THE EFFECT OF ENTREPRENEURIAL ORIENTATION ON SUSTAINABILITY DECISIONS IN SMES RUN BY MILLENNIAL GENERATIONS IN SEMARANG, INDONESIA

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Abstract: This study aims to measure the performance of SMEs run by the millennial generation by investigating the effect of entrepreneurship orientation indicators of innovation, proactivity, and risk orientation on sustainability decisions by using the mediating effect of future orientation. The research was conducted in 160 SMEs run by the millennial generation in Semarang, Indonesia. The sampling was conducted using simple random sampling, while the analysis was performed by examining path analysis using the PLS-SEM technique. The results showed significant influences of innovation, proactivity, and risk orientation on future orientation. The analysis of the mediating role of future orientation showed its capability to strengthen the effects of innovation, proactivity, and risk orientation on sustainability decisions. The findings have implications for allowing millennial generation SMEs to remain competitive in the development of the digital world by making them more future-oriented and to have a better future outlook to mitigate uncertainties in the future by optimizing innovation proactivity and risk orientation. Therefore, the factors critical for the sustainability of millennial SMEs are adjusting strategies that can seize current opportunities and develop digital capabilities and innovation strategies to compete in an increasingly competitive market.

Keywords: entrepreneurship orientation, future orientation, sustainability decision, SMEs, millennial generations

Abstrak: *Penelitian ini bertujuan mengukur kinerja UKM yang dijalankan oleh generasi milenial dengan mengetahui pengaruh indikator orientasi kewirausahaan inovasi, proaktif, dan orientasi risiko terhadap keputusan keberlanjutan dengan menggunakan efek mediasi orientasi masa depan. Penelitian dilakukan pada 160 UKM yang dijalankan oleh generasi milenial di Semarang, Indonesia. Pengambilan sampel dilakukan dengan menggunakan simple random sampling, sedangkan analisis dilakukan dengan analisis jalur (path analysis) dengan teknik PLS-SEM. Hasil penelitian menunjukkan adanya pengaruh yang signifikan antara inovasi, proaktif, dan orientasi risiko terhadap orientasi masa depan. Analisis peran mediasi orientasi masa depan menunjukkan kemampuannya memperkuat dampak inovasi, proaktif, dan orientasi risiko terhadap keputusan keberlanjutan. Temuan tersebut berimplikasi pada memungkinkan UKM generasi milenial untuk tetap kompetitif dalam perkembangan dunia digital dengan menjadikan mereka lebih berorientasi masa depan dan memiliki pandangan masa depan yang lebih baik untuk memitigasi ketidakpastian di masa depan dengan mengoptimalkan proaktif inovasi dan orientasi risiko. Oleh karena itu, faktor penting bagi keberlanjutan UKM milenial adalah penyesuaian strategi yang dapat menangkap peluang yang ada serta mengembangkan kemampuan digital dan strategi inovasi untuk bersaing di pasar yang semakin kompetitif.*

Kata kunci: *orientasi kewirausahaan, orientasi masa depan, keputusan keberlanjutan, UKM, generasi milenial*

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INTRODUCTION

In the present era, where technology has become a tool often used in activities in various sectors, Small and Medium Enterprises (SMEs) are required to have dynamic capabilities and strategies that can seize opportunities and update the market. Current technology provides opportunities for SMEs to increase efficiency, increase market reach, and improve the quality of products or services offered (Ashari et al. 2014). SMEs run by the millennial generation are required to develop digital capabilities and innovation strategies to compete in an increasingly competitive market (Faizurrohman et al. 2021). Aleksić & Rangus (2020) noted that the group commonly known as millennials, born between 1980 and 2000, are often characterized as digital natives who value technology and innovation, possess high job expectations, support ethical causes, and exhibit a strong sense of social and environmental responsibility. Liu et al. (2019) also stated that millennials seek meaningful lifestyles and prefer mentorship and guidance (Zhang & Acs, 2018). Additionally, Koe et al. (2012) stated that they are inclined towards entrepreneurial pursuits due to their desire for flexibility. Numerous research studies have found that millennials possess a strong admiration for entrepreneurship (Al-Mamary et al. 2020; Bazkiaei et al. 2020; Ezeh et al. 2020; Ettis, 2022; Mahmood et al. 2020; Hindrawati et al. 2022). It can be attributed to their desire to promote entrepreneurship by establishing new companies and supporting social enterprises and by seeking access to favorable financing conditions and opportunities in establishing their own small and medium-sized businesses (Arias-Vargas et al. 2022).

