

Project of Assessment of the Impact of Sustainability practices Among SMEs in Ghana

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Theses guidelines

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I. Theoretical part

- Provide a literature review on sustainability and sustainability in business.

II. Practical part

- Analyze the level and impact of sustainability practices adopted by SMEs in Ghana.
- Examine the drivers and barriers for implementing sustainability practices in SMEs.
- Provide recommendations for enhancing sustainability practices among Ghanaian SMEs.
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ABSTRAKT

Tato studie zkoumala dopad udržitelných postupů mezi malými a středními podniky v Ghaně. Studie se v rámci teoretických a koncepčních přezkumů zabývala pohledem založeným na zdrojích, teoriích zainteresovaných stran, konceptem postupů udržitelnosti a výkonností malých a středních podniků. Tato disertační práce využila pozitivistické výzkumné paradigma a kvantitativní výzkumný přístup. Studie byla analyzována pomocí popisné i inferenční statistiky. Do studie bylo zahrnuto celkem 300 malých a středních podniků a do výzkumu byl použit dotazník k získání požadovaných údajů pro studii. Zjištění naznačují mírně vysokou angažovanost, zejména v oblastech, jako je správa a environmentální postupy. Bylo také zjištěno, že environmentální, sociální a správní faktory (ESG) významně předpovídají výsledky výkonnosti, přičemž postupy správy vykazují obzvláště silné vztahy. Analýza hnacích sil pro zavádění postupů udržitelnosti odhaluje složitý, ale povzbudivý obraz. Mezi klíčové motivátory patří dodržování předpisů, poptávka zákazníků, výhody pro dobrou pověst a silná podpora vrcholového managementu. Nejčastěji zmiňovanou překážkou byly omezené finanční zdroje, těsně za nimi následovaly nedostatečné pobídky a nedostatečná odbornost. Na základě výsledků bylo doporučeno, aby vedoucí představitelé malých a středních podniků začali se strukturovaným sebehodnocením svých současných opatření v oblasti udržitelnosti a identifikovali mezery zejména v sociálních a správních postupech, které jsou často nedostatečně zdůrazňovány. Vlastníci malých a středních podniků by také měli být povzbuzováni, aby sledovali a dokumentovali hmatatelné přínosy svých opatření v oblasti udržitelnosti – jako jsou úspory nákladů díky energetické účinnosti nebo větší udržení zákazníků díky etickému brandingu. Kromě toho by manažeři měli investovat do pochopení očekávání zákazníků a tržních trendů souvisejících s udržitelností a převést tyto poznatky do inovací produktů a etického brandingu. A konečně, malé a střední podniky by měly prozkoumat partnerství, kooperativní síť nebo průmyslové klastry, kde lze sdílet znalosti, nástroje a náklady související s udržitelností.

Klíčová slova: metropole Accra, ekonomické postupy, environmentální postupy, Ghana, ziskovost, malé a střední podniky, sociální postupy, postupy udržitelnosti.

ABSTRACT

This study examined the impact sustainability practices among SMEs in Ghana. The study discussed the resource-based view, stakeholder theory, the concept of sustainability practices, and SME performance as part of the theoretical and conceptual reviews. This dissertation utilized the positivist research paradigm and the quantitative research approach. The study was analyzed using both descriptive and inferential statistics. In all, 300 small and medium-sized enterprises were included in the study, and the research employed a questionnaire to elicit the required data for the study. The findings suggest moderately high engagement, particularly in areas such as governance and environmental practices. Also, environmental, social, and governance (ESG) factors were all found to significantly predict performance outcomes, with governance practices showing particularly strong relationships. The analysis of drivers for implementing sustainability practices reveals a complex yet encouraging picture. Key motivators include regulatory compliance, customer demand, reputational benefits, and strong top management support. The most cited obstacle was limited financial resources, followed closely by inadequate incentives and insufficient expertise. Based on the results, it was recommended that SME leaders should begin with a structured self-assessment of their current sustainability actions, identifying gaps particularly in social and governance practices which are often underemphasized. Also, SME owners should be encouraged to track and document the tangible benefits of their sustainability actions—such as cost savings from energy efficiency or increased customer retention from ethical branding. Furthermore, Managers should invest in understanding customer expectations and market trends related to sustainability, and translate these insights into product innovation and ethical branding. Lastly, SMEs should explore partnerships, cooperative networks, or industry clusters where knowledge, tools, and costs related to sustainability can be shared.

Keywords: Accra Metropolis, Economic Practices, Environmental Practices, Ghana, Profitability, Small and Medium-Sized Enterprises, Social Practices, Sustainability Practices.

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INTRODUCTION

Due to increasing environmental constraints, stricter regulations, and a significant shift in customer expectations, sustainability is no longer a side issue in the business sector but has instead become central to corporate strategy (sector Economic Forum, 2022). Businesses are incorporating Environmental, Social, and Governance (ESG) principles into their daily operations in a variety of international marketplaces. The regulatory hurdle is still rising in places like the European Union, where laws like the Corporate Sustainability Reporting Directive are pressuring businesses to adopt more thorough and transparent reporting guidelines (World Economic Forum, 2022).

Despite all of this momentum, small and medium-sized enterprises (SMEs) have continued to be marginalized in the discourse surrounding sustainability. SMEs continue to be under-represented in sustainability reporting, although making up a sizable portion of worldwide commercial activity. According to the Global Reporting Initiative, SMEs only made up 15% of all sustainability reports in 2018; this percentage hasn't changed much in prior years (Sustainability Knowledge Group, 2019). Considering the size and significance of SMEs in both local and global economies, this relative stasis is startling.

In fact, SMEs make up around 90% of all enterprises globally and are essential to economic growth and job creation (UN Global Compact, 2025). Their importance is considerably greater in Ghana, where SMEs make up more than 90% of all businesses, generate around 70% of the country's GDP, and provide about 80% of jobs (3News, 2024). However, ongoing obstacles to the adoption of sustainable practices moderate this economic vibrancy. Inadequate infrastructure, a lack of funding choices, and frequently confusing or fragmented policy settings are problems for many SMEs in Ghana (The High Street Journal, 2024). These obstacles increase the sustainability gap between larger enterprises and smaller businesses in addition to delaying progress.

According to a more comprehensive development perspective, SMEs must include sustainability into their operations if they are to meet the Sustainable Development Goals (SDGs) of the UN. SDG 8 (Decent Work and Economic Growth) and SDG 9 (Industry, Innovation, and Infrastructure) both place a strong emphasis on SMEs as vital players in fostering fair economic growth, fostering grassroots innovation, and maintaining local employment (UN Global Compact, 2025). Additionally, SMEs play a significant role in promoting SDG 12 (Responsible Consumption and Production) as participants in regional and

international supply chains, especially by implementing more environmentally friendly sourcing and production methods. Significant SME engagement is still inconsistent and under supported, even though the global conversation on sustainability is progressing. Targeted measures that take into account the particular opportunities and limitations that characterize SME ecosystems, especially in developing nations like Ghana, will be necessary to close this gap.

Sustainability integration into small and medium-sized businesses (SMEs) in Ghana is a strategic route to equitable growth and economic resilience, not only an ethical or environmental need. Initiatives to increase access to financing and promote innovation in the industry are a result of policymakers' growing recognition of the importance of SMEs to national growth (Business & Financial Times, 2024). However, Ghanaian SMEs are still only occasionally implementing sustainable practices. When properly implemented, these techniques not only improve firm-level competitiveness but also support national objectives of environmental stewardship and economic diversification.

But maintaining SME operations in Ghana over time continues to be a difficult task. A significant portion of SMEs do not make it past their first five years, according to new data from the Ghana Enterprise Agency (2024). A combination of environmental, social, and governance (ESG) constraints contribute to this high failure rate. The most important of these is restricted access to funding. Financial institutions frequently apply conditions that disqualify a large percentage of SMEs because they follow conservative lending standards. According to Mensah et al. (2023), 75% of SMEs struggle to obtain sufficient capital, which restricts their ability to operate as well as their ability to make investments in long-term planning and sustainable technology.

Weak succession planning has become a major risk on the social front. According to research, more than 70% of SMEs in Ghana do not have formal plans in place to handle changes in leadership, which frequently results in the extinction of the company once the founding members leave (Korang et al., 2021). The stability necessary to incorporate sustainability into company models is compromised by the lack of continuity mechanisms. Furthermore, a lot of SMEs work in settings with a lack of entrepreneurial focus and limited access to specialized training. This impedes the development of dynamic, creative processes that are necessary for resilience in markets that are becoming more competitive and driven by sustainability, as noted by Boateng (2021). When taken as a whole, these issues highlight the need for SMEs in Ghana

to adopt a more nuanced strategy for sustainability that recognizes their structural limitations while fostering the environment required for sustained success. The degree to which SMEs may move from survival mode to strategic, sustainability-led growth may depend on how well they are able to strengthen their ESG skills across financial, organizational, and institutional aspects.

In Ghana's business environment, small and medium business (SME) owners' lack of financial literacy remains a significant governance concern. Many SME owners lack basic financial management skills, such as budgeting and cash flow oversight, which often leads to operational inefficiencies and, in many cases, early business failure, despite the entrepreneurial spirit that propels many of these businesses (Ackah & Vuvor, 2020). Despite being widely acknowledged in practice, this reality has not received enough attention in the scholarly literature, especially when it comes to how it intersects with more general sustainability and governance issues. As a result, there is still a significant knowledge vacuum about how ESG (Environmental, Social, and Governance) concerns affect the sustainability and long-term success of SMEs in Ghana.

In response, the purpose of this study is to investigate how much SMEs embrace sustainable measures and how these practices impact the competitive positioning and lifespan of their businesses. The Resource-Based View (RBV), which offers a prism through which internal capabilities—such as organizational culture, innovation capacity, and operational efficiency—can be evaluated for their contribution to sustained competitive advantage, serves as the conceptual foundation for the analysis. In addition, Stakeholder Theory provides a framework for investigating how SMEs interact with and adapt to the changing demands of important stakeholder groups, such as suppliers, consumers, employees, regulators, and local communities, especially in the area of ESG performance.

The study's dual-theoretical approach places SME activity within a larger web of institutional pressures and stakeholder demands while also illuminating the strategic value of sustainability-oriented resources. It seeks to highlight the ways in which external and internal factors interact to influence sustainability results in the SME sector. Through doing this, the study will provide Ghanaian SMEs with useful, evidence-based methods for promoting sustainability in addition to diagnostic insights. These tactics will take into account the practical realities of implementation—weighing the financial costs, possible hazards, and reasonable timescales associated with the goals of increased resource efficiency, regulatory compliance, and

environmental stewardship. In the end, the study advances theory and practice by highlighting the governance and capacity-building aspects of sustainability. In addition to supporting Ghana's larger development goals, such as the accomplishment of important targets under the Sustainable Development Goals (SDGs), it provides avenues for improving SME resilience and social responsibility.

OBJECTIVES AND METHODS OF THESIS

Objectives

The primary goal of this project is to assess the impact sustainability practices among SMEs in Ghana.

The intended outcome will be achieved by accomplishing the following study objectives:

SO1: Conduct an in-depth analysis of the current state of sustainability practices adopted by SMEs in Ghana, focusing on the extent of implementation and their impact on business performance, competitiveness, and long-term viability.

SO2: Identify and evaluate the key barriers, such as financial, regulatory, social, and operational challenges, that hinder the effective adoption of sustainability practices within Ghanaian SMEs.

SO3: Develop practical and context-specific recommendations aimed at enhancing the adoption and effectiveness of sustainability practices among SMEs in Ghana, while assessing the potential costs, risks, and timelines associated with their implementation.

Expected Outcome

The study is expected to reveal the extent to which sustainability practices are currently implemented among SMEs in Ghana and how they influence business performance.

It will uncover key challenges SMEs face in adopting sustainable strategies.

Finally, it will propose actionable, cost-effective recommendations to improve sustainability integration.

Methods

This thesis employs a quantitative research approach. The specifics of each method are described in Table 1 as follows:

Table 1 Summary of thesis methodology

Methodology	Quantitative Study
Research Paradigm	Post-positivism
Research Design	Explanatory research design
Sampling Procedure	Simple random sampling technique
Sample Size	300 SMEs
Techniques	Data Collection and Analysis
Objective of analysis	To assess the impact sustainability practices among SMEs in Ghana. And improve these sustainability practices by making informed recommendations
Data processing and analysis	SmartPLS Software and Structural equation modelling, descriptive statistics.

Source: (The Author)

I THEORETICAL PART

1 SUSTAINABILITY PRACTICES

1.1 Concept of Sustainability practices

Fundamentally, sustainability policies are a company's pledge to strike a balance between social responsibility, environmental care, and economic performance. These practices cover everything from resource conservation and carbon footprint reduction to promoting fair working conditions and guaranteeing long-term operational stability. Environmental, social, and governance (ESG) factors are increasingly being included into operational and strategic frameworks on a worldwide scale. According to recent data, more than half of business executives increasingly see sustainability as a strategic lever for resilience, attracting investment, and enhancing reputation rather than only as a compliance issue (Financial Times, 2024). This worldwide trend has not gone unnoticed in Ghana.

