



## **Research Trend and Future Direction of SMEs Performance Determinants: Literature Review 2014-2024**

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### **Abstract**

This article conducts a systematic review of the determinants of Small and Medium Enterprises (SMEs) performance over the period 2010-2024. The method used is a Systematic Literature Review (SLR), utilizing the Scopus database to identify and evaluate relevant articles related to SMEs performance. The main findings of this article indicate that SMEs performance is influenced by two factors, internal and external factors, such as innovation, leadership, financial stability, supply chain management, and government support. Additionally, there are research gaps, such as the need for further exploration of the impact of digital transformation, the role of social media marketing, social sustainability issues, and the interaction between internal and external factors. This article offers future research directions to strengthen SMEs competitiveness in an increasingly competitive and advanced digital era.

**Keywords:** Small and Medium Enterprises, Performance, Systematic Literature Review

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## INTRODUCTION

Small and Medium Enterprises (SMEs) serve as the backbone of the economy in many developing countries (Bayraktar & Algan, 2019). SMEs play a major role in creating new jobs, increasing community income, and supporting the domestic economy and they contribute significantly to a country's Gross Domestic Product (GDP) (Agu et al., 2022). SMEs also provide substantial employment opportunities, absorbing a large workforce, thereby reducing unemployment at both regional and national levels. The jobs created are generally more inclusive and flexible (Miroshnychenko et al., 2021), making them suitable for a diverse workforce with varied educational backgrounds. Due to their inclusive and flexible nature, SMEs help reduce unemployment, increasing household income and improving the living standards and welfare of families and communities (Bauchet & Morduch, 2013). Hallak et al., (2013) further assert that the spread of SMEs across regions can help reduce economic disparities between remote and urban areas.

SMEs help reduce economic inequality (Fernández-Serrano & Romero, 2013) by providing business opportunities and jobs in remote or suburban areas that large companies may not reach (Maksimov et al., 2017). Maksimov et al., (2017) also note that SMEs entrepreneurs often involve the local community as employees or partners, allowing them to learn new skills such as production techniques, marketing, and business management. These acquired skills can be replicated by the community to develop their own businesses (Lukiyanto & Wijayaningtyas, 2020). Additionally, when communities observe the success of SME entrepreneurs, it can inspire entrepreneurial spirit or orientation and foster economic independence, ultimately increasing income levels (Bauchet & Morduch, 2013). In other, the presence of SMEs can inspire community members to start their own businesses, thereby expanding economic opportunities within communities (Steiner & Atterton, 2015).

The development of the business, SMEs have challenges to increase efficiency and productivity (Kumar et al., 2020). The digital era intensifies SMEs competition (Skare et al., 2023), as they now compete not only with local businesses but also with global players possessing superior technological capabilities (Olmos & Díez-Vial, 2015). Many SMEs, particularly in rural areas, still have limitations in digital infrastructure, such as stable internet access and adequate technology (Sindakis & Showkat, 2024). Another weakness in the digital era is that many SMEs have yet to adopt an effective digital marketing strategy to retain customers in the face of intense competition (Canhoto et al., 2021). Limited flexibility and adaptability make them vulnerable compared to larger competitors who have resources to continually update technology (Iborra et al., 2020).

This Systematic Literature Review (SLR) focuses on identifying the determinants of SMEs performance. These determinants are categorized into two factors: internal and external (Agustini et al., 2023). Internal factors are elements within the SMEs organization itself and are directly influenced by management decisions and strategies (Hsu et al., 2017). According to (Yahaya & Nadarajah, 2023), the external factors affecting SMEs performance include financial management, human resources, corporate innovation and technology, leadership, and organizational culture. Financial management, capital management, cash flow, budget planning, and good funding access, is essential for SMEs sustainability and growth (Metzker et al., 2023); (Mazzarol, 2015). Mazzarol (2015) further asserts that SMEs with efficient financial management tend to be more stable and capable of long-term survival. Human Resource (HR) quality also impacts SME performance (Altuntas & Yilmaz, 2016), including entrepreneurs or owners, managers, and workers. Factors such as skill, knowledge, experience, and worker motivation influence productivity and innovation within the business (Masrukhin et al., 2023). Therefore, quality HR training and development are needed to enhance SME competitiveness (Ahmedova, 2020).

