

SUSTAINABLE PRACTICES AND ECONOMIC VIABILITY IN SMALL AND MEDIUM-SIZED ENTERPRISES: A COMPREHENSIVE REVIEW OF STUDIES

الممارسات المستدامة والجدوى الاقتصادية في الشركات الصغيرة والمتوسطة الحجم: مراجعة

شاملة للدراسات

Maher Ali Ahmed ¹, Mohamed Sodad Awnalrafek ², Nisreen Mustafa Sajid ³

¹ Kirkuk University, Collège of Administration and Economics, Iraq,

maherali@uokirkuk.edu.iq

² Kirkuk University, Collège of Administration and Economics, Iraq,

Sodad@uokirkuk.edu.iq

³ Education Directorate, Anbar, Iraq, nisreen.mustafa2024@gmail.com

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Abstract:

This research looks at a variety of publications that discuss how sustainability and financial success are related in banks and businesses. Integrating sustainability and quality is the current trend, with an emphasis on how technology and innovation are crucial to improving performance and ensuring financial stability. The report stresses the importance of environmental funding and the necessity of addressing climate change. The report also notes how far down the road to develop ESG (Economic, Social, and Governance) standards. Bringing our systems into harmony is crucial for our long-term financial and economic success, according to experts.

This class will focus on sustainable practices in small and medium-sized enterprises (SMEs), as well as economic sustainability and company innovation.

Keywords : Sustainable Practices ,Economic Viability, Small and Medium-Sized Enterprises (SMEs), Comprehensive Review Studies

Jel Classification: Q56, L26, D22, M21

ملخص:

تستعرض هذه الدراسة مجموعة متنوعة من المنشورات التي تناقش العلاقة بين الاستدامة والنجاح المالي في البنوك والشركات. يتمثل الاتجاه الحالي في دمج الاستدامة مع الجودة، مع التركيز على الدور الحاسم للتكنولوجيا والابتكار في تحسين الأداء وضمان الاستقرار المالي. يشدد التقرير على أهمية التمويل البيئي وضرورة معالجة تغير المناخ. كما يلاحظ التقرير مدى التقدم في تطوير معايير ESG (الاقتصادية والاجتماعية والحوكمة). وفقاً للخبراء، فإن تحقيق التوافق بين أنظمتنا يعد أمراً بالغ الأهمية لتحقيق النجاح المالي والاقتصادي على المدى الطويل. سيركز هذا الفصل على الممارسات المستدامة في الشركات الصغيرة والمتوسطة، بالإضافة إلى الاستدامة الاقتصادية وابتكار الشركات.

كلمات مفتاحية: الممارسات المستدامة، الجدوى الاقتصادية، الشركات الصغيرة والمتوسطة

تصنيف JEL: Q56, L26, D22, M21

Corresponding author: Maher Ali Ahmed, **e-mail:** maherali@uokirkuk.edu.iq.

INTRODUCTION

The interplay between environmental financing, capital availability, and the soundness of multinational banks is the focus of this article. Researchers analyzed data from 713 financial institutions across 75 countries from 2013 to 2015. Within the scope of the study, researchers used both linear and nonlinear threshold regression techniques. Findings indicate a favorable correlation between adequate capital availability and a bank's profitability across several models that incorporate both internal and external economic factors. Thanks to better credit and higher-quality management, this fantastic result is achievable. Banks with less than \$2 billion in assets, as determined by the report, have a leg up when it comes to financial access, which means they may charge more for ownership. Further exploration of policy implications reveals that measures that promote access to capital and environmental financing are crucial to improving global financial performance. An article by Abdul Razak Hassan and coworkers was released in 2023.

1 . Comprehensive Knowledge Mapping of Sustainability and Financial SME Performance

The primary objective of this study is to shed light on the financial sustainability of small and medium-sized businesses (SMEs). The research relied on data collected over 20 years from the Web of Science database. This research used bibliometric and methodological criteria to evaluate volumes published during the years 1999 and 2018. For this investigation, we resorted to the VOSViewer program. First, environmental and green management practices among SMEs; second, the role of innovation and entrepreneurship in helping SMEs achieve sustainability; and third, corporate social responsibility (CSR) in this context were the three primary areas that the study's authors settled on after a comprehensive literature review. These three categories are crucial to corporate sustainability research, and the outcomes of the study show how to go about doing future studies in this field. Lamia Muhammad Jassim Al and coworkers wrote the 2019 piece.