In order to meet changing market expectations and environmental imperatives, small and medium-sized enterprises (SMEs), which have long been seen as the foundation of the national economy, are progressively adopting sustainable approaches, such as the creation of eco-friendly products and the adoption of more responsible supply chain models (Graphic Online, 2024). For these businesses, however, the road to sustainable is paved with enduring obstacles. Many Ghanaian SMEs are still unable to successfully apply sustainable frameworks due to a lack of funding, technical expertise, and awareness (Acheampong et al., 2024). To close these deficiencies, several capacity-building programs have been developed in response. The Environment for Development (EfD) Ghana program, for example, has taken the initiative to teach SME operators sustainable practices. Such interventions are demythologizing ESG integration and empowering businesses to balance sustainability and profitability by offering customized advice and useful tools. Through doing thus, these initiatives are assisting in establishing Ghanaian SMEs as more robust, competitive, and significant contributors to the country's growth.

Table 2 List of the most recent definitions of " Sustainability practices"

Author and date	Definition
Lindgreen, Vallaster, Maon, Yousafzai and Palacios Florencio (2019)	“Entrepreneurial actions that simultaneously generate economic, social, and environmental value. These practices involve identifying and exploiting opportunities that lead to blended value creation, aligning business success with broader societal and environmental goals.”
Williams and Gurtoo (2017)	“Sustainability practices in SMEs involve adopting business strategies that are environmentally responsible, socially inclusive, and economically viable. Such practices are crucial for SMEs in developing economies to address local challenges while contributing to sustainable development.”
Idowu, Moratis and Melissen (2019)	“The integration of environmental and social considerations into the core business model. This approach ensures that businesses not only focus on profitability but also on their impact on society and the environment, leading to long-term sustainability.”
Jain (2022)	“The incorporation of sustainable principles into all aspects of business operations. This includes aligning corporate strategies with environmental stewardship, social responsibility, and ethical governance to achieve sustainable growth”
Mehta and Sharma (2023)	“The adoption of green management strategies that enhance environmental performance, social responsibility, and economic efficiency. For SMEs, these practices are vital for improving competitiveness and ensuring long-term viability in a rapidly changing global market.”

Source: (The Author)

In order to solve important environmental, social, and governance (ESG) issues, sustainability practices have emerged as a key component of contemporary business strategies. In order to increase resilience and satisfy stakeholders' rising expectations, businesses all over the world are progressively incorporating sustainability into their fundamental operations. For example, in order to improve supply chain resilience and meet climate targets, McDonald's has

committed to reducing emissions associated with agriculture by 16% by 2030, concentrating on techniques like cover crops and less tillage (Reuters, 2025). This dedication exemplifies a larger trend in which companies recognize the importance of sustainability for both long-term survival and preserving competitive advantage in a market that is always changing.

Small and medium-sized businesses (SMEs) in Ghana are starting to see the benefits of integrating sustainability into their business plans. Only 38.3% of SMEs report on their sustainable performance, indicating that the adoption rate is still quite low (Acheampong et al., 2024). The country's SMEs have faced significant challenges in implementing sustainability efforts, including poor awareness, a lack of experience, and inadequate financial resources (Acheampong et al., 2024). Initiatives like the EfD Ghana sustainability training program are crucial in overcoming these obstacles because they give SMEs the skills and information they need to incorporate sustainable practices into their daily operations. Through this, these initiatives support the larger objectives of national economic development in addition to increasing the competitiveness of SMEs (EfD Initiative, 2024).

The environmental, social, and governance facets of sustainability are inherently interconnected and reinforce one another. By boosting community well-being and public health, environmental initiatives—like those aimed at cutting waste and carbon emissions—have a direct impact on social outcomes. Similar to this, governance frameworks that prioritize openness, responsibility, and moral behavior aid in establishing stakeholder trust, which is essential for developing social cohesiveness and environmentally conscious behavior. The incorporation of Environmental, Social, and Governance (ESG) concepts into the banking industry in Ghana guarantees that financial firms support social responsibility and environmental stewardship.

This strategy improves financial institutions' standing and ability to promote sustainable practices by solidifying their position as ethical business organizations (Graphic Online, 2024). This all-encompassing strategy emphasizes how sustainability practices are interrelated, demonstrating that they are not discrete endeavors but rather integrated tactics that together support both social well-being and corporate resilience. The intricate interdependence of environmental, social, and governance issues is illustrated in Figure 2, highlighting the necessity of comprehensive approaches that tackle all aspects simultaneously (SpringerLink, 2019).

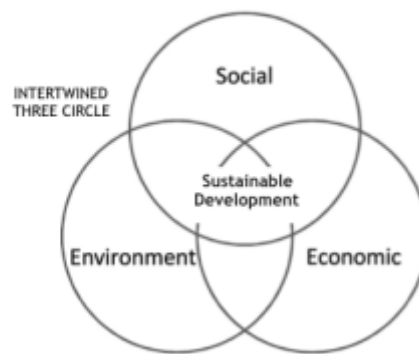


Figure 2 The relationship between environmental, social, and governance concerns

Source: (SpringerLink, 2019)

Small and medium-sized businesses, especially micro firms, in the Accra Metropolis have a lot of chances to improve their competitive standing and profitability by implementing sustainable practices. These companies can boost their market presence and draw in an increasing number of eco-aware customers in a fiercely competitive business climate. Furthermore, incorporating sustainability into business operations can result in significant cost savings and enhanced operational effectiveness, both of which are essential for microbusiness survival and expansion in the face of difficult economic times (Ghana Enterprise Agency, 2021).

1.2 Dimensions of Sustainability Practices

The dimensions of sustainability practices—environmental, social, and governance—are deeply interconnected.

1.2.1 Environmental Dimension

The primary goal of sustainability's environmental component is to reduce corporate operations' ecological footprint by practicing proactive environmental stewardship. This includes tactics to improve energy efficiency, lower greenhouse gas emissions, and manage natural resources wisely. Businesses are under increasing pressure from governments, stakeholders, and customers to lessen their environmental effect as climate change continues to pose serious challenges to world ecosystems and economies (Daveu & Zabey, 2024). As a result, environmental sustainability has become a key factor in business decisions, and many

organizations are now aligning their operations with international environmental initiatives like the Sustainable Development Goals (SDGs) and the Paris Agreement.

The circular economy model, which stresses resource reuse, recycling, and repurposing to prolong product life cycles and reduce waste, is a well-known tactic being used globally. Product-as-a-service models, redesigned packaging, and supply chain innovations that depart from conventional linear production methods are a few examples of this change (Daveu & Zabey, 2024). These actions not only lessen environmental deterioration but also open doors for new business ideas and cost reductions. In order to show their dedication to sustainability and satisfy stakeholders, businesses in a variety of industries, including manufacturing and fashion, are increasingly utilizing green technologies and getting certifications such as ISO 14001.

The topic of environmental sustainability is becoming more and more popular in Ghana, particularly among small and medium-sized businesses (SMEs). The benefits of embracing eco-friendly practices, such using solar energy, conserving water, using eco-friendly packaging, and using sustainable farming methods, are becoming more and more apparent to SMEs (Acheampong et al., 2024). In addition to lowering operating expenses, these programs promote brand recognition and open up new markets where there is a rising demand for sustainable goods. Additionally, incentives for SMEs to participate in environmental sustainability initiatives that complement national climate action goals have been made available by government legislation and assistance from international organizations. SMEs in Ghana are important in promoting environmental change and supporting larger sustainability initiatives as these practices proliferate.

1.2.2 Social Dimension

Building strong bonds between companies, their workers, and the communities where they operate is the main goal of the social dimension of sustainability. This component places a strong emphasis on implementing procedures and policies that support equity, respect human rights, and put the interests of the organization and the community at large first. Equitable labor practices, which include paying fair salaries, maintaining safe working conditions, and providing opportunities for professional progression, are at the heart of this dimension. Inclusion and diversity are also critical to social sustainability. According to research, companies with diverse workforces typically exhibit increased creativity and flexibility, which are critical traits for surviving in the fast-paced business world of today (Merta-Staszczak et

al., 2024). Businesses can support larger societal objectives, such closing the gap between rich and poor and enhancing the standard of living for underprivileged or marginalized groups, by promoting social well-being.

Through community development programs, many organizations are expanding their social responsibility efforts outside of the workplace. Businesses can forge closer bonds with locals and foster loyalty and trust by making investments in the areas where they operate, whether via infrastructure, healthcare, or education. According to research, businesses that prioritize social sustainability have improved staff retention and satisfaction rates, which improves overall organizational success (Merta-Staszczak et al., 2024). Furthermore, as consumers are increasingly choosing businesses that share their values of justice, equity, and community support, fostering a corporate social responsibility (CSR) culture can greatly increase an organization's brand value.

Small and medium-sized businesses (SMEs) in Ghana are starting to understand how important it is to fund social sustainability initiatives. Through training initiatives aimed at enhancing job satisfaction, increasing productivity, and improving skills, many SMEs are concentrating on staff development (Acheampong et al., 2024). Furthermore, SMEs that take part in community-driven projects—like aiding nearby healthcare institutions or schools—are not only meeting their social obligations but also enhancing their connections with clients and other local stakeholders. Stronger market presence and increased long-term profitability are possible outcomes of this involvement, which cultivates a devoted clientele that supports moral and sustainable business practices.

1.2.3 Governance Dimension

The structures, procedures, and practices that specify how an organization is led, managed, and held responsible are referred to as governance (ESG Consortium, 2024). It includes the structures intended to guarantee moral decision-making, adherence to laws, and openness in corporate dealings. Since it creates the framework for risk management, ethical standards, and responsibility at all organizational levels, effective governance is essential to incorporating sustainability into a company's long-term plan. Building confidence among stakeholders, including investors, staff, clients, and regulatory agencies, requires strong governance systems in particular (ESG Consortium, 2024). Governance-focused organizations foster cultures where sustainability objectives are not only stated but also actively sought after and evaluated, guaranteeing compliance with moral principles and legal requirements.

Businesses can manage financial, social, and environmental risks while accomplishing sustainability goals by incorporating sustainability into governance frameworks. For instance, establishing stakeholder trust requires openness in reporting and decision-making. Organizations show their dedication to ethical behavior by making performance data, including sustainability achievements and difficulties, publicly available. Strong governance also helps companies steer clear of financial mismanagement and moral lapses, which can jeopardise long-term viability. In order to ensure compliance with regulatory requirements and stakeholder expectations, governance frameworks must enable ongoing monitoring and assessment of internal and external sustainability elements (ESG Consortium, 2024).

For SMEs in Ghana to succeed and expand over the long run, they must implement good governance practices. Increased investor confidence, better risk management, and more effective operations are all facilitated by transparent governance. SMEs are more likely to draw investment and establish strategic commercial alliances if they use ethical decision-making frameworks and submit sustainability performance reports on a regular basis. Furthermore, open governance improves SMEs' competitive edge by boosting their market reputation in addition to guaranteeing regulatory compliance (Acheampong et al., 2024). Sustainable development in Ghana is also aided by excellent governance, which fosters a culture of accountability and encourages companies to take initiatives that improve both their bottom line and the general well-being of society.

1.3 Level of Sustainability Practices Adopted by SMEs

Sustainability has become a key concept in international business discourse in recent years, reflecting a growing understanding that social responsibility and environmental stewardship must be sought in tandem with economic development. Businesses are increasingly incorporating sustainability into their strategy frameworks—not just as a matter of corporate ethics, but also as a practical reaction to changing market dynamics and stakeholder expectations. Forward-thinking businesses now distinguish themselves by initiatives like increasing resource efficiency, reducing carbon emissions, and incorporating renewable energy technologies. Research indicates that companies with well-integrated sustainability plans secure long-term competitive advantages and typically beat their peers in financial indicators (Luo et al., 2024). These initiatives are in line with international policy frameworks, particularly the Sustainable Development Goals (SDGs) of the United Nations, which urge companies to support sustainable consumption, equitable growth, and climate

resilience (UN Global Compact, 2023). As a result, sustainability is no longer seen as a side issue but rather as a strategic necessity that determines future viability and market relevance (Huang et al., 2022).

A more complex reality is presented by the global picture of small and medium-sized businesses' (SMEs') embrace of sustainability. Due to legislative requirements, changing customer tastes, and the prospect of operational efficiencies, SMEs are progressively conforming to sustainability standards, even though resource limitations frequently restrict the extent and pace of implementation. Although there is significant heterogeneity among sectors and locations, emerging research suggests that SMEs are increasingly implementing measures including waste minimization, energy conservation, and ethical procurement (González-Benito & González-Benito, 2020). These businesses frequently face systemic obstacles that prevent widespread adoption, such as restricted access to funding, knowledge, and technology infrastructure. However, secondary benefits like increased brand equity, increased customer loyalty, and entry into sustainability-conscious market sectors are often reported by SMEs that include sustainability into their business models (López-Sánchez et al., 2021). However, the difference in adoption highlights the necessity of focused support systems and capacity-building programs to guarantee that sustainability is available to both big businesses and the backbone of many economies.

Small and medium-sized businesses' (SMEs') adoption of sustainable practices has evolved gradually but noticeably in Ghana. An increasing number of these businesses are starting to recognize the strategic importance of incorporating environmental, social, and governance (ESG) principles into their business plans. There is a discernible trend towards ecologically friendly practices, especially in the manufacturing and agricultural sectors, including the use of renewable energy, organic farming, and sustainable production methods (Acheampong et al., 2024). However, major structural and systemic obstacles still stand in the way of wider adoption, even with this momentum. These include limited financial resources, a lack of technical know-how, and a legislative framework that has not yet completely encouraged or supported the growth of sustainable businesses (Abor & Quartey, 2020). However, some urban SMEs are overcoming these obstacles, partly due to growing consumer demand for products made ethically and the strategic need to be competitive in a global market that is becoming more and more concerned with sustainability.

