THE PREDICTIVE POWER OF HUMAN RESOURCE PRACTICES IN DEVELOPING SOCIAL ENTREPRENEURSHIP PERFORMANCE AND SUSTAINABLE BUSINESS

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ABSTRACT

Purpose: Developing social entrepreneurship performance and sustainability in business is the major of every organization. The present study explores the predictive power of human resource practices in developing social entrepreneurship performance and sustainable business among small and medium-sized enterprises (SMEs) in Egypt.

Design/Methodology/ Approach: Quantitative methods were employed to identify this issue by collecting data from employees working in Small and Medium-sized Enterprises (SMEs) in Egypt. Ultimately, a total of 278 samples were employed to obtain the findings.

Findings: We applied the analysis of moment structures (AMOS) version 26.0 to get the results. The findings suggest a significant positive effect of training and recruitment on social entrepreneurship performance and sustainable business among employees of SMEs in Egypt.

Research, practical and social implications: The study's contribution involves strategically aligning human resource practices with social entrepreneurship goals and focusing on measuring, reporting, and improving social impact through stakeholder collaboration. This approach can contribute to developing sustainable business models that integrate financial success with a positive social and environmental footprint.

Originality/ value: This study addresses the gaps in the empirical evaluation of the effect of human resource practices such as training and recruitment on social entrepreneurship performance and sustainable business among employees of Egyptian SMEs.

Keywords: training, recruitment, social entrepreneurship performance, sustainable business, organizational success.

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O PODER PREDITIVO DAS PRÁTICAS DE RECURSOS HUMANOS NO DESENVOLVIMENTO DO DESEMPENHO DO EMPREENDEDORISMO SOCIAL E DOS NEGÓCIOS SUSTENTÁVEIS

RESUMO

Objetivo: Desenvolver o desempenho e a sustentabilidade do empreendedorismo social no negócio é o principal de todas as organizações. O presente estudo explora o poder preditivo das práticas de recursos humanos no desenvolvimento do desempenho do empreendedorismo social e de negócios sustentáveis entre pequenas e médias empresas (PMEs) no Egito.

Projeto/Metodologia/Abordagem: Foram utilizados métodos quantitativos para identificar esta questão, através da recolha de dados dos trabalhadores das pequenas e médias empresas (PME) do Egito. Em última análise, foram utilizadas 278 amostras para obter os resultados.

Resultados: Aplicamos a análise de estruturas de momento (AMOS) versão 26.0 para obter os resultados. As conclusões sugerem um efeito positivo significativo da formação e do recrutamento no desempenho do empreendedorismo social e na sustentabilidade das empresas entre os trabalhadores das PME no Egito.

Pesquisa, implicações práticas e sociais: A contribuição do estudo envolve o alinhamento estratégico das práticas de recursos humanos com as metas de empreendedorismo social e o foco na medição, geração de relatórios e melhoria do impacto social por meio da colaboração com as partes interessadas. Essa abordagem pode contribuir para o desenvolvimento de modelos de negócios sustentáveis que integrem o sucesso financeiro com uma pegada social e ambiental positiva.

Originalidade/valor: Este estudo aborda as lacunas na avaliação empírica do efeito das práticas de recursos humanos, tais como formação e recrutamento no desempenho do empreendedorismo social e negócios sustentáveis entre os funcionários de PME egípcias.

Palavras-chave: formação, recrutamento, desempenho empresarial social, negócios sustentáveis, sucesso organizacional.

1 INTRODUCTION

Social entrepreneurship performance for small and medium-sized enterprises (SMEs) encompasses the measurable outcomes reflecting a business's commitment to social and environmental responsibility alongside its economic pursuits (Do Adro et al., 2021; Barman et al., 2023). This involves going beyond traditional metrics to gauge the positive impact on community development, employee well-being, environmental stewardship, and ethical practices. The importance of social entrepreneurship performance for SMEs lies in its capacity to enhance reputation and brand value, foster employee satisfaction and retention, attract funding and investment, build vital
stakeholder and community relations, mitigate risks, and adapt to evolving market trends (Dongul and Artantaş, 2023; Oduro, 2023). By integrating social responsibility into their business models, SMEs align with changing societal expectations and position themselves strategically for long-term success and sustainability in a market increasingly valuing ethical and purpose-driven practices (Musinguzi et al., 2023; Susanto et al., 2023).

