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Achieving Sustainable Development in Business: The Implementation of Environmental Management Practices by Small and Medium Enterprises

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Abstract: Over the past two decades, the issue of sustainability has received mixed opinions from people, especially in business world. The concept of Sustainable Development has slowly changing the view of modernisation and growth for worldwide development activities. Small and Medium-sized Enterprises (SMEs) tend to be opposed to the idea. The purpose of this study is to evaluate the implementation of Environmental Management Practices (EMP) among SMEs in Malaysia. Using the Data Envelopment Analysis (DEA) model, this study employed barriers and motivations as an input, while sustainable development elements are taken as an output. Findings show that the implementation level of EMP varied among companies, which consequently influences their level of sustainable development. The implications of the finding are discussed based on the concept of Goal-Setting Theory to explain the nexus between the company's ability to set the right environmental goals and employees' understanding of the signals sent to support the company's sustainable development.

Keywords: business environment, environmental factor, sustainable development, SMEs,DEA

INTRODUCTION

Environmental issues have been in talk among firms for years and slowly become one of their major concerns after seeing the effects toward economic and social affairs especially (Bolis et al, 2017) and because of that, there are solutions have been proposed in order to solve the problems for current and future need and Sustainable Development is one of them. According to Ayuso et al (2018), after being introduced for more than 20 years ago at United Nations, Sustainable Development or also known as SD has become one of the solid concepts for the world of politics, economic and social. As it is not limited to certain conservation only, SD contains the strategies and necessities that are need to be picked up by the companies in order to cover up all those three elements which mentioned above.

Getting all the pressures particularly from the market and with the tremendous number of competitors have made the firms to realize that they will not be able to survive in the business world if they are focusing on the economic solely (Alshehhi et al, 2018). With the active changes in new technologies, demographic and environment, firms are also expected to change up the old business models for endurance and to dig deeper into the three main pillars of sustainability which are economic sustainability, environmental sustainability and social sustainability. Sustainability which can be used interchangeably with SD, is defined as a process to meet the current needs with no disruption for the future population to meet theirs (Ayuso et al, 2018). Within the process, those three elements need to be well-balanced like according to Yadav et al (2018), ensuring the movement of money with guarantee return towards shareholders is a must for firms to indicate the economic sustainability while environmental sustainability is making sure that the environmental approach by the firms is consistent alongside with preserving the natural resources. For social sustainability is shown when the firms are looking for ways in order to attain better welfare towards community. Setting only one single approach instead of all three is definitely not suitable for the long-term plan with the current dynamic growth of market.

As people are relentlessly giving attention towards connection of sustainability and business together with the concerns in environment issues, companies have sought variety of practices to be included in their managements. Firms has taken interest and adopted Environmental Management Practices (EMP) as the practices that contain skills and strategies in observing slash handling their operation effects from getting out of control (Famiyeh et al,

2017) and with the regards of environmental impacts are being able to reduced, it did wonders for the firms' performance towards environment in unison due to those practices. Many previous studies show that there are positive relationship between EMP and also organizational performances indicating that the practices are effective in containing the impacts. According to Buffa et al (2018), compare to smaller hotel, bigger ones are applying EMPs more and also bigger firms are deploying EMP earlier compare to Small and Medium Enterprises (SMEs). The reasons are bigger firms are having advantages like able in getting unlimited resources and dominating the scale of economies.

The sustainable issue has raised attention of many parties due to many environmental disruptions that recently happened and resulted with many adverse impacts to the society as well as businesses. In fact, there are many strategies and efforts have been undertaken and planned to mitigate the impacts of environmental issues to the business operation (Mat et al., 2020). However, studies on the application of EMP among SMEs are still under researched although their operations contributed huge percentage towards industrial pollution as compared to bigger firms (Dey et al, 2018). This is very important area to be considered due to the possibility of its impact to environmental disruptions if the waste from SME's operation is not well managed. Importantly, as SMEs contributed significantly to the economic development of many countries, particularly in Malaysia (Hadj, 2020; Musa and Chinniah, 2016), the development of this sector require due consideration to ensure the business players can sustain their business through an effective management of their operation, including environmental related issues. In fact, the issue of sustainability has been found to be the main obstacle for current SMEs to grow and be competent in the business market (Dey et al., 2018). This suggests that the EMP implementation among SMEs is an important gap to be explored, not only for knowledge development pertaining sustainable development among SMEs, but also for its contribution to the practical effort in solving the sustainability problem among SMEs.