However, SMEs run by the millennial generation should understand that implementing technology is not always easy and requires a sizable investment. Therefore, SMEs should choose technology that suits the company's needs and budget. Rapid technological developments can lead to pressure and global business competition that affects SMEs. Technology provides broad access for large companies to enter the global market, which can reduce SMEs' market share. In addition, SMEs often have difficulty keeping up with the latest technological developments due to limited funds and resources. However, by optimizing the right technology, SMEs can increase efficiency, improve product or service quality, and increase market reach (Liu et al. 2019). Tambunan (2019) stated that SMEs in Indonesia usually face several internal problems, such as lack of skilled human resources, a lack of entrepreneurial orientation, low mastery of technology and management, and lack of information. Therefore, SMEs run by the millennial generation should improve the quality of human resources through proper training and development. Appropriate training and development can increase employee competence in using technology and improve product or service quality (Ashari et al. 2014). It can also enhance employees' ability to cope with global competition and improve overall company performance.

There are some examples of SMEs owned by millennials, such as café, social media management, product photo services, video editor, aesthetic item gifts, thrift shops, unique snacks and concierge services. In this regard, SMEs that seek to improve their company's performance need to pay attention to two things, namely their entrepreneurial orientation and business strategy. Entrepreneurial orientation is a creative and innovative ability used as a basis, tips and resources to seek opportunities for success, while the business strategy is the company's way of winning the competition. Entrepreneurial orientation is the attitude and action required to take risks and pursue opportunities in creating and developing new businesses. This study centers around the fundamental concepts of Entrepreneurial Orientation (EO), as coined by Lumpkin and Dess (1996), to clarify the process of sustainability decision makings. The theoretical conception of EO refers to a company's practices, organization, and actions oriented toward seeking innovative and daring entrepreneurial opportunities. Many studies have indicated that high levels of EO can lead to improved sustainable decision-making, as demonstrated by Deligianni et al. (2016), Laskovaia et al. (2016), Dubey et al. (2020), and Vaznyte & Andries (2019). However, there is some inconsistency in the research findings regarding the relationship between EO and sustainable decision-making, as noted by Arias-Vargas et al. (2020) and DiVito & Bohnsack (2017). Additionally, Lomberg et al. (2017) found that the advantages of specific EO dimensions vary depending on the unique characteristics or strategies of each firm, as suggested by Linton & Kask (2017), Buli (2017), and Ferreira et al. (2020).

Hence, SMEs should have a strong entrepreneurial orientation and dare to take risks in pursuing new market opportunities and developing new products or services (Octavia & Ali, 2017). Innovation, proactivity,

risk orientation and future orientation cannot be separated from sustainable SMEs run by millennial generations. Innovation is the process of creating or improving a new or existing product, process or service. Moreover, proactivity can help SMEs run by the millennial generation to identify and overcome problems that arise in company operations. Risk orientation can help SMEs to identify and overcome the risks faced by the company. Future orientation is the attitude taken to plan and pursue long-term goals. Future orientation can help SMEs to identify and pursue opportunities that exist in the future. To achieve sustainability decisions in current conditions, SMEs should pay attention to innovation, proactivity, risk orientation, and future orientation. The study aims to empirically investigate the effect of entrepreneurship orientation indicators of innovation, proactivity, and risk orientation on sustainability decisions by using the mediating effect of future orientation in SMEs run by millennial generations.

METHODS

The research method in this study uses quantitative research methods. The research population is SMEs run by millennials in Indonesia. The number of samples used in this study was adjusted to Maximum Likelihood Estimation (MLE) proposed by Hair et al. (2014). According to MLE, the number of good samples ranges from 100-200. Therefore, the sample size used in this study was 160 SMEs in Semarang, Indonesia. The research was conducted from May to June 2022 in the City of Semarang.