In Ghana's SME sector, social sustainability is also steadily gaining traction. Many businesses are starting to adopt socially conscious practices that prioritize equitable labor, community investment, and workplace diversity in place of compliance-focused strategies. In addition to improving internal cohesion, companies that put employee welfare first—through training opportunities, fair treatment, and inclusive practices—are also bolstering their reputational capital in the perspective of morally conscious customers (Acheampong et al., 2024). This change is especially noticeable for SMEs looking to grow globally, as market access is increasingly dependent on social performance standards. In a same vein, more and more Ghanaian SMEs are implementing governance frameworks that demonstrate a dedication to accountability, ethics, and transparency—particularly in situations where doing so may open up new funding or collaboration opportunities (Abor & Quartey, 2020). The spread of these behaviors is still uneven, though. While smaller businesses continue to confront capacity-related barriers that restrict their participation with the sustainability agenda, larger SMEs—who frequently have better access to resources and technical support—are more likely to include sustainability into their strategy architecture.

1.4 Impact of Sustainability Practices Adopted by SMEs

Small and medium-sized businesses' (SMEs') adoption of sustainability practices is becoming more widely acknowledged as a strategic tool that improves environmental stewardship, economic resilience, and societal well-being globally, in addition to being an ethical requirement. Empirical research highlights how adopting sustainability can help businesses in real ways, especially in terms of operational effectiveness and market responsiveness. Significant cost reductions and increases in profitability have been associated with initiatives like waste reduction, energy conservation, and the use of renewable resources. For example, according to results from a global survey by the UN Global Compact (2023), 60% of SMEs that implemented sustainable practices reported better financial performance, mostly as a result of lower operating costs and better resource optimization. Additionally, businesses that integrate sustainability concepts into their operations are better positioned to win over environmentally concerned customers, increasing their market share and bolstering their brand equity. A change in stakeholder demands for corporate accountability and transparency, as well as a shift in consumer expectations, are major drivers of this momentum (González-Benito & González-Benito, 2020).

The social component of sustainability in SMEs has significant internal organizational benefits in addition to financial and environmental ones. Businesses are more likely to generate a motivated and steady workforce if they prioritize employee health and safety, implement fair labor regulations, and make professional development investments. According to data from the International Labor Organization (ILO) (2022), these investments are associated with a 25% decrease in employee turnover, which promotes continuity and the retention of institutional expertise. Increased productivity and creativity—two important factors that propel innovation and long-term competitiveness—are also linked to higher employee happiness. According to Merta-Staszczak et al. (2024), these results demonstrate that a dedication to social sustainability is essential to economic success, particularly for SMEs functioning in dynamic and resource-constrained situations. As a result, sustainability is positioned as both a viable basis for long-term business growth and a moral compass due to the confluence of economic performance and social responsibility.

Small and medium-sized businesses (SMEs) in Ghana are becoming more aware of the strategic importance of sustainability-oriented practices in improving operational performance and fortifying market positioning. According to recent research by Acheampong et al. (2024), SMEs that include environmental sustainability practices—like the use of renewable energy technology and methodical waste reduction—have seen quantifiable gains, such as a 15% decrease in energy-related costs. In addition to saving money, these eco-friendly companies are in a better position to interact with global marketplaces where sustainability credentials are frequently required for trade and partnership. This conformity to international sustainability standards is especially noticeable in industries like manufacturing and agriculture, where regional SMEs are gradually adopting environmentally friendly practices and organic production methods in response to changing consumer demands for sustainable products.

In addition to environmental activities, one of the most important factors influencing organizational success in Ghanaian SMEs is the adoption of strong governance frameworks. Businesses that prioritize ethical behavior, regulatory compliance, and transparency typically have better stakeholder relations, which strengthens trust among their networks of business associates. According to Abor and Quartey (2020), 40% of SMEs who follow governance best practices have seen improvements in access to credit facilities and an increase in investment inflows, both of which are critical for business growth and innovation. These governance improvements draw in investors that value environmental, social, and governance (ESG) performance while reducing the dangers of corruption and reputational harm. According to the

ESG Consortium (2024), SMEs with strong governance frameworks not only have superior financial results but also show more resilience in the face of market turbulence. As a result, sustainability and governance are not incidental issues; rather, they are essential to the development paths and worldwide competitiveness of SMEs functioning in Ghana's changing economic environment.

1.5 Drivers for Implementing Sustainability Practices in SMEs

Small and medium-sized businesses (SMEs) are being forced to reevaluate their established business models in light of new environmental, social, and governance (ESG) requirements as a result of the worldwide trend towards sustainability. The growing impact of global regulatory frameworks and sustainability reporting standards is a major driver of this change. Due to the combined demands of increased stakeholder scrutiny and legal compliance, over 80% of businesses worldwide—including a growing number of SMEs—are aligning with ESG standards, according to the Global Reporting Initiative (GRI, 2023). Consumer preferences are firmly moving towards items that are produced ethically and sustainably, and the market itself is acting as a revolutionary force at the same time. According to McKinsey & Company (2022) research, 67% of consumers worldwide increasingly prefer companies with strong sustainability credentials. This means that SMEs must include sustainability into their value chains in order to remain relevant in the market and remain competitive.

This trend has been accelerated and facilitated by technological progress. The emergence of digital solutions, such as blockchain-based supply chain transparency tools and real-time energy monitoring systems, has greatly reduced the complexity and expense hurdles that have historically accompanied sustainable business strategies. Small-scale bioenergy systems and decentralised solar power are two examples of affordable renewable energy technologies that have made it more and more possible for SMEs to cut carbon emissions while saving money on operations. Businesses that adopt energy-efficient technologies can reduce their energy usage by up to 30%, according to the International Energy Agency (IEA, 2021). This change has benefits for the environment and the bottom line. Furthermore, SMEs are now able to measure progress, implement best practices, and develop capacity through cooperation because of the increasing accessibility of global sustainability networks and digital knowledge-sharing platforms, such as those promoted by the OECD (2020). Sustainability is not just a compliance concern in this changing global order; rather, it is a strategic necessity influencing the future course of SMEs everywhere.

Small and medium-sized businesses' (SMEs') drive towards sustainability in Ghana is being influenced by a combination of strategic incentives, growing public awareness, and legislative support. Initiatives at the national level are actively creating an environment that is favorable to sustainable business, especially those supported by the Ghana Investment Promotion Center (GIPC, 2023). Programs like the Ghana Green Enterprise Program and the wider Sustainable Development Goals (SDGs) implementation offer SMEs concrete avenues for pursuing environmentally and socially responsible innovation, as well as a policy framework. Increasing access to green finance and technical support strengthens these initiatives even more. For example, the Ghana Climate Innovation Center (GCIC, 2022) has provided assistance to more than 100 SMEs by providing training and resources for the adoption of green technologies. This intervention has helped many local businesses better align with sustainability requirements while increasing their competitiveness in the market.

The growing impact of stakeholder expectations, which are now a strong external factor forcing SMEs to reassess their operations, is equally important. Stakeholder pressure from consumers, investors, employees, and local communities was cited by 58% of Ghanaian SMEs polled by Acheampong et al. (2024) as a major factor in their choice to incorporate sustainability into their business plans. Consumer voices have been magnified by the growing reach of digital platforms and social media, which has raised corporate practices' visibility and made businesses more accountable for their ethical and environmental behavior. In the meantime, local communities are starting to demand more accountability from companies who operate in their communities. In the current environment, sustainability's strategic significance has expanded beyond moral appeal and legal compliance to include reputation development and market positioning. SMEs that adopt sustainability not only enhance their brand image but also put themselves in a more advantageous position in both domestic and foreign markets, as noted by Abor and Quartey (2020).

1.6 Barriers for Implementing Sustainability Practices in SMEs

Small and medium-sized businesses (SMEs) face ongoing obstacles in their quest for sustainability on a global scale, with financial limitations standing out as one of the most common barriers. According to the International Trade Center (ITC, 2021), around 60% of SMEs in both developed and developing nations cite a lack of money and green financing as the main obstacles to implementing sustainable practices and technologies. Since SMEs often have smaller profit margins than larger companies, it can be challenging to defend long-term

investments in sustainability that might not yield quick financial returns. This problem is made worse by the lack of policy-driven subsidies or targeted financial incentives, which deprives many SMEs of the outside assistance required to offset the upfront expenses of sustainable transformation (OECD, 2020).

The broad adoption of sustainability among SMEs is hampered by a substantial knowledge gap in addition to financial constraints. Many managers and owners of businesses are not familiar with industry standards, sustainability frameworks, and best practices for socially and ecologically conscious operations. While a 2023 report by the United Nations Industrial Development Organization (UNIDO) shows that 47% of SMEs do not engage in sustainability practices due to a lack of understanding of their operational and financial implications, Mura et al. (2020) draws attention to the general ignorance among SME leaders regarding the strategic benefits of sustainability. The lack of dedicated staff or departments inside SMEs to manage and carry out sustainability initiatives exacerbates this problem. Many SMEs find it difficult to go beyond ad hoc initiatives in the absence of committed human resources to support sustainable strategy, which compromises the possibility of long-term integration and effect.

Small and medium-sized businesses (SMEs) in Ghana have a unique set of barriers that exacerbate the general difficulties in implementing sustainability. Notably, policy ambiguities and infrastructure deficiencies seriously obstruct progress. According to Acheampong et al. (2024), over 65% of Ghanaian SMEs point to poor infrastructure as a major barrier to putting sustainability measures into practice, especially unstable energy supplies and limited access to appropriate waste management systems. Furthermore, despite their existence, regulatory frameworks frequently suffer from uneven enforcement and unclear operating guidelines. Many SME operators are uncertain about the precise environmental and social requirements they are expected to satisfy as a result of this regulatory opacity (Abor & Quartey, 2020). In reality, this results in disjointed, reactive sustainability initiatives that are usually motivated more by donor assistance availability than by a cohesive, in-house plan.

The incorporation of sustainability into Ghanaian SMEs is further hampered by cultural norms and resistance to change. The pursuit of long-term environmental and social value is frequently subordinated to short-term financial survival. Many often, sustainability is seen as an extra expense rather than a strategic requirement. According to Acheampong et al. (2024), 58% of Ghanaian SMEs polled believe that sustainability is not in line with their primary business

goals. This opinion is mostly the result of a lack of knowledge and pervasive false information. Furthermore, the spread and adoption of sustainability information are hindered by low literacy rates and low levels of internet penetration, especially in rural and peri-urban areas. These deeply ingrained beliefs continue to be significant obstacles to long-term change in the absence of focused education initiatives and intentional stakeholder involvement.

1.7 SMEs Performance

Small and medium-sized businesses (SMEs) are widely seen as essential drivers of employment, innovation, and growth in the global economy. According to the World Bank (2020), SMEs account for over half of all jobs worldwide and make up about 90% of firms, highlighting their crucial role in socioeconomic growth. A mix of financial and non-financial metrics, such as profitability, market penetration, innovation capability, labor productivity, and scalability, are commonly used to assess performance in this industry. Despite their importance, SMEs around the world face ongoing structural barriers, chief among them being limited access to financing, a lack of advanced technology, and increased vulnerability to outside market shocks (OECD, 2020).

However, new research indicates that SMEs that actively seek sustainability and digitalization strategies are better able to endure volatility and maintain their competitiveness in ever-changing markets. For example, SMEs with integrated sustainability and technology frameworks demonstrated increased resilience and flexibility during the COVID-19 pandemic (UNCTAD, 2021). Specifically, technological integration has emerged as a key factor in determining performance results. According to the European Commission (2022), SMEs in the EU that used digital solutions saw productivity increases of up to 25%. These benefits included improved customer engagement, simpler operations, and access to global markets.

Furthermore, greater brand loyalty, more investor interest, and improved reputational capital have all been associated with corporate operations that are in line with environmental, social, and governance (ESG) standards. Sustainable practices—like reducing resource consumption, improving waste management, and maintaining ethical supplier chains—contribute to long-term profitability in addition to ecological consequences, according to Mura et al. (2020). SMEs are more likely to prosper in sustainability-focused marketplaces and seize chances for strategic expansion if they incorporate ESG considerations into their fundamental performance frameworks, according to Kramer and Porter (2021).

Small and medium-sized businesses (SMEs) are the cornerstones of social cohesion and economic progress in Sub-Saharan Africa, where they account for more than 40% of GDP and an estimated 80% of employment in several countries (AfDB, 2020). The performance of SMEs in the region is still remarkably uneven, despite their significant importance. Their growth trajectories are still being hampered by structural limitations like poor infrastructure, onerous regulatory frameworks, and little ability for innovation. According to Okpara (2021), African SMEs that receive government or donor interventions—especially in the areas of training and technological access—report revenue growth rates that are 15–20% higher than those of their unsupported counterparts, highlighting the transformative potential of targeted support mechanisms. However, a major barrier to performance and scalability continues to be the widespread informal economy and restricted access to official financial institutions.

