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Small and Medium-Sized Enterprises (SMEs) 
Advancing Business Sustainability Toward SDGs: 
A New Force Driving Positive Change

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Abstract
The COVID-19 pandemic has caused business closures and increased infection rates in many countries in the world including Malaysia. Many stakeholders have questions about the sustainability agenda and how Small and Medium-sized Enterprises (SMEs) can naturally fit into it to demonstrate that they are part of the solution. Hence, this paper investigates the issues, contributing factors and feasible solutions that can assist SMEs in Malaysia in achieving Sustainable Development Goals (SDGs) towards business sustainability. The review was carried out using relevant academic journals. The paper also connects business rebuilding to a few factors, including establishing anti-corruption regulations (SDG16), improving connectivity efficiency (SDG9 & SDG12), competitive advantage (SDG12), attracting quality talent (SDG8 & SDG3), sustainability management (SDG8, SDG9 & SDG12), and prioritising workplace diversity (SDG8 & SDG10). This paper demonstrates that in order for all stakeholders to remain competitive in the long run, SMEs must plan and consider the timing of value development. The COVID-19 outbreak had a significant impact on SMEs, but it also gave them a once-in-a-lifetime chance to make their policies and procedures stronger.

Keywords: Small and Medium Enterprises, Sustainable Development Goals, COVID-19, Business Sustainability

Introduction
Malaysia has felt the effects of the global COVID-19 pandemic. Many businesses have closed because of this, and the number of infected people keeps growing every day. Unemployment rises and productivity plummets as a result. There is a pressing need for SMEs to implement policies that safeguard the most vulnerable in this difficult time. Many proposals have been put forth by the current administration to improve the economy and public services. Revitalizing permanent economic expansion, broadening social inclusion, and achieving environmental sustainability are the primary goals of this programme. In addition, it will be important to fortify all development initiatives in order to adequately address domestic and international concerns. The economy and the progress toward more environmentally friendly methods were both impacted by the pandemic. As the backbone of the economy, SMEs must
act swiftly to adopt and follow all regulations set by the government. To this end, it is imperative that SMEs develop and implement a robust strategy for dealing with the pandemic. Besides, it gives SMEs a clearer picture of sustainability issues and they will be able to adjust their operations to better support the Sustainable Development Goals (SDGs).

Small and medium-sized enterprises (SMEs) have a sizable effect on many facets of modern society. Sage conducted a worldwide survey in March 2021 called "Knocking Down Barriers," and over 11,000 SMEs from nine different markets took part. The results of the survey showed that small and medium-sized enterprises (SMEs) all over the world have the same overarching goal of making a positive impact in their local communities (Sage, 2021). SMEs care about more substantial issues that have the potential to make a positive impact and influence the community, contrary to the widespread belief that SMEs are only concerned with their revenue and profitability conditions. These entrepreneurs are guided by the belief that their SMEs can make a positive impact on issues such as diversity, sustainability, and community.

The SDGs have seen a significant increment in attention and support thanks to their inclusive design. Not only do the SDGs aim to revolutionise the world with their content, but they are also broadly applicable, multifaceted, and link concerns about development and sustainability. In addition, the SDGs address a significant portion of what should be desired. They go further than academics’ capability in practical evaluations of human wellbeing. Besides, SDGs offer policy spaces and mechanisms that can assist in moving things forward on various fronts, and they do so by providing these things. However, they have significant limitations and risks, such as the continued commitment to everlasting growth, the relationships between goals, targets, and indicators, the power structures that underpin them, and how the plans will be perceived and implemented at the national and local levels. These limitations and risks are discussed in detail below.

Despite the crisis caused by COVID-19, many factors need to be considered to ensure Malaysia's continued growth. The government has announced various recovery programs to assist Malaysia in its recovery from the epidemic. One of the strategies to re-establish normalcy in Malaysia after the epidemic is the 12th Malaysia Plan (12MP)(Economic Planning Unit). The economic recovery of Malaysia is centred on adopting policies that encourage rapid relief and transparent assistance programs that are easily accessible and geared explicitly toward assisting businesses in cutting costs.

This study investigates the factors that can strengthen SMEs' business sustainability and contribute to Malaysia's achievement of the Sustainable Development Goals (SDGs). As a result, the study adds to the body of knowledge on rebuilding SMEs in post-pandemic recovery. Furthermore, this research can help SMEs and their stakeholders develop long-term business strategies.