SMEs must also be capable of innovation. The ability to innovate in products, services, or business processes is essential for SME growth (Carrasco-Carvajal et al., 2023), (Valdez-Juárez et al., 2022), (Hanaysha & Hilman, 2015). Technology usage, such as digital management systems or e-commerce, also plays a critical role in improving SME efficiency and market access (Prasanna et al., 2019). Strong leadership and management abilities in both short- and long-term strategies significantly determine SME performance (Chaithanapat et al., 2022). Cong et al., (2021) elaborate that visionary, flexible, and oriented leaders can make decisions to drive business success. Organizational culture factors, including values, norms, and work practices, influence productivity and operational efficiency (Shuaib & He, 2021). A strong organizational culture, with effective communication and good morale, can enhance employee morale and impact long-term SME success (Sem, 2019).

External factors are elements outside the direct control of SMEs but greatly affect their business environment (Graafland & Bovenberg, 2020). These factors include government policies, market access, competition, external technology and innovation, macroeconomic conditions, socio-cultural factors, and networks and partnerships (Chittithaworn et al., 2011). Government regulations, licensing, taxes, and incentive programs significantly impact SME business climates (Nieuwenhuizen, 2019). Nieuwenhuizen (2019) also explains that supportive policies, such as tax relief or financing access, can strengthen SME performance. SME performance is strongly influenced by their ability to access both local and global markets (Sharfaei et al., 2023). If SMEs can identify niche markets or leverage digital technology, they can grow more rapidly. Furthermore, competition can drive SMEs to innovate, but it can also threaten sustainability if not addressed with the right strategies.

Technological developments at the industry or global level can impact SMEs. New technologies adopted by competitors or changes in consumer interaction with businesses may require SMEs to keep up, such as adopting digital platforms or automation (Civelek et al., 2020). Factors such as inflation, interest rates, unemployment levels, and overall economic growth also affect SME (Menne et al., 2022). Socio-cultural factors, such as consumer preferences, market trends, and societal behavior, also influence SMEs (Dušek et al., 2019). Local preferences can give SMEs a competitive (Indrawati, 2012). Access to business networks, industry associations, and strategic partnerships with suppliers, distributors, or other companies can expand SME opportunities (Dwyer & Gilmore, 2018), (Greenberg et al., 2018), (Oparaocha, 2015). This collaboration can help SMEs with marketing, resources, or technology that can enhance their performance.

## **METHOD**

This study is a Systematic Literature Review (SLR), a technique for identifying, evaluating, and analyzing various published research findings relevant to answering research questions through in-depth analysis (Snyder, 2019; Xiao & Watson, 2019). SLR "is helpful to summarize the latest knowledge on a particular topic with a systematic and transparent method of answering research questions" (Kurniati et al., 2022)

### **Search article and inclusion criteria**

We used the terms "SMES" OR "SMALL ENTERPRISES" OR "SMALL-SIZE ENTERPRISES" OR "MEDIUM ENTERPRISES" OR "MEDIUM-SIZE ENTERPRISES" OR "MICRO ENTERPRISES" OR "MICRO-SIZE ENTERPRISES" OR "SMALL AND MEDIUM ENTERPRISES" in the search menu of the Scopus database. The retrieved data was saved in \*CSV and \*RIS formats and synchronized into the Reference Manager (Mendeley). VOS-viewer software was utilized to visualize the data, making the information more communicative, engaging, and clear. The search history in Scopus was as follows: "TITLE ("FACTOR") AND (LIMIT TO (PUBYEAR, 2024) OR LIMIT-TO (PUBYEAR,