'This paper contains five parts. After the introduction is literature review that related to sustainability and environmental management practices applied by SMEs. The next section covers data envelopment analysis which used to explore the efficiency of the workers in SMEs and also the framework of the research together with the brief background of four case studies companies and after that should be the discussion of the results. Lastly is the conclusion for the study.'

LITERATURE REVIEW

Today, SMEs are dominating the world economy and play a large role in the economies of many countries, such as the United Kingdom (UK) and India. In fact, a review of multiple literature conducted by Yadav et al (2018) found that only less than 10% of all global companies are not SMEs, meaning that this sector is responsible for employing more than half of all employees and is an important source of wealth generation. And a little fact known that Malaysia multi-national companies (MNCs) even hired up local SMEs to become dealers within worldwide (Musa and Chinniah, 2016).

Yet, aside from the economic significance, SMEs are also notorious for having a bigger environmental impact compared to bigger firms. In the UK alone, SMEs have accounted for 40 – 50% of industrial pollution and 60% of chemical waste production (Dey, 2018). This is due in part to the smaller nature of SMEs resulting in lower financial models. The limitation of SMEs nature which are resources, time and information regarding environmental improvements also contribute to this problem. This leads to SMEs giving up proper EMPs even before they begin. However, on the bright side, there are numerous SMEs that have successfully integrated EMPs into their daily operations. The fact is that there are many motivation factors that can influence operators to adopt EMPs such as compliance environmental regulation, economic interest and also competitive advantage (Yang et al, 2015). Even though the concern here is how is the perception of SMEs towards EMP and their implementation level within managements for them to apply in order to commit with SD.

In Malaysia, SMEs are defined based on two main sectors which are manufacturing, and services and other sectors (Chin and Lim, 2018). Manufacturing based SMEs are establishments with a sales turnover of less than RM50 million and employ less than 200 fulltime employees. For services and other sectors, on the other hand, establishments should employ not more than 75 full-time staff and have less than RM20 million in sales turnovers to be considered an SME. Among all the overall sectors in Malaysia, the service sector dominates, occupying 89.2% as compared to the manufacturing and construction sectors, at 5.3% and 4.3% respectively as stated by SME Corporation (2016). Although the service sector is not usually associated with excessive environmental damage, being a large and rapidly growing sector puts it on the path towards it (Pitkanen, 2017). As such, this sector is often overlooked because of its one-off production and minimal direct emissions. However, an unpopular fact is that there is a connection between the service and manufacturing sector due to the demand for equipment and tools by the former. Thus, the growth of the service sector will undeniably lead to the growth of manufacturing industries and their emissions as well. This is an example of the indirect environmental impacts that, although the direct emissions of the service industry are negligible, they play significant indirect environmental effects, especially for certain parameters, such as hazardous waste generation.

The underlying theory that will be used throughout this article is the Goal-Setting Theory which was developed by Locke and Latham. The theory correlates the significant relationship between goals and performance because the right goal can positively influence the behaviour of the employees towards organizational desired outcomes. This explains the effect of the organization's current situations in regards to the business motivations and challenges that may influence the goal formulation. The formulated goal will influence the strategy adopted by the organization to accomplish the desired outcomes. Accordingly, organizations will develop the right strategy to achieve the goals set up earlier. From the strategy, it will then give employees a clear target to work towards. However, the effectiveness of the strategy depends on a clear communication between the management of the organization with that of employees (Mat & Barrett, 2017; Mat et al., 2017). A challenging goal encourages employees to do something beyond their current performance. With regards to an environmental goal, it is important that the goals set are understood and accepted by the employees from the beginning so they have clear picture of the expected outcome. When the employee himself has the concern towards environmental problems, he will able to engage with the company strategy to assimilate environmental practices (Das et al, 2019). Through the understanding of this theory, it is focusing on the motivation and challenges faced by employees to support the company's strategy for environmental issues.

