Journal of Management and Business Review
Volume 21, Number 2 (2024) Page: 161-175
ISSN: 2503-0736 **(Online); ISSN:** 1829-8176 **(Print)**
doi: https://doi.org/10.34149/jmbr.v21i2.488

The Analysis of Sustainable Firm Performance in Textiles SMEs in Bogor, Indonesia

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Received: 22-03-2023 | Approved: 18-10-2023 | Published: 28-08-2024

How to cite: Liestyana, Y., Adella, N. P., Wahyuningsih, T., & Utami, Y. (2024). The analysis of sustainable firm performance in textiles SMEs in Bogor, Indonesia. *Journal of Management and Business Review*, *21*(2), 161–175. https://doi.org/10.34149/jmbr.v21i2.488

ABSTRACT
Green supply chain management (GSCM) is an environmentally friendly initiative for all stages of the product life cycle, from product design to handling when the product life cycle ends. This research aims to determine the impact of green entrepreneurial orientation, market orientation, and green supply chain management practices on sustainable firm performance. The sample used was textile SMEs in Bogor Regency, with 62 respondents. The technique used for sampling is purposive sampling with the criteria of SMEs applying the green supply chain management concept. Data was collected through a questionnaire and analyzed using PLS (Partial Least Square). The study shows that green entrepreneurial orientation does not affect green supply chain management practices. Market orientation influences green supply chain management practices. Green supply chain management practices influence sustainable firm performance. Green supply chain management practices do not mediate the relationship between green entrepreneurial orientation and sustainable firm performance but do mediate the relationship between market orientation and sustainable firm performance.

Keywords:
Environmental impact, green entrepreneurship orientation, green supply chain management practices, market orientation, sustainable firm performance,

ABSTRAK
Manajemen rantai pasokan hijau (green supply chain management/GSCM) merupakan inisiatif ramah lingkungan untuk semua tahap siklus hidup produk mulai dari perancangan produk hingga penanganan saat siklus hidup produk berakhir. Penelitian ini dilakukan untuk mengetahui dampak dari orientasi kewirausahaan hijau, orientasi pasar dan praktik manajemen rantai pasokan hijau pada kinerja perusahaan yang berkelanjutan. Sampel yang digunakan adalah IKM tekstil dan produk tekstil di Kabupaten Bogor sebanyak 62 responden. Teknik yang digunakan untuk pengambilan sampel adalah purposive sampling dengan kriteria IKM yang menerapkan konsep manajemen rantai pasokan hijau. Data dikumpulkan melalui kuesioner dan dianalisis menggunakan analisis PLS (Partial Least Square). Dari hasil penelitian diketahui bahwa orientasi kewirausahaan hijau tidak berpengaruh terhadap praktik manajemen rantai pasokan hijau. Orientasi pasar berpengaruh terhadap praktik manajemen rantai pasokan hijau. Praktik manajemen rantai pasokan hijau berpengaruh terhadap kinerja perusahaan yang berkelanjutan. Praktik manajemen rantai pasokan hijau tidak memediasi hubungan antara orientasi kewirausahaan hijau dan kinerja perusahaan yang berkelanjutan tetapi memediasi hubungan antara orientasi pasar dan kinerja perusahaan yang berkelanjutan.

Kata Kunci:
Kinerja perusahaan yang berkelanjutan; orientasi kewirausahaan hijau; orientasi pasar; praktik manajemen rantai pasokan hijau,

INTRODUCTION

In the current era of industrialization, industrial waste is something that companies must focus on to find solutions for. This problem then prompted serious discussions regarding the implementation of environmentally friendly industrialization. Environmentally friendly industrialization has also been encouraged by the government through Government Regulation Number 41 of 2015 concerning Industrial Resource Development, where industrial companies and industrial area companies must utilize natural resources efficiently, environmentally friendly, and sustainably.

Green supply chain management (GSCM) is an environmentally friendly initiative for all stages of the product life cycle, from product design to handling when the product life cycle ends. The factors from which organizations make decisions regarding resource deployment and strategic practices such as GSCM remain unexplored, and among these factors are green entrepreneurial orientation and market orientation (Habib *et al.*, 2020). This research was conducted to replicate research conducted by Habib *et al.* (2020), with updates in terms of the research object, namely textile SMEs in Indonesia, which have different characteristics and conditions from the previous research object, namely the textile industry in Bangladesh.