2023) OR LIMIT TO (PUBYEAR, 2022) OR LIMIT TO (PUBYEAR, 2021) OR LIMIT TO (PUBYEAR, 2020) OR LIMIT TO (PUBYEAR, 2019) OR LIMIT TO (PUBYEAR, 2018) OR LIMIT TO (PUBYEAR, 2017) OR LIMIT TO (PUBYEAR, 2016) OR LIMIT TO (PUBYEAR, 2015) OR LIMIT TO (PUBYEAR, 2014)) AND (LIMIT-TO (OA, "all")) AND (LIMIT-TO (DOCTYPE, "ar")) AND (LIMIT-TO (PUBSTAGE, "final")) AND (LIMIT-TO (LANGUAGE, "English"))". Using these keywords and search patterns, we identified 184 articles. The following key points form the basis of the inclusion criteria for this SLR:

1. Articles published from January 2010 to September 2024;
2. Only open-access articles;
3. Publications include research/original articles;
4. The subject area of the articles is small enterprises; and
5. Articles are published in English.

The inclusion and exclusion criteria we implemented are presented in the review protocol, as outlined in Table 1.

**Table 1.** Review protocol

| Criteria   | Detail(s)  |
|--|--|
| 1. Search and extraction scientific database           | Scopus   |
| 2. Journal selection criteria                          | journals related to "small and medium business management" with a rating of "3" and above  |
| 3. Search keywords                                     | "service quality" OR "entrepreneurial management" OR "service quality challenges" OR "service quality constraints" OR "small business management" OR "SME service quality" |
| 4. Language  | English  |
| 5. Document type                                       | "article"  |
| 6. Period  | 10 years   |
| 7. Total documents retrieved                           | 184 documents found  |
| 8. Total duplicates and nonrelevant documents excluded | 177 documents found  |
| 9. Total documents for review                          | 67 documents found   |

Based on Table 1, our initial search yielded 184 articles. We then filtered for articles published between 2014 and 2024, there were 177 articles that met the criteria, meaning 7 articles were excluded. Next, we applied the open-access criteria, narrowing it down to 67 articles, excluding 110 articles in this step. We then applied the criteria for research/original articles, retaining 67 articles that met this criteria. This means no additional articles were excluded at this stage. Thus, we obtained a final set of 67 articles that met all inclusion criteria, with 117 articles excluded throughout the process.

## RESULTS AND DISCUSSION

### RQ1: What are the research trends in SMEs over the period 2010-2024?

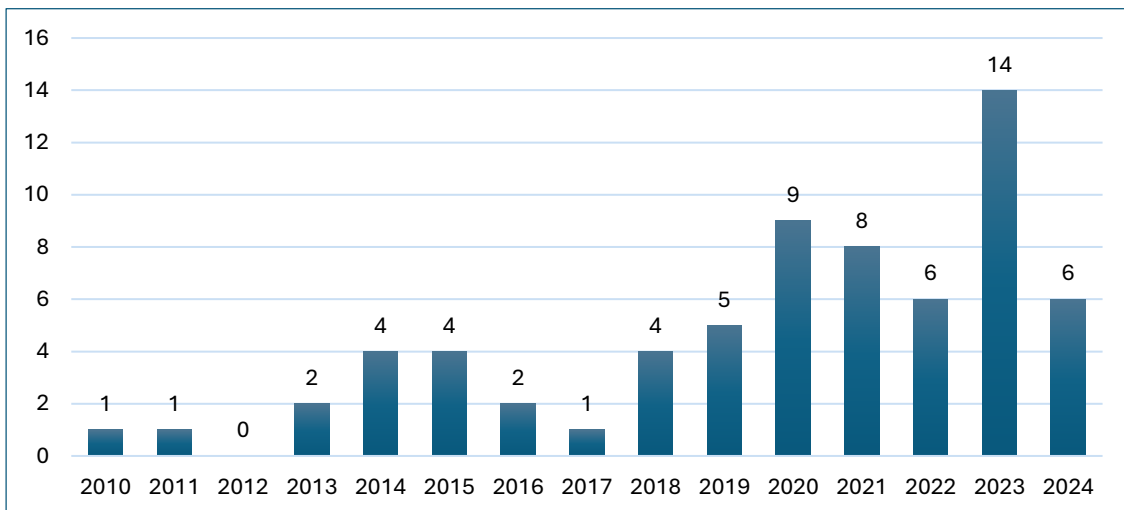
During the period 2010-2024, 67 articles were published across 43 peer-reviewed journals (Table 2). The highest number of articles appeared in the *Journal of Open Innovation: Technology*,

