INVESTIGATING SUSTAINABLE STRATEGIES FOR SMALL AND MEDIUM ENTERPRISES IN THE USA

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ABSTRACT
Sustainability is a major concern in economic growth in developing and developed countries. Small and medium enterprises have become major pillars for economic growth. These have many economists, planners and administrators considering sustainable business growth as well as sustainable strategies for economic growth in any region or country. Because small-scale businesses became a major source of income in local communities that directly affects cities growth from local communities to regional and onto country growth. Therefore, this current research aims to understand and assess the conceptual foundation of sustainable development theory that focuses on business sustainability solutions for SMEs. The purpose of the study is to assess various sustainable strategies used by business owners to impact and meet challenges faced in day-to-day business cycles to fulfill the needs of future generations. This research is seen to be significant and important with respect to its theoretical and practical contributions. The qualitative research obtained to understand in-depth experiences, perceptions and opinions and knowledge of owners. This study practically contributes by developing the assessment framework comprising the environmental, social and economic strategies specifically to measure the sustainability strategies and provide detailed suggestions about how small business can stay successfully in business for the long-term in United States.

Keywords: sustainable development, sustainable strategies, small and medium enterprises, business, sustainable business growth.

1 INTRODUCTION
Small and medium scale enterprises (SMEs) sustaining their growth in unbalanced economic situations in cities in the context of sustainable development is a subject of this research paper. SMEs are important drivers of technical innovation and economic growth throughout the world; however, experts have remarked that research on SME sustainability strategies is sparse [1], [2]. Small businesses account for 99.7% of all employer enterprises in the United States, create 50% of all private GDP, and the number of employees is half of the private sector workers [3]. Firm executives, according to Amisano and Anthony [4], confront hurdles in sustaining small business performance over time. According to Gandy [5], only two-thirds of small enterprises survive for at least two years, and around half survive for up to five years. The goal of this qualitative multiple case research is to learn about the tactics used by SME business owners to keep their companies in business for more than five years.

2 LITERATURE STUDY
Natural ecosystems are progressively being displaced by cities due to the high speed of urbanization and abrupt changes in urban growth direction [6]. Urbanization encourages rapid social and economic growth, but it also causes many issues in cities, including population density, traffic congestion, housing shortages, resource scarcity, biodiversity loss, heat island effects, noise, and air and water pollution [6]. Skewed growth, which leads to inequity, major social and environmental imbalances, and poverty, might have disastrous effects by exacerbating the already-existing environmental, economic, and social crises [7]. Sustainability and their frameworks are playing a major role in the day-to-day life of business to fulfill the instantaneous needs of markets, the economy and society [1]. Sustainability
plays a major role in fulfilling economic, social, and environmental needs and in ensuring the future needs as well. This explains the situation where business frameworks are in the need of academic literature of sustainable small business growth and their indicators or indices. SMEs are a driving force behind the growth of most world economies. Small and medium business owners face many challenges in adopting sustainable strategies to stay in business for longer times. This causes more unemployment due to business closures which directly impacts socio-economic conditions of local residents. The study is focused on the United States as small businesses in the United States generated 65% of new jobs from 1999 to 2016 [3], [8].

2.1 Cities and sustainability

More than half of the population lives in cities [9]. And population in overall urban areas in the world are estimated and will increase to 6.3 billion out of worlds’ 9.3 billion population by 2050 [10]. Cities have an impact on local and global environments in many ways. Cities occupy and modify the geographical space; they import the natural resources like food, water and energy and export the emissions and generated from their functions [11]. Cities are dependent on local and global ecological functions and services. In terms of thermodynamics, cities are defined as open systems, which are dependent on energy, and the things imported from the ecosphere [9]. This describes cities as the non-equilibrium systems that maintain their entropy at high levels [12]. Cities local environments are a major concern due to their fast-growing population and their ecological footprints [11]. There is an interdependency between cities and global environment, cities may achieve favorable local environmental conditions in the short term, but they will not be sustainable at the global level due to their demands of natural resources. Subsequently. The same will influence overall worldwide sustainability. Therefore, impacts due to a city local environment can be tested by the action and flow of the city’s activities and natural resources. So, for a city to become a sustainable metropolis, there is a need to meet the basic needs for survival of human being such as food, cloth and shelter, to adopt a technology for minimization of environmental impacts. Maintain carrying capacity, and recognize what finite natural resources are needed for present and future generations [12]. City or urban sustainability is a relatively new terminology in the fields of urban planning and sustainable development. Over the past two decades, a number of economists, planners, sociologists have provided different frameworks of knowledge to city authorities to help them make their cities sustainable. It is an idea that a city can be organized without excessive reliance on the surrounding region and its resources. When applied to cities, sustainability requires that inhabitants’ needs be met without imposing unsustainable demands on local and global resources. The interdependence between cities and the global environment implies that even if cities reach sustainability at the local level, they will not necessarily be sustainable at the global level. Cites cannot sustain themselves without drawing on the carrying capacity of their hinterland or region. A sustainable city is therefore not a totally self-reliant city. It is, however, a city that tends to be self-reliant [12].