In the management aspect, performance can be measured through many ways including financial and nonfinancial outcomes. In relation to the sustainable development, Sustainability Model suggests three main pillars to be used in determining the outcomes of sustainable efforts: environmental, economy and social (Jeronen, 2013). Environmental sustainability covers the natural resources that people have been living with such as water, land and energy. To achieve environmental sustainability, those resources need to be preserved and sustain for a long time. For economic sustainability, the Sustainability Model requires the business to use the resources efficiently so that it's operation can continuously producing profit and continuously survive in the market. Demand and supply in the market make the business use abundant of resources almost every day. Therefore, to ensure the economic sustainability, businesses need to find ways to manage their resources and business activities efficiently. Social sustainability is related to the capability of society to achieve a better social well-being. This is viewed through employment opportunity, reduce unemployment rate, increased health quality and others. Importantly, the most desirable outcomes are when all elements of environmental, economy and social exist at once (Goosen, 2012).

Therefore, the purpose of this study is to study the EMP implementation among employees through the exploration of input and output towards the achievement of the sustainable development among SMEs.

RESEARCH DESIGN

This study employs DEA model to explore the efficiency of SMEs operation by examining the relationship between input and output. DEA is a linear-programming based benchmarking technique that is widely known for assessing efficiency (Ozcan, 2014). DEA model provides better alternatives to improve performance of the business by identifying the benchmark company that score the highest efficiency. Instead of using dependent and independent variable in the framework, DEA model operates by assessing the relationship between input and output used by the business. As a linear-programming based benchmarking technique, DEA is able to consider many outputs and inputs in producing one single measure for performance (Chen et al, 2017). The input and output used in this study were measured through questionnaires. The DEA framework used for this study is illustrated below.

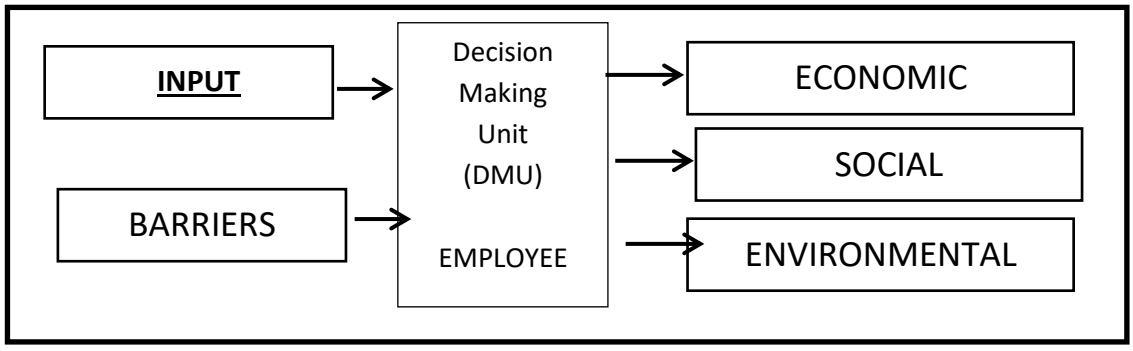

Fig.3: DEA Framework

In this study, the DMUs are SME employees in Terengganu, Malaysia. According to SME Corporation, this service sector in the East Coast of Peninsular Malaysia is rapidly growing, with Pahang at the top, followed by Kelantan and then Terengganu. Due to the potential to grow more in this sector, Terengganu has been adopted as the study location for this research. On the other hand, SMEs were chosen as the DMUs because for them,

employees are limited and the company can achieve higher performance efficiency if they manage to handle their employees accordingly towards achieving sustainable goals. Also, the attitude of employees towards adopting EMP in their daily operations can directly influence business performance.

As this research will be more focused on the service sector, a broad definition of the sector may include the following businesses: Financial, Insurance, Real Estate and Business (FIRB), Wholesale and Retail Trade and Restaurants and Accommodation (WRRA), and Transport and Storage and Communication (TSC) among other services. For this study, the focus is on businesses under WRRA as an attempt to explore more about their activities that relate to environmental efforts and sustainability. According to Malaysia SME Annual Report, WRRA was the top-ranked among all these other businesses in 2017 by 62.3%. By definition, the wholesale industry involves engaging the sale of merchandise or goods to other retailers (Tehseen, 2014). In simpler terms, this means the merchandise can be sold to anyone but the main consumer. In contrast to wholesale, which means selling in bulk, retail refers to the sale of items in small amounts.