Habib *et al.* (2020) stated that there is a link between green entrepreneurial orientation and GSCM practices through a dynamic capabilities' perspective. Green entrepreneurial orientation is the tendency to recognize potential opportunities to create prosperity regarding material sufficiency and a healthy environment by starting green activities. Typically, entrepreneurial orientation captures a company's decision-making posture in critical company-level tasks, strategy-making processes, and managerial ideas to discover new opportunities for organizational growth and renewal (Hughes *et al.*, 2017).

Meanwhile, the relationship between market orientation and GSCM practices is explained through resource superiority theory (Habib *et al.*, 2020). According to resource superiority theory, market orientation is a valuable intangible resource that identifies customer needs and demands, further enhancing customer value delivery. Market orientation increases management knowledge to recognize market demands, seeking to develop policies for sustainable business practices (Wilburn Green *et al.*, 2015).

Green entrepreneurial orientation and market orientation, which are antecedents of GSCM practices, will ultimately encourage companies to improve sustainable performance. Companies oriented towards green practices can also differentiate themselves from their competitors while increasing sales profits due to increased market legitimacy and more significant social approval. Achieving a balance between economic profits and environmental image is becoming increasingly important for companies to face challenges and pressures (Younis *et al.*, 2016).

Based on the phenomena described, the literature discussing the importance of implementing GSCM practices and their impacts is not comparable to the literature on the antecedents of GSCM practices. This gap can be addressed by examining the effect of green entrepreneurial orientation and

market orientation as antecedents of GSCM practices and their indirect impact on sustainable corporate performance.

The purpose of this research is to determine and analyze the influence of green entrepreneurial orientation and market orientation on GSCM practices, determine and analyze the influence of GSCM practices on sustainable firm performance, determine and analyze the influence of green entrepreneurial orientation on sustainable firm performance through GSCM practices, determine and analyze the influence of market orientation on sustainable firm performance through GSCM practices.

The Relationship Between Green Entrepreneurial Orientation and Green Supply Chain Management Practices

From dynamic capabilities view, an organization's strategic orientation (e.g., green entrepreneurial orientation) can be considered an invaluable intangible capability to respond to and implement strategic practices (e.g., GSCM) and result in higher corporate performance (Altinay *et al.*, 2016). Dynamic capabilities consist of three attributes that can be conceptualized to possess in a green entrepreneurial orientation: sensing, seizing, and transformation capabilities (Teece, 2016). Simultaneously, green entrepreneurial orientation has three intrinsic characteristics, namely green innovative, proactive, and risk-bearing (Jiang *et al.*, 2018), which have an unclear relationship to GSCM practice. The sensing capabilities of a green entrepreneurial orientation identify appropriate market opportunities and typically take proactive action to adopt green practices in response to emerging challenges from environmentally conscious customers and stakeholders both now and in the future (Nikolaou *et al.*, 2018).

Companies with a green entrepreneurial orientation will innovate, produce, and deliver environmentally friendly products and services to capture customer value. The study found a relationship between green entrepreneurial orientation and innovation performance. The results of this research direct a green entrepreneurial orientation emphasizing GSCM practices to design and produce environmentally friendly products and services to increase competitive advantage. The proactive capability of green entrepreneurial orientation encourages companies to mobilize resources to adopt green technology and manufacturing, increasing production efficiency by reducing energy consumption and preventing pollution (Jiang *et al.*, 2018). To uphold the company's reputation, companies with a green entrepreneurial orientation carry out internal environmental management practices such as ISO 14.000, environmental management systems, environmental compliance, and audit programs (Zhu *et al.*, 2013). The transformational capabilities of green entrepreneurial orientation encourage companies to adopt green strategies in uncertain environments. Traditional practices are changing into environmentally friendly practices in the essence of the forward-looking green entrepreneurial orientation towards market opportunities (Teece, 2016). The following is the first hypothesis:

H_1: Green entrepreneurial orientation influences green supply chain management practices.