*Market, and Complexity* with 5 articles. This period shows an increasing trend in the number of published articles (Figure 1).

**Table 2.** Breakdown of research papers according to reviewed journals.

| No  | Journal Title  | Number of research papers |
|-----|--|---------------------------|
| 1.  | Journal of Open Innovation: Technology, Market, And Complexity     | 5                         |
| 2.  | Asian Social Science   | 4                         |
| 3.  | Journal of Business Economics And Management                       | 4                         |
| 4.  | Economic Research-Ekonomiska Istrazivanja                          | 3                         |
| 5.  | Corporate Governance and Organizational Behavior Review            | 3                         |
| 6.  | Innovative Marketing   | 3                         |
| 7.  | International Journal of Management And Sustainability             | 3                         |
| 8.  | Mediterranean Journal Of Social Sciences                           | 1                         |
| 9.  | Economies  | 2                         |
| 10. | Engineering Economics  | 2                         |
| 11. | Estudios De Economia Aplicada                                      | 2                         |
| 12. | European Research Studies Journal                                  | 2                         |
| 13. | Investment Management And Financial Innovations                    | 1                         |
| 14. | Journal Of Risk And Financial Management                           | 2                         |
| 15. | South African Journal Of Economic And Management Sciences          | 2                         |
| 16. | Acn Journal Of Finance And Risk Perspectives                       | 1                         |
| 17. | Applied Economics  | 1                         |
| 18. | Asian Economic And Financial Review                                | 1                         |
| 19. | E A M: Ekonomie A Management                                       | 1                         |
| 20. | Economic Affairs (New Delhi)                                       | 1                         |
| 21. | Economics And Sociology  | 1                         |
| 22. | Electronic Markets   | 1                         |
| 23. | Entrepreneurship And Sustainability Issues                         | 1                         |
| 24. | Equilibrium. Quarterly Journal Of Economics And Economic Policy    | 1                         |
| 25. | Gadjah Mada International Journal Of Business                      | 1                         |
| 26. | Global Business And Finance Review                                 | 1                         |
| 27. | Humanities And Social Sciences Letters                             | 1                         |
| 28. | International Journal Of Applied Economics, Finance And Accounting | 1                         |
| 29. | International Journal Of Economics And Business Administration     | 1                         |
| 30. | International Journal Of Economics And Finance Studies             | 1                         |
| 31. | Journal Of Competitiveness   | 1                         |
| 32. | Journal Of Economics And Development                               | 1                         |
| 33. | Journal Of Financial Services Marketing                            | 1                         |
| 34. | Journal Of Innovation And Entrepreneurship                         | 1                         |
| 35. | Journal Of Innovation And Knowledge                                | 1                         |
| 36. | Journal Of International Studies                                   | 1                         |
| 37. | Oeconomia Copernicana  | 1                         |

| No  | Journal Title  | Number of research papers |
|-----|--|---------------------------|
| 38. | Risk Governance And Control: Financial Markets And Institutions            | 1                         |
| 39. | Southern African Journal Of Entrepreneurship And Small Business Management | 1                         |
| 40. | Studia Universitatis Vasile Goldis Arad, Economics Series                  | 1                         |
| 41. | Studies In Business And Economics  | 1                         |
| 42. | Technological And Economic Development Of Economy                          | 1                         |
| 43. | Tourism And Hospitality  | 1                         |



**Figure 1.** Period-wise distribution of research papers on SMEs

Research on SMEs is largely conducted in developing countries, as shown in Table 3, including Malaysia (6 articles), East Africa (6 articles), and Indonesia (5 articles). Many studies are conducted in ASEAN member countries, such as Malaysia (6 articles), Indonesia (5 articles), Vietnam (4 articles), Thailand (3 articles), and the Philippines (2 articles). The number of articles from ASEAN countries is dominant.