In order to determine the sample size, a rule of thumb formula was used according to the DEA framework as illustrated below:

[3(m+s)}]* ; m=input, s=output

= [3*(2+3)]

=15; so the optimum number of respondents required for this study is 15 employees (DMUs).

However, according to Cook et al. (2014), those rules are not vital and necessary to be used but it is more to fit for convenience.

Based on the list of SMEs gathered from Malaysian SME Corporation, four companies have been selected for case studies as they match earlier descriptions; SMEs under the service sector and businesses specifically categorized under WRRA.

Case Study A

Company A is a drinking water wholesales company located in Kuala Terengganu, Terengganu. The company began operating in December 2010 and since then, has become the only company that provides drinking water to the whole of Terengganu. Holding a license as a reverse osmosis drinking water supplier allows them to dominate the market with their product, thus enabling the company to slowly expanding from year to year. They also produce their water bottles, causing the company to divide into management and manufacturing. With Terengganu Water Company (SATU) as their water supplier, the company processes the raw water using their machines and bottles the products internally before shipping it to the customers. Environmental issues may arise, however, with the way they manage their water and how their wastewater is channeled post-filtration. This is as wastewater, if not managed properly, might be harmful to both the surrounding environment and the health of people. Plus the bottles scraps from the production of water bottles can also cause environmental issues if not disposed of properly according to the correct Standard Operating Procedures (SOPs)

Case Study B

Company B is a retail pharmacy located in Kuala Nerus, Terengganu that sells medicines, supplements, medical equipment and skincare products. Recently, the company collaborated with the heads of nearby villagers and Non-Governmental Organizations (NGOs) to start awareness programs aimed at promoting a better lifestyle among the community through the rehabilitation process. The program is conducted by visiting nearby houses, with a focus especially on the needy, in order to educate them on proper rehabilitation processes. As one of the many pharmacies selling medicines, the company has to deal with the conflict between achieving economic goals and ethical considerations towards the environment. For instance, Company B needs to manage unsold products that have already expired and dissolve them, which will ultimately affect their revenue. Proper procedures should be followed when dissolving these products, especially those that might harm human health or the environment. Another issue involves the customers' awareness of the effect of their medicines when they simply keep or throw them away without appropriate measures.

Case Study C

Company C is a family-run Songket business that has been operating for almost 40 years and currently gone through restructuring. Songket is a popular hand-woven fabric that involves many complex processes in order to produce a high quality product. Usually, the motifs and designs for the fabric include abstract shapes or various flora and fauna. Its woven yarns consist of gold and silver yarns (made up of natural ingredients) and cotton and silk yarns which has to be colored. Company C produces its own Songket Terengganu while the fabrics are made into Samping (a type of waist to knee length sarong, worn under the trousers), women full sets, shawl hangings, and table runners. Although the company started as a small business, they are now one of the proud main suppliers of Songket throughout Malaysia and also to Brunei and Singapore. Often, businesses that are passed down from generation to generation might face difficulties in changing the existing business culture accommodating current needs and expectations. The previous generations might not have been aware of the

harmful effects of their waste, like the dye water used in thread coloring. As this waste from the Songket production might contain a lot of toxic chemicals, it can be harmful to the environment and, also towards human health if not properly managed and disposed of.

Case Study D

Company D is a retail store that has been selling groceries and daily necessities at a low price since April 1996. Located in Kuala Terengganu, Terengganu, the company mostly employed family members during its early days. Now the company has managed to open three more branches at different locations and mostly offer local products in an effort to support neighboring SME operators. For instance, they sell frozen food like curry puffs and many types of desserts from small manufacturers. As a growing company, issues like the heavy usage of plastic bags, improper waste management and overconsumption of electricity could lead to drastic environmental issues at a larger scale.