The rest of the paper is structured as follows. Section 2 provides the method used in this study. Section 4 explores the factors creating the gap between SMEs and Sustainable Development Goals (SDGs).

**Method**

In order to establish a more robust standard for sustainability practise, this study utilised the narrative review methodology to determine the factors that businesses can concentrate on to make their company sustainable over the long term. The review was carried out with the assistance of a number of pertinent academic journals. A search through various databases was carried out in order to locate studies that were pertinent to this narrative study. The following are some of the appropriate keywords that were used during the search: (i) Small
and Medium Enterprises; (ii) Sustainable Development Goals; (iii) COVID-19; and (iv) Sustainability. The search was limited to journal articles, English-language articles, and full-text articles that were readily available.

**Discussions**

**Profit with Purpose**

A business with a purpose is crucial in developing a sustainable business model that will make the business successful. The practice of sustainability can not only be used to reduce expenses, but it also has the potential to increase profits. McKinsey researched forty different businesses for their report titled "Profits with Purpose: How Organising for Sustainability Can Benefit the Bottom Line," published in 2014 (Bonini, 2014). The purpose of this research was to gain an understanding of the challenges associated with sustainability and to seek out practical recommendations "to capture value from sustainability." According to a study by Deutsche Bank, businesses with high ratings in environmental, social, and governance factors outperformed the market in the medium to long term. Top-down management must prioritise, commit to, and follow through on sustainability efforts for an organisation to successfully jump on the sustainability bandwagon and make it a success.

Nevertheless, if the company successfully does so, employees' morale and productivity will improve even if sales increase and costs decrease. It is the ideal situation where all parties are involved, including shareholders, customers, and staff. In contrast to past businesses, most modern businesses probably only have a single significant stakeholder who expects to be entertained by the company. In today’s world, businesses have a wide variety of stakeholders, including customers, employees, communities, suppliers, governments, and societies, all of which will have high expectations for businesses. Businesses operate so that they not only produce value but also consider how that value can be increased.

**SMEs in Rebuilding Their Businesses and Achieving SDGs**

Many inquiries from interested parties are raised regarding the sustainability agenda and how SMEs fit into it, even though it is obvious that they are a part of the solution. Since 2015, the United Nations (UN) has proposed a sustainable agenda (United Nations). It has 17 objectives that aim to improve the world for everyone. It is also a call to action for all UN member nations, regardless of their economic standing. These goals aim to advance shared prosperity among those nations while preserving the environment. They also intend to incorporate SMEs into the Sustainable Development Goals (SDGs), with the idea that doing so will encourage people to work toward the objectives and increase the likelihood that everyone in the country will be able to realise them. Many SMEs strive to achieve a single goal that they believe will significantly impact their company. However, not all these goals will have the most significant impact on the business. They must therefore concentrate on making their company sustainable over the long term to establish a more robust standard for sustainability practice. They must consider methods to improve their own company’s business model continuously. When a company's foundation is solid, it will begin to grow in the direction of its objectives and success.

The following factors are discussed to help SMEs achieve the Sustainable Development Goals (SDGs):

*Anti-corruption Regulations*
Anti-corruption is one of the pillars of SDG 16 (Peace, Justice and Strong Institutions), which aims to promote peaceful and inclusive societies for all people around the world. Corruption is a significant factor that significantly exacerbates a number of threats from an economic perspective (United Development Programme, 2020). For example, research conducted by Hope (2022) reveals that corruption and bribery affect every sector that is related to the SDGs. As a result, they undermine the outcomes of development and severely compromise efforts to achieve the SDGs in Africa.

In the literature, inequality brought by corruption has harmed Malaysia’s economy (Siddiquee & Zafarullah, 2020). Those in positions of power will benefit at the expense of the weak because of unfairness. Wealth disparity results from corruption. However, this makes it harder for the government to deliver top-notch public services when corruptors encourage bribery in public-sector projects, prevent the underprivileged from accessing good health and education, and put more financial pressure on the government. As a result of corruption, poverty increased and distorted Malaysia's development.

Due to selfish individuals who steal the nation's money for their own needs, improper resource allocation prevents the proper assistance and donations to the underprivileged. Some people use money as a bribe in their lobbying efforts to mislead decision-makers. Bribe-seeking will also lead to conflicts of interest because those being lobbied will reap the rewards. Businesses that are exposed to bribe-seeking activities rather than enhancing their business operations reduce productivity. Resources will be misallocated to ineffective economic agents, resulting in suboptimal results.

