



Strategic Management Practices and Their Impact on Sustainable Enterprise Development in Emerging Economies

Dr. Alok Kumar Bhargava^{1*}, Dr. Jitheesh Thilak², Prof. (Dr.) Sharmila Subramanian³, Dr Shivaprasad K S⁴, MAY ZIN MON⁵

Abstract

Strategic management has become essential for enterprises operating in emerging economies, where firms frequently face financial constraints, institutional uncertainty, market volatility, technological gaps, and resource limitations. This review examines how strategic management practices influence sustainable enterprise development, with particular attention to SMEs, microenterprises, and social enterprises. It discusses the role of resource and capability development, market orientation, financial and risk management, digital adoption, innovation, and institutional linkages in strengthening enterprise performance, competitiveness, and resilience. The review also connects strategic practices with broader development outcomes, including employment generation, poverty reduction, financial inclusion, social participation, and environmental sustainability. It argues that sustainable enterprise development requires an integrated approach in which internal capabilities are supported by microfinance, business development services, market access, value chain participation, and enabling policy environments. The discussion shows that strategic management is not limited to formal planning but also includes adaptive decision-making, organizational learning, collaboration, and resilience-building in uncertain contexts. Key challenges include limited access to finance, weak managerial capacity, digital inequality, regulatory barriers, and fragmented support systems. The review concludes that sustainable and inclusive enterprise growth in emerging economies depends on aligning strategic management practices with sustainability goals and development-oriented support mechanisms.

¹Founder and Principal Researcher, TrayiVani Foundation, India; Developer, The Inner Engine Framework™ for Conscious Leadership Assessment; Author of TrayiVāṇī – Eternal Verses on Peace, Silence & Discernment and The Inner Engine of Leadership Trilogy, Ghaziabad – 201016, Uttar Pradesh, India, Email Id: founder@trayivani.in , ORCID ID: <https://orcid.org/0009-0009-1805-3075> ,

²Scholar, Department of Law, Specialization in Corporate Governance, Banasthali Vidyapith, Rajasthan, Email Id: jthilak@gamil.com, ORCID ID: 0009-0003-7576-9797

³Principal, ASTHA School of Management, Email Id: sharmila.su@gmail.com , ORCID ID: <https://orcid.org/0000-0001-6256-8687>

⁴Assistant Professor, Department of Environmental Engineering, JSS Science and Technology University, Mysuru, Karnataka, India, Email Id: prasads@jssstuniv.in , ORCID ID: 0000-0002-3322-6554

⁵Master of Business Administration, Faculty of Business & Communications, INTI International University, Malaysia, Email Id: i25033333@student.newinti.edu.my , ORCID ID: 0009-0004-0265-4224

Corresponding Author*: Dr. Alok Kumar Bhargava, Founder and Principal Researcher, TrayiVani Foundation, India; Developer, The Inner Engine Framework™ for Conscious Leadership Assessment; Author of TrayiVāṇī – Eternal Verses on Peace, Silence & Discernment and The Inner Engine of Leadership Trilogy, Ghaziabad – 201016, Uttar Pradesh, India, Email Id: founder@trayivani.in

Keywords: strategic management; sustainable enterprise development; SMEs; microfinance; emerging economies; financial inclusion; enterprise resilience

1. Introduction

Enterprises, especially the small and medium-sized enterprises (SMEs), microenterprises, and social enterprises are in the middle stage of economic development, creating jobs, and alleviating poverty in emerging economies. These businesses form the foundation of the majority of developing markets, playing a major role in employment and income generation, particularly in the low-income groups and vulnerable populations (Kok and Berrios, 2019). Although they are important, most of these businesses are based on highly constrained environments that are marked by limited access to finance, poor institutional frameworks, and market uncertainties. A significant financing gap that SMEs face has continued to be one of the most intractable obstacles to the growth, innovation, and sustainability of an enterprise (Bruhn et al., 2017).

Strategic management practices, in this case, have become imperative drivers of enterprise robustness and sustainability. In contrast to big companies, the companies in the developing world tend to follow informal and flexible tactics in their strategies to pass through complicated and unstable conditions. The contextual factors are the dynamics of inflation, the development of the financial system, and macroeconomic instability, which shape these strategies and impact the decision-making and performance of enterprises (Sanusi et al., 2017). Moreover, business environment conditions, such as regulatory and institutional support, greatly influence the degree to which enterprises are able to successfully adopt strategic practices (Cepel et al., 2019).

The increased focus on sustainability has also increased the scope of strategic management to encompass social and environmental concerns in addition to profitability. The concept of sustainable enterprise development is multifaceted, and it includes economic sustainability, social integration, environmental accountability, and sustainability over time. SMEs are progressively being forced to ensure their business operations are geared towards sustainability and be competitive in the competitive markets (Martins et al., 2022). This alignment is especially crucial in the emerging economies where enterprises have a direct impact on poverty reduction, job-making, and community building (Muriithi, 2017). Financial inclusion and enterprise support systems also overlap with strategic management. The availability of financial services, such as microfinance, is very critical in facilitating businesses adopt growth-oriented strategies. Nevertheless, financial access is not enough, and other types of factors, like financial literacy and social capital, also mediate the performance and sustainability outcomes of enterprises (Bongomin et al., 2016; Agyapong and Attram, 2019). These aspects demonstrate the significance of combining strategic abilities with financial and institutional support systems in order to realize inclusive enterprise growth.