Companies may claim that their operations do not produce any harm or that negative effects on the environment and sustainability are not profitable for their businesses. Hence, pre-existing conditions on the level of environmental crises and its impacts need to be determined to ensure organizations understand the importance of integrating environmental management practices into their business management.

RESULTS AND DISCUSSION

Data from all case studies were gathered through questionnaires. A total of 30 employees participated in this study. For Case Study A, a total of 12 questionnaires were distributed with 11 responses received, while two more were omitted during the screening process due to incomplete data. Similarly, for Case Study B, five questionnaires were distributed but only three responses were usable as the data for the other two were also incomplete. Only seven completed questionnaires were usable for Case Study C, while 11 out of the 12 distributed questionnaires to Case Study D were valid. Through the questionnaire, the respondents were asked about environmental management practices in their companies, the motivations and barriers that influence their work performance towards the company's achievement and their commitments towards sustainable development.

DEA Efficiency Analysis

As shown in Table 1 below, the results demonstrate the score of relative efficiency among respondents, as well as reference employees and the frequency for the reference group to be referred by others. In terms of efficiency, an employee with a score of 1 is considered to be an efficient employee compared to one with a value lower than 1. Out of the 30 respondents, only 14 employees scored 1, indicating that they are relatively the most efficient at their jobs. Based on this, Case Study D was found to own the highest number of efficient employees with seven employees. In contrast, Case Study C had the least efficient workers as none of their employees scored a value of 1. All in all, a total of 16 employees were considered inefficient (four from Case Studies A and D, one from Case Study B, and seven from Case Study C), outnumbering the number of efficient employees. As DEA results can be interpreted by comparing different units, a set of corresponding efficient unites can be used to form a reference group to aid inefficient groups in improving their performance. This is as performance enhancement among inefficient units requires more than mere calculation-based results (Ko, 2009). Through the DEA analysis, it was found that the reference groups form employee B2 included the employees A4, B3, and D6 each of which became the benchmark for employee B2. In regards to this, an employee with a higher reference employee frequency indicates that this particular employee has a greater chance of becoming a benchmark employee for more inefficient workers.

Table 1: Results of DEA modeling for all four case studies

No.	Employee	Efficiency	Reference Employee	Frequency as Reference Employee	Rank
1	A1	1	A8 D4	0	1
2	A4	1	A4	5	1
3	A5	1	A4	0	1
4	A7	1	A7	2	1
5	A8	1	A8	6	1
6	B1	1	B1	1	1
7	B3	1	B3	8	1
8	D1	1	D1	4	1
9	D2	1	D2	7	1

10	D4	1	D4	8	1
11	D5	1	D5	4	1
12	D6	1	D6	2	1
13	D8	1	D8	1	1
14	D10	1	D10	8	1
16	D3	0.965	A4 B3 D1 D4 D10	0	15
16	A9	0.963	A7 A8	0	16
17	C4	0.951	D2 D10	0	17
18	D9	0.945	B3 D4 D5	0	18
19	B2	0.943	A4 B3 D6	0	19
20	A2	0.938	A8 B3 D4	0	20
21	D7	0.938	A8 B4 D4	0	20
22	D11	0.938	B3 D5	0	20
23	C6	0.908	D1 D2 D10	0	23
24	C3	0.894	D2 D10	0	24
25	C7	0.881	D2 D10	0	25
26	A3	0.880	A4 B3 D5	0	26
27	A6	0.875	A8 B3 D4	0	27
28	C2	0.868	D2 D10	0	28
29	C5	0.868	D2 D10	0	28
30	C1	0.857	D1 D2 D4 D10	0	30

To recap, the main purpose of this study is to identify the implementation level of EMPs among SMEs employees. The results of this study found that, although all respondents are doing their job, but only 14 of them manage to integrate the environmental and sustainable agendas in their daily tasks. These 14 employees were also found to engage in SD at the same time as EMP, as evidenced by their efficiency scores. The remaining respondents however were found to be inefficient in this regard as they failed to understand the connection between EMP requirement and their daily jobs. While most work activities contribute to solving environmental issues, eventually leading to SD, the failure of the employees to perform efficiently suggests that EMP implementation of the particular case study companies is yet to be integrated into their business practices. As such, there are researchers such as Smitth and Perks (2010) who believe that the achievement of SD does not only require participation from manufacturing-related activities, but also includes other job functions including business operation, and marketing and sales among others. Furthermore, given that business activities are among the major causes of environmental problems, an understanding among employees on the contribution of individual efforts towards SD is also important (Hockerts and Wustenhagen, 2010).

