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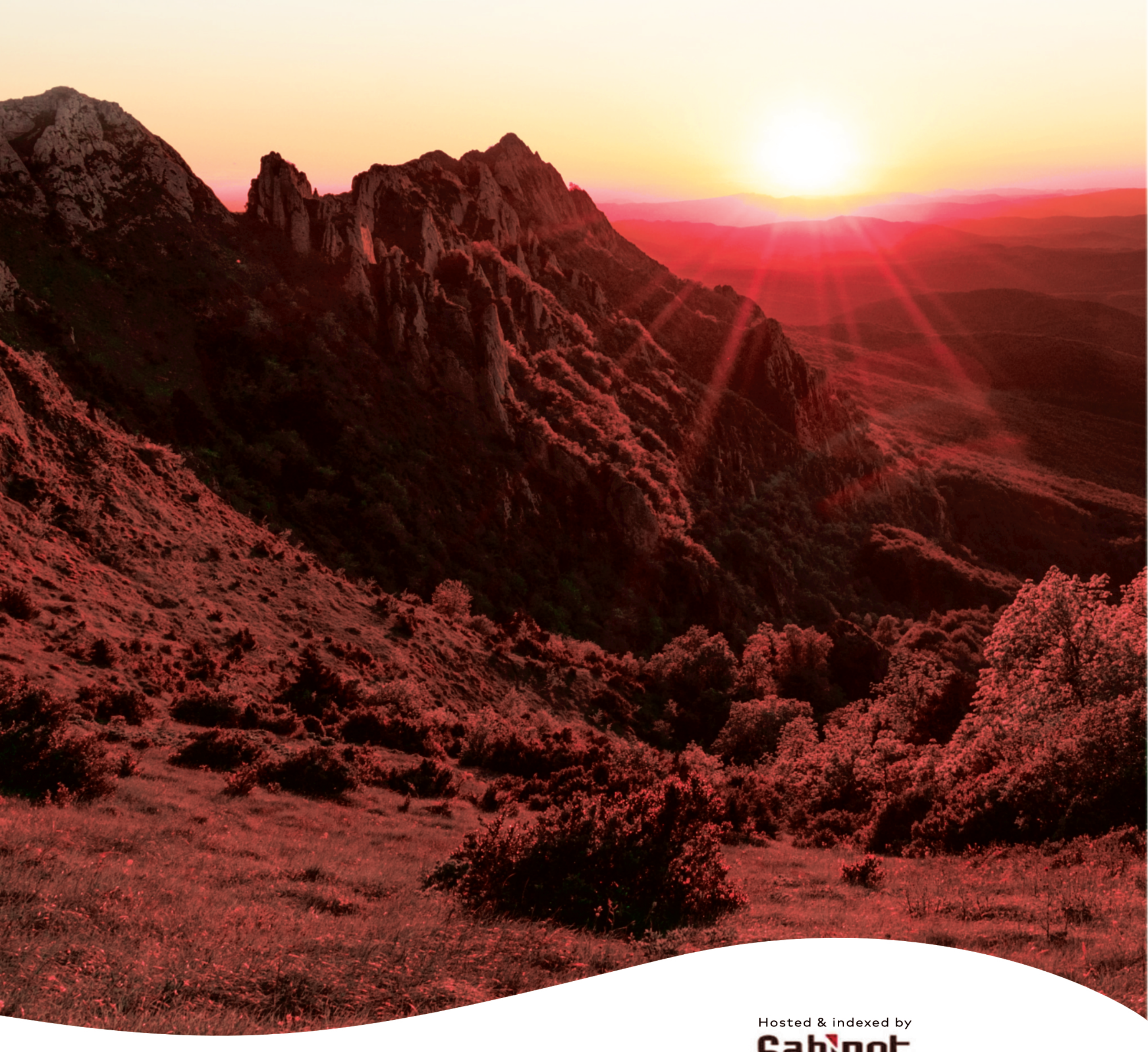

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Anchoring the competitive advantage of Small and Medium Enterprises on the implementation of sustainable development strategies: A systematic review