Furthermore, innovation and technological development have emerged as major strategic drivers to SMEs in the developing countries. Not only does the adoption of information technology improve the efficiency of operations, but it also leads to job creation and competitiveness, which makes enterprises stronger in terms of development (Chege & Wang, 2020). Simultaneously, the recent economic shocks observed in the world economy, including the recent energy crisis, have highlighted the necessity of adaptive and resilient methods to maintain performance of enterprises in the external shock (Marchese, 2023). A wider discourse of development is starting to appreciate the necessity of reinforcing ecosystems of enterprises, by using integrated financial, institutional, and policy interventions. Enterprises must have access to finance, regulatory changes and friendly infrastructure to provide their part in inclusive growth and economic recovery (World Bank, 2022). Also, the growing body of literature on microfinance and enterprise development suggests that a more subtle interpretation of how strategic practices can determine enterprise outcomes in various socio-economic settings is necessary (Lwesya and Mwakalobo, 2023).

It is against this background that this review pays attention to how strategic management practices can enhance sustainable development of the enterprises in the emerging economies. It links enterprise level strategy to the larger issues of financial inclusion, poverty alleviation, resilience and inclusive development. The particular objectives are:

- To examine how strategic management practices influence sustainable enterprise development in emerging economies.
- To analyse the relationship between strategic decision-making, enterprise performance, financial inclusion, and resilience.
- To explore how enterprises respond to institutional, financial, and market constraints while pursuing sustainability goals.

2. Strategic Management in Emerging Economies

2.1 Concept and Relevance of Strategic Management

Strategic management is the way businesses set objectives, resource allocation, resource development, and adjust to new market forces. It is particularly crucial in the case of emerging economies as SMEs, microenterprises, and new ventures tend to act in the conditions of uncertainty, lack of resources, poor infrastructure, and high competition. Strategic management, has thus, not been restricted to the formal planning, but it also incorporates the adaptive decision-making, entrepreneurial orientation, leadership capability and responsiveness to markets. Sustainable leadership aids this process by connecting the performance of an enterprise with the larger social and environmental accountability (Iqbal et al., 2020). Enterprise strategy is also focused on dynamic capabilities. To be competitive, SMEs need to see the opportunities, reallocate resources and address customer needs. This capacity is enhanced by market orientation, which enhances customer, competitor, and market change awareness (Hernández-Linares et al., 2021). On the same note, entrepreneurial orientation enhances innovation, proactivity and risk-taking that enable the enterprises to shift their businesses to survive-

based operations to growth. Entrepreneurial orientation among women entrepreneurs enhances performance in the presence of appropriate institutional mechanisms (Nezhad, 2024).

The digital transformation has extended the definition of strategic management. The digital capabilities enhance efficiency, customer experiences, information application, and market penetration, which assist in sustainable competitive advantage among the emerging market SMEs (Van Hoang et al., 2025). A data culture improves both innovation and performance of the firm by promoting evidence-based decision-making (Chatterjee et al., 2024).

2.2 Strategic Constraints in Emerging Economy Contexts

Financial, managerial, technological and institutional constraints in the emerging economies limit strategic management, though it is very essential. Capital, skilled labour, market information and formal support systems are not available to many SMEs and microenterprises. This has led them to concentrate on short-term survival as opposed to long-term strategic growth. New venture performance can be enhanced by intellectual capital and entrepreneurial strategy, although their effectiveness varies based on the capacity of the firm to develop competitive advantage in a challenging market environment (Anwar et al., 2018).

Another significant impediment is environmental uncertainty. Businesses have an insecure demand, unpredictable cost of inputs, unofficial competition and evolving policies. Entrepreneurial orientation and market orientation assist the firms in opportunity discovery, product differentiation, and sustainability in such situations (Cheng et al., 2025). Such strategies, however, need learning and managerial dedication, and trusted information, which might not be available to smaller companies.

Strategic capacity is also formed by operational discipline. TQM is capable of boosting the performance of SMEs along with entrepreneurial orientation, but most companies are short of systems and resources that would enable them to implement these practices in practice (Sahoo and Yadav, 2017). Therefore, strategic management in emerging markets should be perceived as the process that is context specific and is influenced by the internal capabilities, institutional support, market access, and resource constraints.

3. Sustainable Enterprise Development

3.1 Economic, Social, and Environmental Dimensions

Sustainable enterprise development is the concept that enables firms to stay afloat economically and at the same time contribute to the social welfare and environmental responsibility. To SMEs and microenterprises, sustainability does not only entail compliance or corporate responsibility, but also survival, competitiveness, and long-term value creation. The triple bottom line approach emphasizes that sustainability requires the inclusion of economic, social, and environmental objectives into the innovation and operations decision-making of enterprises (Muñoz-Pascual et al., 2019).

Economic sustainability entails profitability, productivity, competitiveness in the market and endurance to external shocks. Social sustainability involves creating employment, conducting equal labour, community development, and incorporation of the poor groups. The aspects of environmental sustainability are resource efficiency, minimization of wastes, cleaner production and responsible utilization of natural resources. Green innovation has emerged as a significant opportunity that businesses can use to minimize environmental footprint and enhance the quality of their products and positioning in the market (Oduro et al., 2022).