Business sustainability has great prominence in organizations. By adopting sustainable practices, SMEs can mitigate environmental, social, and economic risks, ensuring their continued operation and growth (Suriyankietkaew, 2023; Suki et al., 2023). In an era where consumers prioritize ethical and responsible business practices, a commitment to sustainability can differentiate SMEs in the market and attract environmentally and socially conscious consumers (Lutfi et al., 2022).

The role of training and recruitment in enhancing social entrepreneurship performance and business sustainability is crucial for shaping a workforce that is not only proficient in its tasks but also deeply committed to the organization's social and environmental goals (Agarwal et al., 2020; García-González and Ramírez-Montoya, 2021). Strategic recruitment practices enable identifying individuals whose values align with the principles of social entrepreneurship, ensuring that the organizational culture is inherently geared towards sustainability. Training programs are pivotal in imparting the knowledge and skills necessary for integrating sustainable practices into daily operations (Alarifi et al., 2019; Vázquez-Parra et al., 2021). This includes educating employees on ethical business conduct, environmental stewardship, and community engagement. Moreover, training initiatives focused on innovation and adaptability encourage employees to contribute creative solutions that align with the organization's mission (Asriati et al., 2022). By investing in developing a socially conscious and skilled workforce, SMEs can strengthen their capacity to achieve positive social impact, foster a culture of responsibility, and contribute to the long-term sustainability of the business in a rapidly changing business context (Gomes and Pinho, 2023).

In the literature, several factors such as training and development, organizational commitment, personality traits, job satisfaction, recruitment, green values, leadership styles, etc., are investigated towards social entrepreneurship and sustainable business performance (Winter, 2014; Aragón-Sánchez et al., 2003; Bocken and Geradts, 2020; Bhatti et al., 2022; Bhatti et al., 2023; Bilderback, 2023). However, integrating two
criterion constructs, such as social entrepreneurship performance and sustainable business, still needs to be confirmed, particularly in Egyptian SMEs. Based on these gaps, we proposed the following research questions:

*RQ1: What is the role of training and recruitment on social entrepreneurship performance and sustainable business performance among Egyptian SMEs?*

The study's findings support enhancing social entrepreneurship performance and business sustainability among SME firms in Egypt. Moreover, the results would enrich the depth of the literature on human resource management and business, particularly in an Arab context.

**2 LITERATURE REVIEW AND GAPS**

Investigating social entrepreneurship performance and sustainable business needs serious consideration in the present organizational era. Factors such as training and recruitment significantly predict social entrepreneurship performance and sustainable business (Alarifi et al., 2019; Vázquez-Parra et al., 2021). The study conducted by Alarifi et al. (2019) presents a significant contribution to understanding the impact of training on the development of an entrepreneurial attitude and the subsequent activities of social entrepreneurs. According to Vázquez-Parra et al. (2021), training has been identified as a reliable indicator for developing social entrepreneurship competency within social entrepreneurship. According to Satar and Natasha (2019), several factors, such as training, significantly contribute to an individual's propensity for social entrepreneurship. According to García-González and Ramírez-Montoya (2021), there is a proposed relationship between the performance of social entrepreneurship and the influence of education and training, specifically in the context of a university environment. The training programmes play a crucial role in shaping the skills and mindset of persons actively involved in social entrepreneurship. India's training component and other variables are considered a significant contributor to sustainable development (Agarwal et al., 2020). Implementing training programmes has been shown to benefit the growth and achievement of social initiatives. Iskandar et al. (2023) conducted an empirical evaluation to examine the correlation between sustainable human resource (HR) practices, namely training, and social entrepreneurship within the Indonesian micro, small, and medium-sized firm sector. The findings of this study indicate that the implementation of sustainable HR practices, such as training, has a positive influence on both employee
engagement and social impact.