2.2 Business development and management

Business development is also known as organization or firm growth that is directly proportionate to sustainable business development. Numerous researchers, economists, project managers and business analysts gave a comprehensible idea about the concept of business structures, theoretical development in the major subject of business growth and its constancy of growth. This has shown management to be generating slow business growth
either for SMEs or a multinational company [1]. Therefore, organizational administration, CEOs or SME owners, are in frustrated positions where they are unable to identify the solutions for their sustainability problems and are in search of academic and practical literature that provide sustainable development strategies [2]. Therefore, this state of affairs illustrates the needs for management to know strategies towards sustainability using three components social, economic and environment [13].

For example, SMEs employ 54.5% of all formal private sector workers in South Africa [14]. According to research, in South Africa, the failure rate of SMEs in the first five years is between 70% and 80%. Fifty percent of SMEs in Europe fail during the first five years [15], [16]. According to Lekhanya [17] and Hyer and Lussier [18], many of the small enterprises survive five years or longer, and about a third survive 10 years or longer. According to Akaeze, small businesses fail during the first five years of operation because their CEOs lack the methods to keep their companies afloat. This describes the scenario in countries where SMEs play a major role in the economic view of the country as well as helping in developing local communities [19].

2.3 Business sustainability

Business-driven transformation is a new and fragmented area. Business management, economics, public health, public policy, medicine, education, psychology, sociology, environmental studies, and engineering were among the academic areas that produced evidence of success in these streams of business to managers of businesses [2]. The majority of research, particularly in the field of business and management, is exploratory, case-based, or cross-sectional, yielding generally inconclusive results. The practitioner business literature is primarily concerned with social reform, economic and environmental health would benefit the company’s bottom line [19]. There has been very little practitioner-led study on the steps that a company may take to effect social economic and environmental change.

Increasingly, sustainable development concept has become an important element in the field of any development and business within developed nations in particular, where sustainability issues and awareness are quickly gaining recognition [20]. While interest in business is mainly generated from global and national perspectives, the locality theorem suggests that it is better to face these issues from local perspectives from which most sustainability issues originate [21].

We looked at the activities of organizations that are heavily involved in social change, such as social entrepreneurs, non-profits, and local governments, to see whether their techniques might be applied to business. Shareholder theory, legitimacy theory, stakeholder theory, institutional theory, disclosure/signaling theory, and stewardship theory are examples of business sustainability theories. The risk-sharing and agency difficulties between shareholders and management, as well as the three agency costs (monitoring, bonding, and residual) that are absorbed by shareholders, are the subject of agency or shareholder theory [22].

The implications of shareholder theory for sustainability performance are that management incentives and activities are frequently focused on short-term earnings targets, which are typically linked to executive compensation and distract business leaders from achieving sustainable and long-term shareholder performance [22]. By focusing solely on financial, economic sustainability performance information and publication of such information only for shareholder interests, agency or shareholder theory addresses a restricted and parochial component of business sustainability [21], [22].
2.4 Small and medium enterprises

SMEs do not fit into the category of major corporations. Small companies, small and medium firms, are the various types of businesses in this category. The names differ from nation to country, but the concepts remain the same. Despite the fact, experts agree this sector of the economy is the backbone of the economy, researchers have yet to come up with a common definition. Practitioners and academics must think about business sustainability in terms of the TBL elements of economic, environmental, and societal sustainability [21]. Economic sustainability is the capacity to manage money, stock, and finances, which is the first stage in a company’s survival and sustainability. Environmental sustainability guarantees that businesses run without damaging the environment or emitting excessive amounts of pollution [23].

Companies must manage their business operations in accordance with the demands of their stakeholders, which should be consistent with the company’s value system [24]. SME business owners might apply sustainable business strategies to continue their enterprises beyond five years if they understood the TBL [23].