When people frequently dismiss bribery as a minor issue, although it is a severe problem that has hampered the expansion of our economy, it has become the norm. Bribery is giving and receiving favors, money, or positions of authority to make illegal gains. Bribery participants are viewed as unethical because it compromises their moral character and renders them incapable of acting impartially. Although, James (2002) defines any payment made directly to a principal as not considered a bribe, regardless of its intended use. However, any payment made to an agent is considered a bribe if the agent keeps any portion of the money.

Due to the conflict of interests, people frequently make biased decisions, which will nullify any necessary due diligence. Many businesses have implemented whistle-blower policies, especially in consultations such as audit firms. This policy, which Bank Negara Malaysia introduced to encourage whistle-blowers to share information about illegal acts while protecting them from adverse consequences, aims to prevent improper behaviour.

**Improving Connectivity Efficiency**

The pandemic has shed light on the important role that digital technologies play in the advancement of the Sustainable Development Goals (SDGs), ongoing education, including higher education, as well as social and commercial activities during times of crisis (Clark et al., 2022). Connectivity will be the foundation of future digital development, with the internet acting as the "platform of platforms" to support this development. Connectivity and the platforms it enables will be essential to achieving the SDG 9 (industry, innovation, and infrastructure) and SDG12 (responsible consumption and production) by 2030. However, nearly half of today's job classifications could be eliminated if not for the rise of artificial intelligence (AI). On the other hand, there are job and industry creations in new sectors. Therefore, effective operational connectivity helps businesses maintain their sustainability.

Digital platforms that enable consumer interaction are the key to successful connectivity. For instance, they would never be successful if Facebook, Uber, and Grab did not control the
mobile network that connected them. People connect and use the internet and web to access their business. Doing this makes it easier for stakeholders to connect with the company. Still, the business will suffer due to the enormous amount of data consumed, which will drive up the cost of electricity and create inequality within the company. Therefore, the company must find a way to construct data centres that can reduce the cost of electricity. Moreover, research shows that limited mastery of ICT skills and personnel training, insufficient ICT platforms, primarily computers, poor internet connectivity and change resistance are among the challenges in promoting digitalisation in the organisation (Onyango & Ondiek, 2021).

Competitive Advantage
According to the literature, competitive advantages are critical for post-pandemic sustainability because they assist customers in creating value chains and increasing an organization's profitability (Prabowo et al., 2021; Teoh et al., 2021). Customers are more likely to view businesses that use sustainable practices favourably. Besides, customers are more likely to support a brand or company that actively contributes to their communities and has a track record of personal, social, and environmental sustainability. A company that is sustainable will inspire greater trust among its stakeholders. Younger generations exposed to environmental sustainability messaging regularly prefer to be associated with a good brand. They dislike having relationships with companies that have been impacted by social welfare and environmental crises.

It is crucial to prioritise the product's environmental sustainability to positively impact both the business and the customers who want to purchase a sustainable product, also to attain SDG12 (responsible consumption and production). Customers are more eager to make purchases and have higher expectations of companies that promote sustainable products. More dependable and favourable customers will support their businesses as a result of giving the company a better reputation. Hence, many consumers are concerned about the sustainability of the products or services they buy now that they understand it is their responsibility to conserve nature in any way they can. It enables SMEs to have a more significant impact on issues related to environmental sustainability.

In line with this, a recent study by Teoh et al (2021) also provides a theoretical framework for conceptualising sustainable competitive advantage as a multidimensional construct made up of two dimensions: differentiation advantage (DA) and lower cost advantage (LCA). The findings supported the resource-based theory, which also identified the organisational strategies that can be used to maintain a company's competitive advantages. Sustainable competitive advantages are crucial when a manufacturer can offer the market something of value that sets itself apart from what other manufacturers offer, especially in times of crisis.

Attract Quality Talent
A growing body of literature has studied effective strategies for retaining talented employees, thus in realising SDG8 (Decent work and economic growth). In light of the current COVID-19 pandemic and the highly competitive labour market, it is difficult for businesses to hold on to their most valuable employees. Human resource professionals are aware that finding and retaining talented workers is critical to their company's success and continued competitiveness (Skerhakova et al., 2022).

As such, SMEs can attract and retain quality employees by continuously improving safety practises and work-life balance (Matthews et al., 2022), thus also promoting SDG3 (Good health and well being). Moreover, SMEs should focus on developing Generation-Z employees,
for instance, democratising learning, reverse mentoring, and intrapreneurship (Jayathilake et al., 2021). Hence, this may lead to improved organisational performance and employee retention.

