considers environmental sustainability while making strategic decisions. The theory claims that a company's natural resources and environmental expertise can be a competitive advantage. The main points are to avoid pollution, take into consideration products, and grow in an approach that is good for the environment. These traits make businesses better and contribute to their long-term social and environmental value, which is why they are so important for green entrepreneurship success.

Emotional contagion theory by Hatfield, Cacioppo and Rapson (1993)

Hatfield et.al (1993) emotional contagion theory explains how people unintentionally copy others' feelings and behaviors in social situations. From the previous study, consumer encounters, social media content, leadership influence, and community participation can cause emotional contagion in commerce or marketing, changing perceptions, motivations, and decision-making. Green entrepreneurs promote positive environmental ideals, sustainability excitement, and eco-friendly lifestyle choices to a wider audience, making this notion applicable. This influences public sentiment and consumption toward eco-entrepreneurs.

Proposed conceptual framework

Figure 1 illustrates the proposed conceptual framework derived from the literature. This conceptual framework proposed the direct relationships among factors influencing the success of green entrepreneurship, including dynamic capability, green influencers, and green logistics management, anticipating a positive connection. The present study has made several main contributions. The green influencers' variables and emotional contagion theory act as the first and second contributions, respectively. As we know nowadays, most things go viral and popular just because of the influence of other people. Green influencers are the perfect variable in this study to promote the green entrepreneurship success that must be collaborated on in the medium-tourism sector, as this sector has been less studied in Malaysia due to their study on the manufacturing sector. The emotional contagion theory is closely related to these green influencers that act as a second contribution in this study. This theory is about the influence on consumers or the purchase decision to decide and buy what packages interest them and can benefit them. The third contribution in this study is the green logistics management. Previous studies have focused on the green supply chain but have fewer studies on logistics. By using the term "green logistics management" as an independent variable, it is more focused towards green entrepreneurship success, as it has a clear understanding about saving the environment and thus can make the medium tourism sector sustainable in the market.

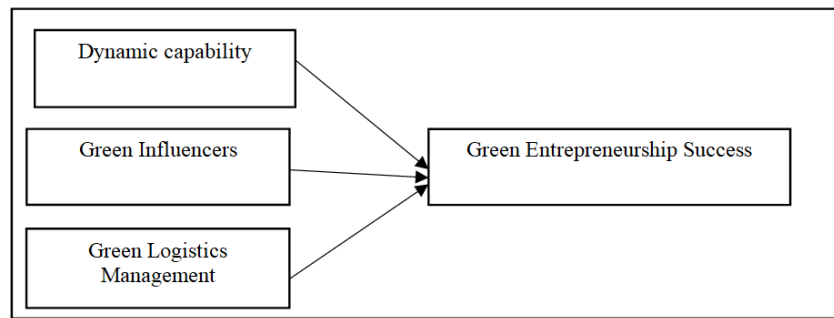


Figure 1. *Proposed conceptual framework.*

Hypotheses development

Green companies create capability and establish systematic models for their activities by effectively arranging their resources, enabling them to generate and adapt routines for enhanced efficiency. In reaction to green entrepreneurship success, dynamic capabilities enhance the ability to adapt to environmental changes, providing chances to augment income and optimize operations to minimize expenses (Borah et al., 2025). Therefore, the hypothesis is proposed as follows: (H1): There is a significant relationship between dynamic capability and green entrepreneurship success. As collaboration between companies and green influencers becomes prevalent, the prospective advantages of these partnerships remain a subject of controversy. Research indicates that followers regard influencers as more transparent and authentic when they participate in sponsored content, which can enhance their propensity to heed the influencer's recommendations, hence facilitating success in green entrepreneurship (Musiyiwa and Jacobson, 2023). Thus, the hypothesis is subjected to having a relationship between the green influencers and green entrepreneurship success by the firm they engaged with. Therefore, the hypothesis is proposed as follows: (H2): There is a significant relationship between green influencers and green entrepreneurship success. Consequently, green logistics management is anticipated to enhance both environmental and firm success, thereby positively influencing organizational success. The literature has addressed numerous aspects of the impact of different green logistics management components on dimensions such as packing, warehousing, transportation, loading and unloading, logistics networking, and logistics emissions (Trivellas et al., 2020). Therefore, the hypothesis is proposed as follows: (H3): There is a significant relationship between green logistics management and green entrepreneurship success.

Materials and Methods

In order to investigate the relationship between dynamic capability, green influencers, green logistics management, and green entrepreneurship success among Malaysian medium-sized tourism businesses, the study was designed utilizing a quantitative research approach. Structured questionnaires modified from validated measures created by Yin et al. (2022) will be used to gather data. The firm serves as the unit of study, and responders are usually managers or owners who are aware of the sustainability policies of their company. Accommodation services (16,948 firms), food and beverage services (165,059 firms), passenger transport services (2,592 firms), travel agencies and other reservation services (4,116 firms), cultural services (568 firms),

sports and recreational services (6,102 firms), and country-specific tourism characteristic services (19,945 firms) are the seven categories into which the population was divided.