The circular economy perspective further strengthens sustainable enterprise development by encouraging firms to reduce waste, reuse materials, and redesign production processes. In the era of digitalization, circular economy practices can improve sustainable business performance by linking resource efficiency with innovation and operational improvement (Agrawal et al., 2022). However, SMEs often face barriers such as limited finance, lack of technical knowledge, and weak institutional support when adopting circular economy models (Rizos et al., 2016).

3.2 Enterprise Development, Poverty Reduction, and Inclusive Growth

Enterprise development is a direct contributor to poverty reduction and inclusive growth that generates jobs, promotes livelihoods, and increases market participation. SMEs and microenterprises are usually the source of low-income populations, women, youth, and informal workers in the emerging economies. With the integration of sustainability into enterprise strategy, companies are able not only to drive business growth, but also broader development outcomes that are in line with the Sustainable Development Goals (Fonseca et al., 2020).

Small businesses can also gain a competitive advantage through sustainability. Sustainable practices might enhance the reputation of the firms, their customer loyalty, operational efficiency, and financial performance (Cantele and Zardini, 2018). However, the development of sustainable enterprises should involve cooperation between entrepreneurs, customers, suppliers, financial institutions, governments and development agencies. Support in the form of stakeholders is particularly significant when it comes to SMEs since they do not always have the internal resources to implement sustainability practices on their own (Journeault et al., 2021).

The use of a circular economy can also be an example of how the sustainability of enterprises can contribute to inclusive development. With enhanced resource utilization and minimized reliance on expensive inputs, SMEs will be able to enhance resilience and competitiveness and contribute to environmental objectives (Mura et al., 2020). These practices are mostly applicable in emerging economies where companies have to juggle between their growth prospective and resource limitations as well as their social responsibility. Consequently, sustainable enterprise development can be viewed as a multidimensional process that connects performance and poverty reduction, inclusion, resilience, and environmental

stewardship of an enterprise. Table 2 shows the major dimensions of sustainable enterprise development and its applicability to both enterprise-level and development outcomes.

Table 1. Dimensions of Sustainable Enterprise Development in Emerging Economies

Dimension	Main focus	Enterprise-level indicators	Development relevance	Key references
Economic sustainability	Profitability, productivity, growth, competitiveness	Sales growth, efficiency, innovation, business survival	Supports enterprise expansion and income stability	Cantele & Zardini (2018); Dey et al. (2020)
Social sustainability	Employment, inclusion, empowerment, fair work	Job creation, women's participation, skill development	Supports poverty reduction and inclusive growth	Kok & Berrios (2019); Muriithi (2017)
Environmental sustainability	Green innovation, resource efficiency, circular economy	Waste reduction, cleaner production, eco-innovation	Reduces ecological impact and improves resilience	Oduro et al. (2022); Rizos et al. (2016)
Resilience sustainability	Adaptation to shocks and uncertainty	Digital adoption, flexible operations, risk preparedness	Helps firms survive crises and market disruptions	Adam & Alarifi (2021); Priyono et al. (2020)

4. Key Strategic Management Practices for Sustainable Enterprises

4.1 Resource and Capability Development

The development of resources and capabilities is a fundamental strategic behavior of sustainable businesses, especially in new economies where companies tend to have few financial, technological, and managerial resources. To be competitive and sustainable, SMEs need to enhance internal capabilities, including innovation, knowledge management, digital literacy, leadership, and human capital. The capability of innovation is particularly essential as it allows companies to enhance products, processes, and business models and adapt to changes in the markets and the environment (Saunila, 2020). Managerial strategies that are supportive, such as learning orientation, strategic flexibility, and decision-making that focuses on innovation, have the potential to enhance innovation outcomes and sustainability performance in new SMEs (Ullah et al., 2021).

Digital and financial capabilities are also now crucial strategic resources. Digital literacy helps businesses to implement new technologies, enhance operational efficiency, and reach customers via online platforms and financial literacy helps them make better investment, budgeting, and expansion decisions (Riantono et al., 2024). Digital capabilities plus access to credit can boost the performance of green innovations in resource-constrained contexts, which demonstrates that sustainable competitiveness relies on internal development capability and access to external resources (Bindeeba et al., 2025).

4.2 Market Orientation and Competitive Adaptation

Market orientation enables businesses to comprehend customer demands, competition, and respond to varying demand by changing the offerings. This is especially relevant to SMEs since their competitiveness is often based upon flexibility, responsiveness, and close customer relationships. Digital platform has enhanced market-oriented strategies as they assist firms to access larger customer bases at reduced cost. As an example, social commerce has the potential to improve the performance of SMEs because it can be used to create better customer contact, visibility, and sale (Alraja et al., 2020).

Digital transformation and environmental responsibility is also a balance that is necessary in the context of competitive adaptation. Digital orientation and environmental orientation can be combined, and SMEs are in a better position to innovate and respond to the pressures of sustainability (Ardito et al., 2021). Environmental innovation also leads to a greater difference between firms in competitive markets, but SMEs differ considerably in their capacity to implement such practices, which is due to disparities in resources, knowledge, and strategic commitment (Triguero et al., 2016).