Case Study D is the best case study among the rest that applied EMP in their business operations based on the efficiency stores of its employees. This is recorded through the highest number of efficient employees. Previous studies have shown that the failure of employees to behave accordingly to the company's environmental agendas is due to differences in the environmental goals of the organization with that of the individual employees in question (Huang, 2016; Dumont et al, 2017). This potentially explains the inability of employees from other case studies to add EMP implementation in performing their daily jobs, resulting in inefficient jobs. The company's environmental strategy alone may not guarantee the modification of employees' behavior towards environmental issues. Instead, those strategies require a clear understanding of how employees could integrate the strategies into tangible action, thus leading to pro-environmental behavior as expected by the organization (Norton et al, 2017). For employees to have an understanding of environmental efforts that could help their organizations sustain its operation, they require the upper management to send the right signals and indicators so that the perception between both groups is similar (Das et al, 2019). Therefore, the current practices of the other case studies potentially require more improvement in a way that could enhance the employees' understanding and guide their environmental behavior along with the completion of their daily work activities.

With regard to the important role of SMEs in Malaysian economic and social development, the findings of this study suggest that the relationship between EMP implementation in the SME context towards SD is still unclear. While Tseng et al (2013) reported that the governments of many Asian countries have been acknowledged for

their efforts in promoting environmental initiatives evidence from the current study demonstrates that these initiatives may not have the same impact across SMEs in Malaysia. Undoubtedly many local companies, like those included as case studies in this research, may have heard of certain environmental initiatives; for example practicing proper waste management to prevent air and water pollution, and environmental damage. Yet, not all of them make the same moves to support such initiatives. The findings of this study are not surprising, however, as a report from the Asian Development Bank in 2017 stated that several Asian countries face some challenges in achieving SD goals, including consumption and production of business activities (Jabbour et al, 2019). The same study added that scarce technological and financial resources also contribute to the challenges. This finding is in accordance with that of previous researchers like Hoffmann et al. (2012) who noted on the important roles played by technological and relational capabilities of a company to achieve SD.

SMEs mostly hire a small to moderate number of employees in order to run their daily operations. However, this can lead to limitations which can sometimes cause dissatisfaction among employees, including issues like low wages, overworked staff, limited promotion opportunities, and low job security. For this situation, rewards in terms of recognition, promotion, increments and/or any other tangible benefits can be provided as motivational tools in lieu with challenging goals (Locke and Latham, 2006). Employees with a greater sense of purpose working towards achieving particular goals can relieve boredom while improving company performance at the same time. While it may be argued that challenging goals would set the bar higher, achieving these goals would create a sense of self-satisfaction, and an improved sense of efficacy and well-being (Wise and Freund, 2005). With that said, setting goals to achieve the elements of SD (economy, social and environment) can be quite challenging to the employees from the four case studies as they are quite uninformed in the field and lack of financial resources among other factors that would affect the results.

The findings of this study suggest that the implementation level of EMP for all the reviewed case studies could be divided into three categories; low, moderate and high. The implementation level of EMPs among the four case studies is highlighted in Table 2 below. It is essential to understand the concept of environmental awareness which is indicated as the awareness towards issues pertaining to the environment and also, being highly involved in environmental organizations (Altin et al, 2014; Mei et al, 2015). Environmental awareness in itself is enough to spark positive attitudes towards practicing positive environmental issues and cause-effect schemes are high, intentional environmental behavior is also high (Karatekin, 2014). Thus, high implementation levels can be tied back to employees who are conscious of environmental issues and, at the same time, are also involved in environmental practices. The implementation of any environmental practices is said to be at a moderate level if the individual or organization is aware of the issues but are less likely to be involved with the implementation of environmental practices. Finally, a low implementation level suggests that employees have little awareness of environmental practices and are, therefore, not involved with their implementation at all.

