



# The Board's Lack of Awareness for Its Responsibility to Uphold Morals and Functionality

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## Abstract:

(1) Background: Since the current economic crisis, it has become clear that promoting certain vital qualities in future entrepreneurs is necessary to create enterprises that can produce added value, generate employment and remain solvent or develop in a competitive and highly volatile environment. Long-term organizations with strong sustainable principles must form the foundation of the new organizational paradigm.

(2) Approach: This article examines how a company's ability to be ecologically and socially responsible can be linked to its entrepreneurial aptitude. Students' responses to a questionnaire are analyzed using structural equation modeling (SEM) in order to examine the relationship between entrepreneurial skills and social and environmental commitment.

(3) We discovered a positive relationship between entrepreneurial skills and environmental and social commitment, demonstrating the importance of environmental and social responsibility in the development of high-value businesses.

(4) Conclusion: The study's findings demonstrate the importance of bolstering future entrepreneurs' managerial abilities through the development of entrepreneurial education and training. The current education policies will have a long-term effect on this.

Keywords: entrepreneurship skills; environmental commitment; social commitment; sustainability; ethics



## 1. Introduction

Today's market requires aspiring entrepreneurs to provide value, hire employees and maintain or grow their company in order to be successful. The European Commission's statement of June 2009 defined an economic, social, and educational environment that stimulates entrepreneurial potential in young people and provides a good environment for entrepreneurship as the main strategy for tackling youth unemployment. Starting with the Zapatero government's Act 14/2013 (Ley de Emprendedores) of Support to Entrepreneurs and Investors, many efforts have been implemented in Spain, from a large number of study programs tailored to the labor market and entrepreneurial education.

An impulsive purchase is one made without any consideration of the exact products or services that will be purchased or the precise needs that will be fulfilled. These "impulsive purchases" were described by Rook as such. An impulse to buy is followed by a mindless and unplanned action (thus, the term "impulsive"). Items on the shopping list or those that are simply unavailable are not included in this list.

They place their personal interests above those of their consumers or stakeholders, with no regard for the long-term sustainability or ethical considerations. This occurrence is described by the phrase "short-term culture" [6]. [6] New than merely beginning more enterprises, however, the problem is developing a long-term business plan with values that will endure.

In light of this paradox, the current study sets out to determine whether encouraging future leaders to develop entrepreneurial skills has negative consequences in the form of short-termism, or whether, on the other hand, entrepreneurial skills have a positive impact on future entrepreneurs'/managers' perceptions of managerial sustainability. [7]

There are many MBA students who have a desire to start their own firm or who frequently work in occupations where entrepreneurial qualities are evident, making them well-suited to this type of education. Entrepreneurial drive and abilities have been studied in the past by MBA students.

This article contains a number of unique contributions. To start a long-term business, you'll need a lot of entrepreneurial spirit. First and foremost, it examines MBA students, a group that is projected to play a significant role in the future of the business sector. Customers in a regional mall tend to be more enthusiastic, active, and alert as a result of the pleasant sensations they experience when browsing. The study also includes a third component: a crisis investigation. Starting with a fresh methodological technique,



the study uses a second-order construct that compares entrepreneurs' core entrepreneurial abilities. To conclude, this paper introduces hitherto unexplored areas of research that could yield useful information for crafting public policies that promote the growth of long-term commercial operations.

## 2. Literature Review

### 2.1 An Overview of Entrepreneurial Skills in a Time of Crisis

[8] The study of economic crises is a common topic in the discipline. With low GDP growth or stagnation, economic downturns can have a wide range of social and economic effects on the economy.

Even though the repercussions of this crisis have been extensively researched, no one has been able to agree on how the economic crisis affects entrepreneurship in the country. In the words of [9], Emerging new opportunities and ideas can be discovered during times of crises. Many other authors, such as [10], feel that times of crisis have a detrimental impact on the mindset of entrepreneurs and make it more difficult for them to see new opportunities and make investments in innovation, which leads to a drop in entrepreneurial activity.

More transparency and accountability are needed in the BRRs of Indian enterprises if they are to engage their stakeholders and assist them make informed decisions. Once the BRRs have been presented, the companies will be viewed as more credible

A recent review of academic literature found that there are three essential entrepreneurial skills that must be possessed by any company. To be successful as an entrepreneur, you need three key competencies, according to [11]. In order to see new business opportunities that others may overlook, entrepreneurs need to be hyperalert. One's ability to come up with fresh solutions when presented with new problems is assessed in the second competency; one's capability to critically analyze one's own and others' ideas is assessed in self-consciousness, the third competency.

Students with entrepreneurial skills are more likely to get a job quickly than those who lack them, according to scientific evidence. As a result of the economic crisis reducing the number of young people without jobs, their careers are more in line with their educational and competency-based profiles.

As a result, the following theories are put up based on the available research:



H1: To be a successful entrepreneur, an entrepreneur must be able to think outside the box.

H2: In other words, entrepreneurial abilities are strongly influenced by an entrepreneur's capacity for awareness, which is closely linked to that person's basic competency.

H3: Self-awareness is one of an entrepreneur's fundamental talents, and it has a positive impact on their entrepreneurial ability.