The Relationship between Market Orientation and Green Supply Chain Management Practices

Previous research has established a relationship between market orientation and implementing environmentally friendly practices such as GSCM (Wilburn Green *et al.*, 2015). Recently, growing concerned about environmental issues, customers are demanding environmentally friendly products; hence, market-oriented companies are significantly adopting GSCM practices to meet customer demands by manufacturing their products in an environmentally sustainable manner (Wilburn Green *et al.*, 2015). Market-oriented companies prioritize customer needs, analyze competitors, and develop capabilities like green supply chain management (GSCM) to gain a competitive advantage (Choi, 2014; Borazon *et al*., 2021). Resource advantage theory suggests that market orientation is an intangible resource that develops a company's ability to generate intelligence in changing customer demands and utilize company resources to satisfy customers through green innovation and GSCM practices (Wilburn Green *et al.*, 2015). The following is the second hypothesis:

H_2: Market orientation influences green supply chain management practices.

The Relationship between Green Supply Chain Management Practices and Sustainable Corporate Performance

The relationship between GSCM practices and firm performance has been studied extensively and established empirically in the production and operations management literature (Vanalle *et al.*, 2017). GSCM practices improve economic performance by minimizing waste production, reducing waste processing costs, reducing environmental accidents, and saving energy. From meta-analysis, Geng *et al.* (2017) emphasized that cooperation with customers, one of the GSCM practices, achieves better economic performance. GSCM practices contribute to environmental performance by reducing the consumption of water, energy, and hazardous and toxic materials in production, as well as reducing the generation of liquid waste, solid waste, air emissions, and environmental accidents and improving the health and safety of workers and communities (Wilburn Green *et al.*, 2015). The GSCM involves integrating environmental practices into supply chain activities to reduce pollution, waste, and energy consumption from product design to end-of-life management (Cao, 2024). In recent years, social sustainability has gained much attention in manufacturing companies due to increasing awareness of safety, job security, equality, education, and ethical business practices (Eriksson & Svensson, 2015). Social sustainability primarily considers human health, safety, welfare, and its impact on society (Yadlapalli *et al.*, 2018). The following is the third hypothesis:

H_3: Green supply chain management practices influence sustainable firm performance.

The Relationship between Green Entrepreneurial Orientation, Green Supply Chain Management Practices, and Sustainable Corporate Performance

Green practices are valuable and temporary entrepreneurial actions that win companies' favor and gain a competitive advantage. It can be ascertained that green entrepreneurial orientation combines several entrepreneurial characteristics as a posture for decision-making towards the strategy-making

process (Hughes *et al.*, 2017), which cannot directly achieve corporate performance without tactical actions, such as GSCM practices. Habib *et al.* (2020) also argues that there is some missing mediating relationship between green entrepreneurial orientation and performance (Real *et al.*, 2014). In RBV theory, it is found that organizational resources and capabilities often mediate entrepreneurial orientation and performance. Instantly, Martin & Javalgi (2016) found that marketing capability mediates the relationship between entrepreneurial orientation and innovation performance. The following is the fourth hypothesis:

H_4: Green entrepreneurial orientation influences sustainable firm performance through green supply chain management practices.

The Relationship between Market Orientation, Green Supply Chain Management Practices, and Sustainable Corporate Performance

Market orientation is an important concept for many researchers, as it is the basis for identifying market knowledge and guidelines for marketing practices (Montiel-Campos, 2018). According to resource superiority theory, market orientation is an intangible resource with which companies can achieve superior performance through appropriate management decisions to occupy a distinctive market position over their competitors and achieve competitive advantage (Wilburn Green *et al.*, 2015). Market changes and needs often influence decision-making and managerial practices. When customer demand for environmentally friendly products increases, green entrepreneurial orientation companies act quickly to meet market demand in an environmentally sustainable manner, such as GSCM practices for environmentally friendly customer satisfaction (Wilburn Green *et al.*, 2015). Collecting, monitoring, and analyzing competitor strategies systematically and continuously helps companies take environmental initiatives such as GSCM practices. Ultimately, green practices can positively impact a company's sustainability performance through cost advantages, increasing competitiveness through increasing capabilities, improving production and environmental performance, creating new capabilities, reducing waste, and improving product and process quality (Wijethilake, 2017). The following is the fifth hypothesis:

H_5: Market orientation influences sustainable firm performance through green supply chain management practices.

