



## ANALYSIS OF ENTREPRENEURSHIP SUSTAINABILITY IN INDIVIDUAL SMES (ONE-MAN-SHOW) FROM A TRIPLE BOTTOM LINE (TBL) PERSPECTIVE: STUDY IN DEPOK CITY, INDONESIA

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### Article Information    Abstract

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This research analyzes the relationship between sustainability practices and business outcomes in small and medium enterprises (SMEs). Sustainability in the context of SMEs managed by the head of the family (a one-man show) is characterized by the ability of SMEs to survive and succeed in a dynamic, competitive, and challenging business environment. SMEs must adapt to the changing environment and take strategies to achieve a balance between the Triple Bottom Line, namely people, planet, and profit, reducing pollution and degrading resources in the long term. The purpose of this article is to comprehend the nature of the sustainability of SMEs managed by the family's head. The results of the analysis show that SMEs must be able to survive economic and social changes, engage in responsible and ethical business practices, use natural resources effectively and protect the environment, and provide high-quality products and services. The results of this paper are in the form of metrics to measure how well SMEs meet the needs of stakeholders. With this sustainability metric, SMEs can observe further using the theme of sustainable practices. Thematic network analysis looks into the following major topics: (1) environmental concern behavior; (2) image and reputation; (3) economic interests; (4) social; and (5) environment. This study also discusses the important implications for SMEs who want to improve performance based on the Triple Bottom Line Theory and business sustainability.

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## INTRODUCTION

The COVID-19 pandemic has given rise to three current competitive challenges, namely globalization, technology, and the environment (Song and Zhou, 2020). Recent literature on

SMEs states that the factors responsible for shaping social, economic, and climate change are globalization, changes in a country's national political economy, innovation, and financial creativity. In the modern world, SMEs are considered more resilient to crises and resistant to

external economic shocks (Antoniuk et al., 2017). Therefore, SMEs are considered to be more resilient and sustainable in a dynamic competitive environment. However, so far, it has not been known how well SMEs have a concern for the environment in a sustainable manner (Arend, 2014).

The report of the World Commission on Environment and Development highlights the important role of SMEs in developing long-term economic, social, and environmental norms at the same time (Torugsa et al. 2013). This means that SMEs are still considered to have not played an optimal role in managing economic prosperity, social welfare, and environmental protection in their products, policies, and practices. This condition exists because there are still many SMEs that are managed simply and in the form of small-scale family businesses led by the head of the family (Tambunan, 2008). In addition, SMEs are considered not yet active in developing internal environmental and social initiatives as well as sustainability in society and the economy. Therefore, this article highlights steps that can be taken by SMEs to overcome sustainability challenges. The more specific aim of this article is to understand the efforts of SMEs in responsive and ethical business practices, effective use of natural resources, protecting the environment, and offering high-quality products and services (Boiral et al. 2014). This article also proposes metrics to determine whether SMEs are meeting stakeholder needs. With these metrics, the capabilities of SMEs can be analyzed, and the right strategy can be identified to successfully overcome this challenge.

The study was carried out using an interpretive paradigmatic approach with the aim of investigating a problem. This article uses a standard procedure based on an interpretive approach to answer the research question: what should a business founder working on a one-man show basis for a sustainable SME have to do?

Further, the differences between family businesses and non-family businesses are also considered. Previous authors highlighted the role of family businesses and noted that they represent around 90% of global GDP (Bjuggren et al. 2011). However, it is important to recognize that family businesses face complex issues that affect their

profile and management compared to non-family SMEs.

This article consists of several components to achieve its objectives. Section 2 offers the key concepts of SME reputation, brand image, and financial value, as well as the theories of stewardship and social emotional wealth that support this analytical framework. Section 3 describes a set of assumptions, and Section 4 covers the results of the analysis. Section 5 presents the discussion and conclusions, including the main findings. The final section contains findings and suggestions for future research.

## METHOD

This research was conducted with an interpretative approach. The interpretative research paradigm begins with the herminotic approach developed by German researchers. The interpretive paradigm seeks to investigate phenomena based on an understanding of the "world of human experience rminotic approach developed by German researchers. The interpretive paradigm seeks to investigate phenomena based on an understanding of the "world of human experience." This theory assumes that reality is socially constructed. Researchers at this school rely on the identities, views, circumstances, and observations of their participants. An interpretive study usually develops theory in addition to and serves as the foundation for standard study paradigms. Social construction researchers observe the subject's presence when conducting research. This means that they are fully aware of their personal, cultural, and historical prejudices and assumptions that can generate researcher bias. Therefore, the selection of this research approach is mainly based on two important methods: deduction and induction. This study also uses a comprehensive approach, which allows researchers to develop theories based on qualitative data analysis. Thus, the approach used is based on an interpretive paradigm, bearing in mind that reality is socially constructed and subject to the researchers' own assumptions, as presented in Figure 1, where the aim of this study is to explain the important topics that emerge from the thematic analysis.

## RESULT AND DISCUSSION

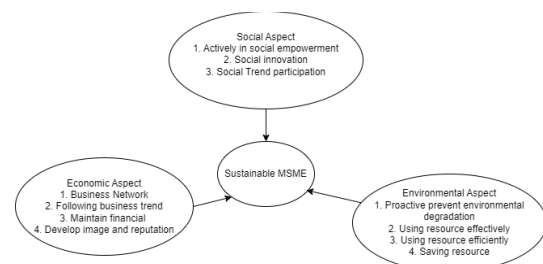
SMEs that are managed individually or are called "SMEs in the form of one-man shows" are the focus of this research. In a family business dominated by one head of the family (one-man show), it is possible that the manager is the dominant individual who determines management and business rules (Dahya and Travlos, 2000). SMEs of this kind are found, work according to individual targets, and take individual views for the benefit of their businesses. This resulted in obstacles to the growth of SME businesses. This is due to limited production and management technical capabilities and management patterns that are in accordance with the needs of business development being difficult to find, which is caused, among other things, by the limited knowledge and managerial skills of small and medium entrepreneurs in developing appropriate business strategies (Dobbs and Hamilton, 2007). In addition, the ability of businesses to organize themselves and their employees is still weak, resulting in an unclear division of labor and often forcing employers to act as "one man shows." From the point of view of theoretical methods, the views adopted for observing individual SMEs can be adopted from the perspective of the participation and activeness of SME founders in dominating business and management.