2 . Addressing Climate-Related Risks by Central Banks

This article discusses the increasing support for central banks to adapt and mitigate climate change risks, as well as the need of managing these risks. Using the database on central bank law maintained by the International Monetary Fund, we compare the sustainability measures put in place by the various central banks with their stated mandates and objectives. According to the report, just 12% of central banks have direct sustainability mandates, even though 25% of these institutions are responsible for assisting with government policy efforts, the majority of which include sustainability aims. The primary functions of central banks might be significantly impacted by climate-related risks. In any case, the paper stresses the need of financial companies' policies including physical and weather-related hazards. They need to include these risks into their policy framework and provide complete financial stability.

3 . Literature Review on Socially Responsible Investment (SRI)

The literature review examines the foundational concepts of socially responsible investing (SRI), focusing on its financial and ethical components. The research reveals a clear issue separation and an increased focus on the financial model over the ethical model by analyzing three important areas of SRI literature. According to the research, ESG (environmental, social, and governance) considerations are crucial to SRI. The expansion of the SRI industry and the

enhancement of sustainability are affected by these elements. The research does, however, draw attention to two major issues—a lack of openness and inconsistency—that cast doubt on these norms. This study provides a thorough analysis of socially responsible investing (SRI), including its history, present state, and future prospects. The article argues that the discipline may overcome its current challenges and become more reliable and valuable if it incorporates environmental, social, and governance (ESG) factors.

3.1 Nizam, E., Ng, A (2019):

Using data collected from worldwide banks between 2013 and 2015, this study will determine the impact of environmental financing on their bottom lines. Having sufficient funds may improve performance, particularly for smaller asset sizes, the results suggest. Increasing financial performance is underlined in the conclusion as being dependent on financial resources and environmental finance solutions.

3.2 Bartolacci, F. et al. (2020):

To a greater extent than in previous studies, this thesis investigates the financial impacts of sustainable practices on SMEs.

Environmental management, social responsibility, innovation, and entrepreneurship are emphasized in the bibliometric research.

- Conclusion: Provides suggestions for future research based on significant findings.

3.3 Dikau, S et al. (2021):

Central bank policy should prioritize addressing climate change. If we want to keep the economy stable as a whole, we have to think about physical and temporal climate hazards..

- Conclusion: Highlights the importance of integrating climate risks into central bank policies.

4. Widyawati, L. (2020):

- Evidence: Presents An analysis of the literature about socially responsible investment.

- (SRI), emphasizing the significance pertaining to environmental, social, and governance (ESG) matters criteria.

- Conclusion: Highlights ongoing challenges in the field of SRI, particularly related to transparency and convergence issues.

4.1 Comparison

All articles acknowledge a common theme. Using sustainable practices to enhance financial performance is of utmost importance. Whether in the context of banking, small and medium-sized enterprises (SMEs), or investment strategies. Various scholars have different areas of focus. Nizam and Bartolacci concentrate on performance in the banking and SME sectors, while Dikau emphasizes climate risks in central banks, and Widyawati explores challenges in socially responsible investment.

- Temporal Differences: Nizam's research is limited to a certain era beginning 2013 to 2015, whereas Bartolacci's research covers a broader range from 1999 to 2018. No specific time frame is specified by Dikau and Widyawati.

The authors Nizam and Dikau provide a thorough analysis of policy implications in their work, while Bartolacci and Widyawati offer valuable insights and suggest areas for future research.

Various perspectives on climatic threats, socially responsible investing, financial performance, and sustainability are presented in these articles, which emphasize the importance of sustainability.

5. Analysis and Comparison

Common Positive Trend:

- There is a positive inclination towards studying The correlation between financial success and sustainability in the study publications.
- Researchers exchange insights on the importance of environmental financing and climate risks.
- The focus on innovation and social responsibility suggests their vital roles in the sustainability of businesses.
- Bibliometric analysis illustrates developments in the field of sustainability over the years.
- Highlighting the necessity of integrating climate risks in central bank policies for financial stability.

6. Conclusion

In order to attain financial and economic sustainability, the researchers stress the significance of integration within the settings of banks and firms, as well as the relationship between sustainability variables and financial performance.

6.1 Specific Research Articles

- Corbet, S., et al (2019):
 - Focus: Challenges facing institutions in maintaining profitability while implementing sustainable operations.
 - Synergy between quality management and the supply chain is beneficial; nevertheless, it is essential to include sustainability into this partnership.
- Cao, S., Nie et al (2021):
 - Focus: Evaluation of financial risks using machine learning, analyzing opportunities and challenges.
 - Conclusion: Brings attention to the significance of utilizing machine learning to identify and address systemic financial issues, which may help enhance regulation of financial markets.
- Escrig-Olmedo et al (2019):
 - Focus: Evolution of ESG standards and their impact on promoting sustainable development.
 - Conclusion: ESG standards have evolved over the last decade, with rating agencies integrating new standards for more accurate and robust measurement of corporate performance. The study advocates greater integration of sustainability principles in corporate sustainability assessment processes.