4.3 Financial, Risk, and Resilience Strategies

Risk resilience and financial management are crucial to sustainable development of the enterprise. Some uncertainty in the access to credit, market volatility, supply chain disruption, and external shock are common with emerging economy enterprises. Effective financial practices enable companies to use resources effectively, cope with liquidity and invest in innovation. Acquiring resources contributes significantly to attaining sustainable competitive performance since SMEs tend to need external financial, human, and technological resources to facilitate growth and sustainability objectives (Traboulsy, 2023).

The COVID-19 crisis has proven the significance of resilience-focused strategies. Those SMEs that embraced innovation practices and were supported by the external environment could more easily withstand disruptions and adapt their operations (Adam & Alarifi, 2021). Thus, it is perceived that risk and resilience approaches cannot be confined to crisis response, but instead must be integrated into regular strategic planning by diversifying, adopting digital, being able to adapt operations and learn continuously.

4.4 Networks, Partnerships, and Institutional Linkages

The key strategic tools that can be used to counter resource limitations are networks and partnerships. SMEs frequently rely on connections with suppliers, customers, financial establishments, government bodies, and development establishments to obtain knowledge, finance, markets, and technology. Such linkages are capable of sustaining innovation, minimizing uncertainty, and enhancing sustainability of the enterprise. Frugal innovation is also facilitated by sustainable leadership and credible sources of knowledge, as it allows SMEs to make good use of the limited resources at their disposal and be creative (Ur Rehman et al., 2024).

The institutional linkages are especially significant to promote the green and socially responsible practices. Cooperation with external stakeholders can motivate firms to implement environmental strategies, corporate social responsibility and green innovation. The manufacturing evidence indicates that environmental sustainability is tightly connected with CSR and green innovation, implying that the enterprises are able to enhance their social legitimacy and competitive advantages by incorporating sustainability into strategy (Shahzad et al., 2020). Therefore, sustainability enterprise strategy relies on interplay of internal competencies, market agility, financial strength, and external relationships. The strategic practices presented in this section can be sorted by their relevance to the enterprise and contribution to sustainability as summarized in Table 1.

Table 2. Strategic Management Practices and Their Relevance to Sustainable Enterprise Development

Strategic practice	Relevance for enterprises	Sustainability contribution	Key references
Resource and capability development	Builds innovation, skills, leadership, and internal competitiveness	Improves productivity, adaptability, and long-term viability	Saunila (2020); Ullah et al. (2021)
Market orientation	Helps firms understand customers, competitors, and market changes	Supports competitive adaptation and customer responsiveness	Hernández-Linares et al. (2021); Cheng et al. (2025)
Digital capability	Enables efficiency, wider market reach, and data-based decisions	Strengthens competitiveness and resilience	Van Hoang et al. (2025); Chatterjee et al. (2024)
Financial and risk management	Supports liquidity, investment, and risk control	Improves survival and growth under uncertainty	Bruhn et al. (2017); Traboulsy (2023)
Networks and partnerships	Provides access to finance, knowledge, markets, and institutions	Enhances inclusion, innovation, and enterprise support	Journeault et al. (2021); Ur Rehman et al. (2024)

5. Impact of Strategic Management Practices on Enterprise Development

5.1 Enterprise Performance and Growth

The practice of strategic management can be used to affect the performance of an enterprise, enhancing the level of innovation, productivity, financial performance, and competitiveness in the market. The leaders in SMEs can foster organizational learning and empowerment of employees, which further enhances sustainable innovation capacity (Begum et al., 2020). Financial performance is also enhanced with green innovation practices as companies also integrate sustainability objectives with reporting, investment, and operational decisions (Khan et al., 2021).

Lean management and innovation with sustainability also enhance performance of an enterprise by eliminating waste, enhancing efficiency and facilitating continuous improvement. Such practices enable SMEs to enhance competitiveness, as well as meet environmental and social demands (Dey et al., 2020). On the same note, big data analytics will be able to help in sustainable business management by enhancing decision making, planning operations and optimization of resources (Raut et al., 2019).

5.2 Employment, Livelihoods, and Social Inclusion

The broader development outcomes also influence with strategic management practices that enhance employment, livelihoods and inclusion. Companies that embrace sustainable innovation, sustainable leadership, and human resource development are in a better position to develop sustainable and significant work opportunities. Environmental performance can be enhanced through green transformational leadership and green human resource management that promote employee involvement, learning, and dedication to sustainability objectives (Singh et al., 2020).

The practices are significant in the developing economies as the enterprise development is closely associated with livelihood security. With sustainable growth of the firms, they are able to create income avenues, enhance skill levels, and enable women, youth and the marginalized to engage in productive economic development. Strategic practices thus not only enhance firm-level performance but also social inclusion and development at the community level.

5.3 Long-Term Sustainability and Resilience

The capacity to adjust to environmental, technological, and market changes is key to long-term sustainability of the enterprise. Green innovation enhances the performance of sustainability by assisting companies to minimize their environmental footprint, enhance efficiency, and adapt to the evolving stakeholder expectations (Asadi et al., 2020).

Sustainable business performance is also backed by eco-innovation, specifically when companies are in a turbulent market and require a flexible and competitive stance (Ch'ng et al., 2021).