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Abstract

Small and Medium Enterprises (SMEs) contribute significantly to economic growth in many countries through job creation, poverty alleviation, distribution of income, and innovation. However, despite their importance to economic development, these key institutions continue to fail in business across the globe. Existing literature shows that the majority of SMEs fail within their first year of operation. While there are various business strategies to limit the rate of failure, this paper sought to propose the implementation of sustainable development strategies by these enterprises so as to enhance their competitiveness and growth. A related literature review approach was used as the methodology. Technology and innovation, cooperation, social responsibility, and green innovation strategies which were broadly classified under economic, social, and environmental dimensions of sustainability, were used as variables for review. The findings of the study confirmed the importance of the implementation of economic, social and environmental dimensions of sustainability as strategies which can be a source of competitive advantage for SMEs. From the findings of the review, a conceptual framework was developed. It is therefore, recommended that the policymakers and other stakeholders encourage and assist SMEs in the implementation of sustainable development strategies so as to enhance their competitive advantage. Additionally, the paper recommends further studies to investigate factors that may affect the adoption of sustainable development strategies by SMEs in different parts of the world.

Key Words: Competitive advantage; Economic growth; Small and Medium Enterprises; Stakeholders; Sustainable development; Sustainability

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Introduction

Small and Medium Enterprises (SMEs) are regarded as the backbone of global economies because they reduce poverty and create jobs, which significantly boosts the Gross Domestic Product (GDP) of both developed and developing nations. Munro (2013), as cited in Gamage et al. (2019) states that 90% of businesses worldwide are SMEs, which employ about 60% of the global labour force. Furthermore, Albalushi and Naqshbandi (2022) claimed that 90% of firms globally are SMEs that directly employ at least 60% of the world's workforce.

According to Albalushi and Naqshbandi (2022), SMEs account for 90% of the GDP in United States of America (USA), 97% in Japan, and 95% in the United Kingdom. Specifically, in the USA, 99.7% of all employer firms were SMEs. They also produced 58.9 million jobs, or 47.5% of the total private payroll in 2015, and 65.9% of all new jobs between 2000 and 2017 (Kasiri, Movassaghi & Lamoureux, 2020). Furthermore, according to Muriithi (2017), these businesses employ 52% of the private labour force and generate 51% of USA's GDP. In the United Kingdom, SMEs are associated with 62% of total employment and contribute 25% to the country's GDP (Muriithi, 2017). In Italy, they contribute 79% to employment creation while in France and Germany they contribute 63% and 60%, respectively (ibid). In China, SMEs employ 80% of the urban population and contribute 60% of the country's GDP (ibid).

Estimates from the United Nations Industrial Development Organisation showed that 90% of private firms in developing nations are SMEs, which contribute more than 50% of GDP and employment in the majority of African countries (Mashavira & Chipunza, 2021). SMEs, for example, account for 80% of the workforce, over 50% of new jobs, and 40% of the GDP in Kenya (Muriithi, 2017). In Nigeria, on the other hand, they account for 95% of the manufacturing sector and 70% of industrial jobs (ibid). Approximately 70–80% of South Africa's workforce is employed by 5 million SMEs, which generate 36% of the nation's GDP (Msomi & Olarewaju, 2021). In Zimbabwe, 2.8 million entrepreneurs owned over 3.5 million SMEs, according to the Finscope's Micro, Small, and Medium Enterprises (MSME) study conducted in 2013 (Mashavira & Chipunza, 2021). In addition, over 60% of the country's labour force is employed in this industry, which also accounts for roughly 50% of GDP (ibid).