SMEs are essential to economic resilience and development in Ghana, where they make up over 92% of the company population and account for more than 70% of the country's GDP (Ghana Statistical Service, 2023). However, there is a great deal of variety in their performance outcomes, which are influenced by managerial ability, geographic location, and sectoral dynamics. According to Acheampong et al. (2024), Ghanaian SMEs that place a high priority on staff development, corporate governance, and sustainable operational strategies typically see increased profitability and better client retention. Businesses that neglect innovation, legal compliance, or environmental stewardship, on the other hand, frequently experience stagnation or even collapse during their early years.

Importantly, intersectional constraints that impact women-led businesses and young people further complicate the performance picture. Such enterprises often encounter systemic challenges, such as biased lending policies and limited access to mentorship or business development services, as noted by Mensah and Amponsah (2022). Strengthening SME performance through enabling policies, institutional assistance, and capacity-building programs is both essential and important, especially in light of Ghana's larger economic reform objective.

2 THEORETICAL FRAMEWORK

The following chapter deals with the two major theories that this study hinges upon, namely resource-based view (RBV) and stakeholder theory.

A firm's internal resources and capabilities are essential to gaining and maintaining a competitive edge, according to the Resource-Based View (RBV) hypothesis, which is a pillar of strategic management. Resources that are valuable, rare, unique, and non-substitutable (VRIN) enable businesses to stand out in the marketplace, according to the RBV. The use of RBV has changed in recent academic debates, especially when it comes to digital transformation. Rao and Brown (2024) investigate how businesses use internal resources like human capital, brand equity, and technology to create unique marketing plans that differentiate them in markets with fierce competition. In addition, recent research has looked at how RBV can be included in corporate governance procedures, emphasizing the need of strategic resource management for sustained organizational competitiveness and effectiveness.

Stakeholder theory offers a contrasting viewpoint, arguing that when companies make strategic choices, they should take into account the interests of all parties involved, including shareholders, consumers, suppliers, employees, and communities. This idea highlights how crucial social responsibility and moral business conduct are to the functioning of corporations. Stakeholder capitalism's comeback is indicative of a larger movement away from shareholder priority and towards a more inclusive strategy in which businesses aim to strike a balance between profit and purpose. According to Turner (2024), this shift is being fueled by the realization that a purely shareholder-focused approach is becoming more and more unsustainable and that integrating human and environmental needs into business goals can have real advantages like higher employee retention and turnover. Organizations can increase their legitimacy and support long-term sustainability by incorporating stakeholder theory into their strategy framework.

2.1 Resource-Based View (RBV) theory

In his seminal 1991 paper, *Firm Resources and Sustained Competitive Advantage*, Jay Barney first fully outlined the Resource-Based View (RBV) hypothesis, a fundamental framework in strategic management. According to Barney, a company's internal resources—both material and immaterial—are essential to gaining and preserving a competitive edge. In order to maintain a competitive advantage, he developed the VRIN framework, which states that

resources must be valuable, rare, unique, and non-substitutable (Barney, 1991). This conceptual change shifted the emphasis from the dynamics of the external market to the strategic management of internal resources as the main factor influencing the performance of the company.

The RBV has changed since its creation to take into account how dynamic and ever-changing corporate situations are. To describe how businesses might adjust and reorganize their resource base in response to quickly changing markets, scholars have incorporated other ideas such as dynamic capabilities (Kero & Bogale, 2023). This evolution illustrates the RBV's ongoing applicability in modern strategic management, where organizational agility and innovation are essential for survival. The RBV is important for gaining a sustained competitive edge, especially in industries like supply chain management and customer information systems, according to a recent systematic literature assessment (Kesuma et al., 2024).

The RBV provides Small and Medium-sized Enterprises (SMEs) with useful information about how to improve their performance. SMEs must strategically use their internal competencies to gain a competitive edge because of their usually restricted resources. Research has shown that SMEs are more likely to attain better performance outcomes when they use specific resources, like exclusive technologies or specialized knowledge (El Nemar et al., 2022). Additionally, by incorporating RBV into strategic planning, SMEs can pinpoint and develop their core skills, giving them an advantage in cutthroat industries.

The RBV's application has been especially helpful in Ghana for comprehending the performance of SMEs. According to research, operational efficiency and market competitiveness increase for Ghanaian SMEs that prioritize internal resource development, such as staff training and the use of new technology (Acheampong et al., 2024). The identification of distinctive resources that propel growth and sustainability within the Ghanaian SME sector has also been made easier by the connection of RBV principles with regional business practices.

2.2 Stakeholder Theory

Through arguing that companies should consider the interests of all stakeholders, not just shareholders, R. Edward Freeman's introduction of the Stakeholder Theory in 1984 signaled a significant change in corporate responsibility (Freeman, 1984). The several groups that make up a corporation's stakeholders were described in Freeman's groundbreaking work, *Strategic*

Management: A Stakeholder Approach, along with recommendations for how management should take into account and rank their interests (Freeman, 1984). This paradigm established the groundwork for a more inclusive approach to company ethics and strategy while directly challenging the conventional shareholder primacy model. In order to emphasize the interconnectedness of commercial and ethical considerations, Stakeholder Theory has developed throughout time to incorporate systems-theoretic and process-oriented viewpoints (Freeman & McVea, 2001). The theory's contemporary interpretations place a strong emphasis on a relational and dynamic understanding of stakeholder relationships, acknowledging the interdependence of different stakeholders within the business ecosystem. Businesses are expected to assess the social, environmental, and financial effects of their operations, reflecting a broader society shift towards greater corporate accountability and transparency (Valentinov, 2023).

Stakeholder theory offers SMEs a useful lens through which to view the intricate relationships that exist between these companies and their stakeholders. According to research, SMEs that actively interact with their stakeholders—including clients, staff, vendors, and local communities—generally experience better business results (Aisjah, Arsawan & Suhartanto, 2023). SMEs with strong stakeholder relationships demonstrated improved strategic agility and business performance, according to a study that integrated Stakeholder Theory with an innovation-based performance model (Aisjah, Arsawan & Suhartanto, 2023). Stakeholder theory use has been essential in Ghana for comprehending the dynamics of SME performance. Ghanaian SMEs indicate greater levels of employee satisfaction and consumer loyalty when they give priority to stakeholder interests, such as community involvement and ethical labor practices (Ghana Statistical Service, 2023). In addition to creating a more favorable business climate, this stakeholder-centric strategy advances the larger goal of supporting the region's sustainable economic growth.

II PRACTICAL PART

3 INTRODUCTION OF SMES IN GHANA

3.1 Overview of Small and medium enterprises (Micro firms)

The sector of small and medium enterprises (Micro firms) is rather amorphous and thus defies a clear description. No single uniformly acceptable definition of tiny firms is available Bour, Asafo and Kwarteng (2019). There is also no universal definition for Micro firms, according to Mutohori (2018), and the context relies on who defines it and where it is described. These businesses vary in their degree of capitalization, jobs and sales. Therefore, definitions that use size metrics (net value, profitability, turnover, number of workers, etc.) when applied to one sector, all companies could be described as small, while when applied to another sector, the same definition of size could lead to different results. Kimutai and Muigai (2018) describe a small enterprise as an industry, project enterprise, or economic operation whose total asset base (excluding land and construction) does not exceed US\$ 1 million in value. While USAID defines Micro firms as any organization with fixed assets not exceeding US\$ 250,000, with the exception of land and building. In Ghana, Micro firms are considered enterprises employing between 5 and 29 workers and with fixed assets not exceeding \$100,000, while those employing between 30 and 99 workers are considered medium-sized enterprise enterprises (GSS, 2020). Micro firms using job cuts of 30 workers were also defined in Ghana (GSS, 2021). This definition of Micro firms was used for this study because it was conducted in Ghana, and all conceptualisation should be made to meet the motherland definitions.

It is nearly universally acknowledged that small and medium-sized businesses (Micro firms) are crucial to the social and economic development of Ghana and even Africa. The majority of African nations prioritize the development of small and medium-sized businesses (Micro firms) on their policy agendas, as is widely acknowledged. Without a doubt, small and medium-sized businesses, or Micro firms, are the incubators for the next wave of African entrepreneurs. Over 90% of all registered businesses in Africa are small and medium-sized enterprises (Micro firms), according to a 2018 report by the United Nations Industrial Development Organization (UNIDO, 2018). Several officials now view small-scale rural and urban businesses as a major obstacle to overcome in their quest to accelerate economic growth in a country like ours. It has been said that these small and medium-sized businesses, or Micro firms, are the catalyst for growing middle-income nations like our own to reach their growth objectives. A significant percentage of the urban labor population receives employment and income from small and

medium-sized businesses (Micro firms), which also contribute significantly to overall production (Nyoni & Bonga, 2018).

3.2 Study Area, Study Population and Sampling Procedure

The study was carried out in the Accra Metropolitan Assembly (AMA) in the Greater Accra Region. There are 261 Metropolitan, Municipal, and District Assemblies (MMDAs) in Ghana, including the Accra Metropolitan Assembly (AMA), one of the twenty-nine (29) MMDAs in the Greater Accra Region. Its name, size, and number of Sub-Metros have all changed significantly since its founding in 1898. When Ghana was restored to constitutional rule in 1993, its legislative foundation was established by the Local Government Act 1993 (Act 462), which has since been amended as the Local Governance Act 2016 (ACT 936), and Legislative Instrument (L.I) 2034.

According to the 2021 Population and Housing Census, there were 1,665,086 people living in the Metropolis, with 48.1 percent of the population being men and 51.9 percent being women (Ghana Statistical Service, 2021). Based on a Greater Accra Population growth rate of 3.1%, the estimated population of Accra in 2018 is 2,036,889 (Ghana Statistical Service, 2021). Nearly two million people visit Accra every day for a variety of socioeconomic reasons. As a result, it is estimated that Accra is home to almost 4 million people daily, including both residents and visitors (Ghana Statistical Service, 2021).

The Accra Metropolis is an appealing option for the study site for a number of important reasons. Accra, the capital of Ghana, is a prime example of the dynamics and complexity seen in quickly changing urban settings. The city's distinct setting provides a rich environment for investigating the possibilities and difficulties related to sustainability and urban growth. Furthermore, a multitude of pre-existing data, such as demographic profiles, economic trends, and environmental assessments, are accessible due to Accra's long study history.

The validity and trustworthiness of the study's conclusions are greatly improved by this wide data availability, which also makes the research process more efficient. Scholars can gain a greater understanding of the intricacies of urban dynamics and produce more thorough and nuanced observations by utilizing these already-existing data sources. Furthermore, Accra plays a function that goes beyond its immediate surroundings; it is a microcosm of larger urbanization patterns and sustainability issues. As a result, the lessons gained from studying

Accra's urban environment are more broadly applicable and can help guide the creation of plans for other quickly urbanizing cities across the globe.

A study population is defined as all the elements that are available for the survey and from which a representative sample is drawn (Cooper & Schindler, 2018; Dadi-Klutse, 2020; Kazerooni, 2021). Geographical and demographic characteristics are frequently used to define a research population (Babin & Anderson, 2019; Kumar, 2018; Saunders et al., 2021). All SMEs working in different sectors, including artisans in the Accra Metropolis, that are registered with the Ghana Enterprises Agency (GEA) make up the study's population. As of January 2024, there were 1,200 SMEs in Accra Metropolis that were registered with the Ghana Enterprises Agency (Ghana Enterprises Agency, 2023). Because the researcher thinks that a sizable percentage of these businesses are part of the informal sector, which makes up a sizable section of the Ghanaian economy, this demographic was chosen.

According to Kazerooni (2021), the sampling procedure is the process used to choose study participants. A straightforward random sampling method, which is based on probability, was used for this investigation. This approach promotes fairness in the sampling process by guaranteeing that every microbusiness in the population has an equal chance of being chosen. Furthermore, this approach's equity and simplicity fit very nicely with the study's time and financial limits, which makes it a great option for contacting SMEs. Taro Yamane's sample size formula was used to improve the sampling process even further, making it possible to precisely calculate the sample size needed for the research. This methodical technique improves the validity and dependability of the research findings while also streamlining the selecting process. This methodology offers a strong basis for the study's conclusions by guaranteeing that the selected sample is representative of the larger population of micro enterprises in the Accra Metropolis.

$$n = \frac{N}{1+N(e)^2}$$

Where:

n = sample size

N = Population size

e = Allowable errors

Therefore:

$$N = 1,200$$

$$1 + 1,200 (0.05)^2 = 1 + 1,200 (0.0025) = 1 + 3$$

$$= 4$$

$$n = \frac{1,200}{4} = 300$$

Based on the above calculation, the sample size is 300.

3.3 Data Collection Instruments

Structured surveys were the main instrument used in the major data gathering methods used for this investigation. Surveys were selected for this study because of their versatility in gathering both quantitative and qualitative data. They provide administrative flexibility because, depending on the situation, they can be conducted through interviews or self-administered. An official questionnaire was created to guarantee the survey instrument's efficacy. For this specific study, Barakat (2021) modified the questionnaire, which was adapted and updated from the Ethos Institute indicators. The six separate components of the questionnaire were designated A through F. In order to provide crucial background information for the study, Section A concentrated on obtaining demographic data from the respondents. While Section C examined the particular sustainability practices, including their economic, social, and environmental facets, Section B evaluated the enterprises' adoption of sustainability practices. The elements influencing the adoption of sustainable practices were examined in Section D, while the obstacles preventing their application were noted in Section E. Lastly, Section F was devoted to assessing the SMEs' performance. A five-point Likert scale, with 1 denoting "strongly disagree" and 5 denoting "strongly agree," was employed to gauge the opinions and perceptions of the respondents. The study was able to obtain thorough insights into respondents' opinions regarding sustainable practices and their effect on microbusiness profitability because to this standardized technique.