Bhatti et al. (2023) demonstrate the correlation between training attributes and performance within the healthcare industry in Pakistan's specific nursing context. The training programmes pertaining to organizational sustainability emphasize the worldwide implementation of Sustainable Development Goals (SDGs) within the framework of training efforts (Bilderback, 2023). Kummitha and Kummitha (2021) conducted a study on the impact of motivating elements on sustainable entrepreneurship training. This study examines the influence of motivation on the efficacy of training programmes in promoting the adoption of sustainable business practices among entrepreneurs. The analysis conducted by O'Brien and Hamburg (2014) highlights the significance of training, cooperation, and mentoring in facilitating sustainable strategies within small and medium-sized enterprises (SMEs). According to the perspective put forth by Burden and Proctor (2000), training can serve as a sustained competitive advantage. In their study, Baumgartner and Winter (2014) provide empirical evidence about the function of a sustainability manager as an instrument for promoting education and training in sustainability management. According to the practical study conducted by Aragón-Sánchez et al. (2003), training has been identified as a more accurate predictor of business and organizational performance. The study conducted by Bhatti et al. (2022) provides empirical evidence supporting a positive predictive relationship between training design and employee performance. Bocken and Geradts (2020) suggest that the factors influencing sustainable business model innovation can be attributed to the interplay between obstacles and drivers, with particular emphasis on organizational design and dynamic capacities.

Van Vuuren and Botha (2010) argue that the performance of entrepreneurs can be enhanced through effective recruitment. The study by Williamson and Robinson (2008) examines the impact of recruitment practices on the success of small organizations. The findings shed light on the connection between recruitment strategies and overall performance in smaller enterprises. Bagis and Darmawan (2022) provide further evidence supporting the notion that human resource management has a favourable impact on entrepreneurs' business performance in the Purwokerto region. Soleh et al. (2021) conducted an assessment that examines the impact of recruiting, along with other factors, on the organizational performance of four-star hotels in East Java. This study offers valuable insights into the significance of recruitment within the context of the hospitality
sector. The employer's credibility influences the recruitment success of small enterprises (Williamson, 2000). Sutanto and Kurniawan (2016) emphasize the favourable influence of recruitment practices on the performance of employees within the batik business in Solo City, Indonesia. According to Carbonell et al. (2020), the recruitment tactics employed by enterprises in Burkina Faso can impact their performance. According to the study conducted by Shah and Soomro (2023), it was found that the implementation of green human resource management practices, such as training and recruitment, can serve as reliable indicators for predicting green innovation and behaviour.


Innovative recruitment strategies, particularly those leveraging knowledge management systems, are identified as positive contributors to overall business sustainability. Jeruto et al. (2017) demonstrate the influence of green recruitment practices on environmental sustainability in Kenya. In green HRM, Jamil et al. (2023) assert that green recruitment significantly enhances organizational sustainability performance. Vetráková et al. (2018) and Gyurák Babélová et al. (2020) further suggest the predictive power of corporate sustainability and perceived organizational performance in recruitment, emphasizing the role of sustainable human resource management across various contexts.

Consequently, the comprehensive exploration of existing literature reveals a consistent and affirmative impact of factors like recruitment and training on both social entrepreneurship performance and sustainable business performance across various contexts (Aragón-Sánchez et al., 2003; Felício et al., 2013; Bocken and Geradts, 2020; Bhatti et al., 2022; Bhatti et al., 2023; Bilderback, 2023; Iskandar et al., 2023). However, critical gaps persist in the current scholarly landscape. Firstly, there is a notable absence of confirmation regarding the role of human resource practices, particularly training and
recruitment, in influencing social entrepreneurship in conjunction with sustainable business outcomes (Jeruto et al., 2017; Vetráková et al., 2018; Gyurák Babeľová et al., 2020; Jamil et al., 2023). Secondly, a significant void exists in the integrated consideration of these factors within the SME sector of Egypt (Mehta and Chugan, 2015; Aranganathan, 2018; Carbonell et al., 2020; Shah and Soomro, 2023). These identified gaps highlight the need for further research that bridges these dimensions and offers a more nuanced understanding of the intricate interplay between human resource practices, social entrepreneurship, and sustainable business within the specific context of Egyptian SMEs. Based on the existing relationships in the literature and gaps, we proposed to investigate the effect of training and recruitment on social entrepreneurship performance and sustainable business by developing Figure 1 for investing among SME employees of Egypt.

