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## Exploring Small Business Sustainability Strategies: a PRISMA-Based Systematic Review

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**Abstract:** In the face of global environmental, economic, and social challenges, small businesses are increasingly expected to adopt sustainability-oriented strategies to ensure long-term viability. This study presents a Systematic Literature Review (SLR) guided by the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) framework to explore and synthesize recent scholarly insights into sustainability strategies employed by small businesses. Using a rigorous search protocol across the Scopus database, 54 peer-reviewed articles published between 2019 and 2025 were selected and analysed. The findings reveal key thematic strategies, including eco-innovation, stakeholder engagement, circular economy practices, and the integration of digital technologies to enhance sustainable performance. The review also highlights critical internal and external drivers of strategy adoption, such as leadership orientation, regulatory pressures, and access to green finance. Despite the growing interest in sustainability, the review uncovers significant gaps in empirical studies from developing economies and in the measurement of long-term sustainability outcomes. The study contributes to the academic discourse by mapping existing knowledge, identifying future research directions, and offering practical implications for small business owners, policymakers, and sustainability practitioners.

**Keywords:** Small Business, Sustainability Strategy, Systematic Literature Review, PRISMA, Sustainable Development

### INTRODUCTION

Small businesses are widely acknowledged as key engines of economic growth, employment creation, and innovation in both developed and developing countries. Small and medium-sized enterprises (SMEs) account for approximately 90% of businesses and more than 50% of employment worldwide (Faye, I., & Goldblum, 2022). In Indonesia, micro, small, and medium enterprises (MSMEs) contribute around 61% of GDP and absorb approximately 97% of the national workforce (Siregar, H., & Pratama, 2024). Their decentralized nature, adaptability, and community-rootedness position them as vital players in achieving sustainable development goals (Rahman, H. U., Khan, N. A., & Waqas, 2023). However, despite their economic prominence, small businesses often struggle to implement

sustainability strategies due to constraints in financial resources, technical expertise, and institutional support (Kurniawati, R., & Hadi, 2021; Nguyen, H. T., & Nguyen, 2020; Agwu, M. E., Eze, S. C., & Onwuegbuzie, 2023).

Sustainability has evolved into a core strategic concern for businesses globally, driven by escalating environmental degradation, social inequality, climate risk, and regulatory shifts (Bagur Femenías, L., Llach, J., & Alonso Almeida, 2022; Geissdoerfer, M., Vladimirova, D., & Evans, 2020). It is no longer viable for firms to prioritize profitability alone; they must also demonstrate responsible stewardship of environmental and social systems (Ghosh, S., Chatterjee, S., & Ghosh, 2021). The triple bottom line framework—people, planet, and profit—has become a foundational reference for integrating sustainability into business strategy (Edeigba, J., & Arasanmi, 2022). In the context of small enterprises, embedding sustainability is particularly challenging yet crucial, given their cumulative ecological footprint and strategic flexibility (Ismail, K., Wahab, N. A., & Salleh, 2023; Saunila, M., Ukko, J., & Rantala, 2019).

Over the past five years, the academic discourse on sustainability in SMEs has expanded considerably. Researchers have investigated a broad range of topics, including eco-innovation (Cheng, C. C., & Shiu, 2021), stakeholder engagement (Agyemang Mintah, P., Mmieh, F., & Anderson, 2023), green human resource practices (Pham, N. T., Tučková, Z., & Phan, 2022), digital transformation (Santoro, G., Bresciani, S., & Ferraris, 2022), and the role of leadership in driving sustainability (Andersén, 2021). Some studies highlight external pressures, such as customer demand and regulatory frameworks, as key enablers (Sivarajah, U., Kamal, M. M., Irani, Z., & Weerakkody, 2020), while others emphasize internal capabilities such as entrepreneurial orientation and knowledge management (Battisti, M., Beynon, M., Pickernell, D., & Deakins, 2021; Albort Morant, G., Leal Rodríguez, A. L., & De Marchi, 2020).

Despite this progress, the literature remains fragmented across disciplines and lacks a unifying synthesis. There are inconsistencies in how sustainability strategies are conceptualized and operationalized, particularly in small business contexts that differ substantially from larger firms (Baumgartner, R. J., & Ebner, 2023). Moreover, empirical evidence is disproportionately concentrated in developed economies, with limited representation of SMEs from developing countries where resource scarcity and institutional voids present unique sustainability challenges (Rahdari, A., Sepasi, S., & Moradi, 2021; Irawan, D., Suharto, R., & Pramudito, 2023). There is also limited understanding of how emerging technologies, such as green fintech, blockchain, and IoT, are shaping sustainability practices in SMEs (de Sousa Jabbour, A. B. L., Jabbour, C. J. C., Foropon, C., & Godinho Filho, 2020).