The questionnaire's questions were methodically created using clearly defined components that were taken from the literature on SMEs' sustainable activities. Every element of the survey was carefully matched with recognized theoretical frameworks and proven constructs found in earlier empirical research. For instance, the triple bottom line framework, a well-known paradigm in sustainability literature, served as the foundation for the environmental, social, and economic constructions associated with sustainable practices

(Elkington, 1997; Mehta & Sharma, 2023). These concepts were put into practice in research such as that conducted by Jain (2022), in which SMEs' implementation of sustainability principles was evaluated using structured questionnaires.

Acheampong et al. (2024), who investigated the factors impacting sustainability in Ghanaian SMEs, further reinforced the items regarding the drivers and barriers to applying sustainability practices, which were adopted from the work of Idowu, Moratis, and Melissen (2019). In order to maintain theoretical integrity and guarantee relevance to the study, these sources provide empirical indications that were meticulously contextualized. Furthermore, existing performance assessment characteristics from the literature on sustainable business models were used to model the questions intended to assess the performance of micro enterprises (Lindgreen et al., 2019). Following the standard approach commonly used in social science and business research, a five-point Likert scale was used to record respondents' impressions, attitudes, and the frequency of sustainable behaviors (Saunders, Lewis, & Thornhill, 2021). The validity and reliability of the instrument's design are further supported by the use of comparable questionnaire formats and constructs in research like those conducted by Merta-Staszczak et al. (2024) and Acheampong et al. (2024).

3.4 Data Collection Procedures

A standardized, self-administered questionnaire was given to SMEs in the Accra Metropolis in order to gather data for this study. A professional enumerator from the Ghana Statistical Service (GSS) was employed to supervise the data gathering process even though the researcher was not physically present in Ghana. The selection of this enumerator was predicated on their proficiency in administering surveys and their vast field data gathering experience for both academic and national research projects. The enumerator received a comprehensive briefing on the study objectives, the precise meaning of each question, ethical considerations, and the procedures for interacting with respondents in order to guarantee the accuracy and consistency of the data gathered. Because of this preparation, the enumerator was able to answer participant queries, explain the goal of the study, and promote correct and thorough responses. High-quality, reliable data was gathered thanks to the enumerator's training and a standardized questionnaire.

Additionally, the same set of questions were given to each participant in order to ensure consistency in their answers, and completed surveys were sent back to the researcher for examination and confirmation. This strategy reduced any biases and strengthened the validity

and reliability of the study's conclusions. The questionnaires were administered and collected between February 2nd and March 3rd, 2024, a period of four weeks. After being retrieved, the filled-out surveys were meticulously revised and arranged to make further data processing easier. The precision and reliability of the research findings were guaranteed by this methodical approach to data collecting and processing.

3.5 Data Processing and Analysis

The study used a strong statistical methodology to analyze the data. Descriptive and inferential statistics were used to evaluate how sustainable practices affected the profitability of micro firms. 337 structured questionnaires were sent to the chosen respondents working for small and medium-sized businesses in the Accra Metropolis. 300 of these completed surveys were gathered, yielding an astounding 89.02 percent response rate. The response rate of 80% was considered ideal by Kazerooni (2021), and this percentage was considered appropriate by the researcher.

Before any study, the data underwent extensive preparation to guarantee its dependability and accuracy. Every detail of the field data was carefully examined, and any errors were fixed. Over the course of 14 days, data input, coding, and cleaning were done using the Statistical Package for Social Sciences (SPSS) version 24. This painstaking procedure guaranteed the exact recording and entry of both dependent and independent variables. To accomplish the study's objectives, the data analysis procedure was created to rationally analyze the information gathered. After data cleaning and establishing a high retrieval rate, the researcher verified that the questionnaire responses were accurate twice. This screening procedure found and dealt with any missing values and outliers. Several statistical methods were used in the study to analyze the data. The multiple regression, mean and standard deviation analysis were employed to examine the objectives of the study.

3.6 Ethical Consideration

In their study, Patten and Newhart (2017) underlined the basic ethical concerns that need to be addressed in every research endeavor. Information security, the right to privacy, anonymity, and voluntary participation are a few of these concerns. The ethical standards were carefully taken into account when developing the questionnaire for the study. The first step in ensuring voluntary participation was ensuring that each respondent chose to participate in the data collection process voluntarily. No undue pressure or coercion was utilized, and

respondents were made fully aware of their freedom to leave the study at any moment without facing any repercussions. To address any privacy concerns, respondents were encouraged to fill out the questionnaires independently. Their privacy was protected and any outstanding problems or worries could be resolved by setting up an appropriate channel.

Anonymity was another important consideration. Names, home locations, and phone numbers were among the personal information that respondents were specifically instructed not to share. Through making sure their identities remained anonymous and could not be connected to them; this precaution was taken to protect their personal information.

Lastly, the confidentiality of the information provided by the respondents was meticulously maintained. They were given assurances that all collected data would be handled in the strictest confidence and utilized exclusively to advance this investigation for the benefit of the public. This commitment to anonymity promoted honesty and correctness in responses and helped build confidence, which improved the study's reliability and integrity.

4 RESULTS AND DISCUSSION

4.1 Socio-Demographic Characteristics

The results of this study's investigation of the respondents' backgrounds are presented in this chapter. The ability of the respondents to provide appropriate information on the research variables is greatly influenced by their background. The respondents' background information, which was sorted below by gender, age, educational attainment, company size, annual income, number of employees, and years of service, indicated data for the samples.

Table 3 Demography of Respondents

Background Information	Frequency	Percentage
Gender:		
Male	170	56.7
Female	130	43.3
Total	300	100
Age:		
Below 20 years	21	7.0
20 – 29 years	59	19.7
30 – 39 years	91	30.3
40 – 49 years	81	27.0
50 – 59 years	30	10.0
60 or Above years	18	6.0
Total	300	100
Level of Education:		
Never been to School	27	9.0
Primary	40	13.3
J.H.S	93	31.0
S.H.S	88	29.3

Tertiary	52	17.3
Total	300	100
Size of Firm:		
Small	101	33.6
Medium	199	66.3
Total	300	100
The Number of Workers Employed by the micro firms:		
None	68	22.6
1 to 5	112	37.3
6 to 10	58	19.3
11 to 15	24	8.0
16 to 20	27	9.0
More than 20	11	3.6
Total	300	100
Years of service:		
Less than 1 year	8	2.6
1 to 3	71	23.6
4 to 6	101	33.6
7 to 10	82	27.3
More than 10 years	38	12.6
Total	300	100

With 56.7% of respondents being men and 43.3% being women, the gender distribution shows a reasonably balanced representation, enabling gender-based evaluations of sustainability practices. According to age, a sizable percentage of responders are between the ages of 30 and 39 and 40 and 49, indicating that the study includes perspectives from people who are probably well experienced in running a business. Although there are differences in educational attainment, a significant portion have finished tertiary education, which could have an impact on the adoption and comprehension of sustainable practices.

An indication of the size of operations among the SMEs surveyed is given by firm size and staff count. The data illustrates the usual organizational structure of SMEs in the area, with 66.3% classified as medium-sized businesses and the majority employing one to five people. Data on years of service reveals that many businesses have been in operation for four to six years, indicating a level of corporate maturity that may have an effect on how sustainability measures are implemented.

Contextualising the study's conclusions requires gathering and evaluating this demographic data. It makes it possible to find trends and connections between the traits of respondents and how they interact with sustainable practices. Furthermore, knowing the demographic composition guarantees that the study's findings are based on Ghana's SME sector reality, increasing the research findings' relevance and application.

4.2 Level of Sustainability Practices Adopted by SMES in Ghana

This section examined the level of sustainability practices adopted by SMES in Ghana. The level of sustainability practices adopted was measured using a 5-point scale. Hence, the mean values of these variables were utilized to determine the level of sustainability practices adopted using the following rules: 1 means lowest agreement, and 5 means highest agreement. The midpoint (3) is the theoretical mean, so anything below is low, and anything close to 1 is very low; anything above 3 is high. Indicating least/weak agreement and strong agreement. Table 4 provides a summary of the analysis and findings.

Table 4 Level Of Sustainability Practices Adopted By Smes In Ghana

Items	Mean	Standard Deviation
Our firm actively implements energy-saving measures, such as using energy-efficient appliances and lighting.	3.7667	1.25864
We have established procedures for recycling and managing waste to minimize environmental impact.	3.6133	1.10811
Our operations include practices aimed at conserving water, such as using water-saving fixtures or reusing water where possible.	3.6667	1.11341
We prioritize sourcing materials and products from local suppliers to reduce transportation emissions and support the local economy.	3.5467	1.25688
Our company has policies in place to ensure fair labor practices and promote employee well-being.	3.2667	1.20848
We engage with the local community through initiatives that support social development and environmental conservation.	3.3367	1.21446
Our business regularly assesses its environmental impact and seeks ways to improve sustainability performance.	3.5033	1.27360
We invest in employee training programs focused on sustainability and environmental responsibility.	3.6733	1.03450

The table that shows the extent to which SMEs in Ghana have implemented sustainability practices provides an insightful look at how these businesses are handling their social and environmental obligations. The data indicates a moderate to high adoption of various sustainability measures, with mean scores ranging from 3.27 to 3.77.

With a mean score of 3.77, energy-saving measures stand out as the most popular, suggesting that many SMEs are actively putting initiatives like employing energy-efficient lighting and appliances into practice. This coincides with the emphasis on environmental stewardship outlined in "Sustainable Business Models: Principles, Promise, and Practice," where Moratis, Melissen, and Idowu (2019) discuss the need to incorporate sustainability into fundamental company operations. Similarly, procedures aimed at conserving water and managing trash also score quite high, showing a rising awareness among SMEs of the need to limit environmental effect.

Although they exist, community engagement programs and the implementation of fair labor standards have somewhat lower mean scores (3.27 and 3.34, respectively) on the social front. This implies that although environmental practices are becoming more popular, the social aspects of sustainability still have space to expand. The "Routledge Handbook of Entrepreneurship in Developing Economies" highlights the prospects and difficulties in this field, pointing out that greater community integration and more nuanced techniques are frequently needed for social sustainability (Williams & Gurtoo, 2017).

With a mean score of 3.67, the investment in sustainability-focused staff training programs shows that SMEs understand the value of developing internal capacity for sustainable practices. In "Sustainable Entrepreneurship: Discovering, Creating and Seizing Opportunities for Blended Value Generation," Lindgreen et al. (2019) reflect this proactive approach by highlighting the need of innovation and ongoing learning in promoting sustainable business.

4.3 Impact of Sustainability Practices Adopted by SMES on Their Performance in Ghana

This section examined impact of sustainability practices adopted by SMES on their performance in Ghana. Tables 5, 6 and 7 summarized the results.

Table 5 Model Summary

Model	R	R Square	Adjusted R Square	RSTD. The error of the Estimate
1	0.752 ^a	0.438	0.399	0.39664

a. Predictors: (Constant), Environmental Practices, Social Practices and Governance Practices

Table 5 provides information on the extent to which environmental, social, and governance (ESG) practices can account for SMEs' performance. The R value of 0.752 indicates that the performance of SMEs and these sustainability practices are positively correlated. R Square (0.438) indicates that the effectiveness of these companies' ESG initiatives may actually predict roughly 43.8% of the performance improvements we observe. The number is slightly improved by the adjusted R Square (0.399), which takes into consideration the number of predictors we are using. The standard error of 0.39664, which indicates that the model's predictions aren't too far off, also illustrates how much the actual data points differ from the projected ones. Smaller is better. It appears that ESG practices have an impact on the performance of SMEs.

Table 6 ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	10.978	3	3.879	24.313	0.000 ^b
	Residual	13.995	296	0.181		
	Total	24.973	299			

a. Dependent Variable: SME Performance

b. Predictors: (Constant), Environmental Practices, Social Practices and Governance Practices

The results of an ANOVA test that was used to assess the overall significance of the regression model looking at how governance, social, and environmental practices affect the performance of SMEs are shown in Table 6. The model is statistically significant at the 1% level, according to the F-statistic of 24.313 and the significance value (p-value) of 0.000. This suggests that, together, the independent variables—environmental, social, and governance practices—significantly predict variances in SME performance. The model explains a significant amount

of the total variance (24.973) in SME performance, as evidenced by the regression sum of squares (10.978) compared to the residual sum of squares (13.995). Thus, the results clearly indicate that SMEs' adoption of sustainable practices has a significant and quantifiable effect on their performance outcomes rather than being only symbolic.

Table 7 Impact Of Sustainability Practices Adopted By SMES

		Unstandardized		Standardized		
		Coefficients		Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	2.294	0.265		8.667	0.000
	Environmental	0.431	0.079	0.643	5.456	0.000
	Social	0.350	0.098	0.643	3.567	0.001
	Governance	0.355	0.152	0.743	2.329	0.027

a. Dependent Variable: SME Performance

The regression coefficients that evaluate how sustainability practices—more especially, the environmental, social, and governance (ESG) dimensions—affect the performance of SMEs in Ghana are shown in Table 7. The findings unequivocally show that the performance of SMEs is positively and statistically significantly impacted by all three aspects of sustainability practices. Environmental practices had the biggest impact among them ($B = 0.431$, $p < 0.001$), indicating that SMEs that put an emphasis on eco-friendly tactics like waste management and energy efficiency typically do better overall. This result is in good agreement with Mehta and Sharma (2023), who contend that by increasing operational effectiveness and cutting expenses, green management techniques immediately boost organizational competitiveness.