Table 2: The Implementation Level of EMP among the Four Case Studies

Case Study	Implementation Level of EMP
Case Study A	Moderate
Case Study B	Low
Case Study C	Low
Case Study D	High

Based on the goal theory's assumption, it is suggested that only the manager of Case Study D had done a good job in communicating the sustainable goals in a way that was understood by their employees. As the importance of goal setting is not just to serve as guidance for employees to behave as expected, it is crucial that the goals be specific and challenging. This is so that employees who fulfill them will be satisfied, as they are rewarded for performing behaviors similar to those intended (Das et al, 2019). For this to happen, the Goal-Setting theory also assumes that the actual performance of employees can be achieved through continuous feedback from their superiors (i.e. supervisor or heads of department). This may explain the ability of employees from Case Study D to perform as they did when it comes to EMP implementation. The environmental and sustainable goals delivered by their superiors may be clear, allowing them to easily understand the prerequisites of the goal and integrate this understanding into their daily tasks. Also, with capable managers constantly reminding employees of the environmental goals, workers tend to be more alert in both their jobs and working towards achieving these goals. Furthermore, managers should always communicate with their employees and be willing to explain the environment goals at any time so that employees will have a better understanding of their tasks and can perform them perfectly without constant prompts in the future. A manager should also spend some time enhancing their knowledge regarding environmental practices for them to enforce it in practical ways. Being more knowledgeable would allow them to better explain environmental goals to their workers without difficulty whenever questions are raised or during the implementation of these environmental practices.

Hence, it has been made clear that SMEs participating in this study are to increase their consideration on the implementation of EMPs in achieving the SD goals of their company. The majority of respondents have

reported limited EMP implementation. The motivations and barriers that SMEs face in implementing EMP s hinder their business activities, leading to substantial economic, social and environmental outcomes. This supports a negative view of environmental management; one that portrays the integration between environmental agendas with business activities as giving a bad impact economic return of a company (Yang et al, 2015). Those who hold this view argue that environmental and sustainable management may benefits society, but not businesses as it increases the cost of business operations. As the main purpose of a business is profit maximization, the decision to be involved in environmental programs, ultimately, may not increase their economic outcome. Although this view has been debated but findings of this study provides evidence regarding the perceptions among business players on EMP and its implementation.

CONCLUSION

For organizations to survive the fierce competition of the current business world, agility has become the most important indicator for the attainment of organizational goals. Being able to quickly adapt to the current changes within a short timeframe may influence the survivability of an organization and how it fares against its competitions. Similarly, to achieve their SD goals, the company in question requires the ability to make changes that can be well interpreted by their employees in their daily jobs. For the changes to work well, it is necessary for the top management to set goals as guidance for all employees. In addition, the acceptance of EMP implementation within the business by employees is crucial in ensuring SD can be achieved. However, the failure to send the right signals to employees may result in a disparity between the intended employee behaviors towards EMPs with what actually happens. This study has provided evidence on how the perceptions held by organizational members are likely to influence their pro-environmental behaviors. Involvement in the implementation of EMPs should be given due consideration and tailored with clear goals and proper feedback mechanisms in place. Otherwise, just policies alone may not have a full effect on a companies' SD.

Previous studies have reported mixed reactions from the business owners on the financial performance of the business and SD, and this is similar to the findings of this study. For the business to perform well and for employees to work efficiently, particularly to support the environmental agendas of their company, support from the upper-level management is required to communicate the right message on environmental issues to the employees. Consequently, employees' understanding will also influence their behavior at work, as well as their participation in supporting the SD goals of the organization. Based on the assumptions of the Goal-Setting Theory, SME managers play an important intermediary role to ensure that both the top management and employees share the same understanding of the impact of EMPs on SD.

Although many people are still unaware of environmental issues nowadays, managers or business owners cannot afford to ignore these problems. They should, therefore, invest more effort in gaining and improving knowledge on environmental practices with the intention of minimizing negative impacts to the environment. If the managers remain ignorant of this idea, then the employees, in turn, may perceive environmental issues to be far less important than they are.

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