To address these gaps, this study conducts a Systematic Literature Review (SLR) using the PRISMA 2020 framework, focusing on peer-reviewed articles published between 2019 and 2025. The review systematically maps the landscape of sustainability strategies implemented by small businesses across different geographic and sectoral contexts. The specific objectives are to:

1. Identify the dominant sustainability strategies practiced by small businesses;
2. Explore the key internal and external drivers and barriers influencing these strategies;
3. Highlight research gaps and propose future research directions to advance the field.

This study offers three key contributions. First, it synthesizes a dispersed body of research to offer an integrated view of small business sustainability strategies. Second, it introduces a thematic framework categorizing strategic approaches under five emerging themes: eco-innovation, stakeholder engagement, digital transformation, circular economy, and leadership orientation. Third, it underscores the need for context-aware research that reflects the realities of SMEs in developing regions. By doing so, this review enriches the

theoretical understanding of sustainability in small firms while offering practical guidance for entrepreneurs, policymakers, and sustainability advocates.

## **METHOD**

This study employed a Systematic Literature Review (SLR) following the PRISMA 2020 (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) guidelines, to identify, select, and synthesize relevant studies on small business sustainability strategies (Page, M. J., McKenzie, J. E., Bossuyt, P. M., Boutron, I., Hoffmann, T. C., Mulrow, C. D., ... & Moher, 2021). The review was conducted through a structured four-phase process: identification, screening, eligibility, and inclusion.

The literature search was conducted using the Scopus database, recognized for its extensive coverage of peer-reviewed literature in business, management, and sustainability domains. The following Boolean search string was applied in the title, abstract, and keywords fields:

("small business" OR "small enterprise" OR SME OR MSME OR "micro business")

AND (sustainability OR "sustainable development" OR "business sustainability")

AND (strategy OR strategies OR practices OR models OR initiatives OR performance)

To ensure relevance and recency, the search was limited to:

1) Publication years: 2019 to 2025

2) Document types: Journal articles (peer-reviewed)

3) Language: English

A set of well-defined inclusion and exclusion criteria was applied during the selection process as depicted in Table 1. These criteria were developed to align with the study's objective of synthesizing research on sustainability strategies among small businesses or SMEs.

The inclusion criteria required that articles focus explicitly on small businesses or SMEs and their engagement with sustainability. Selected studies had to be empirical, conceptual, or review-based in nature, offering substantive insights or theoretical contributions. Only articles published in English and accessible in full-text through the Scopus database were considered. Furthermore, the studies needed to address business or sustainability topics within a global or region-specific context, including those from developing countries.

The exclusion criteria eliminated studies that focused on large corporations or did not address strategy or sustainability in the context of small businesses. Articles categorized as editorials, opinion pieces, or book reviews were also excluded due to their lack of empirical or conceptual rigor. Additionally, studies that were only available in abstract form or had inaccessible full-text versions were not considered. Articles published in languages other than English, as well as those unrelated to business or sustainability topics, were also excluded from the review.

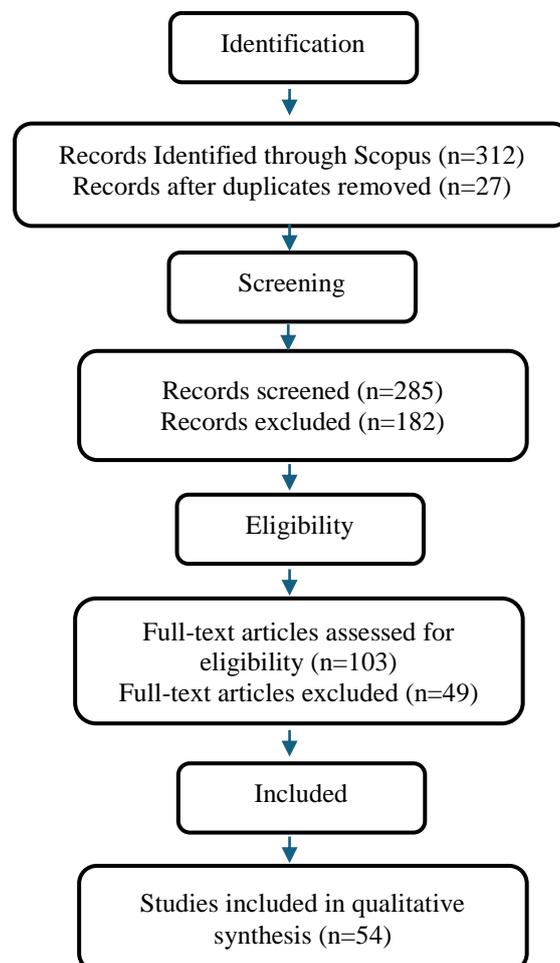
These criteria ensured a consistent and transparent filtering process that supported the integrity of the PRISMA-based selection workflow. The screening decisions were documented and aligned with the research questions to preserve focus on relevant and high-quality contributions.