## 2.2. Sustainability

A company's management model must be modified in order to fulfill economic goals while also taking society and the environment into account if it is to be sustainable. Increasing profits is no longer the goal of management in today's business world. Society has overwhelmingly rejected several managerial initiatives that did not take environmental and ethical considerations into account following the financial crisis. In recent years, there has been an increased demand for leaders and managers who are sensitive to the social and environmental concerns of the organization. Alternative methods to management and corporate goals are better understood by the general public when entrepreneurs and business executives have an environmental focus. Long-term success and positive effects on customers and society are guaranteed when environmental and socially responsible objectives are integrated into a company's activities. A new term, "sustainable entrepreneurship," has been coined to characterize business owners who are aware of these issues.

Sustainability research has been contradicted by a number of studies that suggest that short term survival goals are more important than long term considerations for social and environmental challenges. For future managers, according to the vast majority of literature, it is essential to have entrepreneurial skills as well as a strong interest in social and environmental issues.

Accordingly, the following hypotheses are proposed:

H4: Their environmental stewardship is directly influenced by the entrepreneurial talents that they possess

H5: Social commitment is directly influenced by an individual's business talents.

Summary: Findings from the study show a relationship between a company's environmental and social obligations and a set of three qualities (creativity, attention and



self-awareness). The existence of such a connection is critical since enterprises' success and the well-being of the community both improve when these two dimensions are taken into consideration when formulating business strategy.

### **3. Measures**

As a result of the literature investigation, the following variables have been grouped and measured: Entrepreneurial resource centers, such as chambers of commerce, incubators of enterprises, colleges, and RROs (Research Results Transfer Offices), are good places to keep an eye out for new ideas (ALERT). There are a plethora of methods to address a problem. There are many different explanations for the emergence of new ideas, and seemingly unrelated items might be linked together. "Conscience" is a business term that describes a person's innate capacity to spot possible business possibilities, as well as their intuitive sense of whether or not those prospects would be profitable. Equitable compensation for equal work is just one aspect of social responsibility (SOC COMM) for a firm to consider. An organization's environmental commitment (ENV COMM) includes a variety of initiatives, such as environmental marketing, staff advocacy, and calculating environmental savings and expenses.

### **4. Results**

There was a two-part statistical analysis for the first part. First, a factor analysis of the survey data was utilized to identify the model's various dimensions for comparison. Second, structural equations were used to determine whether or not the model's dimensions were correct. Detailed descriptions of the work done in each section are provided below.

#### **4.1. Factor Analysis**

exploratory factor analysis was used to identify the variables that most accurately represent the model's dimensions (EFA). In the final stage of this first segment, we looked at the dimensions' consistency, reliability, and convergence validity. A convergence validity test showed that the average extracted variance (AVE) was greater than 0.5 and that the overall internal consistency was greater than 0.6 [12]. In addition, as indicated in the literature [14], variables having values less than or equal to 0.5 were eliminated from the model. This initial study resulted in the categorization of the variables into five separate dimensions.

A confirmatory factor analysis (CFA) was performed on each dimension after the dimensions' composition was established. To get to 18 components and 5 dimensions in



our model, we performed this study, and several factors were excluded because their 0.7 threshold value was not met in the literature.

#### **4.2. Contrast of the Model**

It's possible to determine the model's validity and explanatory power by selecting three statistical variables from a list of recommended values. Strongness and power to explain have been established by exceeding the minimum requirements of the model.

#### **5. Analysis of the Result and Conclusion**

Reorienting educational programs and government policies to promote entrepreneurship appears to have preserved the most important entrepreneurial skills among corporate leaders and future entrepreneurs, notwithstanding the crisis. Importantly, according to the research, environmental and social responsibility are intertwined with entrepreneurship skills. Hypotheses H4 and H5 suggest that entrepreneurs' social and environmental stewardship is linked to their entrepreneurial abilities. Furthermore, future CEOs have stated that sustainability and social responsibility are here to stay, no matter how bad the economy gets. It is impossible to say whether the financial crisis has aided or harmed social and environmental commitment because of the methods and data available in this study. However, this study may show that entrepreneurial qualities have a favorable impact on management in terms of corporate ethics, even in the wake of the financial crisis.

Some informed decisions can be made concerning educational policy and ongoing education based on the findings. There is a need to examine the social and environmental consequences of diverse management styles when developing educational programs and teaching methods. This is especially true when it comes to encouraging entrepreneurial ability. Continuous education is a beneficial tool in light of rapid change, increasing youth unemployment and the current economic crisis. Managing these resources in a more efficient manner will help to prevent waste. Training in entrepreneurship skills could help students find work or start their own business, as well as help them run their firms in accordance with today's ideals. For example, regulations and consumer demands are encouraging corporations to be more environmentally and socially responsible [16]. (World Business Council for Sustainable Development, 2000 [17]). ( Cultural and social factors have an important role in determining how much government regulation is necessary to meet the needs of the general population. As an example of this, the European Union has certain common legislation, yet separate consumer pressures exist in each of its member states.





This work serves as motivation for further investigation. Examining how a company's adherence to quality management standards (an essential part of the triple bottom line model) will be affected by entrepreneurial potential may also be worth looking into. In order to find out if there are any disparities, you might also divide the sample into sub-groups based on the study's origin or gender. Finally, it must be emphasized that the limitations of the technique used limited this investigation. As a result of the varied economic and legal situations in other countries, polling was conducted in a specific location.

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