SMEs have a positive influence on economies and society in a variety of ways, such as providing millions of jobs and ensuring a high level of economic stability in many nations, but they also have negative repercussions as a result of doing business. SMEs are responsible for up to 70% of world pollution [25]. Researchers have developed sustainability management tools that help company managers to adopt sustainability-oriented initiatives and coordinate operations throughout an organization to counteract the negative consequences of the business [23].

2.5 Performance strategies for sustainable business

The Global Reporting Initiative (GRI) principles might be used by business executives as valuable reporting tools for sustainability performance and other organizational contributions to sustainable development [26]. Transparency, inclusion, auditability, relevance, clarity, and timeliness were among the reporting standards specified in the GRI’s sustainable performance framework [26]. Practitioners should generate sustainable performance measurements from both internal and external aspects. The business strategy, risk profile, strengths and limitations, and corporate culture are all internal aspects [22]. External aspects, on the other hand, include branding, technology, competitiveness, corporate social responsibility (CSR), globalization, and the use of social media.

2.5.1 Strategies for improving economic performance

Economic sustainability performance is a measure of a company’s long-term profitability and financial viability as assessed by operational effectiveness, efficiency, productivity, earnings, return on investment, and market value. Economic performance strategies are goals, patterns, or options for improving and optimizing financial management to accomplish business results [27]. Financial strategy is used by corporate executives to develop and sustain competitiveness and position. Short- and long-term financial planning, funding policy, internal control system, ethical framework and compliance monitoring, financial reporting quality, risk management system, and marketing policy are some of the strategies used by business leaders to ensure long-term profitability [28]–[30]. SMEs comprehension of economic performance techniques may help them stay in business for more than five years.
2.5.2 Strategies for improving social performance

Strategies for social performance. Social performance is a metric used by business leaders to assess how successfully a firm is putting its social aims into action. The extent to which a firm meets its social obligation by making its social purpose a reality and aligning it with the interests of society is measured by social performance. From focusing on producing high-quality products and services that are not harmful to society to promoting employee health and well-being and being a constructive contribution to the planet’s sustainability, social performance encompasses a wide variety of activities. Beyond compliance with relevant laws, rules, standards, and customary practices, social performance assesses company actions that contribute to society. In the long run, social performance may boost a company’s image and reputation, as well as its financial performance [22]. By understanding the social performance strategies, SMEs may be able to sustain their businesses beyond five years.

2.5.3 Strategies for improving environmental performance

The effectiveness with which a corporation solves its environmental issues to leave a better world for future generations is measured by its environmental performance. Environmental disasters such as the Union Carbide, Exxon, and BP Deepwater Horizon events have tarnished the reputations of companies in certain industries (chemicals and oil), forcing them to focus more on environmental projects. Environmental performance has the potential to influence economic performance by lowering the chance of environmental law infractions, which can have costly financial effects. The property’s and the surrounding community’s environmental performance is measured in terms of reduced carbon footprint, improved work environment, and improved air and water quality [22]. Environmental performance techniques might be used in sustainability reporting to assist SMEs in developing an integrated analysis of factors including environmental disclosure and environmental performance, which could promote good economic performance.

3 STUDY AREA

SMEs are important drivers of technical innovation and economic growth throughout the world; however, experts have remarked that research on SME sustainability strategies is sparse [31]. This research is being conducted in Connecticut, United States. Small businesses account for 99.7% of all employer enterprises in the United States of America, create 50% of all private GDP, and employ half of the private sector workers [3]. Firm executives, according to Amisano and Anthony, confront hurdles in sustaining small business performance over time [4]. Small companies are vital to the United States economy. Since the 1970s, the Small Business Administration (SBA) of the United States has regularly reported small firms account for 55% of all jobs in the United States and 66% of new jobs [32]. According to the SBA, small companies have created 8 million new jobs since 1990 [32]. In contrast, 20% of newly formed firms fail within the first year, 32% fail within the first two years, and 50% fail within the first five years [8], [40]. Small companies will continue to be a source of strength for the United States economy; as a result, more studies concentrating on how owners manage their enterprises will be conducted.

4 PURPOSE OF THE STUDY

The purpose of the qualitative multiple case study is to understand and explore business sustainability strategies that help small businesses stay in successful business for more than five years. Interviews will be conducted with SME owners in five small retail businesses in Connecticut, United States because the owners have adopted strategies to extend their businesses for at least five years. This information will provide the framework for well-
defined strategies towards real-time future-oriented sustainability and bring positive socio-economic and environmental change in small organizations. This current research suggests a conceptual framework for long-term business growth based on the analysis inferences. The potential for beneficial social change includes the ability to stabilize small business sustainability and share successful business owners’ techniques to new small business owners. A small business is defined as a company with less than 100 employees for the purposes of this study. Small businesses are vital to local communities, and their continued survival benefits the greater social society.