**Table 1. Inclusion and Exclusion Criteria**

Criteria Type	Inclusion Criteria	Exclusion Criteria
Subject Focus	Articles focusing on small businesses/SMEs and sustainability	Articles focusing on large corporations or not addressing strategy
Methodology	Empirical, conceptual, or review articles	Editorials, opinion pieces, book reviews
Availability	Full-text accessible via Scopus	Abstract only or inaccessible full-text articles
Language	English only	Non-English articles
Context	Global context or region-specific (including developing countries)	Articles not related to business or sustainability

Source: Processed by Author

A visual representation of the review process is presented below, adapted from the PRISMA 2020 flowchart as follows:



Source: Processed by Author

**Figure 1. PRISMA Flowchart**

The selection process for this systematic literature review followed the PRISMA 2020 four-step approach to ensure methodological transparency and replicability. During the identification stage, a total of 312 records were retrieved from the Scopus database using a predefined Boolean search string. In the screening phase, 27 duplicate records were removed, resulting in 285 unique studies whose titles and abstracts were evaluated for relevance. The eligibility phase involved assessing the full text of 103 articles based on the previously

defined inclusion and exclusion criteria. Ultimately, 54 articles met all criteria and were included in the final qualitative synthesis.

To ensure consistency and depth in data analysis, a standardized coding sheet was employed to extract essential information from each article. The extracted data included details such as the author(s), year of publication, and country of study, along with the type of sustainability strategy examined. Where applicable, the underlying theoretical framework was noted, as well as the research method and contextual background. Key findings and practical or theoretical implications were also recorded to facilitate thematic categorization and comprehensive analysis.

Thematic analysis was employed to categorize sustainability strategies into recurring themes such as:

- 1) Eco-innovation and environmental practices
- 2) Stakeholder engagement and CSR
- 3) Digital transformation for sustainability
- 4) Circular economy and resource efficiency
- 5) Leadership and strategic orientation

## **RESULTS AND DISCUSSION**

The final 54 articles included in this systematic review provide diverse insights into the sustainability strategies adopted by small businesses across various contexts. Through thematic analysis, five dominant strategic themes emerged: (1) eco-innovation and environmental practices, (2) stakeholder engagement and corporate social responsibility (CSR), (3) digital transformation for sustainability, (4) adoption of circular economy principles, and (5) leadership and strategic orientation.

### **1. Eco-Innovation and Environmental Practices**

A recurring theme across the reviewed literature is the implementation of eco-innovative practices by small businesses to improve environmental performance. These strategies include waste reduction, energy efficiency, green product development, and cleaner production technologies. Eco-innovation is often driven by both regulatory compliance and market competitiveness. However, adoption levels vary significantly across regions, with SMEs in developed economies showing higher uptake due to stronger institutional support and access to green technology.

### **2. Stakeholder Engagement and CSR**

Several studies underscore the importance of engaging stakeholders—employees, customers, suppliers, and communities—as a critical component of sustainability strategy. Small firms often adopt informal CSR practices, such as ethical labor treatment and community involvement, even in the absence of formal sustainability reporting. Trust-based relationships, especially in local markets, play a significant role in shaping these practices. This relational approach to sustainability strengthens brand loyalty and fosters long-term resilience.

### **3. Digital Transformation for Sustainability**

Digital tools are increasingly leveraged by small businesses to enhance sustainability outcomes. Technologies such as cloud computing, e-commerce, and digital platforms enable resource optimization, supply chain transparency, and customer engagement. Digitalization not only reduces operational costs but also supports sustainable decision-making. However, digital capability remains uneven, particularly in micro-enterprises and in low-income regions, suggesting a digital divide in sustainable transformation.

### **4. Circular Economy and Resource Efficiency**

Circular economy principles—such as reuse, recycling, and sustainable sourcing—are increasingly embedded into small business strategies. This is particularly evident in sectors

like food, fashion, and manufacturing. Adoption is often motivated by both ecological concerns and economic efficiency. However, transitioning from linear to circular business models requires mindset change, customer awareness, and policy incentives—factors not uniformly present across all contexts.

#### 5. Leadership and Strategic Orientation

The role of leadership is consistently identified as a key internal driver of sustainability. Entrepreneurial orientation, sustainability mindset, and long-term strategic vision of small business leaders significantly influence whether and how sustainability is integrated into the business. Leadership commitment is especially crucial in the absence of formal sustainability departments or policies. Studies from Asia and Latin America highlight the influence of founder values and cultural norms on strategic decisions.