RESEARCH METHODS

Sampling and Data Collection Techniques

This research was conducted using a quantitative approach. Sugiyono (2014) states that quantitative research is systematic empirical research regarding natural or social phenomena through statistics, mathematics, or other calculations. This research uses purposive sampling techniques by distributing online and offline questionnaires filled in directly by respondents. The statement items in

the questionnaire were adapted from previous research by Habib *et al.* (2020) with a 5-point Likert scale.

Textile SMEs in Bogor Regency that met the sampling criteria so that they were eligible to be sampled were 62 SMEs from a total population of 96 textile SMEs in Bogor Regency. The criteria used in purposive sampling are textile SMEs that apply the green supply chain management concept. The author chose textile SMEs in Bogor Regency to be used as research subjects because the textile SMEs are a part of the fashion industry where the fashion industry contributes 20% of liquid waste in the world (quoted from valid news. id). Fashion is not only a primary need but has also become an artistic need to encourage the growth of this industry more rapidly. The textile industry and textile products are one of the industries that are prioritized for development because they have a strategic role in the national economy, namely as a contributor to the country's foreign exchange, absorbing quite many workers, and as an industry that is relied upon to meet national clothing needs. Textile SMEs are also among the five largest industries in Bogor Regency, with 96 SMEs as of 2021 (Bogor Regency Cooperatives and MSMEs Office).

Variable Measurement

1. Green Entrepreneurship Orientation

Green entrepreneurial orientation is the tendency of companies to focus on opportunities that generate financial and environmental benefits by introducing environmentally friendly products and services (Habib *et al.*, 2020). To examine this variable, items were taken research from Jiang *et al.* (2018):

a. Strong emphasis on environmentally friendly practices
b. Be proactive in capturing potential green opportunities
c. Initiate environmentally friendly actions
d. Be at the forefront of introducing environmentally friendly products or services
e. Adopt a competitive posture of ‘canceling out competitors’

2. Market Orientation

Market orientation is an intangible resource that identifies customer needs and demands, which will increase customer value delivery (Habib *et al*., 2020). To examine this variable, items were taken research from Frambach *et al.* (2003):

a. Superior to competitors in knowing customer wants and needs
b. Using customer information to improve company technology
c. Collect information about competitors regularly and systematically
d. Synergize in exchanging information about competitor strategies with other divisions in the company
e. React quickly to competitors' actions

3. Green Supply Chain Management

Green supply chain management is an environmentally friendly initiative covering all product life cycle stages (Zhu *et al*., 2007). There are various green supply chain management practices. The practices used in this research refer to research from Habib *et al.* (2020), internal environmental management, environmentally friendly design, and customer collaboration.

a. Internal Environmental Management

Internal environmental management is developing environmental sustainability as a strategic organizational imperative through commitment and support from senior and middle managers (Zhu *et al.,* 2007). To examine this variable, items were taken from Zhu *et al.* (2007)

1) Top management commitment to green supply chain management
2) Involvement of middle-level management in supporting the implementation of green supply chain management
3) Emphasis on cross-functional collaboration for environmental improvement
4) Environmental management system

b. Eco-Friendly Design

Eco-design is a tool for improving a company's environmental performance, addressing product functionality, and reducing the ecological effects of the product life cycle (Jabbour *et al.*, 2015). To examine this variable, items were taken from from Zhu *et al.* (2007):

1) Emphasis on environmentally friendly product design
2) Emphasis on product design that is reusable, easy to recycle, and fast material recovery
3) Product design emphasizes avoiding or reducing hazardous products and manufacturing processes

c. Cooperation with Customers

Collaboration with customers involves gaining knowledge about each other's operations and the need to plan and determine environmental improvement goals (Eltayeb *et al.*, 2011).