![Figure 1. Conceptual model of the study](image)

Source: Developed by the authors

**3 HYPOTHESES DEVELOPMENT**

3.1 TRAINING AND SOCIAL ENTREPRENEURSHIP PERFORMANCE

The training is a crucial factor influencing various aspects of social entrepreneurship, including competency development, sustainable development, scaling, and individual orientation. García-González and Ramírez-Montoya (2021) suggest the impact of education and training on social entrepreneurship performance, particularly within a university setting. The training programs shape the skills and mindset of individuals engaging in social entrepreneurship. In India, the training factor is one of the
crucial factors, alongside other elements contributing to sustainable development (Agarwal et al., 2020). According to Harris and Kor (2013), human capital, including training and skills development, plays a role in scaling social entrepreneurship initiatives. Training has a positive impact on the growth and success of social ventures. In the empirical assessment of Iskandar et al. (2023), the relationship between sustainable HR practices, including training, and social entrepreneurship in the context of Indonesian micro, small, and medium-sized enterprises contributes to employee engagement and social impact. Similarly, the study of Felício et al. (2013) demonstrates a positive effect of social entrepreneurship, leadership, and contextual factors on the social value and performance of non-profit social organizations. Besides, training enhances leadership development. A seminal work of Alarifi et al. (2019) suggests the meaningful and constructive effect of training in diverting entrepreneurial mindset and activities of social entrepreneurs. In the context of social entrepreneurship competency, training is a good predictor of developing social entrepreneurship competency (Vázquez-Parra et al., 2021).

Consequently, training programs empower entrepreneurs with essential skills and knowledge, fostering adaptability in dynamic business environments. Training enhances the potential for innovative solutions and shared resources in addressing societal challenges by facilitating networking and collaboration. Entrepreneurs benefit from improved problem-solving skills, financial literacy, and risk management capabilities, crucial elements for the success of any venture. To observe the effect of training on social entrepreneurship performance in Egyptian SMEs, we proposed:

**H1. Training has a positive role in enhancing social entrepreneurship performance.**

### 3.2 TRAINING AND SUSTAINABLE PERFORMANCE

Training factors bring robustness and sustainability to firms. According to Kummitha and Kummitha (2021), motivational factors influence sustainable entrepreneurship training. The impact of motivation on the effectiveness of training programs in fostering sustainable business practices among entrepreneurs. In SMEs, the role of training, cooperation, and mentoring in supporting sustainable strategies (O’Brien and Hamburg, 2014). In the perception of Burden and Proctor (2000), training can be a
source of sustainable competitive advantage. Baumgartner and Winter (2014) demonstrate the role of a sustainability manager as a tool for education and training in sustainability management. In the Pakistani nursing context, Bhatti et al. (2023) show the connection between training characteristics and performance in the health sector. The training programs for organizational sustainability focus on the global application of Sustainable Development Goals (SDGs) in the context of training initiatives (Bilderback, 2023). According to Bocken and Geradts (2020), barriers and drivers to sustainable business model innovation correlate with a specific focus on organizational design and dynamic capabilities. In the empirical assessment of Aragón-Sánchez et al. (2003), training is the better predictor of business and organizational performance. Bhatti et al. (2022) confirm the positive predictive effect of training design on employee performance through an empirical assessment.

Consequently, the nexus between training initiatives and sustainability in business has been robustly demonstrated across diverse contexts, consistently revealing a positive and significant correlation. The transformative impact of training programs on organizational practices, competitive advantage, and overall sustainability has been a recurrent finding. However, it is paramount to note that within the specific context of SMEs in Egypt, the dynamics of these relationships necessitate further scrutiny and confirmation. The intricacies of SMEs, coupled with the distinctive socio-economic landscape of Egypt, may introduce unique factors influencing the interplay between training and sustainability. Thus, while existing evidence broadly underscores the affirmative link between training and sustainability, a more nuanced examination within the Egyptian SME sector is imperative to unveil the specificities that may shape or alter this relationship in this business milieu. Thus:

**H2. Training has a positive role in enhancing sustainability in business.**

### 3.3 RECRUITMENT AND SOCIAL ENTREPRENEURSHIP PERFORMANCE

Recruitment enhances social entrepreneurship performance. According to Iskandar et al. (2023), sustainable human resource practices such as recruitment positively contribute towards social entrepreneurship performance in Indonesian Micro, Small, and Medium-sized Enterprises (MSMEs). In the same direction, the assessment of Soleh et al. (2021) demonstrates the effects of recruitment, among other factors, on the organizational performance of four-star hotels in East Java, providing insights into the

As a consequential factor, recruitment emerges as a pivotal construct, fostering entrepreneurial development and augmenting social entrepreneurial performance across diverse contexts. A notable exception surfaces in integrating training and recruitment dynamics, particularly concerning their joint impact on social entrepreneurship and sustainable business performance among employees in Small and Medium-sized Enterprises (SMEs) in Egypt, which needs to be explored. This exception underscores a nuanced dimension in the intricate interplay between training, recruitment, and social entrepreneurial outcomes within the unique SME landscape of Egypt.

**H3. Recruitment has a positive role in enhancing social entrepreneurship performance.**

### 3.4 RECRUITMENT AND SUSTAINABLE PERFORMANCE

Sustainability and sustainable development can be achieved through recruitment. The study of Jepsen and Grob (2015) suggests that sustainable recruitment and selection practices have great significance in developing environmentally and socially responsible business practices. Likewise, the assessment of Bank and Kanda (2016) demonstrates a predictive contribution of recruitment and support processes in sustainability-profiled businesses to sustainable business development. Innovative recruitment strategies,
particularly knowledge management systems, positively contribute to business sustainability. In the assessment of Aranganathan (2018), green recruitment is an approach to attracting and retaining talent, contributing to environmentally conscious business practices. The role of green human resource management (HRM) in pursuing environmentally sustainable business practices, emphasizing the predictive power of HRM practices, i.e. recruitment, which enhances and contributes to sustainability. Mehta and Chugan (2015) demonstrate the predictive relevance of green HRM in pursuit of environmentally sustainable business. The innovative green recruitment and selection approach meaningfully affects organizational development and environmental sustainability (Das and Dash (2023). According to Jeruto et al. (2017), the influence of green recruitment practices on environmental sustainability in Kenya. In the context of green HRM, green recruitment in organizations is largely helpful in bringing sustainability performance (Jamil et al., 2023). Vetráková et al. (2018) suggest the predictive power of corporate sustainability in employee recruitment through social networks in conditions of Slovak SMEs. In the same direction, Gyurák Babeľová et al. (2020) suggested the perceived organizational performance in recruiting and retaining employees concerning different generational groups, considering the role of sustainable human resource management.

As a consequential factor, recruitment emerges as a positive predictor of sustainability in business, reflecting its potential to contribute to environmentally and socially responsible practices. However, the confirmation of this association warrants further scrutiny, particularly within the context of Small and Medium-sized Enterprises (SMEs) in Egypt. This need for confirmation is underscored by the significant role employees’ play in the development of the Egyptian economy. The unique socio-economic landscape of SMEs in Egypt introduces nuances that necessitate a focused examination of how recruitment practices specifically influence sustainable business outcomes within this particular business context. Thus:

*H4. Recruitment has a positive role in enhancing sustainability in business.*
4 METHODS

4.1 SURVEY STRATEGY

The research utilized a quantitative assessment approach, deliberately selected due to its substantial influence on management and social business domains. According to Patel et al. (2020), quantitative evaluation offers a systematic and rigorous methodology for evaluating and analyzing several elements related to the success of social entrepreneurship and the sustainability of businesses. The study sought to employ quantitative methods to produce empirical data and statistical analyses, facilitating a more objective and exact assessment of the correlation between human resource practices, recruitment, training, and organizational outcomes (Maggiora et al., 2020). This technique holds special significance within management, as decision-making processes frequently necessitate using solid and measurable data to guide strategic planning endeavours. Furthermore, within the ever-changing and dynamic realm of social business domains, quantitative assessment offers a structured approach to measure business practices' social and environmental effects. This contributes to decision-making grounded in empirical data (Orakwue and Iguisi, 2020). Previously, researchers like Winter (2014), Bocken and Geradts (2020), Bhatti et al. (2022), Bhatti et al. (2023) and Bilderback (2023) applied quantitative assessment to investigate social entrepreneurship performance and business sustainability through HRM practices in diverse regions.