Primary data in this study was used as the main data collection technique. The data was obtained through questionnaires directly sent to respondents. The data collection method used in this study was through distributing questionnaires. In this study, data analysis used SEM PLS, and testing each relationship was carried out using a simulation with the bootstrapping method for the sample.

The variable of innovation was operationally defined as the degree to which SMEs owned by millennials are willing to engage in and pursue new ideas, products, services, or processes that are different from existing ones. The variable of proactiveness refers to how millennial-owned small and medium-sized enterprises (SMEs) take the lead in the market by capitalizing on potential opportunities. The variable of risk orientation is the attitude taken to identify, evaluate and take action to reduce the risks faced by SMEs owned by millennials. The variable of future orientation was operationally defined as the long-term orientation of SMEs owned by millennials in the vision, mission and goals that direct how they interpret market opportunities and risks. The variable of sustainability decisions was operationally defined as the compromises sustainable SMEs must make between their social, financial, and operational objectives.

The items and questionnaire used in this study were adopted from DiVito & Bohnsack (2017). Three items measured the innovation variable: looking for new opportunities, introducing new products to the market, and emphasizing the investments that will provide a competitive advantage and quick response to opportunities related to strategic decisions. Moreover, the variable of proactivity was measured by three items, such as quick approval of new projects and striving to improve the position in the market. The variable of risk orientation was measured by using three items, such as action on new opportunities, considering the uncertainty of the outcome and focusing on investment, including high risk and high return. The variable of future orientation was gauged through the utilization of three factors, including the aspect of long-term profitability and the incorporation of future prospects during strategic decision-making. The variable of sustainability decisions was determined through three indicators, which encompassed the challenge of being less sustainable but making more money, the acceptance of less profitable rather than offered less sustainable products, and the willingness to work with people who share the same values instead of individuals who are less willing to act sustainable.

In developing the hypothesis, the first is to investigate the relationship between innovation, future orientation and sustainability decisions. Innovation in the SME business is defined as the process of identifying and implementing significant changes in products, processes, technology, or business models that can improve efficiency, increase revenue, or increase the competitiveness of SMEs run by millennial generations. Innovation can be in the form of developing new products, improving business processes, or implementing new technologies. In this case, innovation can help SMEs improve business performance, increase market access, and improve economic welfare (Bouwman et

al. 2019). Through innovation, SMEs can find new ways to collect revenue, such as selling products online or offering subscription services, and work with other companies or organizations to develop innovations that will help them increase their competitiveness (Halim et al. 2015).

Moreover, the further step is to develop the hypothesis regarding the relationship between proactive with future orientation and sustainability decisions. Proactivity in business activities is defined as actions taken by companies to improve company performance and reduce risks (Anwar & Shah, 2021). Proactivity can be applied in various aspects of business, such as marketing, production, finance, and human resources. Proactivity can help businesses increase efficiency, improve product or service quality, increase market reach, and improve overall company performance (Majid et al. 2020). Proactivity can also help SMEs identify problems that may arise and take action to overcome them (Kim et al. 2014; Ryu et al. 2021). Sustainability decisions are decisions taken by considering the long-term impact on the environment, society, and economy. Proactivity can help businesses make sustainability decisions by increasing efficiency, reducing risk, and improving overall company performance (Majid et al. 2020). Proactivity can also help businesses to identify environmental, social and economic problems that may arise and take action to address them.