Another significant enterprise-resilience pathway is sustainable business model innovation. Nevertheless, companies tend to encounter organizational obstacles, such as inflexible organizational structures, a lack of dynamism, and poor internal alignment (Bocken & Geradts, 2020). Thus, strategic management practices are beneficial to the development of enterprises through the connection of the growth of performance and innovation with inclusion, environmental responsibility, and resilience.

6. Role of Microfinance and Enterprise Support Ecosystems

6.1 Microfinance, Financial Inclusion, and Enterprise Growth

Microfinance is vital in assisting in enterprise development in emerging economies by enhancing access to financial resources by the SMEs and micro enterprises. Financial inclusion helps entrepreneurs to invest in productive activities, increase operations, and address business risks in a better way. Microcredit access has been found to have a positive impact on profitability, especially in women-owned businesses, but high interest rates and repayment pressures continue to be a significant concern (Alhassan et al., 2016).

In addition to the credit supply, the financial inclusion boosts the entrepreneurship potential by increasing access to savings, insurance, and digital financial services. These services enable businesses to have improved control over cash flow, invest in innovation, and react to economic shocks. The wider financial inclusion ecosystem promotes enterprise development by enabling them to engage in formal finance and less reliance on informal and frequently unreliable sources of finance (Ozili, 2021).

Entrepreneurship and financial inclusion also relate to each other on the basis of instrumental freedoms, through which people have access to financial means, which allow them to act on economic opportunities and to enhance their livelihoods. This approach emphasizes the fact that financial inclusion is not just a financial process but a source of social and economic empowerment (Kimmitt and Munoz, 2017). Also, access to finance is changing with the introduction of financial technologies (FinTech) which enhances efficiency, reduces transaction costs, and reaches more people, thus increasing the competitiveness and performance of the enterprise (Dwivedi et al., 2021).

6.2 Business Development Services and Capacity Building

Although access to finances is a key factor, non-financial support services are also crucial in developing sustainable enterprises. Business development services (BDS) such as training, advisory services, mentoring, and capacity-building programs assist entrepreneurs in enhancing managerial skills, strategic planning, and operational efficiency. Such services are especially useful to SMEs having no formal management structures and technical know-how.

Use of non-financial support services has been demonstrated to play a significant role in the growth and sustainability of micro, small, and medium enterprises because they enhance their capacity to undertake strategic practices, gain access to markets and manage resources efficiently (Lwesya et al., 2021). Capacity building also enhances innovation and helps businesses to cope with the evolving business environments. Thus, it is necessary to combine both financial and non-financial assistance to promote the development of an enterprise in the long run.

6.3 Market Access and Value Chain Support

Market access and value chain integration are essential elements of enterprise support ecosystems. The most common barriers to SMEs in emerging economies include; lack of market information, ineffective distribution channels and lack of access to formal markets. Value chains strategic relationships facilitate businesses to relate with suppliers, buyers, and bigger companies, enhancing the market opportunities and competitiveness.

Government agencies, financial institutions, NGOs and actors in the private sector are referred as enterprise support ecosystems that facilitate these linkages. These ecosystems assist enterprises to overcome structural constraint and scale their operations by offering infrastructure, market information and institutional support. In this respect, microfinance institutions, as well as the wider enterprise support systems, do not only enhance access to finance, but also to the creation of sustainable, market-oriented and resilient enterprises.

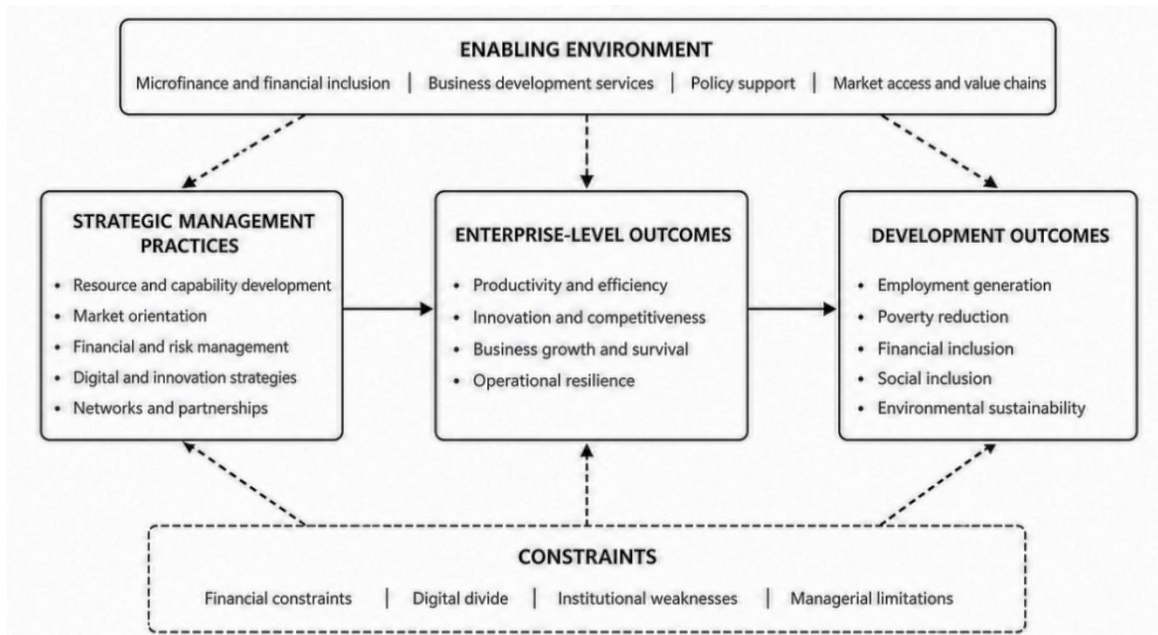


Figure 1. Conceptual framework linking strategic management practices to sustainable enterprise development outcomes in emerging economies