4.2 RESPONDENTS AND SAMPLE SIZE

We applied the survey questionnaire to get responses from Egyptian SME employees. The surveys are a versatile and efficient data collection method, allowing for collecting a large volume of responses from a diverse group of participants. Applying a survey questionnaire to gather answers from employees of Egyptian SMEs is essential because it provides a scalable, representative, and efficient means of collecting data. This approach enhances the study's external validity, enables a mixed-methods analysis for depth and context, and contributes to evidence-based decision-making for improving human resource practices, social entrepreneurship performance, and business sustainability in the specific context of Egyptian SMEs. We targeted employees of SMEs in Egypt who hold a pivotal role in shaping the success and sustainability of these businesses. Beyond their fundamental contribution to daily operations and operational efficiency, employees play a multifaceted role in driving innovation and adaptability.
within SMEs. Their direct interactions with customers influence service quality and client relationships, which are crucial for customer retention and business growth. Moreover, the deep local knowledge of employees is essential for SMEs to tailor their offerings to community needs, fostering a connection that contributes to the social impact initiatives of the business. We applied a convenience sampling technique to trace the respondents. Finally, we collected 278 valid cases, which were then used to get the final results.

4.3 MEASURES

We applied a five-point Likert scale ranging from strongly agree to strongly disagree. We adopted all the items from the relevant literature. More specifically, the training factor is measured on four items, recruitment on three items, social entrepreneurship performance on six items and sustainable business measured on five items. All the scale items are adopted from the study of Iskandar et al. (2023).

5 RESULTS

5.1 MEASUREMENT MODEL

The evaluation of the measurement model is conducted using composite reliability (CR), Cronbach's alpha (α), and the average variance extracted (AVE), as proposed by Hair et al. (2020). The values of composite reliability (CR) were found to be greater than 0.70 for the other constructions, accompanied by factor loadings that were likewise greater than 0.70 (Hair et al., 2019). Furthermore, all the constructs in the model exhibited values of AVE greater than 0.50, indicating a satisfactory level of average variance extracted (AVE) (Hair et al., 2019). As a result, we established convergent validity across all the constructs examined in the study, as seen in Table 1.

<table>
<thead>
<tr>
<th>Item code</th>
<th>Loadings</th>
<th>CR</th>
<th>AVE</th>
<th>Alpha (α)</th>
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</thead>
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<td>0.876</td>
<td>0.638</td>
<td>0.801</td>
</tr>
<tr>
<td>TR2</td>
<td>0.808</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TR3</td>
<td>0.782</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TR4</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>0.895</td>
<td>0.740</td>
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<tr>
<td>RT2</td>
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<td></td>
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<td>RT3</td>
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<td></td>
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<td>SEP5</td>
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<th></th>
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<tr>
<td>SB2</td>
<td>0.827</td>
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<td>SB3</td>
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<tr>
<td>SB4</td>
<td>0.796</td>
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<td>0.726</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Estimated by the scholars

TR= Training; RT=Recruitment; SEP=Social entrepreneurship performance; SB=Sustainable business

Finally, the researcher conducted a comparison between discriminant validity (DV) and the square root of the average variance extracted (AVE) in connection to the inter-correlations among the components, as outlined by Chin (2010). Hair et al. (2020) found that upon evaluating the values of average variance extracted (AVE) in conjunction with the squared correlation between the construct and other constructs (Fornell and Larcker, 1981), we observed that all AVE scores exhibited greater values. Consequently, we have substantiated the attainment of a commendable dependent variable.