However, the failure rate of SMEs is a cause for concern regardless of their important role in the economic development of many countries, (Ismail, 2022). The extant literature showed that many newly established SMEs exit the market within a short period of time after having been founded. For instance, in Malaysia, approximately a 60% failure rate among SMEs has been reported (Ma'aji, Shrubsall & Anderson, 2023). Of the 15 million new SMEs registered each year in China, 85% fail within 10 years (Ismail, 2022). On the other end, in the United Kingdom, studies have shown that an estimated 35% of SMEs went bankrupt after the first three years of initial start-up and 55% failed after five years (Ma'aji, Shrubsall & Anderson, 2023). Similarly, a high failure rate of about 62% of SMEs that failed in the fifth year of business was recorded in Australia, while in Nigeria, an estimated 60%–70% of SMEs went bankrupt in the first three years of business (Ma'aji, Shrubsall & Anderson, 2023). Likewise, South Africa has one of the highest failure rates of SMEs, ranging between 60% and 80% during the first and second years of business (Mhlongo & Daya, 2023). As such, Ismail (2022) observed that the average life span of SMEs is barely 2.9 years. Given these high failure rates by SMEs across the globe, it becomes reasonable to suggest and develop a raft of strategies that may save these key institutions from further intense collapse.

Various studies have recommended different strategies for SMEs to adopt in order to remain competitive. For instance, Brem et al. (2016) cited in Majukwa, Fan, and Dwyer (2020) articulated the ingredients of developing SMEs to gain competitive advantage, which include market focus, financial plan, management structure, and established roles of the business owners. On the other hand, Mashavira and Chipunza (2021) suggested the gaining of leadership skills through education and experience in developing SMEs and the economy. In addition, Majukwa et al. (2020) emphasised three essential strategies necessary for SMEs' growth, which include focus, differentiation, and cost leadership. Furthermore, Ingley et al. (2016) proposed four critical areas that future owners of SMEs need in order to build competitive strengths and expand into markets. These include applying technology, agility, accelerated innovation, and attracting and retaining talent. Sohail et al. (2020) opined that sustainable competitive advantage can also be achieved in organisations by using generic strategies such as cost leadership, differentiation, and focus. Therefore, in complementing the suggested aforementioned strategies for enhancing competitive advantage for SMEs, this paper proposes the adoption of sustainable development strategies by these key institutions as another source of competitiveness in modern business operations where sustainability is becoming topical.

Materials and methods

The study was conducted through a review of related literature involving document analysis from selected databases where studies on the implementation of sustainable development strategies as a source of competitive advantage in organisations were undertaken. This was based on the guidelines proposed by Kitchenham and Charters (2007) that includes planning, execution and results. In this study, the planning stage involved identifying the objective of the review where questions were derived from. The process guided the search method and resulted in the identification of the variables that needed to be included in the study. The next step of the review involved execution, where abstracts on the implementation of sustainable development strategies were extracted from Google Scholar database. This database was selected for this study because of its convenience and wide usage. It also publishes a wide range of resources including grey literature which was found to be valuable in this review. In this case, grey literature refers to documents not published by commercial publishers. These include academic theses, organisational reports, government papers, and conference proceedings amongst others. Grey papers are very often practitioner-held data and may prove to be very influential despite them not being formally published (Bernes et al., 2015). A search was conducted on the Google Scholar database using the search phrase 'implementation of sustainable development strategies in organisations', for sources published between 2016 and 2024. The first 69 records of this search were screened. This is according to Roe et al. (2014) and Reed et al. (2015) who argued that the first 50–100 search records on Google Scholar are viable for systematic analysis. From the 69 search records, a further screening was done resulting in 44 research articles being utilised for this review.

Results and discussion

Sustainable development

The concept of sustainable development is becoming popular in every aspect of life, including business management. The advent of globalisation, climate change, and population changes has changed the direction of society from a quantitative economic growth towards a more qualitative and responsible dimension. The concept of sustainable development is described as a response to the needs of the present without compromising the ability of future generations to meet their needs (Meseguer-Sanchez et al., 2021). On the other end, while sustainable development is a response, the concept of sustainability refers to the notion of meeting present needs while also ensuring that future generations can meet their own needs (Alkhodary, 2023). It is thought to have originated in 18th-century economics from the realisation of population growth and the earth's ability to support it in view of the limited natural resources available (Bafas et al., 2023). However, the concept became more prominent following the industrial development era when society started using oil, coal, and other carbon-related materials for energy. The oil crises of 1974-1976 indicated, for the first time, a shortage of non-infinite material. As such, in 1992 at the United Nations Conference on Environment and Development (UNCED) dubbed 'Earth Summit' in Rio, the term 'sustainable development' was turned into a global slogan for governments, businesses, stakeholders, and non-governmental organisations (Bafas et al., 2023).