Risk orientation in business is defined as the attitude companies take to identify, evaluate, and take action to reduce the risks faced by companies. Risk orientation can be applied to various aspects of business, such as marketing, production, finance and human resources. Risk orientation and sustainability decisions are closely related. Risk orientation is the view and perception of a person or an organization towards potential losses that may occur in a decision or action (DiVito & Bohnsack, 2017). Meanwhile, sustainability decisions are decision-making processes that consider the long-term impact of an action or decision on the environment, society, and economy. A good risk orientation in making sustainability decisions will ensure that an organization considers the potential losses that may occur from actions taken and makes decisions that align with sustainability objectives. In this case, a good risk orientation can help the organization reduce potential losses that may occur from the actions taken and ensure that the actions taken follow sustainability goals (Felderer & Ramler, 2016; Ali, 2019). Conversely, if the risk orientation is poor, the decisions taken may not consider the potential losses that may occur or are not aligned with sustainability goals. It can cause unexpected financial and environmental losses. Therefore, a good risk orientation is crucial in sustainability decision-making (Hooi et al. 2016; Bos-Brouwers, 2010). Risk orientation can have a significant influence on sustainability decisions in SMEs. A good risk orientation can help businesses identify potential risks from actions, such as environmental or social risks (Kraus et al. 2012). In the relationship between future orientation between innovation, proactivity, risk orientation and sustainability decisions, this study investigates future orientation as innovation mediation. Risk orientation can help businesses manage business risks, such as market or environmental risks. However, a risk orientation that is too strong can hinder the innovation and proactivity that businesses need to survive and grow. Meanwhile, sustainability decisions can help SMEs maintain a healthy environment and society and improve reputation and customer loyalty. However, sustainability can add to business risks that businesses should overcome (Wu, 2017). Future orientation in mediating risk orientation towards sustainability decisions helps businesses find the right balance between these two factors by managing business risks per specified sustainability standards (Shafique et al. 2021). Therefore, the hypotheses in this study were proposed as follows:

Hypothesis 1: Innovation has a positive and significant effect on future orientation

Hypothesis 2: Innovation has a positive and significant effect on sustainability decisions

Hypothesis 3: Proactivity has a positive and significant effect on future orientation

Hypothesis 4: Proactivity has a positive and significant effect on sustainability decisions

Hypothesis 5: Risk orientation has a positive and significant effect on future orientation

Hypothesis 6: Risk orientation has a positive and significant effect on sustainability decisions

Hypothesis 7: Future orientation has a positive and significant effect on sustainability decisions

Hypothesis 8: Future orientation mediates the relationship between innovation and sustainability decisions

Hypothesis 9: Future orientation mediates the

relationship between proactivity and sustainability decisions

Hypothesis 10: Future orientation mediates the relationship between risk orientation and sustainability decisions

RESULTS

Based on the outer loading values obtained in Table 1, it is found that all indicators have a value of 0.70. It means that all indicators in this test have fulfilled the outer loading standard. It means that all indicators used in the test are consistent and valid for analysis. A high outer loading value indicates that the indicator strongly correlates with the measured construct.

In addition, the validity test is carried out to find out whether the measuring instrument is valid. Valid means that it is the right measure or the measuring instrument is right for measuring a variable to be measured (Ghozali, 2011). Meanwhile, reliability is the accuracy of measuring instruments currently used at certain times, and places will be the same when used at different times and places. The analysis obtained the discriminant validity, as shown in Table 2.

Table 2 found that all items in the dimensions tested for validity are stated to be valid. Moreover, the reliability test was also carried out to obtain a reliable instrument in the sense that it should have a level of consistency and stability. The results of reliability can be seen in Table 3.

Table 3 shows the results of the reliability test on all dimensions of the Cronbach's Alpha method (using a statistical test program), showing the Cronbach's Alpha value on each dimension is good, where the results of all dimensions are at a value of > 0.7, which means that all dimensions are reliable. The next analysis was to perform a fit model by using the smartPLS program. The results of the analysis are shown in Table 4. The results showed that all indices were fit.