Other researchers have shown that entrepreneurship is important for creating and maintaining internal organizational productivity (Klein et al. 2013). This individual management mechanism is referred to as an "individually managed UKM" or "one-man show." This individual management is an individual's ability to run SME operations, which allows the creation of new capabilities (Hitt et al. 2011). Both aspects reviewed by the authors fit the definition of "dynamic capability." So this research follows the initiative of other researchers who envisioned a one-man show as the organizational dynamics of early SMEs. As a dynamic capacity, this type of UKM is formed by business founders, especially heads of families, as the foundation for business tradition. This is supported by other researchers who found that innovation, activity, and risk-taking dimensions are manifestations of individual business behavior. This one-man-show

approach to business founders emphasizes business processes rather than the top manager's role (Susanto, 2005). The presence of a business founder allows SMEs to update their organization more quickly by pursuing new opportunities. Business founders shape a competitive culture by following strategic trends in the organization as a business philosophy, which ultimately reflects the values of this culture. Thus, the presence of business founders drives decision-making and behavior into business practices that enable SMEs to be able to create value, explore, and exploit new emerging opportunities that provide future benefits (the development of new goods), as well as new production methods and the expansion of new markets.

At this stage, sustainability in the business strategy of the business founders has shown that the SME has a competitive advantage and dynamic capabilities related to sustainability. That is, the more experience a business founder has, the stronger the entrepreneur's entrepreneurial spirit, organizational legitimacy, and business ethics are (Simanjuntak et al. 2019), as a result of which SMEs are able to grow differently from other competitors at this stage. Business experience is an important qualification for implementing a business model based on a sustainable business opportunity.

The relationship between the Triple Bottom Line and the dimensions of individual SMEs is obtained from the results of the literature analysis. Likewise, we can find a number of strategic trends between the SME dimension and the Triple Bottom Line dimension. The results of the study show that this type of SME has commitments, decision-making processes, strategies, business operations, and sustainable practices that are coordinated, voluntary, and formal (Figure 1).



**Figure 1. Aspects Shaping UKM Sustainability one-man-show**

In terms of the Triple Bottom Line (i.e., economic, social, and environmental dimensions), these SMEs have succeeded in obtaining sustainable competitive benefits derived from the experience of applying the Triple Bottom Line principle, which generates new ideas, new products, or new resources and creates opportunities to make them more transparent for consumers and other stakeholders, as well as an open and informative system. In this sense, SMEs are able to incorporate such strategic trends and contribute further to social harmony and environmental protection through the conscious integration of social and environmental issues into their business models.

A extremely successful small to medium-sized enterprise with growing sales and assets for the owner. Upon closer inspection, the advancement of this UKM is typically the result of everything being decided and determined by a leader. Upon closer inspection, the advancement of this UKM is typically the result of everything being chosen and determined by a single leader (Mayasari and Isa, 2021). He alone creates and decides upon all production plans and sales tactics. His subordinates exclusively execute his orders. This is one type of cooperation he employs. Under such direction, there is no free flow of ideas from subordinates. He was confident in every one of his selections. The highest level of management was likewise quite repulsive towards him. In terms of management, this is known as "One Man Show Management." This demonstrates that the managerial style that best fits the needs of small and medium-sized enterprises (SMEs) today, particularly during the present pandemic, is the "one man show." This is due to the fact that, among other things, the current epidemic necessitates a more efficient management system, so that SMEs do not require a complex system. However, SMEs require a network for marketing their businesses.

Absolute one-man show management is actually only effectively applied to the sole proprietorship type of business where the business is indeed privately owned, the company structure is also not that complex, and maybe the company "has not been able" to capture the best quality human resources in its business. However, with the development of SMEs into companies or

partnerships, let alone a full-fledged corporation, it will result in increasingly complex company structures and more complex corporate transactions. Of course, one-man direction becomes very ineffective because it is almost impossible for someone to handle all the problems that exist in a company. It is at this time that he must delegate his authority to people who have high professionalism to achieve operational effectiveness.

## CONCLUSION AND RECOMMENDATION

The results of the analysis show the relationship between social aspects, environmental protection aspects, and aspects of the economic interests of SMEs. SMEs that are able to carry out these three aspects illustrate their ability to achieve sustainability. Each aspect is divided into several important dimensions. The social aspect consists of being active in social empowerment, social innovation activities, and participation in social trends. The social aspect plays an important role in the economic development of SMEs. However, SMEs must be active in social activities, which may cost them or benefit them. SME entrepreneurs who carry out aspects of environmental protection can incur costs related to environmental problems. Sustainability that must be carried out can be in the form of activities such as active participation in pollution prevention, efficient use of resources, resource efficiency, and resource effectiveness. For one-man-show SMEs, it is very difficult to carry out all of these sustainability activities, even though there is an equally important concern for SMEs, especially those engaged in manufacturing, to achieve optimal performance. SMEs should also strive to achieve the same results in the economic domain, namely financial performance and value. To achieve this goal, SMEs must implement activities such as forming business networks, quickly following business trends, maintaining financial results, and building the reputation and image of SMEs.

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