The recent economic and social development trends have increased the consumption of goods dramatically, resulting in the depletion of natural resources and possibly even endangering the continued good health of human communities (Dwikat, Arshad & Shariff, 2022). According to Bafas et al. (2023), the alteration of the planet and the continuous environmental degradation caused by human factors clearly indicate the need for measures to be taken at a global level. In response, in 2015, countries from around the world came together in Paris in an effort to establish a framework with distinctive goals (Sustainable Development Goals (SDGs), which developed from the Millennium Development Goals), and ensure their achievement by 2030 (Bafas et al., 2023). The 2030 Agenda highlights the need for companies to adopt more sustainable business practices under Sustainable Development Goal Number 12.6, which encourages companies, especially large and transitional companies, to adopt sustainable business practices and to integrate sustainability information into their reporting cycle (OECD, 2020).

In this regard, the evaluation of the performance of companies and businesses is being expanded and shifted to consider social and environmental aspects along with financial results (Dwikat et al., 2022). Therefore, the measurement of only the tangible performance indicators of businesses has become insufficient for dynamic competition; has limited natural and talented human resources, and has widened environmental limitations (ibid). Thus of late, private businesses have begun to take proactive steps to balance their high economic viability with their environmental and social performance in order to enable their firms to attain a high long-term sustainable performance (Zarte, Pechmann & Nunes, 2019). This is slowly becoming a source of competitive advantage as compliance with sustainability practices can improve the companies' public image.

Since the 2005 world summit on social development, societies have been expected to design their growth strategies according to the three main sustainable development goals, namely economic development, social inclusion, and environmental protection, which reflect the three pillars of the triple bottom line approach characterising sustainable business development (Muoz-Pascual, Curado & Galende, 2019). Sustainable development strategies consist of the processes through which businesses form social, environmental, and economic goals, realise supportive actions, and generate long-term orientation to create societal value through corporate activities (Luederitz et al., 2021). The use of sustainability management tools and frameworks is poorly developed in most of the SMEs, as they are mainly viewed as belonging to large enterprises and are not relevant to the needs of these SMEs (Martins et al., 2022). As a result, in most SMEs, sustainability-related practices are informal, done on a local and special basis, and are not embedded within the core business strategy.

Theoretical perspectives

The Triple Bottom Line

In this review, the concept of the Triple Bottom Line (TBL), which is also known as the Triple Performance Line (TPL) or 3BL, was used in proposing the competitive advantage of contemporary businesses. It is a sustainability-related theory that was developed by Elkington in 1996 (Nogueira, Gomes & Lopes, 2022). It was introduced to refer to a system of measuring a company's performance and success using economic, social, and environmental bottom lines (Bafas et al., 2023). The concept is based on the assumption that companies must not only focus on increasing revenue (profits) but must also consider the social aspect, namely fulfilment of the welfare of the community (people) and contributing to environmental sustainability around the company (the planet) (Kurniawati et al., 2022). Thus, Triple Bottom Line is a sustainable measurement of the impact of organisations in the world by capturing the essence of sustainability, including profitability and shareholder value, as well as social, human, and environmental capital. The maintenance of a balanced good environment will have a good impact on the company's operations. Through the Triple Bottom Line theory, businesses can better understand how to maintain a sustainable business performance and develop a competitive edge in an unstable environment by fully utilising their capabilities and available resources efficiently. Therefore, the concept of triple bottom line is based on the idea that an organisation should measure its performance in relation to stakeholders including local communities and governments, not just those stakeholders with whom it has direct, transactional relationships, such as employees, suppliers, and customers.