**Table 3.** Countries of Research Origin

| No  | Regional       | Number of research papers |
|-----|----------------|---------------------------|
| 1.  | Malaysia       | 6                         |
| 2.  | East Africa    | 6                         |
| 3.  | Indonesia      | 5                         |
| 4.  | Vietnam        | 4                         |
| 5.  | Czech Republic | 4                         |
| 6.  | Poland         | 4                         |
| 7.  | Eastern Europe | 4                         |
| 8.  | Thailand       | 3                         |
| 9.  | Pakistan       | 3                         |
| 10. | Slovenia       | 3                         |
| 11. | Philippines    | 2                         |
| 12. | Hungary        | 2                         |
| 13. | India          | 2                         |
| 14. | United Kingdom | 2                         |

| No  | Regional          | Number of research papers |
|-----|-------------------|---------------------------|
| 15. | West Africa       | 2                         |
| 16. | South Africa      | 2                         |
| 17. | Yaman             | 2                         |
| 18. | Lithuania         | 1                         |
| 19. | China             | 1                         |
| 20. | Jordan            | 1                         |
| 21. | Oman              | 1                         |
| 22. | Saudi Arabia      | 1                         |
| 23. | Turkey            | 1                         |
| 24. | Chile             | 1                         |
| 25. | Iran              | 1                         |
| 26. | Bangladesh        | 1                         |
| 27. | Mexico            | 1                         |
| 28. | Develop Countries | 1                         |

### **RQ2: What are the factors that determine SME performance, and how do they influence it?**

In research conducted from 2010 to 2024, several key factors determining SME performance have been identified, which can be divided into internal and external factors.

#### *Product innovation and digital marketing*

Internal factors such as innovation and proactiveness are critical determinants of SME performance. Innovation plays a key role in supporting the economic and overall business performance of SMEs (Valdez-Juárez et al., 2022). Proactive and innovative business owners can seize market opportunities and respond to changes more quickly, thereby fostering SME growth and competitiveness.

Innovative products not only enhance brand perception but also contribute to overall brand value (Hanaysha & Hilman, 2015). Marketing innovation, particularly through digital technology, has a significant impact on performance and outcomes. Research indicates a positive relationship between digital marketing and competitiveness, suggesting that effective digital marketing strategies can enhance a company's competitive edge (Hadiyati et al., 2024). (Adamska, 2020) further noted that combining various marketing strategies often yields better results. Additionally, SMEs that effectively adopt technology report higher levels of customer satisfaction with their e-services (Mishrif & Khan, 2023).

#### *Product and Service Quality*

Customer Relationship Management has a positive effect on Customer Satisfaction (CS), which in turn positively influences Customer Loyalty (CL) (Suebsaiaun & Pimolsathean, 2018). Service quality was also a key factor, with high-quality service enhancing customer satisfaction and encouraging online purchases (Ali et al., 2022). Both perceived organizational support (POS) and service quality (SERVQ) were found to influence customer satisfaction (CS) significantly. (Olaleye et al., 2024) Service quality significantly positively correlates with customer satisfaction and loyalty (Msosa & Govender, 2015). High service quality enhances customer satisfaction and loyalty, which in turn boosts brand equity (Hanaysha & Hilman, 2015) (Srnita, 2018)

#### **Human Resources**

Strong financial management, effective human resource management, and operational expertise are key drivers of successful marketing strategies (Altuntas & Yilmaz, 2016). Consequently, SMEs should prioritize ongoing training and development for their staff to

enhance their competencies. Education and training are essential for entrepreneurs to improve business outcomes (Suroso et al., 2017). SMEs with a supportive organizational climate significantly positively impact employee work engagement (Rožman & Štrukelj, 2021). Qualified and well-educated staff are among the most crucial factors in enhancing quality and competitiveness (Kędzior-Laskowska, 2020). More professional employees tend to deliver better service quality, leading to higher customer satisfaction (Sanz-García et al., 2024). Employees who perceive a higher quality of work life (QWL) report greater job satisfaction and commitment to their organization (Richard & Manilall, 2014).