7. Challenges and Policy Implications

7.1 Key Barriers to Strategic Enterprise Development

Although the strategic management practices are increasingly becoming significant, there are various challenges that prevent their successful application in enterprises in the emerging economies. A significant issue is financial constraints because most SMEs and microenterprises do not have access to cheap credit, investment funds, and financial services. Also, there is a lack of managerial skill and the lack of strategic planning skills that limit the capability of firms to implement long-term growth-oriented strategies.

Enterprise development is also limited by technological disparities and digital inequality. Although digital transformation is also a great opportunity in terms of efficiency and market growth, most SMEs have restricted digital capabilities, infrastructure, and resources. These issues became the focus of the COVID-19 pandemic, as businesses had to quickly restructure their business models, although not all of them had the capabilities to effectively implement digital strategies (Priyono et al., 2020).

The institutional weaknesses such as complexity in regulation, bureaucracies, and absence of coordinated policy support also act as impediments to the growth of the enterprise. Market fragmentation, informality, and poor value chain integration make markets less competitive and restrict access to wider markets. Participation in enterprise development is further limited by social and structural barriers, which include gender inequality and inaccessibility to education and training.

7.2 Policy Implications for Emerging Economies

These challenges necessitate context-specific policy interventions to address them. Governments must work on enhancing ecosystems of enterprises through availability of finance, ease of regulatory systems and infrastructure. Digital inclusion, innovation, and skill development policies are necessary in order to ensure that the enterprises are able to implement modern strategic practices and stay competitive in the changing markets.

It is also required that there be integrated policy approaches that integrate financial support with capacity-building initiatives. The effectiveness of enterprise development programs can be enhanced by fostering partnership between government agencies, financial institutions, and other players in the private sector. Moreover, inclusivity should be embraced in policies to encourage women in business, youth-led businesses, and businesses in rural areas so that the development outcomes are balanced and equitable.

8. Conclusion

The strategic management practices are very important in determining the sustainability, competitiveness and developmental impact of businesses in emerging economies. This review points out that business ventures, especially SMEs and microenterprises, can no longer afford to survive on short-term survival strategies, but instead implement structured, adaptive and future-looking strategies to survive in a complex and resource-challenged environment. Strategic performances like capability development, market orientation, financial management and network building can help firms to improve performance whilst responding to the wider social and environmental goals. It is also shown in the analysis that sustainable development of an enterprise is multidimensional, as it is tied to economic growth and social inclusion, environmental responsibility, and long-term sustainability. Strategic management is a bridging process that balances

internal enterprise capabilities with external opportunities and constraints. With financial inclusion, business development services, and enabling institutional ecosystems, these practices help not only to achieve firm-level outcomes, but also to generate employment, poverty reduction, and inclusive growth. Nonetheless, businesses still grapple with the nagging problems such as lack of access to capital, ineffective leadership, technological inadequacies and institutional hindrances. To overcome these limitations, policymakers, financial institutions, and development agencies should work together to enhance ecosystems of enterprises and achieve inclusive, innovation-based development. Altogether, the combination of strategic management and sustainability and development goals is crucial to help the enterprises in emerging economies to be resilient, competitive, and socially effective. The further work should aim at increasing the availability of the strategic tools and developing digital and financial capacities as well as encouraging collaborative strategies that contribute to the long-term development of enterprise and the overall socio-economic change.