Table 1. Outer loading

	Innovation	Proactivity	Risk orientation	Future orientation	Sustainability decision
x1_1	0.866				
x1_2	0.887				
x1_3	0.891				
x2_1		0.951			
x2_2		0.929			
x2_3		0.935			
x3_1			0.906		
x3_2			0.928		
x3_3			0.930		
y_11				0.872	
y_12				0.901	
y_13				0.864	
y_21					0.865
y_22					0.875
y_23					0.886

Table 2. Discriminant validity

	Innovation	Proactivity	Risk orientation	Future orientation	Sustainability decision
Innovation	0.881				
Proactivity	0.680	0.922			
Risk orientation	0.797	0.834	0.879		
Future orientation	0.665	0.736	0.794	0.938	
Sustainability decision	0.742	0.732	0.880	0.746	0.875

Table 3. Reliability Test

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Innovation	0.857	0.862	0.913	0.777
Proactivity	0.932	0.935	0.957	0.881
Risk orientation	0.911	0.913	0.944	0.849
Future orientation	0.853	0.853	0.911	0.772
Sustainability decision	0.848	0.848	0.908	0.766

Table 4. Fit Model

Indices	Saturated Model	Estimated Model
SRMR	0.055	0.055
d_ULS	0.362	0.362
d_G	0.396	0.396
Chi-Square	242.354	242.354
NFI	0.838	0.838

Then, the Q-Square and R-Square values obtained are shown in Table 5. Based on the data presented in Table 5, it can be seen that the R-Square value for the future orientation variable is 0.823. This value explains that the coefficient of determination of future orientation, which can be explained by innovation, proactivity and risk orientation, is 82.7 percent. Moreover, the R-Square value obtained by the sustainability decision variable was 0.785. This value explains that the sustainability decision variable can be explained by independent variables of innovation, proactivity and risk orientation as of 78.5 percent.

To perform the hypothesis testing, statistical analysis of research data uses path analysis to see the direct and indirect effects between variables. The results of the analysis of direct influence obtained the empirical results, as shown in Table 6.

The results of calculating the direct effect in Table 6 showed that innovation significantly affects future orientation. Statistical analysis obtained T Statistics (|O/STDEV|) of 5.727 and a p-value of 0.000 (0.05). It showed that there is a significant effect of innovation on future orientation. Thus, the first hypothesis was accepted. However, the results showed that innovation does not significantly affect sustainability decisions. It indicated by the statistical analysis obtaining T Statistics (|O/STDEV|) of 1.028 and a p-value of 0.304 (>0.05). Thus, the second hypothesis was rejected.

In testing the third hypothesis, the analysis found that proactivity significantly affects future orientation by obtaining T Statistics (|O/STDEV|) of 3.856 and a p-value of 0.000 <0.05. It means that the higher the proactivity, the higher the future orientation in SMEs run by millennial generations. Thus, the third hypothesis was accepted. In the relationship between proactivity towards sustainability decisions, the analysis found T Statistics (|O/STDEV|) of 1.552 and a p-value of 0.021>0.05. It showed that there is no significant effect of proactivity on sustainability decisions. Thus, the fourth hypothesis was rejected.

The fifth hypothesis showed that risk orientation significantly affects future orientation. The analysis showed T Statistics (|O/STDEV|) of 6.031 and p-value 0.000 <0.05. It means that the higher the risk orientation, the higher the future orientation in SMEs run by millennial generations. Thus, the third hypothesis was accepted. However, further testing showed that risk orientation does not significantly affect sustainability decisions by obtaining T Statistics (|O/STDEV|) of 0.474 and a p-value of 0.636>0.05. Lastly, in testing the direct effect of future orientation towards sustainability decisions, the results showed that future orientation has a significant impact on sustainability decisions by obtaining T Statistics (|O/STDEV|) of 7.367 and p-value <0.05. It means that the higher the future orientation, the higher the sustainability decisions in SMEs run by millennial generations.

Table 5. R Square result

Variables	SSO	SSE	Q^2 (=1-SSE/SSO)
Innovation	315.000	315.000	
Proactivity	315.000	315.000	
Risk orientation	315.000	315.000	
Future orientation	315.000	117.502	0.627
Variables	R Square	R Square Adjusted	
Future orientation	0.823	0.818	
Sustainability decision	0.785	0.777	