#### Leadership, Risk-Taking, and Organizational Adaptability

Leadership is a critical factor in determining business direction and strategy, allowing SMEs to stay competitive in the market. Leaders with strong professional knowledge, operations management skills, strategic vision, relationship-building abilities, and hands-on experience contribute significantly to their firms' competitive advantage (Cong et al., 2021). Leadership that promotes knowledge creation and learning enhances innovation (Chaithanapat et al., 2022). Additionally, adaptability is essential, as leaders help SMEs survive and grow amid economic changes and dynamic market trends. Adaptability creates organizational flexibility, and the ability to absorb new information allows SMEs to adapt more quickly to market changes, such as shifts in consumer trends or technological developments. Advocacy from top management for new technology also encourages SMEs to adopt sustainable practices (M. M. Ali et al., 2023).

A risk-taking attitude allows SMEs to try new strategies or products that may better meet market needs. (Adam, 2024) found a significant negative relationship between perceived risk and the decision to utilize external financing, indicating that higher perceived risk discourages SMEs from seeking external finance. A greater willingness to take risks among management often leads to more innovative, market-oriented practices that improve business outcomes (Dubihlela & Dhurup, 2014). Firms that are proactive and risk-taking (Entrepreneurial Orientation) in pursuing new opportunities show higher levels of innovation (Čivre & Omerzel, 2015).

#### Supply Chain Management (SCM)

Looking at how SMEs manage their supply chains (e.g., inventory control, supplier relationships, or logistics process efficiency), supply chain management (SCM) becomes part of internal factors. By implementing more efficient logistics and supply chain practices, businesses can effectively respond to market demands and reduce waste, ultimately improving overall performance and sustainability (Wicaksono et al., 2021). Additionally, information sharing, supply chain responsiveness, and supply chain collaboration all positively impact SME performance (Omoruyi & Akuoma, 2020).

SCM is also influenced by external factors such as the availability of raw materials, price changes from suppliers, and the stability of business relationships with external parties, including suppliers and distributors. Information sharing, supply chain responsiveness, and supply chain collaboration all positively impact SME (Omoruyi & Akuoma, 2020).

#### Market access

Market access factors also support the development of a broader distribution network, which positively impacts sales volume and SME growth. The study by (Chittithaworn et al., 2011) identified several significant factors affecting SME businesses, including customer and market factors, cooperation, resources and finance, and the external environment. Dušek et al., (2019) emphasize the importance of geographical factors in shaping consumer spending patterns and highlight opportunities for targeted marketing strategies. Firms that focus on understanding

customer needs and market trends (market orientation) are more likely to develop new products and services (Čivre & Omerzel, 2015). However, market orientation is crucial for SMEs, and implementing it is often challenging due to high costs, lack of resources, and limited access to finance (Nikmah et al., 2020).

### **Government Policies and Regulations**

Institutions such as the government, banks, and non-governmental organizations (NGOs) can provide financial assistance through low-interest loans or grants, which are highly beneficial for business development. Research by (Fararah & Al-Swidi, 2014) showed that Business Development Services (BDS) provided by Islamic Microfinance Institutions have a significant positive effect on SME owners' satisfaction, highlighting the importance of non-financial support services.