To examine this variable, items were taken research from Zhu *et al.* (2007):

1) Cooperate with customers for eco-friendly designs
2) Collaborate with customers for cleaner production
3) Cooperate with customers for environmentally friendly packaging

4. Sustainable Firm performance

Sustainable firm performance results from organizational activities in all dimensions to drive company sustainability (Habib *et al.*, 2020). One way to measure sustainability performance is by approaching the triple bottom line (TBL), which includes economic, environmental, and social dimensions.

a. Economic Performance

Economic performance relates to a company's ability to reduce costs related to purchased materials, energy consumed, waste processing and disposal, and fines for environmental accidents (Zhu *et al.*, 2008). To examine this variable, items were taken from Paulraj (2011) research:

1) Reducing material costs
2) Reduced energy consumption
3) Reduced waste disposal costs
4) Increased return on investment
5) Increased earnings per share

b. Environmental Performance

Environmental performance is related to a company's ability to reduce pollution, reduce waste, prevent the use of hazardous substances, and reduce environmental accidents (Yildiz Çankaya. & Sezen, 2019). To examine this variable, items were taken from Paulraj (2011) research:

1) Reduction of air emissions
2) Waste reduction
3) Reduced consumption of hazardous materials
4) Reducing the frequency of work accidents
5) Improved energy savings

c. Social Performance

Social performance concerns the welfare of all stakeholders, social projects, and educational opportunities for all personnel (Yildiz Çankaya. & Sezen, 2019). To examine this variable, items were taken from Paulraj (2011) research:

1) Improving the well-being of stakeholders
2) Increased community safety
3) Increased environmental risks to society
4) Increased employee work safety
5) Increased awareness and protection of the rights of people in the community.

Data analysis method

This research uses partial least squares (PLS) to process data. Figure 1 shows a variable's influence on other variables.

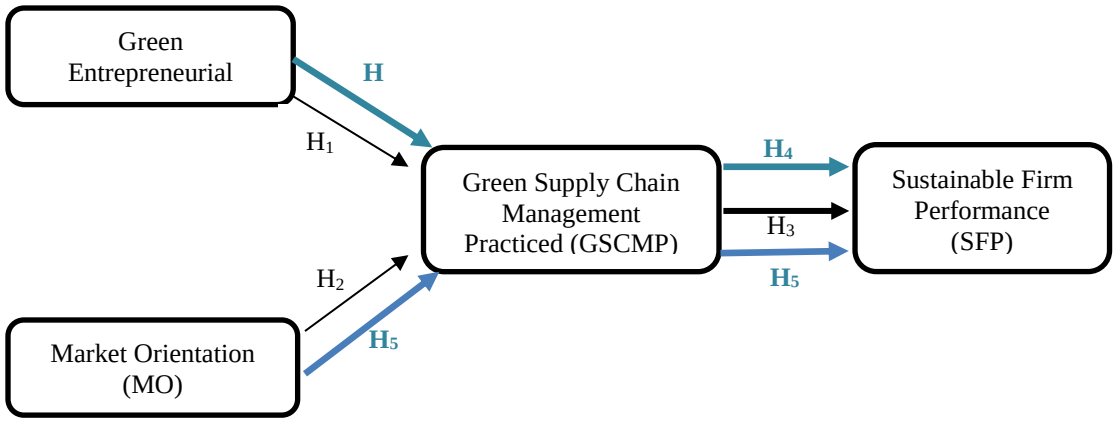

Figure 1. Research Framework
Source: Authors' work (2022)

The software used is SmartPLS 3.0. The PLS analysis technique uses two linear equations called the outer model, which shows the relationship between latent variables and a group of manifest variables that can be measured directly, and the inner model, which shows the relationship between latent variables.

RESULTS AND DISCUSSION

The respondents in this research were Textile and Textile Product SMEs in Bogor Regency. The number of respondents used as samples in this study was 62, representing 65% of the population. Of the 96 textile SMEs in Bogor Regency recorded by the Bogor Regency Office (2021), it is known that nine SMEs are no longer operating, four SMEs cannot be found, 13 SMEs are not willing to fill out the questionnaire, eight SMEs do not meet the criteria, and 62 SMEs others are those who have met the respondent's criteria, namely implementing green supply chain management practices. Based on the results of descriptive analysis, the age characteristics of SMEs can be seen in Table 1.

Table 1. Descriptive Age Characteristics of SMEs

Characteristics	Category	Amount	Percentage
Age of SMEs	< 5 Years	32	52%
	5-10 Years	16	25%
	> 10 Years	14	23%
Total		62	100%

Source: Authors' work (2022)

This research went through five stages of testing, which were part of the testing outer model and inner model, as follows:

1. Convergent validity can be seen in section outer loading when the PLS Algorithm is run; the value loading can be considered sufficient if it has a value of more than 0.50 (Ghozali, 2016)—indicators with a value of less than 0.50 need to be eliminated to produce a valid model. After testing and eliminating indicators with a value of less than 0.50, several indicators were obtained which were declared valid in relation to the construct. The result's convergent validity can be seen in Table 2.