Table 6. Path coefficient and significance test

	Hypotheses	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	p	Confirmation
H1	Innovation→ Future orientation	0.344	0.337	0.060	5.727	0.000	Significant
H2	Innovation → Sustainability decision	0.103	0.112	0.100	1.028	0.304	Insignificant
H3	Proactivity → Future orientation	0.268	0.273	0.070	3.856	0.000	Significant
H4	Proactivity → Sustainability decision	0.128	0.124	0.082	1.552	0.121	Insignificant
H5	Risk orientation → Future orientation	0.403	0.405	0.067	6.031	0.000	Significant
H6	Risk orientation → Sustainability decision	-0.044	-0.043	0.092	0.474	0.636	Insignificant
H7	Future orientation → Sustainability decision	0.733	0.729	0.099	7.367	0.000	Significant

In addition, the testing was also conducted to analyze the indirect effect by investigating the mediating effect of future orientation. Table 7 shows the results of calculations through PLS, which state the indirect effect between variables. Proving whether there is an indirect effect can be seen if the p-value is < 0.05, and it is said that there is no indirect effect if it is > 0.05. Based on the calculations obtained in Table 6, the results are that the significant effect of the innovation variable on sustainability decisions was strengthened by future orientation as a mediating variable by T Statistics (|O/STDEV|) of 4.458 and p-value 0.000<0.05. Similarly, future orientation can mediate the relationship between proactivity on sustainability decisions through future orientation mediation by obtaining T Statistics (|O/STDEV|) of 3.294 and a p-value of 0.001<0.05. Lastly, the analysis found that the risk orientation variable was mediated by future orientation to significantly affect sustainability decisions by obtaining T Statistics (|O/STDEV|) of 5.103 and p-value 0.000<0.05. Overall, the results are consistent with previous findings from DiVito & Bohnsack (2017) stating the effect of entrepreneurial orientation and sustainability decisions.

In addition, the full model, as the results of the PLS-SEM analysis test with the bootstrapping technique, can be seen in Figure 1.

The results demonstrated that innovation can significantly influence the future orientation of the millennial generation of SMEs. It is in line with previous studies demonstrating that innovation can open up new opportunities for millennial SMEs, such as by developing new products or services or by finding new markets that were previously unreachable (Jenkins, 2009). It can help SMEs to increase revenue and increase competitiveness in the market. Innovation also helps SMEs improve business efficiency by using new technology or optimizing business processes. It can help SMEs reduce costs and improve business performance (Scuotto et al. 2017). With technological developments and changes in consumer needs, SMEs will still be relevant to innovate. It can help SMEs to survive and thrive in the market (Rahman & Ramos, 2010). Innovation also makes SMEs more adaptive to changes in the business and market environment, so

they can adapt more quickly to changes and find new opportunities and are more proactive in seeking new opportunities and developing future innovations, so they can prepare for the future and increase competitiveness in the market (Chan et al. 2019).

In investigating the role of proactivity, the findings showed that it could improve performance and reduce risk for SMEs run by millennial generations to make companies more stable and competitive in global competition. It aligns with previous studies (Majid et al. 2020) stating that proactivity can help SMEs improve future orientation and make sustainability decisions by increasing efficiency, reducing risk, and improving overall company performance. Future orientation is the attitude taken to plan and pursue long-term goals. Proactivity can help SMEs run by the millennial generation to identify and pursue opportunities that exist in the future, such as increasing efficiency, improving product or service quality, and increasing market reach.

Table 7. Indirect Influence

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	p	Confirmation
Innovation → Future orientation → Sustainability decision	0.252	0.246	0.057	4.458	0.000	Significant
Proactivity → Future orientation → Sustainability decision	0.197	0.199	0.060	3.294	0.001	Significant
Risk orientation → Future orientation → Sustainability decisions	0.295	0.294	0.058	5.103	0.000	Significant