Businesses that value the environment and their workers will attract the candidates that employers want to hire. The company can hire and retain the best employees for future business growth. They could also use labour intelligence for future business growth and development. Businesses today are looking to hire candidates with management experience in sustainability because this issue is becoming increasingly crucial to companies.

**Sustainability Management**

In addition, the companies are actively examining the governance and directorships of SMEs, which make up a sizable portion of the corporate landscape. For instance, SMEs are trying to do things correctly with a board that can offer impartial oversight that makes up the governance structure. A separate nominating committee is in place to guarantee that the board is appropriately doing its tasks. Reporting on whether the organisation follows the laws, rules, regulations, and contracts that govern it is the primary duty of an audit committee. The COVID-19 pandemic's unprecedented crisis has presented SMEs with their greatest challenge in figuring out how to manage their survival also achieving SDGs which includes SDG8 (Decent work and economic growth), SDG9 (industry, innovation, and infrastructure) and SDG12 (responsible consumption and production) According to the suggested model by Haque, (2021), organisations should enable responsible leadership to safeguard and uphold employee well-being and organisational sustainability rather than simply applying a strategic climate. Meanwhile, After COVID-19, SMEs must incorporate sustainability accounting, management, and policy to help improve the world. The COVID-19 crisis is linked to the SDGs and the study of sustainable development, according to more recent evidence. The SDGs have been found to be seriously threatened by the pandemic, but there are also opportunities for some of them (Horisch, 2021).

In such a situation, SMEs tend to focus on short-term decisions and economic issues during the COVID-19 pandemic. On the other hand, the cluster level has put more attention on sustainability over the long term. The research also shows that the pandemic has led to new business practises that could change how institutions work (Klymenko & Lillegbyrgfjeld Halse, 2021). The pandemic shows how important it is to build more resilient and long-lasting systems that will help managers respond quickly to future uncertainties and keep operations on a path toward long-term sustainability.

**Prioritising Workplace Diversity**

Diversity can take many forms, including differences in gender, nationality, physical characteristics, ethnicity, and geography. It is possible to broaden the operation’s global reach and gain access to a broader range of experiences, both of which can foster innovation to achieve SDG8 (Decent work and economic growth) and SDG10 (Reduced inequalities). Language barriers, moral dilemmas, and workers from diverse backgrounds working in various cultural contexts may help the business grow and pursue new opportunities. Along with this diversity, there is also the challenge of working remotely during the COVID-19 pandemic lockdown restrictions (Matli, 2020). Therefore, workplace diversity will have an effect on the business.

The global spread of the coronavirus 2019 (COVID-19) hurts employee diversity. Many countries have sophisticated laws, organisational mechanisms, and discourses to deal with
such adverse impacts on diversity in the workforce. In light of the difficulties brought on by the COVID-19 pandemic, Alkan et al (2022) investigate the potential of social innovation as a solution. The authors show social innovation can be a practical solution even in a country with weak diversity management regulations. Social innovation is a strategy for addressing growing social problems (Cajaiba-Santana, 2014). Besides, Alkan et al (2022) suggested social innovation mechanisms to meet the growing needs of the newly identified diversity categories by doing the following: (1) reducing stress and anxiety associated with COVID-19 conditions; (2) assisting the organisation in managing barriers that might otherwise impede performance; and (3) bolstering mental health and well-being while boosting productivity. 

Figure 1 illustrates a conceptual model of the factors that can strengthen SMEs in achieving Sustainable Development Goals (SDGs) towards business sustainability.

Figure 1: A Conceptual Model on Contributing Factors in Achieving Sustainable Development Goals (SDGs) Towards Business Sustainability

Conclusion
There are a lot of questions from different stakeholders about the agenda for sustainability and how SMEs can naturally fit into it to show that they are a part of the solution. Hence, this paper explores the factors that can aid SMEs in achieving Sustainable Development Goals (SDGs) towards business sustainability in Malaysia. In this study, a narrative literature review was conducted to determine what aspects businesses can focus on to make their company sustainable over the long term. The paper also makes a connection between the rebuilding of businesses and the consideration of a few other factors. These factors include establishing anti-corruption regulations, improving connectivity efficiency, gaining a competitive advantage, attracting quality talent, managing sustainability, and prioritising workplace diversity. 

