Drivers & Barriers to Sustainability in SMEs

By: Joseph Bakos, Adalberto Orengo, & Michele Siu

Advisor: Dr. Narges Kasiri

1. Background

The greatest challenge facing the world today is climate change. As today’s graduate business students play a huge role in the future of managerial positions in businesses, the goal is to move forward and acknowledge sustainable practices in small and medium enterprises (SMEs). This project took a deeper look into past researches and try to recognize what situation, position and especially what drivers and barriers are current in sustainability practices among small, medium sized businesses. In order to create a change and inspire to have better practices in the future, the process to the goal of a greener globe starts with knowledge. Larger businesses have the money, knowledge, and technology to adjust and drive their business to become more environmentally sustainable but SMEs “small and medium size enterprises” face many barriers that are difficult to overcome. SMEs today have increasing demands from stakeholders that want more transparency and accountability from firms about what they are doing to expand sustainability. Knowledge to obtain environmental sustainability varies greatly from country to country, in Europe there is help from the government and research from higher learning and in developing countries the colleges are still learning about the challenge. This research investigates the gaps in drivers and barriers across different types of SMEs in different countries.

2. Methodology

This research analyzed over 50 published journal articles from multiple sources. Databases such as Google Scholar and Ithaca College Library were used the most in this study to find scholarly articles. In an attempt to find these journals, keywords were used to narrow down the journal to the specific topic. Keywords used for example were Green, Sustainable, Small and Medium Enterprises, and many more. Several brainstorming sessions, and techniques were used to evaluate how to research the right journals. Many journals were found in the citation of current reading journals if it related to this project’s topic and keywords. In analyzing these journals, things scoped out were what region, sector, method, sample, focus, theory and conclusion were discussed in each journal. This made it easier to compare, contrast and analyze trends. We focused on studies published in the past 5 years.

3. Results

After analyzing the articles, the results showed that many past researches had a common conclusion that SME owners and managers lack knowledge on the topic which prevents them from adopting these practices. When it came to location, there was a lack of trends in journals written on the topic of sustainability and SMEs in the United States. Drivers for sustainability in small and medium sized enterprises came to a lot of different factors, behavior being one of the top ones. Economic and external pressure being factors as well. Many past researches looked into if individuals’ values and responsibility towards a greener outlook played a presence.
4. Discussion

One of the main issues while researching was the inability to find articles that explored the United States. This was concerning to the group, as all reside in the US and the U.S. being one of the highest creators of greenhouse gases than any other country in the world. There is a lack of China focused research, which is another major contributor to greenhouse gases. So, to compare, most of the research found, Europe makes up 54% of the journals read, Asia accounts for 26% and then US at only 6%, even though they contribute more greenhouse gases than any of the other countries researched.

SMEs exploration vary greatly between size, make-up, sector and location, all these factors influence how an SME will develop an environmentally sustainable business. In an early research, a recommendation of Parker’s said that researchers need to concentrate on industry-specific and other variables on which SMEs can be categorized (Parker, 2009). This is crucial as drivers and barriers can change based on location, size, and sector SMEs go into. What was found showed that previous research, such as the 54% of the journal publications focusing in Europe written are still just about SMEs and are not specific to any sector, location, or industry.
5. **Work Cited- On-going research, subject to change**


Moorthy, Y. (2012). Drivers for Malaysian SMEs to Go Green. Drivers for Malaysian SMEs to Go Green.