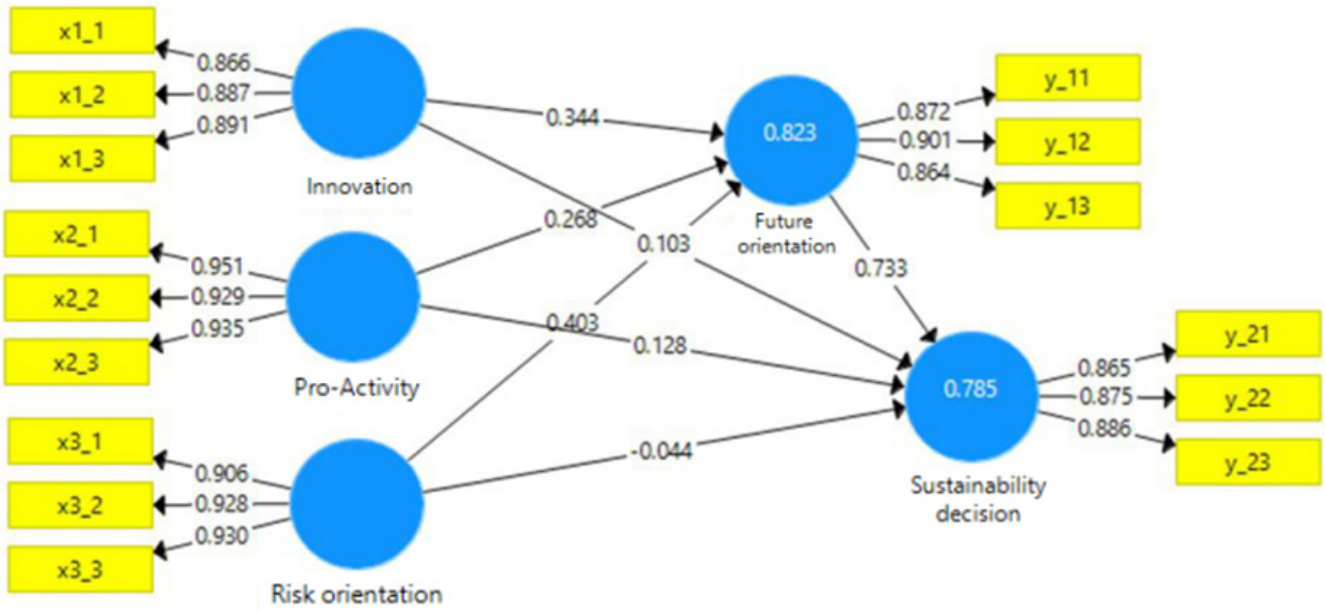

Figure 2. Full model

Moreover, the results are consistent with previous research showing that risk orientation helps SMEs to identify the risks faced by the company and take action to reduce the risks faced and improve overall company performance. Risk orientation in this study is empirically proven to help SMEs identify risks that may arise and take action to overcome them (Felderer & Ramler, 2016). Similarly, SMEs in this study tend to pursue future orientation as an important consideration in long-term performance by taking it to the business plan and pursuing long-term goals. The findings showed that risk orientation can help SMEs to identify risks that may arise in the future and take action to overcome them. By reducing the risks faced, SMEs can focus more on pursuing opportunities that exist in the future (Gnyawali & Park, 2009). Sustainability decisions are decisions taken by considering the long-term impact on the environment, society, and economy. Risk orientation can help SMEs to make sustainability decisions by identifying and reducing the risks faced by companies (Jansson et al. 2017). Risk orientation can also help SMEs to identify environmental, social and economic problems that may arise and take action to address them. By reducing the risks, SMEs can focus more on pursuing sustainability goals.

Moreover, this research provided empirical evidence of the significant relationship between risk orientation and sustainability decisions. The findings showed that SMEs run by the millennial generation have taken appropriate actions to reduce these risks. The results showed that good risk orientation can help SMEs to ensure that decisions are taken in accordance with sustainability goals, such as improving work safety and can help SMEs to reduce potential financial losses that may occur from actions taken, such as by taking actions to reduce environmental or social risks (Hooi et al. 2016). Moreover, the findings are consistent with Bos-Brouwers (2010), stating that good risk orientation also helps SMEs to improve their reputation by taking actions that are in line with sustainability goals by improving work safety and increasing access to markets by taking actions that are in accordance with sustainability goals, such as by increasing efficiency or by improving product quality.