7. Overall Impression:

- The collection of research articles highlights a holistic approach towards sustainability, encompassing financial performance, climate risks, innovation, and social responsibility.
- Researchers emphasize the need for integration, whether within organizations, financial markets, or corporate sustainability assessments.
- The studies collectively contribute to the understanding and promotion of sustainable practices across various domains.

7.1 Research Summary and Analysis:

1. Fang, C et al (2018) conducted an analysis In regard to the link between company success and the adoption of green supply chain management practices.

- Purpose: To examine the correlation between green supply chain management methods and firm success.

- Conclusion: The use of Sustainable Purchasing Practices (GSCM) techniques has a good correlation with the success of a firm. The connection is impacted by variables such as the kind of industry and the certification of ISO.

Analysis and Comparison:

- The general trend in research emphasizes the integration of quality and sustainability concepts in business management.

- The sixth study highlights the importance of using machine learning to assess financial risks.

- The seventh study indicates progress in ESG standards but notes challenges in fully integrating sustainability principles.

Environmentally conscious supply chain management practices boost business results, according to the seventh study.

8. Conclusion

These studies collectively underscore the importance of integrating quality and sustainability concepts and how advanced technologies can enhance sustainable business management.

Ahmed, M. A et al 2023

8.1 Objectives and Methodologies:

- Aikman, D., Haldane (2019):

- Objective: Focus on advancements in regulatory reforms post the global financial crisis.

- Methodology: The methodology is not precisely detailed.

- Results: Improved financial stability with identified areas needing additional attention.

- Pizzi, S., Caputo (2020):

- Objective: Explore the contribution of business and management scholars to SDGs.

- Methodology: Examine 266 articles that were published from 2012 to 2019.

- Findings: Identify four main research themes with future trends.

- Xu, X., Chen (2028):

- Objective: Comprehensive review of research related to Supply Chain Finance (SCF).

- Methodology: Review 348 research papers and conduct bibliometric analysis.

- Results: Identify four main research groups and suggest future research directions.

- Dugaard, D. (2020):

- Objective: Verify the necessity of considering monetary policy frameworks as financial stability goals.

- Methodology: Theoretical review and evidence examination.

- Results: Proposes a precautionary policy framework to maintain financial stability.

- Madiati, D. R (2018):

- Objective: Highlight the significance of ESG as a highly impactful industry.

- Methodology: Systematic literature review and exploration of potential topics.

- Results: Identify key and emerging topics in ESG.

8.2 Guidelines and Conclusions:

- GSCM procedures are crucial to improving business performance, according to the Aikman

and Haldane study.

- The research on how business school professors have affected sustainable development is clarified by Pizzi and Caputo.
- Goals (SDGs).

Xu Furthermore Chen provide a comprehensive understanding of SCF along with recommendations for more study.

- Daugaard confirms the importance of an integrated policy framework to maintain financial stability.
- Maditati advocates for expanding the scope of ESG topics.

8.3 Determinants and Limitations:

- Aikman and Haldane's study may have limitations related to insufficient information about the methodology used.
- Pizzi and Caputo's study lacks specific information about study limitations.
- Xu and Chen's study indicates research gaps and proposes future research directions.
- Daugaard's study emphasizes the importance of monitoring monetary policy for financial stability.
- Maditati's study points out a lack of focus in previous research.

Researchers Fang, C et al (2018) conducted a study titled "Examining the correlation between the implementation of environmentally-friendly supply chain management practices and the overall success of a business." The purpose of this research was to analyze how environmentally conscious supply chain management practices correlate with financial performance. According to the research, companies which use environmentally friendly supply chain management practices tend to do better financially.

. Moreover, the study uncovered that this correlation was impacted by variables such as the kind of industry and ISO certification.

9. Analysis and Comparison

- The overall trend in the research indicates a general inclination toward integrating quality and sustainability concepts in business management.
- The sixth research emphasizes the importance of using machine learning in assessing financial risks.
- The seventh study demonstrates progress in ESG standards but notes challenges in fully integrating sustainability principles.
- The eighth study confirmed the positive relationship between Examining the connection between a company's whole performance and its use of eco-friendly supply chain management practices.

10. Conclusion

These studies collectively emphasize the importance of integrating quality and sustainability concepts and highlight how advanced technologies can enhance sustainable business management.