References

1. Adam, N. A., & Alarifi, G. (2021). Innovation practices for survival of small and medium enterprises (SMEs) in the COVID-19 times: the role of external support. *Journal of innovation and entrepreneurship*, 10(1), 15.
2. Agrawal, R., Wankhede, V. A., Kumar, A., Upadhyay, A., & Garza-Reyes, J. A. (2022). Nexus of circular economy and sustainable business performance in the era of digitalization. *International Journal of Productivity and Performance Management*, 71(3), 748-774.
3. Agyapong, D., & Attram, A. B. (2019). Effect of owner-manager's financial literacy on the performance of SMEs in the Cape Coast Metropolis in Ghana. *Journal of Global Entrepreneurship Research*, 9(1), 67.
4. Alhassan, E. A., Hoedoafia, M. A., & Braimah, I. (2016). The effects of microcredit on profitability and the challenges of women owned SMES: Evidence from Northern Ghana. *Journal of Entrepreneurship and Business Innovation*, 3(1).
5. Alraja, M. N., Khan, S. F., Khashab, B., & Aldaas, R. (2020). Does Facebook commerce enhance SMEs performance? A structural equation analysis of Omani SMEs. *Sage Open*, 10(1), 2158244019900186.
6. Anwar, M., Khan, S. Z., & Khan, N. U. (2018). Intellectual capital, entrepreneurial strategy and new ventures performance: Mediating role of competitive advantage. *Business & Economic Review*, 10(01), 63-94.
7. Ardito, L., Raby, S., Albino, V., & Bertoldi, B. (2021). The duality of digital and environmental orientations in the context of SMEs: Implications for innovation performance. *Journal of Business Research*, 123, 44-56.
8. Asadi, S., Pourhashemi, S. O., Nilashi, M., Abdullah, R., Samad, S., Yadegaridehkordi, E., ... & Razali, N. S. (2020). Investigating influence of green innovation on sustainability performance: A case on Malaysian hotel industry. *Journal of cleaner production*, 258, 120860.
9. Begum, S., Xia, E., Mehmood, K., Iftikhar, Y., & Li, Y. (2020). The impact of CEOs' transformational leadership on sustainable organizational innovation in SMEs: a three-wave mediating role of organizational learning and psychological empowerment. *Sustainability*, 12(20), 8620.
10. Bindeeba, D. S., Tukamushaba, E. K., & Bakashaba, R. (2025). How digital capabilities and credit access influence green innovation performance in small and medium enterprises in resource constrained settings. *Discover Sustainability*, 6(1), 955.
11. Bocken, N. M., & Geradts, T. H. (2020). Barriers and drivers to sustainable business model innovation: Organization design and dynamic capabilities. *Long range planning*, 53(4), 101950.
12. Bongomin, G. O.C., Ntayi, J. M., Munene, J. C., & Nkote Nabeta, I. (2016). Social capital: mediator of financial literacy and financial inclusion in rural Uganda. *Review of International Business and Strategy*, 26(2), 291-312.
13. Bruhn, M., Hommes, M., Khanna, M., Singh, S., Sorokina, A., & Wimpey, J. S. (2017). MSME finance gap: Assessment of the shortfalls and opportunities in financing micro, small, and medium enterprises in emerging markets. *International Finance Corporation*, 1-80.
14. Cantele, S., & Zardini, A. (2018). Is sustainability a competitive advantage for small businesses? An empirical analysis of possible mediators in the sustainability–financial performance relationship. *Journal of cleaner production*, 182, 166-176.
15. Cepel, M., Belas, J., Rozsa, Z., & Strnad, Z. (2019). Selected economic factors of the quality of business environment. *Journal of International Studies*, 12(2), 228-240.
16. Ch'ng, P. C., Cheah, J., & Amran, A. (2021). Eco-innovation practices and sustainable business performance: The moderating effect of market turbulence in the Malaysian technology industry. *Journal of Cleaner Production*, 283, 124556.
17. Chatterjee, S., Chaudhuri, R., & Vrontis, D. (2024). Does data-driven culture impact innovation and performance of a firm? An empirical examination. *Annals of Operations Research*, 333(2), 601-626.
18. Chege, S. M., & Wang, D. (2020). Information technology innovation and its impact on job creation by SMEs in developing countries: an analysis of the literature review. *Technology Analysis & Strategic Management*, 32(3), 256-271.
19. Cheng, P., Wu, S., & Xiao, J. (2025). Exploring the impact of entrepreneurial orientation and market orientation on entrepreneurial performance in the context of environmental uncertainty. *Scientific Reports*, 15(1), 1913.
20. Dey, P. K., Malesios, C., De, D., Chowdhury, S., & Abdelaziz, F. B. (2020). The impact of lean management practices and sustainably-oriented innovation on sustainability performance of small and medium-sized enterprises: empirical evidence from the UK. *British Journal of Management*, 31(1), 141-161.