Managerial Implication

Innovation can help SMEs increase efficiency, increase revenue, and increase competitiveness in the market. Some examples of innovations that can be applied to SMEs include using technology such as the internet and software that can help SMEs improve business efficiency and increase access to global markets. In addition, SMEs is very important to be innovative to help SMEs increase efficiency, income, and market competitiveness. Innovation can help SMEs find new ways to optimize business processes, thereby reducing costs and time. Through innovation, SMEs can find new opportunities to increase income, such as developing new products or services that suit consumer needs. Innovations can also smooth business processes, such as manufacturing methods or marketing systems, which can help SMEs increase efficiency and reduce costs. It highlighted that SMEs should also develop creative and innovative strategies to compete in the global market.

Moreover, proactivity can also help SMEs run by the millennial generation to identify and overcome problems that arise in company operations to reduce risks and increase corporate sustainability. SMEs run by the millennial generation need proactivity because they can help companies improve performance and reduce risk. Several reasons why proactivity is important for SMEs include increasing efficiency by optimizing production processes, improving product or service quality, increasing market reach, identifying and resolving problems that arise in the company's operations to reduce risks and increase the company's sustainability, improving company performance by increasing efficiency, reducing risk, and increasing market reach, remaining competitive in global competition by increasing efficiency, improving the quality of products or services, and increasing market reach. Moreover, proactivity can provide more stable long-term performance for SMEs by reducing risk and improving company performance.

Proactivity and risk orientation toward SMEs' sustainability decisions are the process of finding a balance between these variables and sustainability in the context of SMEs run by millennial generations. SMEs often have limited resources, so that innovation can become an obstacle in their business. However, innovation can also be the key to improving the performance and competitiveness of SMEs. Meanwhile, sustainability decisions can become an extra burden for SMEs because of the costs of meeting environmental and social standards. However, sustainability can also be an important factor in enhancing the reputation and loyalty of SME customers. Future orientation

in mediating innovation toward SME sustainability decisions helps SMEs find the right balance between these two factors by pursuing sustainable innovation in accordance with available resources (Qalati et al. 2020). Proactivity can help SMEs achieve short-term goals, such as increasing revenue and market share. However, unsustainable proactivity can be detrimental to the environment and society and endanger the long-term sustainability of SMEs run by millennial generations. Meanwhile, sustainability decisions can help SMEs maintain a healthy environment and society and improve reputation and customer loyalty. However, sustainability can add to operational costs and hinder proactivity. Future orientation in mediating proactivity towards sustainability decisions helps SMEs find the right balance between these two factors by pursuing sustainable and appropriate proactivity to available resources (Chang et al. 2011). In addition, companies should provide a positive and conducive work environment for employees to increase employee motivation and productivity. Providing opportunities for good careers can also attract and retain quality employees. Overall, SMEs should understand that human resources are the most valuable assets and should be treated properly to improve company performance.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The analysis results in this study conclude that a direct influence on future orientation in realizing sustainability decisions in SMEs run by the millennial generation using the Innovation, Proactivity and Risk Orientation variables is very necessary. The results showed that innovation has a positive and significant effect on future orientation can be accepted. In this test, innovation's direct effect on sustainability decisions does not get a significant value. It showed the importance of innovation, proactivity and risk orientation to be considered by SMEs run by the millennial generation in their efforts to make sustainable decisions. Proactivity positively and significantly affects future orientation and acceptable sustainability decisions. Therefore, SMEs run by the millennial generation should pay attention and implement this proactivity variable as best as possible. Risk orientation has a positive and significant effect on future orientation, but it is less acceptable to affect sustainability decisions directly.

Recommendations

The study focused on examining sustainable entrepreneurs belonging to the millennial generation who owned small and medium-sized enterprises (SMEs) in a particular environment. However, this narrow scope might restrict the applicability of the research outcomes to a wider range of businesses and entrepreneurial ventures. Moreover, the study did not consider other factors influencing sustainability decisions, such as organizational culture, external regulations, or stakeholder pressure. Future research is expected to examine a more detailed investigation into the correlation between sustainable entrepreneurship and innovative endeavors in millennials. Future research is also suggested to consider the impact of external factors, such as regulations or stakeholder pressures, on sustainability decisions.

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