Sustainable Leadership Theory

The study was also anchored on the theory of sustainable leadership which was developed by Avery (2005). It entails having the ability to make long-term decisions, supporting systematic innovation, creating a committed staff team, and providing high-quality products, services, and solutions. The objective of the theory is to achieve a balance between people, profits, and the environment and to improve the enterprise's sustainability through corresponding management practices. These management practices encompass management systems, principles, processes, and values and can constitute a self-reinforcing leadership structure within the firm. It also includes management role shift, decentralized decision-making, ethical conduct, and high social and environmental responsibility. However, this strategy is founded on geosocial development procedures, which seek to ensure that enterprises completely integrate social and environmental responsibilities into their operations and give genuine care to their numerous stakeholders. The theory also prioritises a vision of sustainability, an innovative culture, and a dedication to social and environmental responsibility. Its effect on long-term viability is demonstrated by its greater capacity to drive competitive performance, endure crises, and maintain market leadership. Sustainability reporting (Safari & Areeb, 2020), sustainable supply chain management (Saberi et al., 2019; Hussain & Malik, 2020; Mardani et al., 2020); and cleaner production (Hens et al., 2018), are the most important practices connected with this theory.

Stakeholder theory

Organisations are not only accountable to their shareholders but should also consider the contrasting interests of all the other stakeholders who can affect or be affected by the achievement of an organisation's objectives (Freeman, 1984). The theory is used to analyse those groups to whom a firm should be responsible. According to Mahomed and Dineshwar (2018), corporations are operated or ought to be operated for the benefit of all those who have a stake in them. Hence, like shareholders invest their money in enterprises; employees invest their time and intellectual capital; customers invest their trust and repeated business; and communities provide infrastructure and education for future employees (ibid).

The stakeholder theory believes that business organisations must play an active role in society in which they operate. Accordingly, Wicks et al. (2004) assert that corporations should consider the effect of their actions upon stakeholders who have an interest or "stake" in the corporations. Mahomed and Dineshwar (2018) postulates that stakeholder theory stresses the importance of all parties, who are affected, either directly or indirectly, by a firm's operation. The stakeholder theory can also be explained using managerial and ethical branches (ibid). The managerial branch postulates that organisations will respond to those stakeholders who can have necessary economic impact upon the organisation or those who are not directly engaged in the organisation's economic activities but have an interest in the actions of the organisation and can influence it. On the other hand, Deegan (2013) cited in Mahomed and Dineshwar (2018) posits that the ethical branch simply provides that all stakeholders have a right to know about social and environmental implications of an organisation's operations at all times

Empirical perspectives

Economic dimension

The economic dimension of the sustainability concept refers to the impact of business practices on the economic system, which must be sustained and evolve for future generations (Bafas et al., 2023). In other words, Bafas et al. denote it to the ability of businesses or organisations to make profit with due consideration to the environment in which they operate. This dimension of sustainability concerns the outcome of the organisation's business performance in the economic system (Nogueira, Gomes & Lopes, 2022). It is commonly accepted that economic sustainability is ethically based on the search for justice in the form of human-nature relations from the perspective of an uncertain and long-term future (ibid). The organisation's growth is linked to the growth of the economy by the economic line and the quality of its contribution in its support (Alhaddi, 2015 cited in Nogueira, Gomes & Lopes, 2022). Thus, the economic dimension focuses on the economic values made available by organisations to the environment in order to provide prosperity and support for future generations (ibid). According to Abad-Segura and González-Zamar (2021) cited in Nogueira, Gomes & Lopes (2022), knowing that economic growth can have adverse effects on society, therefore, it is imperative to understand whether the influence of the economic dimension on the company's competitive advantage is positive.

Economic performance at an enterprise level is recognised as the capacity of a business entity to attain its short, medium, and long-term goals economically (Dwikat et al., 2022). This can be tracked using conventional matrices such as the return on equity (ROE), return on assets (ROA), return on capital employed (ROCE), and return on sales (ROS), which are the traditional methods of evaluating a company's performance (ibid). Thus the major drivers of economic sustainability in business are huge savings, high profitability levels, first-mover advantage, and strong competitive advantages (Dwikat et al., 2022).