<table>
<thead>
<tr>
<th>Variable</th>
<th>TR</th>
<th>RT</th>
<th>SEP</th>
<th>SB</th>
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<td>TR</td>
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<tr>
<td>RT</td>
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<tr>
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<td>SB</td>
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<td>0.697</td>
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</tbody>
</table>

Source: Estimated by the scholars

5.2 STRUTURAL MODEL

The researchers utilized IBM version 26.0 of Analysis of Moment Structures (AMOS) to analyses and interpret the obtained results, as mentioned in the study conducted by Sarstedt et al. (2016). In addition, AMOS facilitates the generation of novel insights by examining hypotheses about intricate interactions among variables (Afthanorhan, 2013). The path analysis suggests a positive effect of training on social entrepreneurship performance and sustainable business (H1=β=0.310; t-value=6.078***; p<0.01; H2=β=0.219; t-value=5.615*** p<0.01). As a result, H1 and H2 are accepted. Moreover, the analysis also confirmed a positive significant effect of recruitment on both social entrepreneurship performance and sustainable business (H3=β=0.308; t-value=7.512***; p<0.01; H4=β=0.487; t-value=6.763*** p<0.01). Consequently, H3 and H4 are also accepted (Table 3 and Figure 2).
Table 3. Direct paths

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Relationships</th>
<th>Std. beta</th>
<th>Std. error</th>
<th>t-value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>TR $\rightarrow$ SEP</td>
<td>0.310</td>
<td>0.051</td>
<td>6.078***</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2</td>
<td>TR $\rightarrow$ SB</td>
<td>0.219</td>
<td>0.039</td>
<td>5.615***</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3</td>
<td>RT $\rightarrow$ SEP</td>
<td>0.308</td>
<td>0.041</td>
<td>7.512***</td>
<td>Accepted</td>
</tr>
<tr>
<td>H4</td>
<td>RT $\rightarrow$ SB</td>
<td>0.487</td>
<td>0.072</td>
<td>6.763***</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Source: Estimated by the scholars
Note: ***p=significance level at <0.01.

Figure 2. Path analysis

Source: Estimated by the scholars
Note: ***p=significance level at <0.01.

6 DISCUSSION AND CONCLUSION

The study purposed to investigate the effect of training and recruitment on social entrepreneurship performance and sustainable business in the context of SME employees in Egypt. The study's results found a positive and significant effect of training on social entrepreneurship performance and sustainable business. These results are reinforced by several scholars like Alarifi et al. (2019), Agarwal et al., 2020), Bocken and Geradts (2020), García-González and Ramírez-Montoya (2021), Bhatti et al. (2022), Bilderback, 2023) and Iskandar et al. (2023). These results may be positive because training initiatives are likely to enhance employees' skill sets, equipping them with the knowledge required for effective engagement in social entrepreneurship activities and sustainable business practices. Additionally, these programs could have raised awareness about the organization's values and goals, fostering alignment among employees and creating a
shared understanding of the importance of social and environmental responsibility. The increase in employee engagement, often associated with training, likely led to a more active participation in initiatives related to social entrepreneurship. Furthermore, adopting best practices, empowering employees through skill development, and cultivating a culture that integrates sustainability considerations all contribute to the observed positive impact. The emphasis on measurable impact and reporting in training programs enables organizations to track and communicate their social entrepreneurship efforts systematically. Overall, training acts as a catalyst, enhancing individual capabilities and fostering a collective commitment to sustainable practices, thereby positively influencing both social entrepreneurship performance and business sustainability in Egyptian SMEs.

Moreover, the study also confirmed the positive effect of recruitment on social entrepreneurship performance and sustainable business. These results are also in line with several scholars like Williamson (2000), Chen and Tan (2016), Sutanto and Kurniawan (2016), Carbonell et al. (2020), Soleh et al. (2021) and Shah and Soomro (2023) who suggested the same results. These results indicate that the positive effect of recruitment on social entrepreneurship performance and sustainable business within Egyptian SMEs is rooted in strategic hiring practices that prioritize values alignment, diverse skill sets, and an inherent commitment to social responsibility. When recruitment processes focus on cultural fit, organizations are more likely to attract individuals who share the company's dedication to social entrepreneurship and sustainability. A diverse workforce contributes to innovation and adaptability, which is essential in addressing complex societal and environmental challenges. Moreover, actively seeking candidates with an innate social consciousness fosters a workplace culture where employees are inclined to engage in activities that contribute positively to societal and environmental well-being. Recruiting individuals with community connections and local insight enhances the SME's ability to make meaningful contributions to community development. Ethical decision-making, positive workplace cultures, and the emphasis on stakeholder relationships further solidify the positive impact of recruitment on sustainable business practices. Ultimately, strategic recruitment ensures the formation of a committed and capable workforce, laying the foundation for ongoing success in social entrepreneurship and sustainability initiatives among Egyptian SMEs.

