

A Study on Sustainable Business Practices in Small and Medium Sized Enterprises

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Abstract—In the context of growing technological era. Business must adopt green practice to achieve sustainability. The research highlights the potential role of environmental sustainability and green commerce as a mediator in connection. This study examines the relationship between corporate social responsibility and green commerce. ‘A Study On Sustainable Business Practices In Small And Medium Sized Enterprises’ and it also explains the benefits that business gains from implementing sustainable practice in developing economy. The Data is primarily collect- ed from secondary sources which selects articles , journals from different website and google scholars. This approach aims at achieving the sustainability through Three pillars: The economics, The social, The environment. This study describes how corporate social responsibility motivates the enterprises to change their environmental strategies and it also helps the enterprises to develop effective strategies to promote long term environmental sustainability.

Keywords— Business, Green Practice, Environmental Sustainability, Green Commerce, The Eco- nomic, The Social, The Environmental. The Enterprises, Effective Strategies, Corpo- rate Social Responsibility.

I. INTRODUCTION

Sustainable business practices have emerged according to market trends. Companies strive to balance economic, social, and environmental practices to run a b your business successfully and sustainably in the long run. Recently, companies have concentrated highly on sustainability (value creation) rather than profit making. Sustainability focuses on economic, social, and environmental practices, including corporate social responsi- bility and green commerce, which helps to address social and environmental challenges and promote eco-friendly products through green initiatives.

However, SMEs face several problems compared to large firms when adopting sustain- able development. This literature review highlights the challenges faced by SMEs in adopting sustainability, along with real-time examples of corporate social responsibility in small and medium-sized enterprises.

II. LITERATURE REVIEW

1. Sustainable business practices: Case study of approach by Shan Borui (City University of Hong Kong). This study showcases the diverse strategies employed by the companies demonstrating the adoptability of sustainable principles to various industrial contexts.
2. Sustainable business practices in MES. Retrospective insights on catalysts and hurdles. This study examined the drivers and barriers in adaptation of sustainable business

practices among the small and medium-sized enterprises.

3. Corporate social responsibility. Insights from literature review by G.K. Deshmukh, Sanskrity Joseph, Asha sahu. This paper attempts to review the development in the core concept by different authors from 2010 to 2018.
4. A study on the sustainable business practices and their influence on consumer perception by Ms. Avis. This study is purely based on customer/consumer perception toward sustainable development.
5. Sustainable business practices and their effect on profitability by Rakesh Gorg. This paper examines the impact of sustainability on profit-making by businesses.
6. Implementation of sustainable business practices for long-term value creation: Challenges and advancement by Rachael okwudili iliemena and Michael Jimoh amedu This study mainly focuses on the challenges faced by firms while adopting sustainable business practices.

Statement of Problem

Recent times, Almost all the companies engage with sustainable business practices but the impact is not reaching to consumers and general public. This study enquires . What are the challenges to encounter by adapting sustainable business practice ?, What are the pillars drives within it ? How it brings benefit to different small and medium sized Companies?

Objectives

1. To examine the impact of sustainable business on small and medium sized enterprises.
2. To identify important pillars which drives sustainability.
3. To Analyze the benefit comes from achieving sustainability in business.
4. To evaluate effectiveness of CSR.
5. To give some of the recommendation for the company which is useful for them to improve their consumers perception.

Significance of the Study

This study provides a clear insights on a relationship between CSR and Green commerce. The study emphasizes that economic, social and environmental factors are very important to achieve sustainability. If a company adopt sustainability then it will survive long run in market with competencies.

Limitations

1. The findings may be specific to small and medium sized

- companies other large scale firm will not opt for this.
2. Due to time constraints, this study is purely based on secondary data which was already available in websites.
 3. Resource will be limited because of time per constraints.
 4. It will be evolved and ever-changing nature by technology, economic, social and environmental impacts.

Sustainable business practice :

Sustainable business practices are the basic values for promoting long term development and improving the growth of the organization while targeting to achieve it. The World Commission on Environment and Development (WCED) in 1987 define sustainable development as meeting current needs while allowing future generations to meet their own, which is useful to reduce environment impact, improve social responsibility and encourage long term stakeholder value for the firm.