Table 2. Test Results *Convergent Validity*

Indicator	Mark Loading	Indicator	Mark Loading
GEO1	0.745	SFP1	0.692
GEO2	0.580	SFP2	0.775
GEO4	0.704	SFP3	0.672
MO1	0.592	SFP4	0.808
MO2	0.789	SFP5	0.682
MO3	0.729	SFP6	0.907
MO5	0.511	SFP7	0.854
GSCMP1	0.893	SFP8	0.782
GSCMP2	0.822	SFP9	0.739
GSCMP3	0.832	SFP10	0.940
GSCMP4	0.735	SFP11	0.582
GSCMP5	0.588	SFP12	0.856
GSCMP6	0.565	SFP13	0.865
GSCMP8	0.797	SFP14	0.649
		SFP15	0.865

Source: Authors' work (2022)

2. Discriminant validity is carried out to ensure that each concept from each latent model is different from other variables. This can be seen by comparing the values loading on the targeted construct, which is greater than those on other constructs (Ghozali, 2016). Indicators that still have value loading for the target construct lower than the value for the other construct must be eliminated to produce a valid model. After testing and elimina.
3. ting indicators that did not meet the criteria, several indicators were obtained which were declared valid in relation to the construct. Test results discriminant validity can be seen in Table 3.

Table 3. Test Results Discriminant Validity

Indicator	GEO	MO	GSCMP	SFP
GEO1	0.745	0.047	0.198	0.175
GEO2	0.583	0.104	0.170	0.213
GEO4	0.702	0.13	0.294	0.310
MO1	0.235	0.615	0.432	0.427
MO2	0.294	0.858	0.710	0.478
MO3	0.149	0.652	0.374	0.627
GSCMP1	0.313	0.632	0.893	0.680
GSCMP2	0.054	0.728	0.822	0.592
GSCMP3	0.297	0.501	0.832	0.653
GSCMP4	0.352	0.743	0.735	0.529
GSCMP5	0.276	0.391	0.588	0.528
GSCMP6	0.303	0.163	0.565	0.414
GSCMP8	0.261	0.596	0.797	0.604
SFP1	0.089	0.571	0.642	0.681
SFP2	-0.004	0.408	0.629	0.768
SFP3	-0.053	0.337	0.344	0.681
SFP4	0.368	0.538	0.611	0.817
SFP5	0.076	0.493	0.558	0.696
SFP6	0.274	0.681	0.736	0.901
SFP7	0.99	0.647	0.684	0.843
SFP8	0.447	0.745	0.700	0.786
SFP9	0.387	0.466	0.561	0.748
SFP10	0.357	0.634	0.670	0.941
SFP12	0.364	0.455	0.574	0.862
SFP13	0.355	0.467	0.628	0.872
SFP14	0.354	0.332	0.394	0.664
SFP15	0.346	0.613	0.610	0.869

Source: Authors' work (2022)

4. Composite reliability and AVE show that a questionnaire containing indicators of the variables is consistent. Mark composite reliability must be ≥ 0.70, and the AVE value must be ≥ 0.50 (Ghozali, 2016). Variables with less than that need to be modified by eliminating indicators with the lowest outer loading in that variable. After testing and modifying variables that do not meet the criteria, reliability results can be seen in Table 4.

Table 4. Reliability Test Results

Variable	Composite Reliability	AVE
GEO	0.728	0.578
MO	0.756	0.513
GSCMP	0.901	0.572
SFP	0.961	0.640

Source: Authors' work (2022)

5. The coefficient of determination tests the significance of the independent variable to the dependent variable, which is indicated by the value R-square. Mark R-square 0.67 indicates a strong model, 0.33 indicates a moderate model, and 0.19 indicates a weak model (Ghozali, 2016). The results of the coefficient of determination test can be seen in Table 5.

Table 5. Values *R-Square*

Variable	R-square	Information
GSCMP	0.565	Moderate
SFP	0.580	moderate

Source: Authors' work (2022)

6. Hypothesis testing is carried out to determine whether the research hypothesis proposed in the research model is accepted or rejected. The hypothesis will be declared accepted if the p-value is less than 0.05 and the value t-statistic is greater than the t-table value (1.96). The results of hypothesis testing can be seen in Table 6.