To improve the data's external validity and generalizability, stratification was employed to lessen sampling bias and guarantee that each tourism subsector was fairly represented. 373 medium-sized businesses were thought to be big enough to carry out the analysis. This sample size exceeds the ten-times rule, the statistical power requirements of complicated structural equations, and the suggested minimum necessary in Partial Least Squares Structural Equation Modeling (PLS-SEM) (Hair et al., 2017). Based on the size of each stratum's population, the sample was allocated proportionately among them. A systematic questionnaire based on verified and known measurement scales was used to gather data for the current study. Because PLS-SEM (version 4.0) is appropriate for research analysis based on the need to make predictions and the ability to test complex models with several latent characteristics, it was used to analyze the data in this study. The current study examined the measurement model's discriminant validity (using the heterotrait-monotrait (HTMT) criterion), convergent validity (measured by average variance extracted), and internal consistency reliability (measuring Cronbach's alpha and composite reliability). In this study, the single factor test by Harman was utilized to investigate the potential for common method bias, and the variance inflation factors (VIF) were employed to investigate the probability of collinearity problems. The path coefficient, coefficient of determination (R^2), and predictive relevance (Q^2) were then used to test the structural model.

Results and Discussion

The study is anticipated to show that among Malaysian medium-sized tourism enterprises, dynamic capability, green influencers, and green logistics management are important and favorable factors of green entrepreneurship success. This study is expected to exhibit that dynamic capability, green influencers, and green logistics management are significant and positively related to green entrepreneurship success among medium-sized tourism enterprises in Malaysia. Specifically, tourism businesses with stronger dynamic capabilities are anticipated to exhibit higher levels of green entrepreneurial success. These firms are expected to be more innovative, adaptable, and capable of achieving both environmental sustainability and long-term business success. The findings are also expected to reveal that green influencers play an important role in promoting green entrepreneurship by shaping consumer attitudes, increasing awareness of sustainable tourism practices, and encouraging environmentally responsible purchasing behavior. Tourism enterprises that actively collaborate with sustainability advocates, environmental organizations, and social media influencers are expected to experience greater customer engagement, stronger brand reputation, and enhanced market competitiveness, thereby contributing to the success of green entrepreneurial initiatives. Furthermore, the study is expected to find that green logistics management significantly enhances green entrepreneurship success by improving operational efficiency while reducing environmental impacts. Tourism businesses implementing environmentally friendly logistics practices are anticipated to achieve cost savings, higher customer satisfaction, and improved environmental performance. These practices are also expected to strengthen firms' competitive advantage within the tourism sector.

Contribution of the study

This study is expected to contribute to the green entrepreneurship and sustainable tourism literature by developing and empirically validating a comprehensive framework that explains the drivers of green entrepreneurship success in Malaysia's tourism sector. While previous studies have often examined factors such as dynamic capability, green logistics management, or environmental practices independently, this study integrates dynamic capability, green influencers, and green logistics management into a single conceptual model. This integrated approach advances theoretical understanding of how internal organizational capabilities and external environmental influences jointly contribute to the success of green entrepreneurship. The findings will also extend existing entrepreneurship and sustainability theories by providing empirical evidence from an emerging economy, where research on green entrepreneurship remains relatively limited. The findings will provide practical guidance for tourism entrepreneurs and medium enterprise managers seeking to improve the success of green entrepreneurship initiatives. Specifically, the study will identify which factors have the greatest influence on green entrepreneurial success, enabling business owners to prioritize investments in organizational capabilities, environmentally sustainable logistics, and strategic engagement with green influencers. The research is also expected to demonstrate how integrating sustainable business practices can enhance competitiveness, improve customer satisfaction, strengthen corporate reputation, and create long-term business value. The study will offer valuable insights for policymakers and government agencies, such as the Ministry of Tourism, Arts and Culture (MOTAC), SME Corp Malaysia, and other sustainability-related organizations. The findings can support the development of policies, financial incentives, training programs, and capacity-building initiatives that encourage tourism SMEs to adopt green entrepreneurial practices.

Conclusion

This study proposes a comprehensive framework to examine the factors influencing green entrepreneurship success among medium-sized tourism enterprises in Malaysia by integrating dynamic capability, green influencers, and green logistics management. As sustainability becomes an increasingly important priority for the tourism industry, understanding the key drivers of successful green entrepreneurship is essential for enhancing both business competitiveness and environmental stewardship. By addressing the limited empirical evidence available in the Malaysian tourism context, this study seeks to bridge an important gap in the green entrepreneurship literature. The proposed quantitative research design and application of Structural Equation Modeling (SEM) are expected to provide robust empirical evidence on the relationships among the identified constructs. The findings are anticipated to demonstrate that organizations possessing stronger dynamic capabilities, adopting effective green logistics management practices, and leveraging the influence of green influencers are more likely to achieve successful green entrepreneurial outcomes. These results will deepen the understanding of how organizational capabilities and external environmental influences interact to promote sustainable business success. The study is expected to make significant theoretical, methodological, practical, and policy contributions. Theoretically, it extends the literature by integrating multiple determinants of green entrepreneurship success into a unified framework. Methodologically, it provides validated measurement instruments

and empirical evidence from Malaysia's tourism sector. Practically, it offers strategic insights for tourism entrepreneurs seeking to improve sustainability and business success. From a policy perspective, the findings can assist government agencies in designing effective programs and incentives to support the growth of green tourism enterprises and accelerate the transition toward a more sustainable tourism ecosystem.

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Conflict of interest

The authors declare that there is no conflict of interest regarding the publication of this paper. All authors have contributed to this work and approved the final version of the manuscript for submission to the Quantum Journal of Social Science and Humanities (QJSSH).

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