5 RESEARCH QUESTION
What small business sustainability measures do Americans business owners utilize to continue in business for more than five years?

6 NATURE OF THE STUDY
The nature of the study is assessment of various sustainable strategies used by business owners, impacts and challenges faced in day-to-day business cycle to fulfill the better needs for future generations. The qualitative research is being used to understand in-depth experiences, perceptions and opinions and knowledge of owners. The qualitative research method is particularly suitable to evaluating small business owners’ day-to-day experiences with sustainability practices. This research technique entails asking SME owners from various organizations in Connecticut interview questions about how they implemented company sustainability and were able to achieve significant business growth and stability beyond five years. The data will be examined based on the interview responses. The research relies heavily on detailed evaluation. This research will have multiple case studies to explore and understand a broad range of data from different organizations and this helps in analyzing the themes from individual organizations to enhance the research quality [33]. The nature of the data will be in the form of interviews, documents associated with the strategies participants used, journal notes while interviewing, case studies and peer reviewed literature. The data also is collected through secondary data from multiple sources such as website, organization sites (census), reports, articles, surveying or stakeholder meetings.

7 DATA COLLECTION INSTRUMENT(S)
Data for this study is being collected through interviews. Qualitative researchers employ interviews to interact with participants to obtain a deeper understanding of an event or phenomena [34]. The data collection method will be interviews using five semi structured questions (see section Interviews Question below) along with clarifying questions developed during the interviews. Instruments include audio recorder, and journal.

Interview Questions to be asked
1. What sustainability strategies have you used to remain successful in business beyond five years?
2. How did you determine the success or failure of the strategies you selected for your organization?
3. How have you measured the success of your organization’s strategies for remaining in business beyond five years?
4. What are the biggest challenges you had to overcome while implementing the strategies?
5. Would you like to provide any additional information on the strategies, elements or items you used to sustain your business?
8 THE POPULATION AND THE SAMPLE(S)
The best size for the sample to have the best chance of achieving saturation should be between three and sixteen, according to recommendations for selecting a target size [35], [36]. Therefore, my size involved five SME business owners from five different firms who have succeeded in being in business for over five years. Currently, research is in initial stages of data collection.

9 RESEARCH ANALYSIS
The first stage in the data analysis process to inspect the data for redundancy. NVivo will be utilized as computer software to aid with interview transcript interpretation and data management [37]. NVivo® is a robust data management tool [38]. NVivo 10® facilitates qualitative methodologies by helping researchers identify themes connected to research issues. Continuous data comparison and coding enabled the discovery of categories and essential themes. Three important themes can emerge from the replies. A code was allocated to each of the five players (P1, P2, P3, P4, P5). Qualitative research assumes that the analysis of participant remarks is unique to the researcher conducting the study, as well as to the period, culture, and context [39]. Examining extreme answers does not improve the data set’s prediction potential. An examination of the outliers is required to discover whether the outliers’ contained lessons for future research. The third phase is to develop tentative interpretations. The examination of field notes is the second phase in data analysis. Field notes were notes which will be collected throughout the interview process. Triangulation method will be enabled the study of data and boosted analyses by clarifying and reducing potential researcher bias. The interview approach of triangulation will be conducted by matching interview phrases and themes with terms from the field notes. The next step will be to create an aggregate of the information gathered from the inquiry. I will create a narrative data analysis, noting themes. The third phase requires data interpretation in respect to the key study question: What strategies are important for SME company owners to use to thrive in business for more than five years?

10 DISCUSSION AND CONCLUSION
This study was focused on the SMEs and their sustainable strategies by obtaining data from interview of business owners in Connecticut state of United States. This study was conducted by using a qualitative method of analysis from a case study of five business owners who have succeeded in business for more than five years. In qualitative research, researchers employ open-ended interview questions to get a better knowledge of the study. For different sorts of businesses, such as small or medium scale, research analyzes numerous sources of data types. It recognizes the functionality of business structures by mapping the processes, flows, and frameworks that are taking place. The research suggests a conceptual framework for long-term business growth based on the analysis inferences. The research ensures a qualitative examination of the firm’s difficulties and repercussions, as well as to process theoretical validations of the findings. Multiple case studies will be used in this study to examine business sustainability strategies used by SME owners in Connecticut to stay in business for more than five years.

REFERENCES