Economic sustainability is crucial with sustainable practices such as investing in renewable energy and reducing waste leading to improved financial performance and long-term value creation (Alkhodary, 2023). The economic dimension focuses on financial performance and embracing general aspects of a business that must be respected to remain competitive in the market for a long time. Economic corporate sustainability strategies include innovation and technology, collaboration, knowledge management, processes, purchase, and sustainability reports.

Sustainability is rapidly becoming a common practice and a necessity cost of doing business, but it remains insufficient for strategic differentiation. The adoption of eco-efficiency systems such as an energy or a waste management system is necessary for reducing costs. Thus, as Gartenberg, Prat, and Serafeim (2019) observed, companies that adopt innovative circular-economy business models or that embrace a unique corporate purpose that enhances employee recruitment, engagement, and retention are arguably adopting a unique and difficult-to-imitate strategy that is embedded in systems of activities that are much more difficult to match. Extant literature on sustainable development has identified a positive relationship between sustainability and financial performance of a company (Lin et al., 2009; Meseguer-Sanchez et al., 2021). Furthermore, there is an indirect influence on business dimensions such as reputation and brand image, customer satisfaction, improvement of resources and capabilities, improvement of managerial competence, acquisition of talent and creation of goodwill.

One of the most important dynamics that enables SMEs to achieve a high level of competitiveness on national and international markets under the economic dimension of sustainability is innovation capability (Efendi et al., 2020). It also enables the creation of opportunities to access new markets as it is a key variable in the enhancement of organisational performance (ibid).

Innovation capability plays an important role in improving the performance and competitive advantages of products, operations, marketing, human resources, and networking in national and international markets (Efendi et al., 2020). Through new product development, innovation becomes the key to success for organisations to increase sales and organisational excellence. Thus, as Efendi et al. (2020) concluded, innovation in SMEs can be a successful source of competitive advantage if supported by learning, knowledge creation, and the building of a learning culture.

Technological innovation helps to optimally and effectively utilise scarce resources to create a competitive advantage (Alraja et al., 2022). For instance, Dell Computer Corporation was able to reduce manufacturing and administrative costs through the use of technology, while Sony Corporation, which pioneered the technology of miniaturisation to create a whole new class of portable consumer electronics, was able to develop new products and markets (Amesho et al., 2021). Similarly, Walmart Company triumphed over its competitors by embracing technology and innovation through research and development (Minh et al., 2022). Therefore, as observed by Alalawi (2020) and Alraja et al. (2022), SMEs may start with enthusiasm and a strong vision, but in order to achieve the outlined performance goals and maintain a competitive advantage, the correct technological support and aligned processes must be in place.

Environmental (ecological) dimension

An environmental dimension of sustainability describes the ecological practices of businesses. Environmental issues are currently of concern worldwide (Riaz, et al., 2023). It refers to an organisation's practices that do not endanger environmental resources for future generations and also to the environmental initiatives undertaken for business sustainability (Bafas et al., 2023). According to Elkington (1994) cited in Bafas et al. (2023), this dimension focuses on the planet and more precisely, the responsibility that businesses should have towards the environment. In the assimilation of environmental issues in corporate strategies for survival and the constantly changing business environment, researchers have highlighted the importance of sustainable development (Ikram et al, 2019; Meseguer-Sanchez, et al, 2021). As such the new paradigm of the green innovation understands that innovative proposals can reduce the impact of business operations on the natural environment (ibid). As such, researchers have found that market demand leads to green innovation. Thus, environmentally friendly industrial growth may have positive effects on sustainable competitiveness (Bafas et al., 2023).

Businesses must modify their strategies in reaction to environmental changes. Environmental management is described as a part of a management system that includes organisational structures, responsibilities, practices, procedures, processes and resources intended to achieve and maintain specific environmental behaviours that can reduce the impact caused by companies' operations in the natural environment. Some of the environmental initiatives are, for example, reductions in carbon emissions and energy resource use. Siswoyo, et al. (2020) found that companies that adopted environmental management can achieve competitive advantage in the form of costs and product differentiation. Similarly, in analysing the relationship between environmental management and competitive advantage in the hotel industry, environmental management was positively and significantly correlated to competitive advantage (ibid).