#### 6. Regional Distribution and Methodological Insights

The majority of reviewed studies are concentrated in Europe (36%), followed by Asia (27%), North America (19%), and a limited number from Africa and Latin America. Most employed qualitative or mixed-method approaches, indicating a need for more quantitative and longitudinal research to measure the impact of sustainability strategies over time.

### CONCLUSION

This systematic literature review, conducted using the PRISMA 2020 framework, provides a comprehensive synthesis of recent scholarly work on sustainability strategies employed by small businesses. Based on the analysis of 54 peer-reviewed articles published between 2019 and 2025, five dominant strategy themes were identified: eco-innovation and environmental practices, stakeholder engagement and CSR, digital transformation, circular economy, and leadership-driven strategic orientation.

The findings reveal that sustainability is increasingly recognized as a strategic imperative for small businesses, not merely as a compliance obligation but as a source of competitive advantage and long-term value creation. However, the adoption and implementation of sustainability strategies remain uneven across regions, industries, and firm sizes. Structural barriers such as limited financial resources, lack of expertise, and regulatory ambiguity continue to hinder broader adoption, especially in developing economies. Moreover, the review highlights the need for a more inclusive and context-sensitive understanding of sustainability in small enterprises—one that integrates local values, culture, and informal practices often overlooked in mainstream models.

For small business owners and entrepreneurs, the study emphasizes the importance of embedding sustainability into core strategy and operations—beginning with achievable actions such as waste reduction, ethical sourcing, and digital efficiency. Entrepreneurial leadership plays a central role in shaping sustainable behavior, and building partnerships with stakeholders can amplify impact.

For policymakers and support institutions, the findings point to the need for targeted incentives, simplified regulatory frameworks, and capacity-building programs that enable small firms to adopt sustainable innovations. Public-private collaborations, access to green financing, and sustainability literacy training are critical enablers.

For academics and researchers, this review offers a roadmap for future investigations. There is a clear need for more empirical studies in underrepresented regions, sector-specific case studies, and longitudinal research that tracks the outcomes of sustainability strategies over time. Theoretical development linking sustainability practices to firm performance, resilience, and innovation also warrants further exploration.

As the global agenda shifts toward sustainability and resilience, small businesses are not peripheral actors—they are essential players in shaping a more inclusive, green, and

sustainable future. By understanding and supporting their unique paths to sustainability, scholars and practitioners alike can contribute meaningfully to this transformation.

While this study provides a comprehensive synthesis of small business sustainability strategies using the PRISMA framework, several limitations should be acknowledged:

- 1) The review relied solely on the Scopus database. Although Scopus offers broad coverage of peer-reviewed literature, it may have excluded relevant studies indexed in other databases such as Web of Science, Google Scholar, or regional academic platforms.
- 2) Only articles published in English were included, potentially omitting valuable insights published in other languages, especially from non-English-speaking regions.
- 3) This review focused on published journal articles, which may introduce publication bias by excluding grey literature, conference proceedings, policy reports, or practitioner-based case studies that can offer practical knowledge on sustainability.
- 4) The search was limited to studies published between 2019 and 2025. Although this ensures recency, it may overlook foundational work conducted prior to this period that could offer deeper theoretical perspectives.
- 5) Due to the qualitative and heterogeneous nature of the included studies, this review did not conduct a quantitative meta-analysis. Therefore, the findings are primarily interpretive and thematic in nature.

Building upon the insights and limitations identified in this review, several promising directions for future research are recommended. First, there is a notable scarcity of studies focusing on underrepresented regions, particularly Southeast Asia, Africa, and Latin America. Future research should investigate the context-specific drivers, barriers, and outcomes of sustainability strategies in these regions to build a more inclusive global understanding. Second, longitudinal research designs are needed to assess the long-term effects of sustainability practices on small business performance, innovation, and resilience. Third, more rigorous quantitative approaches are essential to evaluate the effectiveness of particular strategies, and comparative studies across countries or industries could uncover cultural, institutional, and sectoral variations. Additionally, many sustainability practices occur informally—especially among micro-enterprises—which presents a valuable opportunity to explore grassroots and community-based innovations. Another underexplored area is the intersection between digital transformation and sustainability, including technologies such as green fintech, blockchain-enabled supply chains, and IoT for resource monitoring, all of which merit deeper investigation in the context of SMEs. Finally, future studies could enrich theoretical discourse by integrating sustainability strategies with entrepreneurial, stakeholder, and institutional theory frameworks tailored to small business environments.

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