21. Dwivedi, P., Alabdooli, J. I., & Dwivedi, R. (2021). Role of FinTech adoption for competitiveness and performance of the bank: a study of banking industry in UAE. *International journal of global business and competitiveness*, 16(2), 130-138.
22. Fonseca, L. M., Domingues, J. P., & Dima, A. M. (2020). Mapping the sustainable development goals relationships. *Sustainability*, 12(8), 3359.
23. Hernández-Linares, R., Kellermanns, F. W., & López-Fernández, M. C. (2021). Dynamic capabilities and SME performance: The moderating effect of market orientation. *Journal of small business management*, 59(1), 162-195.
24. Iqbal, Q., Ahmad, N. H., & Halim, H. A. (2020). How does sustainable leadership influence sustainable performance? Empirical evidence from selected ASEAN countries. *Sage Open*, 10(4), 2158244020969394.
25. Journeault, M., Perron, A., & Vallières, L. (2021). The collaborative roles of stakeholders in supporting the adoption of sustainability in SMEs. *Journal of environmental management*, 287, 112349.
26. Khan, P. A., Johl, S. K., & Akhtar, S. (2021). Firm sustainable development goals and firm financial performance through the lens of green innovation practices and reporting: a proactive approach. *Journal of Risk and Financial Management*, 14(12), 605.
27. Kimmitt, J., & Munoz, P. (2017). Entrepreneurship and financial inclusion through the lens of instrumental freedoms. *International Small Business Journal*, 35(7), 803-828.
28. Kok, J. D., & Berrios, M. (2019). Small matters: Global evidence on the contribution to employment by the self-employed, micro-enterprises and SMEs. *Geneva: International Labour Organization (ILO)*.
29. Lwesya, F., & Mwakalobo, A. B. S. (2023). Frontiers in microfinance research for small and medium enterprises (SMEs) and microfinance institutions (MFIs): a bibliometric analysis. *Future Business Journal*, 9(1), 17.
30. Lwesya, F., Mwakalobo, A. B. S., & Mbukwac, J. (2021). Utilization of non-financial business support services to aid development of Micro, Small and Medium Enterprises (MSMEs) in Tanzania.
31. Marchese, M. (2023). SME policy responses to the 2022/2023 energy. OECD SME and Entrepreneurship Papers, No. 43, OECD Publishing, Paris.
32. Martins, A., Branco, M. C., Melo, P. N., & Machado, C. (2022). Sustainability in small and medium-sized enterprises: A systematic literature review and future research agenda. *Sustainability*, 14(11), 6493.
33. Muñoz-Pascual, L., Curado, C., & Galende, J. (2019). The triple bottom line on sustainable product innovation performance in SMEs: A mixed methods approach. *Sustainability*, 11(6), 1689.
34. Mura, M., Longo, M., & Zanni, S. (2020). Circular economy in Italian SMEs: A multi-method study. *Journal of Cleaner Production*, 245, 118821.
35. Muriithi, S. (2017). African small and medium enterprises (SMEs) contributions, challenges and solutions, 5(1), 36-48.
36. Nezhad, R. K. (2024). Effect of entrepreneurial orientation on business performance of women entrepreneurs in Iran: The institutional support system as a mediator. *International Journal of Academic Research in Business and Social Sciences*, 14(5), 1058-1075.
37. Oduro, S., Maccario, G., & De Nisco, A. (2022). Green innovation: a multidomain systematic review. *European Journal of Innovation Management*, 25(2), 567-591.
38. Ozili, P. K. (2021). Financial inclusion research around the world: A review. In *Forum for social economics*, 50(4), 457-479.
39. Priyono, A., Moin, A., & Putri, V. N. A. O. (2020). Identifying digital transformation paths in the business model of SMEs during the COVID-19 pandemic. *Journal of Open Innovation: Technology, Market, and Complexity*, 6(4), 104.
40. Raut, R. D., Mangla, S. K., Narwane, V. S., Gardas, B. B., Priyadarshinee, P., & Narkhede, B. E. (2019). Linking big data analytics and operational sustainability practices for sustainable business management. *Journal of cleaner production*, 224, 10-24.
41. Riantono, I. E., Rusmanto, T., Abdinagoro, S. B., & Warganegara, D. L. (2024). The Role Of Digital And Financial Literacies In Driving Sme's Digital Intensity For Strategic Entrepreneurship: A Systematic Literature Review And Direction For Future Research. *International Journal Of Ebusiness And Egovernment Studies*, 16(2), 365-383.
42. Rizos, V., Behrens, A., Van der Gaast, W., Hofman, E., Ioannou, A., Kafyeke, T., ... & Topi, C. (2016). Implementation of circular economy business models by small and medium-sized enterprises (SMEs): Barriers and enablers. *Sustainability*, 8(11), 1212.
43. Sahoo, S., & Yadav, S. (2017). Entrepreneurial orientation of SMEs, total quality management and firm performance. *Journal of Manufacturing Technology Management*, 28(7), 892-912.
44. Sanusi, K. A., Meyer, D., & Ślusarczyk, B. (2017). The relationship between changes in inflation and financial development. *Polish Journal of Management Studies*, 16(2), 253-265.
45. Saunila, M. (2020). Innovation capability in SMEs: A systematic review of the literature. *Journal of Innovation & knowledge*, 5(4), 260-265.
46. Shahzad, M., Qu, Y., Javed, S. A., Zafar, A. U., & Rehman, S. U. (2020). Relation of environment sustainability to CSR and green innovation: A case of Pakistani manufacturing industry. *Journal of cleaner production*, 253, 119938.
47. Singh, S. K., Del Giudice, M., Chierici, R., & Graziano, D. (2020). Green innovation and environmental performance: The role of green transformational leadership and green human resource management. *Technological forecasting and social change*, 150, 119762.
48. Traboulsy, O. R. (2023). The role of resource acquisition in achieving sustainable competitive performance for SMEs in an emerging market: A moderated mediation analysis. *Sustainability*, 15(16), 12302.

49. Triguero, A., Moreno-Mondéjar, L., & Davia, M. A. (2016). Leaders and laggards in environmental innovation: an empirical analysis of SMEs in Europe. *Business strategy and the environment*, 25(1), 28-39.
50. Ullah, F., Degong, M., Anwar, M., Hussain, S., & Ullah, R. (2021). Supportive tactics for innovative and sustainability performance in emerging SMEs. *Financial Innovation*, 7(1), 80.
51. Ur Rehman, K., Anwar, R. S., Antohi, V. M., Ali, U., Fortea, C., & Laura Zlati, M. (2024). Driving frugal innovation in SMEs: how sustainable leadership, knowledge sources and information credibility make a difference. *Frontiers in Sociology*, 9, 1344704.
52. Van Hoang, D., Thi Hien, N., Van Thang, H., Nguyen Truc Phuong, P., & Thi-Thuy Duong, T. (2025). Digital capabilities and sustainable competitive advantages: The case of emerging market manufacturing SMEs. *Sage Open*, 15(2), 21582440251329967.
53. World Bank. (2022). *Finance for an equitable recovery: World Development Report 2022*. World Bank.