Sustainability practices such as reducing energy consumption and greenhouse gas emissions can help SMEs improve their environmental performance and lower costs (Alkhodary, 2023). Incorporating circular economy principles, such as waste reduction and material reuse can improve environmental sustainability and business competitiveness (ibid). Technological advancements used to lessen environmental impact are referred to as green innovations (Riaz, et al, 2023). Green innovation is divided into two categories namely product/service innovation and process innovation. Improving how goods and services work for consumers and clients is the ultimate goal of product and service innovation. On the other end, process innovation aims at increasing organisational flexibility and achieving cost-effectiveness. Furthermore, green processes and product innovation also lower costs and waste, lessening the adverse environmental impact of firms and improving organisational social performance. A study on Egyptian SMEs by Mady et al. (2021) cited in Riaz et al. (2023) affirmed a positive association between environmental innovation and competitive advantage.

Market players create pressure for organisations to operate in an environmentally conscious way (Nogueira, Gomes & Lopes, 2022). As consumers become more conscious of environmental issues, the pressure for organisations to change their value creation process increases (Dwivedi & Paul, 2022). Multinationals are leading in the competitive and social pressure to adopt environmental and sustainable strategies (Bouguerra, et al., 2022). Sustainability actions are becoming a cost of doing business. Green management is a type of environmentally conscious business management that concentrates on the voluntary prevention or continuing decrease of pollution, waste and emissions (Elshaer et al., 2023). It is defined as the organisation-wide process of applying innovation to achieve sustainability, waste reduction, social responsibility and competitive advantage through continuous learning and development and by embracing environmental goals and strategies that are fully integrated with the goals and strategies of the organisation (ibid). Ecological dimension advocates companies to follow the legal and ethical standards and take responsibility for the biological environment. Negative environmental effects include plastic waste, illegal landfill, emission into the air, water and ground and chemical wastes.

Social dimension

The social dimension of sustainability refers to the social elements of the community and employees who are the recipients of the outcome of the business exercise (Nogueira, Gomes & Lopes, 2022). In other words, it refers to the good conduct and practices that a business brings to society, giving value to the society itself (Bafas et al., 2023). People constitute part of the social responsibility of a business. Therefore, the social dimension of sustainability translates into an ethical standard of behaviour for the longevity of humanity (Nogueira et al., 2022). Better employee relations and fairer wages form part of the social dimension. It references social interactions, behavioural patterns and values of business relationships with the community (Bafas et al., 2023). It reflects the goals that a company has set in order to satisfy the ever-changing social demands in terms of social services. Examples of such actions include updating the health and safety regulations to ensure a better workplace for employees and organising charitable actions and events to give back to the community.

Social sustainability has emerged as a critical theme in recent research, with businesses that prioritise the health and safety of employees and support local communities proving to be more resilient in times of crisis (Alkhodary, 2023). Social dimension incorporates the impacts of products and services on health, human dignity and the satisfaction of basic needs (Meseguer-Sanchez, et al, 2021). In the modern world, social dimension addresses issues such as internal human resources, job stability, work practices, health and safety and development of abilities and capacities (ibid). This implies the interest of organisations in human rights, labour equity, gender equality, health and safety practices for preventive measures, or capacity development.

Cŏrdoba-Pachŏn et al. (2021) cited in Alkhodary (2023) opined that employee engagement and retention can be improved through promoting diversity and inclusion. Social sustainability works especially with human beings and social capital orientation, aggregating civil and human rights, community and social responsibility, safety and health requirements, employment, and public perceptions (Nogueira et al., 2022). Therefore, social sustainability can be embedded in a corporate culture characterised by primary values and assumptions that are underpinned by the idea, scope and principles of it.