The performance of SMEs is also significantly positively correlated with social practices ($B = 0.350$, $p = 0.001$), suggesting that businesses that implement fair labor practices, community development, and employee welfare programs stand to gain from higher employee productivity, client loyalty, and reputational capital. This viewpoint is supported by Jain (2022), who emphasizes that incorporating social responsibility into core operations improves

external legitimacy and internal stakeholder engagement—two aspects that are especially important for SMEs functioning in resource-constrained, competitive situations.

Despite being frequently disregarded in the context of SMEs, governance methods are demonstrated to be crucial in this instance ($B = 0.355$, $p = 0.027$). This supports the notion that moral leadership, open reporting, and robust internal controls are strategic levers that affect performance results rather than only being formalities. According to Idowu, Moratis, and Melissen (2019), sustainable governance frameworks foster long-term strategic execution, particularly in small businesses where management and ownership play a significant role in decision-making. When taken as a whole, these results highlight the fact that ESG factors are essential and interrelated factors that influence SME success in Ghana rather than being separate or elective.

4.4 Drivers For Implementing Sustainability Practices in SMEs

This section examined the drivers for implementing sustainability practices in SMEs. The drivers for implementing sustainability practices were measured using a 5-point scale. Hence, the mean values of these variables were utilized to determine the drivers for implementing sustainability practices using the following rules: 1 means lowest agreement, and 5 means highest agreement. The midpoint (3) is the theoretical mean, so anything below is low, and anything close to 1 is very low; anything above 3 is high. Indicating least/weak agreement and strong agreement. Table 8 provides a summary of the analysis and findings.

Table 8 Drivers For Implementing Sustainability Practices In SMEs

Items	Mean	Standard Deviation
Our company implements sustainability practices primarily to comply with existing environmental regulations.	4.3733	.74553
Customer demand for environmentally friendly products or services motivates us to adopt sustainable practices.	4.0400	.65306
We believe that implementing sustainability practices enhances our company's reputation and brand image.	3.7733	.90813
Cost savings achieved through efficient resource utilization drive our sustainability initiatives.	3.3700	1.19073
Our commitment to ethical responsibility and environmental stewardship influences our adoption of sustainable practices.	3.9300	.76620
Competitive pressure within our industry encourages us to implement sustainability measures to maintain market position.	4.2433	1.01038
Access to government incentives or subsidies motivates our company to pursue sustainable practices.	3.9400	.97617
Support from top management is important in driving our sustainability efforts.	4.5067	.86745

Table 8 provides an insightful look at the factors that encourage SMEs in Ghana to adopt sustainable practices, highlighting both internal and external constraints. Support from upper management stands out as the most important of the stated drivers ($M = 4.51$, $SD = 0.87$), highlighting the fact that leadership commitment is not just symbolic but is essential to integrating sustainability into corporate operations. This supports the findings of Idowu, Moratis, and Melissen (2019), who contend that, especially in resource-constrained contexts like those seen in emerging nations, leadership endorsement is a critical enabler in operationalising sustainable business models.

The necessity of adhering to environmental standards comes in second ($M = 4.37$, $SD = 0.75$), indicating that SMEs are still primarily motivated by legal compliance. This is in line with the findings of Mehta and Sharma (2023), who note that whereas legislative frameworks frequently serve as the first push, they also establish a framework that allows for the achievement of more ambitious sustainability objectives. Competitive pressure follows closely after ($M = 4.24$, $SD = 1.01$), indicating that SMEs are realizing more and more that sustainability is a strategic reaction to market dynamics rather than merely a "nice-to-have"—especially in a time when green credentials are starting to set them apart. In his discussion of how SMEs can utilize sustainability to reposition themselves and improve their competitive edge in niche markets, Jain (2022) highlights this point.

Remarkably, access to government incentives ($M = 3.94$, $SD = 0.98$), as well as ethical duty and environmental stewardship ($M = 3.93$, $SD = 0.77$), are powerful motivators that demonstrate a twofold influence: internal value systems and external benefits. Jain's (2022) argument that sustainability is both a moral and a business case is echoed by these data, which show a balanced orientation where moral imperatives and practical rewards combine to support sustainable actions. Customer demand, on the other hand, shows how consumer awareness is starting to affect SME behavior ($M = 4.04$, $SD = 0.65$). Since there has historically been little consumer pressure in developing countries, this change is especially encouraging. Perhaps because many SMEs still view sustainable technology as expensive in the short term, the relatively moderate mean for cost savings through resource efficiency ($M = 3.37$, $SD = 1.19$), suggests that while financial prudence is still a factor, it is not the most important one.

When combined, the findings in Table 8 support the notion that SMEs' adoption of sustainability is complex, encompassing ethical considerations, market survival, leadership vision, and regulatory compliance. These incentives align with Idowu et al. (2019)'s layered theory, which emphasizes that sustainability drivers in SMEs are frequently dynamic, interconnected, and context-shaped rather than isolated or linear. In order to create interventions that are in line with the lived reality of small enterprises in Ghana and other comparable contexts, policymakers and SME support organizations must also have a thorough awareness of these subtleties.

4.5 Barriers for Implementing Sustainability Practices in SMEs

This section examined the barriers for implementing sustainability practices in SMEs. The barriers for implementing sustainability practices were measured using a 5-point scale. Hence,

the mean values of these variables were utilized to determine the barriers for implementing sustainability practices using the following rules: 1 means lowest agreement, and 5 means highest agreement. The midpoint (3) is the theoretical mean, so anything below is low, and anything close to 1 is very low; anything above 3 is high. Indicating least/weak agreement and strong agreement. Table 9 provides a summary of the analysis and findings.

Table 9 Barriers For Implementing Sustainability Practices In SMEs

Items	Mean	Standard Deviation
Limited financial resources hinder our ability to invest in sustainable practices.	4.5200	.85559
Our organization lacks sufficient knowledge and expertise to implement sustainability initiatives effectively.	4.1267	.62604
Time constraints prevent us from focusing on sustainability efforts.	3.9133	.92485
The initial costs associated with sustainable technologies or processes are prohibitive for our business.	3.9000	.89779
There is a lack of government incentives or support to encourage sustainable practices in our industry.	4.1833	.79907
Our customers do not prioritize sustainability, reducing our motivation to implement such practices.	3.7833	.66674
We face challenges in accessing reliable information about sustainable practices relevant to our operations.	3.7767	.65947
Existing regulations and policies do not adequately support or encourage sustainability efforts in our sector.	3.4433	.88472

An insightful examination of the obstacles preventing Ghanaian SMEs from implementing sustainable practices is provided in Table 9. With a mean score of 4.52 and a standard deviation of 0.86, the data clearly shows that the biggest barrier is a lack of funding. This result is in line with the large body of research that shows that SMEs consistently face difficulties obtaining financing, especially in developing nations where credit requirements are frequently strict and capital markets are underdeveloped (Williams & Gurtoo, 2017). Furthermore, Lindgreen et al. (2019) contend that although sustainability promises long-term benefits, many small enterprises find it difficult to justify upfront expenditures in green projects due to the immediate challenges of survival.

The absence of government assistance and incentives comes in second, with a high mean score of 4.18. This outcome illustrates a structural weakness in the frameworks of policies intended to support long-term changes in the SME sector. According to Idowu, Moratis, and Melissen (2019), public institutions need to act as a catalyst by creating financial and regulatory tools that make it less expensive for smaller businesses to transition to sustainability. SMEs are frequently forced to negotiate the challenging landscape of sustainability alone when such support is unavailable or insufficient, which increases the risk and expense of implementation.

Lack of expertise and knowledge gaps also surfaced frequently ($M = 4.13$), supporting Mehta and Sharma's (2023) claim that many SMEs in emerging economies lack the technical know-how or strategic capacity necessary to effectively incorporate sustainability into their operations. The sustainability agenda runs the risk of being perceived as a foreign or abstract idea rather than a practical business necessity in the absence of focused training and awareness initiatives. The prohibitive costs of sustainable technologies (3.90) and the relatively high means for time limitations (3.91) further imply that, despite its worth, sustainability is frequently seen as a secondary priority that must contend with daily operational demands.

Interestingly, market immaturity and information asymmetry—two problems that Jain (2022) notes are typical in situations where sustainability is still gaining traction as a mainstream business consideration—are reflected in customer disinterest in sustainability ($M = 3.78$) and challenges obtaining trustworthy sustainability information ($M = 3.78$). Although formal policies may exist, their implementation and enforcement may not be strong enough to influence behavior change at the SME level, as evidenced by the comparatively low score for regulatory inadequacies ($M = 3.44$). Together, these results highlight how many contextual and

structural obstacles stand in the way of Ghanaian SMEs' increasing appreciation of the importance of sustainability. These findings are crucial—not just significant—for this investigation. They highlight the practical constraints that need to be overcome if sustainability is to become more than just a theoretical concept. According to the literature, a multi-stakeholder strategy including legislators, financial institutions, trade associations, and SMEs themselves is necessary to overcome these obstacles. The sustainable transition cannot be truly inclusive and scalable without such cooperation.

5 CONCLUSION

Level of sustainability practices adopted by SMEs in Ghana

The results of an assessment of the degree of sustainability practices embraced by SMEs in Ghana point to a reasonably high level of participation, especially when it comes to governance and environmental standards. Despite differences in the breadth and depth of their initiatives, these companies seem to understand the strategic value of incorporating sustainability. Notably, despite the recognition of environmental and social factors, implementation still appears to be biased towards easily quantifiable acts, suggesting the need for more comprehensive and integrated sustainability plans. This echoes a larger trend noted by Idowu et al. (2019), wherein SMEs in emerging economies embrace sustainability as a strategic move, although one that is limited by capacity, rather than merely as a compliance measure.

Impact of sustainability practices adopted by SMEs

The evidence makes a strong argument for the beneficial effects of sustainable measures when looking at how they affect SME performance. Performance outcomes were shown to be significantly predicted by environmental, social, and governance (ESG) elements, with governance practices exhibiting especially strong connections. This supports the assertion made by Mehta and Sharma (2023) that SMEs are more likely to experience improvements in market resilience, stakeholder trust, and efficiency when they incorporate sustainability fully into their operations. The findings support the notion that sustainability is a performance facilitator as well as a moral need, particularly in settings with limited resources and competition.

Drivers for implementing sustainability practices

A complicated but promising picture emerges from the examination of the factors that motivate the adoption of sustainable practices. Strong top management support, customer demand, reputational advantages, and regulatory compliance are important motivators. It's interesting to note that leadership influence turned out to be the most powerful internal motivator, supporting Jain's (2022) claim that the strength and longevity of sustainability initiatives in smaller businesses are frequently determined by leadership commitment. These results imply that SMEs are more likely to incorporate sustainability into their business models in a significant way when they view it as an opportunity rather than a burden, particularly when it is in accordance with ethical obligations and market needs.

Barriers for implementing sustainability practices

Conversely, assessing the obstacles to adopting sustainability reveals a terrain influenced by lack of institutional support, knowledge gaps, and budgetary limitations. The most frequently mentioned barrier was a lack of funding, which was closely followed by a lack of incentives and experience. This depicts the SME sector in a grim but realistic manner, particularly in emerging nations like Ghana where structural barriers still exist. According to Lindgreen et al. (2019) and Williams and Gurtoo (2017), these issues are systemic rather than just organizational. In the absence of intentional policy, financial, and instructional initiatives, SMEs' journey towards sustainability runs the risk of stopping before it even gets started.

Recommendations

Level of sustainability practices adopted by SMEs in Ghana

For Practitioners: First and foremost, SMEs' leaders need to understand that sustainability is an organized and measurable organizational goal rather than a hazy or abstract ideal. Conducting a thorough internal audit of current sustainability initiatives across environmental, social, and governance dimensions is a useful place to start. Sadly, a lot of SMEs have a tendency to ignore important social and governance elements like employee well-being, ethical sourcing, and open reporting in favor of concentrating just on environmental issues like waste management or energy conservation. Structure can be provided by creating internal checklists based on globally accepted frameworks like ISO 26000 recommendations or the Global Reporting Initiative (GRI) Standards. To ensure that sustainability gets ingrained in the company's operating rhythm, these checklists ought to be incorporated into routine business assessments rather than being handled as stand-alone tasks.

For Policymakers: The Ghana Enterprise Agency, the Environmental Protection Agency, and the Ministry of Trade and Industry should lead a national sustainability assessment program to establish a foundational understanding of sustainability in the SME sector. This program could be implemented in collaboration with regional business associations and implemented on a regional scale. The evaluation would identify the degree of sustainable integration that SMEs currently have, generate sector-specific reports, and offer action plans for incremental improvement. For these diagnostic reports to become actionable roadmaps rather than one-time exercises, they should be connected to capacity-building seminars and follow-up consultations.