The COVID-19 outbreak that had induced economic slowdown has had a significant impact on SMEs. However, it has also given SMEs a once-in-a-lifetime chance to develop more robust policies and procedures. Since the effects will aid SMEs worldwide in realising their full potential, these businesses demand complete support in these circumstances. This paper proposes a conceptual model on SDGs, factors contributing in achieving SDGs and feasible
solutions towards business sustainability based on relevant literature. It is suggested that the proposed conceptual framework be validated using empirical data in future work. Furthermore, this paper offers literature that demonstrates how the company can use sound business principles and growth to achieve its goals. The COVID-19 outbreak has severely hurt SMEs, but it has also given them a once-in-a-lifetime chance to improve their policies and procedures. Table 1 provides an overview of the study's findings about SDGs issues, related goals, factors contributing to achieving SDGs and possible solutions towards business sustainability.

Table 1
Overview of the Study on Issues, Related Goals, Factors Contributing to SDG Achievement, and Feasible Solutions for Business Sustainability
<table>
<thead>
<tr>
<th>No</th>
<th>Issues</th>
<th>Goals</th>
<th>Factors contributing to achieving SDGs</th>
<th>Feasible solutions</th>
<th>Past studies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>As a direct result of corrupt practices, poverty worsened and the country's development was adversely affected.</td>
<td>SDG16 (Peace, Justice and Strong Institutions)</td>
<td>Anti-corruption Regulations</td>
<td>Whistle-blower policies implementation to encourage whistle-blowers to share information about illegal acts while protecting them from adverse consequences</td>
<td>Hope (2022); Siddiquee &amp; Zafarullah, (2020)</td>
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<td>2.</td>
<td>Promoting digitalization in the organisation is hard because people don't know enough about ICT and don't get enough training; there aren't enough ICT platforms, especially computers; the internet connection is bad; and people don't like change.</td>
<td>SDG9 (industry, innovation, and infrastructure) and SDG12 (responsible consumption and production)</td>
<td>Improving Connectivity Efficiency</td>
<td>Connectivity relies on digital platforms that facilitate customer contact. People utilise the web and the internet to access their businesses. This facilitates stakeholder engagement with the organisation.</td>
<td>Clark et al., (2022); Onyango &amp; Ondiek, (2021)</td>
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<td>3.</td>
<td>Many consumers are worried about the long-term viability of the items or services they purchase, and they recognise that it is their obligation to conserve nature in any manner they can.</td>
<td>SDG12 (responsible consumption and production)</td>
<td>Competitive Advantage</td>
<td>Customers are more likely to view businesses that use sustainable practises favorably. Buyers are also more likely to support a brand or company that gives back to its community and has a history of being sustainable on a personal, social, and environmental level.</td>
<td>Prabowo et al., (2021); Teoh et al., (2021)</td>
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<td>4.</td>
<td>Businesses are finding it challenging to retain their most talented employees in light of the current economic growth</td>
<td>SDG3 (Good health &amp; wellbeing) &amp; SDG8 (Decent work and economic growth)</td>
<td>Attract Quality Talent</td>
<td>By constantly improving safety practises and work-life balance, SMEs can attract and keep good employees. SMEs should also focus on</td>
<td>Škerháková et al., (2022); Matthews et al., (2022)</td>
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COVID-19 pandemic and the extremely competitive labour market.

developing employees from Generation Z by doing things like democratising learning, intrapreneurship, and reverse mentoring.

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<th>Feasible solutions</th>
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<td>5.</td>
<td>Recent data suggests that the COVID-19 dilemma is related to the SDGs and the study of sustainable development.</td>
<td>SDG8 (Decent work and economic growth), SDG9 (industry, innovation, and infrastructure) and SDG12 (responsible consumption and production)</td>
<td>Sustainability Management</td>
<td>Instead of merely implementing a strategic environment, organisations should enable responsible leadership to protect and uphold employee well-being and organisational sustainability.</td>
<td>Haque (2021); Hörisch (2021); Klymenko &amp; Lillebrygfjeld Halse (2021)</td>
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<td>6.</td>
<td>In view of the issues brought on by the COVID-19 pandemic, there is a lack of practical diversity management regulations at present.</td>
<td>SDG8 (Decent work and economic growth) and SDG10 (Reduced inequalities)</td>
<td>Prioritising workplace diversity</td>
<td>Diversity in gender, nationality, physical traits, ethnicity, and geography are just a few examples of how diversity can manifest itself. Gaining access to a wider range of experiences and making the operation available all over the world are both possible and can help social innovation.</td>
<td>Matli (2020); Palalar Alkan et al. (2022)</td>
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