According to Bansal and Desjarein (2014), Corporate social responsibility is ability to meet short term finance without jeopardizing long term needs. Whereas Karan (2019) focuses on promoting environmental, economic and social values which is the pillars of sustainability. In small and medium sized business, by reducing cost through resource efficiency which bring reputation for a company and attracting the investors to retain a relationship with a company and promote green markets

Key Drivers of Sustainable Business Practice

a) Corporate Social Responsibility and Green Commerce:

Corporate Social Responsibility and Green Commerce offers several benefits to small and medium sized enterprises seeking to achieve sustainable business practice. CSR improves reputation and enhance customer loyalty, increase retention and strengthen the stakeholder relationship with the enterprises. This will contribute long term sustainability and increase the competencies among other competitors. Using eco-friendly products, promoting green and re-usable product and reducing the waste which helps to integrate CSR and Green Commerce. This increases the efficiency of the company and promote ethical decision making process through CSR and it brings economic, social and environment altogether to achieve the sustainability in small and medium sized enterprises to run in long term basis with the competitors in the market.

b) Economic Practice:

These activities deals with the inflow and outflow of the capital as a whole within a company it impact directly or indirectly the operation of the company which is in goal with the sustainable development as one of the value creation of company. It encourage long term growth compared to short term growth of the organization. The major components are infrastructural development, technological advancement, business risk, investment decision, reducing cost, increasing efficiency and so on.

It mainly involve achieving profitability at the same time concentrating in social and environmental practices.

c) Social Practice :

This activities evolves with the integration of general interest of society with

business policy. The company have to focus on societal needs and wants in general to achieve sustainable development which increases the value and reputation of the company to survive in the market with competitors. In recent times, Organizations focuses shift from optimum profit making to value creation to achieve sustainability. It indicate ethical way to operate a business unit, ensuring fairness, reducing the biasness among the employees which creates positive social value among general public and increasing the trust building a strong relationship with the stakeholders.

Some key aspects of social practice includes employee welfare, ethical practice, social inclusion , infrastructural development supporting local education, skill development, health care, employment opportunities and so on.

d) Environmental Practice :

This activates mainly focuses on protecting natural resources while reducing harms of ecology. Sustainable business maintain ecological balance in its operations. It mainly encourage to protect environment, reducing environmental degradation and promote conservation. These are practices that relate to company reduce their negative impact on the environment.

Some key aspect of environment practice includes promoting renewable energy resources, recycling, preserving bio-diversity, green house gas emission, green supply chain, designing eco-friendly products, reducing carbon and so on.

Challenges

Due to technological advancements and competition, small and medium-sized businesses are under pressure to increase their performance. In fact, implementing sustainable business practices is also a significant challenge for them. Limited awareness of government benefits, insufficient time to enhance sustainability, financial constraints, technological advancements, and skill gaps among employees are major barriers (Journal, 2021).

Small and medium-sized enterprises face several challenges, such as limited access to capital, small staff capacity, informal management structures, and difficulties implementing advanced technologies (Arslan et al., 2023). These are the major barriers while adopting sustainability in small and medium sized enterprises.

III. RESEARCH METHODOLOGY

For this study, data is collected from secondary resources. The study adopts a multidisciplinary approach, systematic literature review (SLR), which selects articles and journals from different websites, Google Scholar, and gathers them together to analyze sustainability in business with a focus on corporate social responsibility and green commerce and their impact towards society.

IV. REAL TIME EXAMPLES

CSR activities in small and medium sized enterprises :

1. The small and medium-sized textile industry in Tiruppur has implemented a recycled water initiative, reducing water usage by 60% and contributing to Corporate Social Responsibility (CSR) efforts.
2. Some small and medium-sized bakeries in Germany

regularly donate unsold breads and pastries to local not-for-profit organizations and animal shelters, playing a major role in corporate social responsibility and demonstrating a strong commitment to giving back.

3. Bangalore based IT startups implement corporate social responsibility (CSR) initiatives, including flexible working hours, women-centric policies, and mental health awareness programs for their employees, contributing to a better work environment and showcasing their commitment to CSR.

V. CONCLUSION

This study reveals that sustainable business practices are important for both larger firms as well as small and medium-sized firms. Small and medium-sized firms face more difficulty in adopting sustainability compared to larger firms. To overcome the difficulties faced by them, they have to take several initiatives like access to finance, subsidies, training programs, technological adaptation, policy regulation, market access, green supply chain collaboration, digitalization, and innovation with the help of the government. They also need to concentrate more on the growth of the overall economy and other source like Social, environmental, and economic practices are the major aspects for all companies. To achieve long-term sustainability, it reveals that firms are likely to create value for retention of stakeholder relationships and improve efficiency of a company. There are several benefits like eco-friendliness, preservation, recycling, reducing waste, contributing to social and economic development while Protecting the environment, reducing waste, and promoting overall economic growth are essential. This study helps to indicate the key drivers that impact sustainability for further research.

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