10.1 Comprehensive Analysis (Commonalities)

- Common Focus: Highlighting challenges and gaps in research areas.
- Differences: Interest in different topics such as GSCM, SDGs, SCF, monetary policy, and ESG.

10.2 Future Research Trends

- Aikman, D., Haldane (2019): May focus on clarifying the methodology and conducting further analysis in identified gaps.
- Pizzi, S., Caputo (2020): Indicates future trends in the SDGs domain.
- Xu, X., Chen (2028): Proposes trends to deepen understanding in SCF.
- Daugaard, D. (2020): Emphasizes the need to monitor monetary policies for financial stability.
- Maditati, D. R (2018): Suggests exploring untapped areas in ESG.

Conclusion: The articles exhibit diversity in topics and methodologies, contributing to an expanded understanding of challenges and opportunities in various fields. However, specific limitations should be considered, and future research should be directed towards potential gaps.

1. Putra, Y. M. (2019):

- Objective and Methodology:
 - Study Goal: Review GSCM literature and understand associations between GSCM factors.
 - Methodology: Utilizes HistCite to analyze bibliometric citations. Applies common citation analysis and content analysis for highly cited articles.
- Results and Research Streams:
 - Identifies six main research streams.

2. Xie, X., Huo (2019):

- Objective and Methodology:
 - Study Goal: Analyze the impact of technological developments on companies' interests in using accounting applications.
 - Methodology: Uses conclusive research.
- Results and Trends:
 - Analyzes factors affecting small and medium-sized enterprises' interests amid technological advancements.
 - Identifies keywords, including accounting information systems.

3. Objective and Methodology:

- Study Goal: Explore The influence of innovative green technology on financial performance.
- Methodology: Utilizes data from 209 companies and employs statistics for relationship analysis.
- Results and Recommendations:
 - The positive influence of environmentally-friendly process and product innovation on the overall success of a firm.
 - Recommends effective implementation of green technology innovation for managers and governmental bodies.

Comparative Analysis:

- Main Focus:

- Both (Putra, Y. M. 2019) and (Xie, X., Huo 2019) focus on analyzing factors and impacts, but in different domains (GSCM and accounting technology).

- Methodology:

- (Putra, Y. M. 2019) relies on bibliometric citation analysis, while the second study employs conclusive research.

- Results and Trends:

- (Mehmood, K. K., & Hanaysha, J. R. 2022) presents statistical analysis results and directs practical and policy recommendations.

- Both (Putra, Y. M. 2019) and (Xie, X., Huo 2019) provide a conceptual framework to understand relationships and future research trends.

- Impact on Performance:

- (Mehmood, K. K. and Hanaysha, J. R. 2022) Focuses on the impact of green technology innovation on financial performance.

- (Putra, Y. M. 2019) focuses on the impact of GSCM on company performance.

Conclusion: Studies vary in their areas of focus and methodologies, but all indicate the importance of understanding relationships and impacts to guide future research and enhance performance in diverse areas in the fields of environmentally friendly accounting software, green supply chain management, and related technologies.

11.Results:

1. How long-term viability relates to financial success

- Confirming the positive correlation between financial performance and sustainability factors

2. Environmental and Economic Significance of Financing:

- Indication of the importance of environmental financing in enhancing financial performance, especially for banks with lower assets.

3. Innovation and Entrepreneurship:

- Identification of the importance of innovation and entrepreneurship as vital aspects in the field of business sustainability.

4. Climate Change Risks:

- Emphasis on the necessity of integrating climate change risks into central bank policies to ensure financial stability.

5. Progress in ESG Standards:

- Spotlight on the progress and evolution of ESG standards in accurately and robustly measuring corporate performance.

6. The Fifth Effect of Eco-Friendly Supply Chain Management Strategies:

Proof that adopting sustainable methods for managing the supply chain

- is positively correlated with company performance.

12.Recommendations:

1. Promoting Environmental Financing:

- Encouraging companies and banks to promote environmental financing for improved financial performance.

2. Integrating Climate Risks in Financial Policies:

- Greater integration of climate change risks into central bank policies to maintain financial stability.

3. Enhancing Innovation and Entrepreneurship:

- Encouraging companies to enhance innovation and entrepreneurship as fundamental aspects of achieving business sustainability.

4. Utilizing AI Techniques in Financial Risk Assessment:

- Encouraging the financial sector to utilize artificial intelligence techniques to improve the assessment and management of financial risks.

5. Promoting Integration between Financial and Economic Structures:

- Directing efforts towards achieving integration between quality and sustainability concepts for better financial and economic sustainability.

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