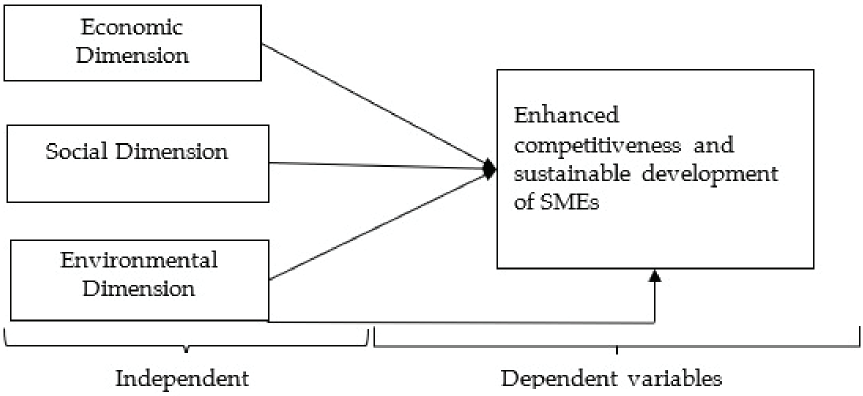
Production of high quality products and services is no longer the only source of competitive advantage for SMEs in a market economy. In the modern competitive market, enterprise operation depends on the social acceptance of methods and effects of this operation both by participants in the enterprise and in the social environment at large. The responsibility of an organisation to its society, especially stakeholders and those who affect the organisational decisions and practices defines the concept of corporate social responsibility (Sohail et al., 2020). Thus SMEs need to consider a concept of corporate social responsibility (CRS) in their strategies to gain competitive advantage. CSR obliges an enterprise to improve its activities in terms of environment protection and public contact beyond its legal duties (Marakova, Wolak-Tuzimek & Tuckova, 2021). Through corporate social responsibility, social welfare is necessarily improved by discretionary business practices as well as the use of resources (Marakova et al., 2021). This contributes to sustainable economic development, collaboration with employees and their families, the local community, and the public at large in order to improve quality of life in ways that are good both for business and overall development in a country. Therefore, the existence of a business is determined by the social acceptance of that firm and its objectives.

There is an association between CSR and competitive advantage (Sohail et al., 2020). Furthermore, Lu et al. (2020) clarified that firms perform social responsibility activities because they perceive that it will help them in getting competitive advantage. Thanh et al. (2021) found that customer purchasing intention is influenced by CSR. On the other end, studies by Dimosthenis et al (2015) and Kotler (2005) cited in Thanh et al. (2021) revealed that corporate reputation is positively influenced by CSR. Likewise, the capability of SMEs to observe societal norms increase their reputation which subsequently becomes a source of competitive advantage.

Proposed Conceptual Framework

From the literature reviewed above, it can be inferred that the implementation of sustainable development strategies namely economic dimension, social dimension and environmental dimensions, can enhance the competitive advantage of SMEs as depicted by figure 1 below. This in turn, can spur their growth through sustainable operation.

Figure 1: ***Sustainable development strategies for the competitiveness of SMEs***



Conclusion and recommendations

The paper explored sustainable development strategies which can be adopted by SMEs to achieve competitive advantage. In view of the modern agenda of protecting the environment, strategies traditionally used by SMEs have been found wanting. This has resulted in the enterprises either failing in large numbers or for those who manage to survive, remaining uncompetitive. The findings of the undertaken study have provided critical theoretical and practical implications for individual SMEs, industry and society at large. From the review, it can be concluded that sustainable development strategies are key in engendering competitive advantage in SMEs. It is also concluded that sustainable development is only assured after an organisation has gained competitive advantage.

As such, it is recommended that in order to engender competitive advantage, SMEs should adopt and implement sustainable development strategies. It is only after gaining competitive advantage that sustainable development will be assured. The adoption of corporate social responsibility, technology and innovation, and green innovation strategies of economic, social and environmental dimensions of sustainability by SMEs will enhance their competitiveness leading to their growth and survival even in volatile situations. In light of that, it is therefore recommended that SMEs owners and managers be educated on the importance of adopting and practising sustainable development strategies for growth and competitiveness. However, it is recommended that future studies explore factors that may affect the adoption of sustainable development strategies by SMEs in different sectors as well as different geographic settings. Future researchers should also empirically test the proposed conceptual framework in different settings so as to validate it.

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