Table 6. Hypothesis Test Results

	Direct/Indirect	t statistics	p-values	Information
GEO → GSCMP	Direct	0.861	0.390	Rejected
MO → GSCMP	Direct	11.628	0.000	Accepted
GSCMP → SFP	Direct	15.346	0.000	Accepted
GEO → GSCMP → SFP	Indirect	0.868	0.386	Rejected
MO → GSCMP → SFP	Indirect	8.307	0.000	Accepted

Source: Authors' work (2022)

Based on the test results, it was found that green entrepreneurial orientation did not affect GSCM practices. This does not support the results of Habib *et al.* (2020). Based on the knowledge spillover theory of entrepreneurship proposed by Colombelli & Quatraro (2017), it is assumed that the amount of knowledge available locally and the resulting technological diversity are positively related to the creation of green, innovative start-ups. However, proactive indicators that encourage technological leadership and innovation do not follow the objective conditions of the subjects of this research, causing green entrepreneurial orientation not to affect GSCM practices in textile SMEs in Bogor Regency. Market orientation influences GSCM practices (Habib *et al*., 2020). Companies with a strong market orientation will prioritize customer needs and desires, analyze competitor strategies, and develop the capabilities of companies like GSCM to satisfy their customers (Habib *et al.*, 2020).

GSCM practices influence sustainable firm performance (Habib *et al*., 2020). Implementing GSCM practices improves economic performance by minimizing waste processing costs, reducing environmental accidents, and saving energy. GSCM practices also contribute to environmental performance by reducing the consumption of hazardous materials and minimizing waste. Apart from that, GSCM practices can also improve social performance by increasing awareness of work safety, equality, education, and ethical practices in business (Eriksson & Svensson, 2015).

GSCM practices do not mediate the effect of green entrepreneurial orientation on sustainable firm performance, which is different from the findings of Habib *et al*. (2020). Green entrepreneurial orientation combines several entrepreneurial characteristics as a posture for decision-making efforts

toward the strategy-making process (Hughes *et al.*, 2017), which cannot directly achieve firm performance without tactical action. The fact that green entrepreneurial orientation has no impact on GSCM practices may be the reason why this hypothesis is rejected.

GSCM practices mediate the influence of market orientation on sustainable firm performance. This supports the findings of Habib *et al.* (2020). According to resource superiority theory, market orientation is an intangible resource that allows companies to achieve superior performance through appropriate management decisions to maintain a distinctive market position over their competitors and achieve competitive advantage (Wilburn Green *et al.*, 2015). When customer demand for environmentally friendly products increases, market-oriented companies will take management decisions such as GSCM practices for environmentally friendly customer satisfaction. In the end, it will improve the firm performance in a sustainable manner (Wijethilake, 2017).

CONCLUSION AND RECOMMENDATION

The first conclusion that can be drawn is that green entrepreneurial orientation has no impact on chain management practices. Market orientation influences GSCM practices, and GSCM practices influence sustainable firm performance. GSCM practices do not mediate the influence of green entrepreneurial orientation on sustainable firm performance but mediate market orientation and sustainable firm performance.

Further research could be conducted with research subjects in different sectors from different geographies because these differences can produce better-expected effects and limitations. Researchers also suggest that textile SMEs in Bogor Regency can be market-oriented by collecting information about customer needs and desires and capturing customer desires for environmentally friendly products. SMEs can initiate environmentally friendly actions such as carrying out environmentally friendly designs, collaborating with customers to create environmentally friendly products, and implementing an environmental management system. Ultimately, these actions will provide economic advantages due to reduced waste disposal costs and can also reduce the frequency of environmental accidents, thereby reducing environmental impacts and risks for the general public.

The limitation of this research is that it only uses questionnaire data without using other data collection methods, so the research results may not be complete and comprehensive. In addition, the questions in the questionnaire may give rise to different understandings for each respondent, so there is a possibility of inconsistent answers. Another limitation is that the sample size is too small and the unavailability of supporting data outside of the questionnaire results, meaning that the research results may not be generalizable to a wider population.

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