Impact of sustainability practices adopted by SMEs

For Practitioners: Because they lack the tools to assess and analyze the results of sustainability initiatives, many SME owners undervalue the performance consequences of these initiatives. Businesses must begin by defining internal KPIs that tie specific sustainability efforts to business results—such as measuring how solar systems cut power costs or how responsible sourcing boosts consumer loyalty. To put it another way, performance measurements and sustainability should not be pursued separately. SME owners may create engaging narratives about how sustainability measures enhance productivity, market distinction, and even resilience during economic downturns by accumulating case-specific data over time. Additionally, such data offers useful information for staff motivation, investor involvement, and marketing.

For Policymakers: The relationship between sustainability and financial incentives for SMEs should be strengthened by government policy. Companies that show quantifiable gains in sustainability performance, especially those that use renewable energy, cut carbon emissions, or use circular economy principles, could be rewarded with tax breaks or subsidies. Additionally, public procurement regulations need to be changed to offer SMEs with strong sustainability credentials priority or preferential scoring. As a result, SMEs will be able to use sustainability as a strategic lever to reach new markets and funding sources in addition to improving their internal performance.

Drivers for implementing sustainability practices

For Practitioners: Company executives must better coordinate their sustainability initiatives with changing consumer demands and market conditions. Adopting sustainability as a background compliance function is no longer adequate. Instead, through ethical branding, transparent sourcing, and green product lines, SMEs should aggressively present sustainability as a component of their market offering. Demand from customers is shifting in favor of companies that practice social responsibility and environmental responsibility, particularly from younger and more globally aware demographics. Therefore, SMEs need to incorporate sustainability into their strategy for customer engagement, product design, packaging, and distribution. Sustainability may become more than simply an internal expense center thanks to this market-facing approach; it can also spur innovation and revenue expansion.

For Policymakers: Changing consumer demand and understanding is a potent lever for promoting sustainability in SMEs. To increase consumer awareness of green goods and

services, public agencies should fund sustainability labelling initiatives and educational efforts. These initiatives can assist consumers in differentiating between greenwashing and true sustainability, much way the FDA or Fairtrade certifications do. Increased consumer knowledge creates a market-based force that lessens the need for top-down enforcement by putting pressure on businesses to raise their standards. In order to identify and honor outstanding sustainability advocates within the SME ecosystem and set an example for others to follow, ministries should collaborate with trade groups.

Barriers for implementing sustainability practices

For Practitioners: Lack of scale is one of the biggest issues SMEs face since it makes it hard to acquire specialized staff or absorb the initial expenditures of sustainable technologies. In order to get around this, SMEs should be urged to establish cooperative platforms where resources and knowledge may be shared, such as shared service centers, industry cooperatives, or sustainable learning alliances. For instance, a number of SMEs in the same value chain or cluster might work together to invest in recycling infrastructure or engage a sustainability consultant. These collaborations can also promote a culture of shared accountability and creativity and lead to prospects for collaborative funding.

For Policymakers: Legislation alone won't be enough to overcome the obstacles to sustainability in SMEs; specific institutional and financial assistance is needed. For projects that satisfy certain sustainability requirements, a national sustainability assistance fund for SMEs should be established, providing grants, low-interest loans, or matching cash. But financial aid is insufficient on its own. Technical advising services, such as digital helpdesks and mobile consulting units, which offer detailed instructions on project design, implementation, and sustainability standard compliance must be provided in conjunction with the fund. Additionally, in order to prevent the very institutions designed to assist SMEs from becoming further barriers, the bureaucratic processes involved in obtaining this assistance must be simplified.

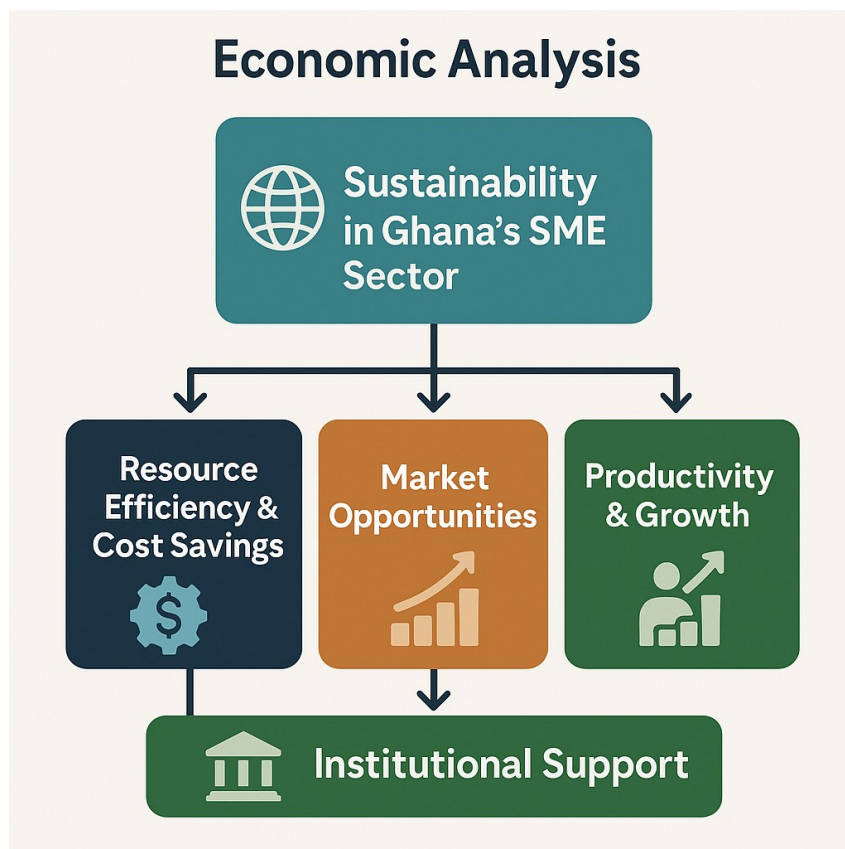
5.1 Economic Analysis

According to the study's recommendations, the economic effects of integrating sustainability into Ghana's SME sector go much beyond the ethical or environmental considerations that are frequently highlighted in public discussions. Fundamentally, resource efficiency, cost control,

market positioning, and long-term competitiveness—all of which are critical to economic viability on both a local and macro level—intersect with sustainability in SMEs.

Figure 3 Economic Analysis of Sustainability among SMEs in Ghana

Source: Author



A route to operational efficiency is created from a microeconomic standpoint by the suggestions made for SME practitioners to participate in organized self-assessment and match their procedures with international standards like the GRI or ISO frameworks. Businesses that actively track and manage their social and environmental impacts frequently find inefficiencies, whether they relate to supply chain vulnerabilities, waste production, or energy consumption. These self-control initiatives have the potential to result in considerable cost savings over time. Energy audits, for example, combined with small investments in inexpensive, renewable technologies, might lower operational costs and increase profit

margins. Such marginal benefits can have significant cumulative economic effects in industries with relatively high energy intensity, such as agro-processing, textiles, and hospitality.

Furthermore, sustainability is positioned as a growth enabler rather than a peripheral cost center by the policy proposals supporting regional diagnostic programs and focused sustainability funding structures. SMEs are more likely to innovate in product design, reach new consumer categories, and satisfy changing compliance criteria needed for international trade if they have access to improved data and technical consulting services. Ghana's export base will be directly impacted by this, especially in light of policies like the EU's Green Deal and the African Continental Free Trade Area (AfCFTA), which are progressively linking market access to sustainability credentials.

The suggestions pertaining to performance correlations also highlight the more general productivity problem. SMEs are successfully creating internal performance dashboards when they start to methodically monitor the effects of sustainability measures, such as customer retention, employee engagement, and brand equity. Long-term company sustainability depends on managerial discipline and strategy clarity, both of which are fostered by this data-driven approach. Macroeconomically speaking, a more productive SME sector boosts GDP, creates jobs, and raises tax receipts. Therefore, the Ghanaian government's participation in coordinating incentives (such as tax breaks or green procurement) with sustainability goals is not only morally required, but also a wise financial move.

Perhaps the most dynamic potential for economic transformation is provided by the market-based drivers mentioned in the third objective. SMEs access what behavioral economists would describe as "value alignment markets" when they adapt to informed customer preferences—for example, by implementing green labelling, ethical sourcing, or product traceability. In these markets, shared values—rather than merely price or utility—have an impact on purchasing decisions. Promoting this kind of value-driven consumption can increase demand for sustainable, locally produced goods, boosting homegrown businesses and lowering dependency on imports that aren't sustainable.

Additionally, by tackling obstacles such as a lack of funding and technical expertise through sustainability clusters and cooperative structures, economies of scale are introduced into a historically fragmented industry. SMEs attain a degree of economic coordination that increases bargaining power, lowers costs per unit, and boosts learning spillovers when they join forces to share sustainability officers, invest collectively in technology, or engage in pooled

procurement. The economic reasoning behind value-chain integration and industrial parks, both of which have shown effectiveness in other emerging countries, is reflected in these synergies.

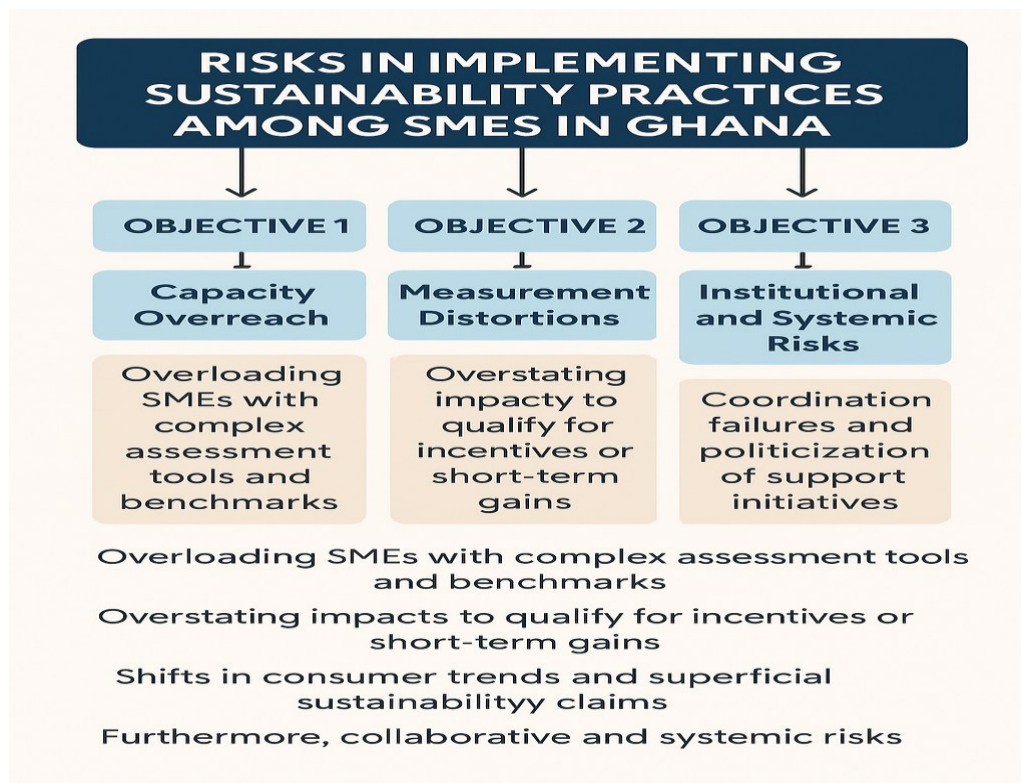
In terms of policy, the creation of a sustainability assistance fund is a much-needed remedy for capital market imperfections that disproportionately impact small and medium-sized enterprises. Non-tangible assets like environmental stewardship and brand integrity are frequently undervalued by traditional financial institutions. Government actions can attract private capital and reduce the risk of sustainability initiatives by providing technical assistance and concessional funding. Consequently, this fosters a class of entrepreneurs who see sustainability as a strategic lever rather than a limitation and encourages financial inclusivity.

There is a strong economic case for following the study's recommendations. SMEs could be transformed from survivalist endeavors to hubs of innovation and resilience if sustainability is viewed as an integrated corporate strategy and encouraged by wise legislation. A positive economic cycle that can greatly quicken Ghana's path towards equitable and sustainable economic growth is created by the interaction of firm-level efficiency, consumer dynamics, institutional support, and capital access.

5.2 Risk Analysis

No matter how well-meaning, every policy prescription and strategic proposal comes with a variety of dangers, some predictable and some unexpected. Although useful and forward-thinking, the suggestions made in the instance of encouraging sustainability practices among SMEs in Ghana do not function in a risk-neutral vacuum. Comprehending these possible hazards is essential for both execution and guaranteeing that the route to sustainability is robust, flexible, and all-encompassing.

Figure 4 Risk Analysis of Sustainability among SMEs in Ghana

Source: Author

The most immediate concern is capacity overshoot, which begins with Objective 1, which calls on SMEs to perform formal sustainability self-assessments and compare themselves to worldwide frameworks. SMEs frequently have lean organizational structures and overworked staff, especially in developing nations like Ghana. Requesting that these companies implement structured evaluation tools all at once could lead to disengagement or even tiredness if the tools are thought to be overly complex, unrelated to local circumstances, or not in line with corporate values. Additionally, there is a reputational risk because businesses that receive low scores on these evaluations can be deterred from making additional sustainability initiatives because they believe they are impossible. To lessen this, it is crucial that the suggested diagnostic instruments are customized to take into account Ghana's unique industrial realities and resource constraints rather than being generic imports from developed environments.