In summary, the findings underscore a compelling and statistically significant impact of training and recruitment strategies on fostering positive outcomes in social
entrepreneurship performance and sustainable business practices among employees in Egyptian SMEs. The discernible effect of training programs is evident in employees' enhanced skills, awareness, and engagement levels, contributing to a culture of innovation and adaptability in addressing social and environmental challenges. Simultaneously, strategic recruitment practices, focusing on values alignment, diverse skill sets, and a commitment to social responsibility, have cultivated a workforce inherently inclined toward ethical decision-making and community-oriented initiatives. These results emphasize the strategic importance of investing in training and recruitment processes as key drivers in shaping a workforce that excels in conventional business practices and actively contributes to the broader goals of social entrepreneurship and sustainability within the context of Egyptian SMEs.

7 CONTRIBUTION, LIMITATIONS AND FUTURE RESEARCH

The revelatory findings indicating a substantial positive influence of training and recruitment on the social entrepreneurship performance and sustainable business practices of SMEs in Egypt hold profound implications for multiple facets of the business landscape. Beyond mere economic metrics, these results signify a transformative impact on the very fabric of organizational dynamics. The discerned correlation underscores that strategic investments in employee development elevate immediate business performance and instigate a paradigm shift towards sustainable practices. This implies that by prioritizing workforce skill enhancement, SMEs can gain a competitive edge and contribute meaningfully to societal well-being and environmental stewardship. The implications cascade into various domains, suggesting potential improvements in job satisfaction, talent retention and influencing policy decisions. Moreover, this empirical evidence augments the existing body of knowledge in entrepreneurship, human resources, and sustainability, guiding future research endeavours and shaping educational curricula to reflect the evolving demands of a conscientious business landscape. These findings illuminate a comprehensive pathway to business success, intertwining economic prosperity with social responsibility and environmental consciousness.

While this study sheds light on the positive effects of training and recruitment on social entrepreneurship performance and sustainable business among Egyptian SME employees, certain limitations should be considered. The sample size of 278 participants may restrict the generalizability of the findings, urging caution in extrapolating these
results to a broader population. The study's exclusive use of quantitative methods, while providing statistical insights, overlooks the potential richness of qualitative data, which could offer a deeper understanding of the contextual intricacies at play. Moreover, a specific theoretical framework is needed to ensure the study's academic contributions, leaving room for a more nuanced interpretation of the observed relationships. Additionally, relying solely on a survey questionnaire for data collection raises concerns about potential response biases, suggesting complementary methods such as interviews or focus groups to capture a more comprehensive and nuanced perspective on the intricacies of social entrepreneurship and sustainable business practices within SMEs in Egypt.

The identified limitations in the current study offer promising directions for future research that could enrich our understanding of the relationship between training, recruitment, social entrepreneurship performance, and sustainable business practices in SMEs:

1. Expanding the sample size and diversifying the participant pool across various industries and regions in Egypt would enhance the generalizability of findings.
2. Incorporating qualitative research methods, such as in-depth interviews or case studies, could provide a more nuanced exploration of the contextual factors influencing the observed quantitative relationships.
3. Future studies could develop and apply a specific theoretical framework to guide the research, facilitating a more structured interpretation of the observed phenomena.
4. Exploring the interplay between individual and organizational factors within SMEs, beyond the scope of the current quantitative approach, could yield a more comprehensive understanding of the dynamics at play.
5. To mitigate the potential biases associated with exclusive reliance on survey questionnaires, researchers might consider adopting mixed-methods approaches that integrate quantitative and qualitative data collection methods, providing a more holistic view of the multifaceted aspects of social entrepreneurship and sustainable business practices within the SME context in Egypt.
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