The main dangers under Objective 2, which suggests monitoring the performance results of sustainability initiatives and rewarding them with tax breaks or public procurement, include measurement biases and system gaming. To be eligible for incentives, SMEs may selectively misrepresent or exaggerate sustainability advantages, particularly in settings with lax regulatory scrutiny. Furthermore, it may take years for sustainability performance

improvements to become apparent; if they are too closely linked to instant rewards, this could encourage flimsy or transient compliance rather than real change. Finding a balance between creating reliable, auditable measures that promote ongoing development and avoiding becoming a bureaucratic burden is a difficulty for policymakers. In this case, staged awards based on confirmed progress or independent sustainability audits could be useful risk-control tools.

A new type of risk—market volatility and greenwashing—emerges as we move on to Objective 3, which places an emphasis on being responsive to market drivers including ethical consumer trends and branding opportunities. The opinions of consumers are not always consistent, and what is praised as sustainable now can be criticized tomorrow for not meeting changing expectations. SMEs run the risk of criticism or charges of greenwashing if they make an abrupt shift to sustainable branding without fully incorporating it into their business plan. This is a strategic risk as well as a reputational one since it can undermine long-term market positioning and undermine consumer trust. This can be avoided by advising SMEs to ground their sustainability narratives in verifiable action rather than superficial marketing claims. On the other hand, policymakers ought to encourage the creation of reliable third-party certification programs that assist customers in distinguishing between true sustainability and tokenism.

Last but not least, there are structural and institutional concerns associated with Objective 4, which suggests removing obstacles through cooperative networks and a national sustainability fund. The efficacy of these initiatives may be compromised by poor coordination, delays in the distribution of funds, elite control, or the politicization of support programs. For instance, the fund may disproportionately assist more politically connected SMEs rather than those who are most in need if it is not managed honestly or if the eligibility requirements are unclear. Furthermore, despite their potential benefits, collaborative networks may be hard to maintain in real life because of issues with trust, unequal involvement, or disputes over resources. As a result, these suggestions need to be put into practice using transparent governance frameworks, accountability systems, and inclusive stakeholder engagement procedures. Risk-sharing procedures can potentially offer protections against institutional failure, possibly through cooperative agreements or public-private partnership structures.

5.3 Limitations of Project

No research project is immune to the tug of restriction, no matter how carefully planned or well-meaning. This study, which aims to promote sustainable practices among Ghanaian

SMEs, is not an anomaly. their contributions are significant, but they need to be viewed in light of their limitations, presumptions, and bounds.

First of all, the study's scope is limited to a certain region and economy. Although the SME ecosystem in Ghana offers a rich and pertinent environment for investigating sustainable integration, the results might not be easily extrapolated to SMEs in other nations with distinct legal frameworks, market dynamics, or sociocultural settings. In areas with different institutional support or resource availability, what functions well in Ghana's business climate and policies may not work as well. This makes it important to exercise caution when making recommendations that are too general without taking context into account.

The methodological approach, which intentionally prioritized qualitative insights and policy-oriented recommendations over rigorous quantitative testing, is another drawback. While policy analyzes, document reviews, and stakeholder interviews played a significant role in forming strategic recommendations, the lack of extensive empirical data limits the capacity to statistically validate the connections between SMEs' performance outcomes and sustainability practices. To provide stronger causal inferences, future research could expand on this foundation using longer-term case studies or more reliable econometric models.

Furthermore, it is difficult to fully capture the complexity, multifaceted character, and dynamic nature of sustainability in a single study. Even while the study made an effort to cover the economic, environmental, and social aspects of sustainability, several topics—like gender equity, circular economy principles, or the relationship between sustainability and digital transformation—were only briefly mentioned. These are important topics that demand additional in-depth research in later studies, particularly as they take center stage in discussions about sustainability around the world.

Additionally, the study makes assumptions about institutional will and policy responsiveness that might not always hold true in reality. Many of the suggestions are based on the existence of responsive regulatory frameworks, effective public procurement procedures, and effective funding distribution—conditions that are frequently uneven or inconsistent within Ghana's administrative environment. Therefore, political cycles, bureaucratic lethargy, or difficulties allocating resources could all have an impact on the viability of implementation, factors that this analysis was only able to partially account for.

The last concern is temporality's limitation. A snapshot of the situation of SMEs and sustainable practices at a particular moment in time is captured by the study. But sustainability is a dynamic concept. The landscape can change quickly due to new environmental regulations, economic upheavals, or changes in consumer behavior. Because of this dynamic nature, some findings or recommendations may become less relevant over time, necessitating continual reevaluation and flexible policymaking.

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LIST OF ABBREVIATIONS

CSR	Corporate Social Responsibility
SME	Small & Medium Size Enterprise
GDP	Gross Domestic Product
AfDB	African Development Bank
GEA	Ghana Enterprise Agency
GIPC	Ghana Investment Promotion Centre
GRI	Global Reporting Initiative
GSS	Ghana Statistical Service
L.I	Legislative Instrument
MMDAs	Metropolitan, Municipal and District Assemblies
NoE	Number Of Employees
OECD	Organization for Economic Co-operation and Development
RBV	Resource-Based View
SD	Sustainable Development
SDGs	Sustainable Development Goals
VRIN	Valuable, Rare, Inimitable, And Non-Substitutable
ESG	Environmental, Social, and Governance
UN	United Nations
EfD	Environment for Development
ILO	International Labor Organization
IEA	Institute of Economic Affairs
GCIC	Ghana Climate Innovation Center
UNIDO	United Nations Industrial Development Organization

UNCTAD	United Nations Conference on Trade and Development
ITC	International Trade Center
AMA	Accra Metropolitan Assembly
USAID	United States Agency for International Development
MMDAs	Metropolitan, Municipal, and District Assemblies
SPSS	Statistical Package for Social Sciences (SPSS)
AfCFTA	African Continental Free Trade Area
EU	European Union
KPI	Key Performance Indicator

APPENDICES

STRUCTURED QUESTIONNAIRE

Dear Sir/Madam, I am a student from Tomas Bata University in Zlin -The Czech Republic, carrying out my thesis on the topic “**Project of Assessment of the Impact Sustainability practices Among SMEs in Ghana.**” Your views are very important to the study. Every information you provide will remain highly confidential. All information we collect is important to us and will be considered anonymous.

Please tick or write out your responses where appropriate

SECTION A: DEMOGRAPHICS

Please tick where applicable

1. Gender: ☐ Male ☐ Female

2. Age ☐ below 20 ☐ 20-29 ☐ 30-39 ☐ 40-49 ☐ 50-59 ☐ 60 or above

3. Your highest level of Education reached:

☐ Never ☐ Primary ☐ J.H.S ☐ Secondary ☐ Tertiary

4. Size of Firm

☐ Small ☐ Medium

5. The number of workers employed by the Small Enterprises

☐ None ☐ 1 to 5 ☐ 6 to 10 ☐ 11 to 15 ☐ 16 to 20

☐ More than 20

6. Years of service

☐ Less than 1 year ☐ 1 to 3 ☐ 4 to 6 ☐ 7 to 10 ☐ More than 10 years

SECTION B: LEVEL OF SUSTAINABILITY PRACTICES ADOPTED

The following are statements about the level of sustainability practices adopted by your firm. Please indicate the extent to which agree to each statement by ticking [☐] one number of each item;

1- Least level of agreement, 5- The highest level of agreement

Items	1	2	3	4	5
-------	---	---	---	---	---

- B1. Our firm actively implements energy-saving measures, such as using energy-efficient appliances and lighting.
- B2. We have established procedures for recycling and managing waste to minimize environmental impact.
- B3. Our operations include practices aimed at conserving water, such as using water-saving fixtures or reusing water where possible.
- B4. We prioritize sourcing materials and products from local suppliers to reduce transportation emissions and support the local economy.
- B5. Our company has policies in place to ensure fair labor practices and promote employee well-being.
- B6. We engage with the local community through initiatives that support social development and environmental conservation.
- B7. Our business regularly assesses its environmental impact and seeks ways to improve sustainability performance.
- B8. We invest in employee training programs focused on sustainability and environmental responsibility.

SECTION C: SUSTAINABILITY PRACTICES

The following are statements about the sustainability practices of your organization. Please indicate the extent to which agree to each statement by ticking [✓] one number of each item;

1- Least level of agreement, 5- The highest level of agreement

	Environmental Sustainability Practices	1	2	3	4	5
C1.	Our business actively implements energy-saving measures, such as using energy-efficient appliances and lighting.					
C2.	We have established procedures for recycling and managing waste to minimize environmental impact.					
C3.	Our operations include practices aimed at conserving water, such as using water-saving fixtures or reusing water where possible.					
C4.	We prioritize sourcing materials and products from local suppliers to reduce transportation emissions and support the local economy.					
C5.	Our company has policies in place to ensure fair labor practices and promote employee well-being.					
C6.	We engage with the local community through initiatives that support social development and environmental conservation.					
C7.	Our business regularly assesses its environmental impact and seeks ways to improve sustainability performance.					
C8.	We invest in employee training programs focused on sustainability and environmental responsibility.					

	Social Sustainability Practices					
C9.	We ensure fair labor practices and promote employee well-being through our company policies.					
C10.	Our business actively engages with the local community through initiatives that support social development.					
C11.	We provide equal employment opportunities and foster an inclusive workplace environment.					
C12.	Our company supports employee development through training and educational programs.					
C13.	We maintain open and transparent communication with our stakeholders, including employees, customers, and the community.					
C14.	Our business contributes to local social causes and participates in community service activities.					
C15.	We have measures in place to ensure the health and safety of our employees.					
C16.	Our company respects and upholds human rights in all aspects of our operations.					
	Governance Sustainability Practices					
C17.	Our organization has a clear and publicly stated sustainability vision and strategy.					

C18.	We have established specific short, medium, and long-term sustainability goals.					
C19.	Our company enforces a comprehensive Code of Conduct that includes compliance, ethics, and anti-corruption measures.					
C20.	We have designated a Compliance Officer or similar role responsible for overseeing governance practices.					
C21.	Regular risk assessments are conducted to identify and mitigate potential sustainability-related risks.					
C22.	We maintain a Whistleblower Policy to encourage reporting of unethical or non-compliant behavior.					
C23.	Our organization requires contractors and suppliers to adhere to our Code of Conduct.					
C24.	We publish an annual sustainability or corporate social responsibility report detailing our governance practices.					

SECTION D: DRIVERS FOR IMPLEMENTING SUSTAINABILITY PRACTICES

The following are statements about the drivers for implementing sustainability practices in your organization. Please indicate the extent to which agree to each statement by ticking [✓] one number of each item;

1- Least level of agreement, 5- The highest level of agreement

	Statements	1	2	3	4	5
D1.	Our company implements sustainability practices primarily to comply with existing environmental regulations.					
D2.	Customer demand for environmentally friendly products or services motivates us to adopt sustainable practices.					
D3.	We believe that implementing sustainability practices enhances our company's reputation and brand image.					
D4.	Cost savings achieved through efficient resource utilization drive our sustainability initiatives.					
D5.	Our commitment to ethical responsibility and environmental stewardship influences our adoption of sustainable practices.					
D6.	Competitive pressure within our industry encourages us to implement sustainability measures to maintain market position.					
D7.	Access to government incentives or subsidies motivates our company to pursue sustainable practices.					
D8.	Support from top management plays a crucial role in driving our sustainability efforts.					

SECTION E: BARRIERS FOR IMPLEMENTING SUSTAINABILITY PRACTICES

The following are statements about the barriers for implementing sustainability practices in your organization. Please indicate the extent to which agree to each statement by ticking [√] one number of each item; *1- Least level of agreement, 5- The highest level of agreement*

		1	2	3	4	5
E1.	Limited financial resources hinder our ability to invest in sustainable practices.					
E2.	Our organization lacks sufficient knowledge and expertise to implement sustainability initiatives effectively.					
E3.	Time constraints prevent us from focusing on sustainability efforts.					
E4.	The initial costs associated with sustainable technologies or processes are prohibitive for our business.					
E5.	There is a lack of government incentives or support to encourage sustainable practices in our industry.					
E6.	Our customers do not prioritize sustainability, reducing our motivation to implement such practices.					
E7.	We face challenges in accessing reliable information about sustainable practices relevant to our operations.					
E8.	Existing regulations and policies do not adequately support or encourage sustainability efforts in our sector.					

SECTION F: SMEs PERFORMANCE

The following are statements about the performance of your organization. Please indicate the extent to which agree to each statement by ticking [√] one number of each item; *1- Least level of agreement, 5- The highest level of agreement*

	Statements	1	2	3	4	5
F1.	Our business has experienced consistent revenue growth over the past three years.					
F2.	We have successfully expanded our customer base within our target market.					
F3.	Our company maintains a strong cash flow position, allowing for timely payments and investments.					
F4.	We have achieved our set profitability targets for the current fiscal year.					
F5.	Our business has effectively entered new markets or introduced new products/services recently.					
F6.	We have maintained a high level of customer satisfaction, as indicated by repeat business and referrals.					
F7.	Our company has invested in employee development, resulting in improved staff performance and retention.					
F8.	We have implemented efficient operational processes that have enhanced productivity and reduced costs.					

THANKS FOR ACCEPTING TO PARTICIPATE