Additionally, government support can also come in the form of policies needed to promote SME growth. Chittithaworn et al. (2011) emphasized the importance of social networks and government (role of the external environment) support in enhancing SME success. Government policies such as providing easier financing options, government-sponsored training, and consistent support for quality improvement could assist SMEs (Nikmah et al., 2020). Other forms of government support desired by SMEs include simplifying licensing processes and offering tax relief; support through training or incentives can also improve managerial skills and innovative capabilities.

### **Family Support**

The study found that family support has a statistically significant positive relationship with business sustainability (Adam et al., 2024). In the world of SMEs, family support is often a key to success and even boosts the owner's confidence. Family can provide psychological support, helping business owners remain focused and confident in developing their SME. Additionally, family members can support by participating in the production process, which can help speed up work. Family support is not only a motivation but can also take the form of financial support.

**RQ3: What research gaps have yet to be thoroughly discussed or explored regarding the factors influencing SME performance, and how can these gaps provide direction for future research?**

### *Digital Innovation and Technology Transformation*

Although the impact of innovation and technological transformation on SMEs is frequently mentioned, the specific effects—such as how gradual or large-scale digitalization and adoption of new technology influence efficiency, management, and customer relationships within SMEs—still require exploration. Research has focused on the application of new technologies (such as IoT, blockchain, and automation) within the agri-food supply chain to enhance efficiency, product quality, and transparency (Wicaksono et al., 2021), as well as examining how emerging digital platforms and evolving consumer behaviors influence customer loyalty in the retail sector (Suebsaiaun & Pimolsathean, 2018). Additionally, investigating the role of technology, such as digital service platforms or automation in after-sales services, and how they affect customer satisfaction and perceptions of service quality (Balinado et al., 2021).

In developing countries, with geographical and cultural variations, the impact of digitalization on SMEs in the informal sector or those located in remote areas is also an aspect that could be further researched to observe the dynamics of technology adoption in more diverse environments (Carrasco-Carvajal et al., 2023).

### **Social Media and Online Marketing**

Research on social media for SMEs aims to understand how social media can be utilized to enhance customer engagement, product visibility, expand market reach, and increase sales. It focuses on identifying barriers that prevent SMEs from fully adopting online marketing and social media tools (Civelek et al., 2020). Additionally, it explores the impact of digital marketing through social media in different industry contexts beyond the creative sector (Hadiyati et al., 2024).

### *Service Quality*

Future research can examine factors that may influence customer satisfaction beyond the traditional SERVQUAL dimensions (Balinado et al., 2021). When consumers are satisfied, they are more likely to recommend the SME to others, which directly helps expand market reach. Further research is also important to explore additional factors that may influence customer satisfaction, such as customer loyalty, perceived value, and service recovery (Brucal et al., 2022). Therefore, SMEs should focus on improving service quality by actively seeking and integrating client feedback to align service offerings with client expectations (M. M. Ali et al., 2023). Ensuring consistent service quality also helps SMEs build a good reputation, enhancing credibility and customer trust in their business.

### *Human Resource Management*

Exploring how managers' mindfulness interacts with other factors, such as organizational culture, strategic decision-making, and external economic conditions, to impact SME (Steinerowska-Streb, 2022). SMEs should prioritize the development of human capital through targeted educational and training programs that enhance entrepreneurial competencies. (Rožman & Štrukelj, 2021). Investing in training programs for accountants and service providers is essential to elevate their competencies in delivering high-quality services (M. M. Ali et al., 2023). Investigating the impact of transformational leadership on employee engagement and organizational innovation (Cong et al., 2021). SMEs should emphasize the development of emotional intelligence among employees as a key component of organizational culture. Training programs aimed at enhancing emotional intelligence, organizations should establish clear ethical guidelines and promote a culture, regular assessments of emotional intelligence (Mura et al., 2021).

### **Sustainable SMEs**

Research focusing on economic, social, and environmental sustainability in SME operations is still limited. Meanwhile, the demand for business practices that support sustainable development is growing. The concept of "green SMEs" is increasingly appealing for development and research. Studies that identify the impact of environmentally friendly initiatives and socially responsible business practices on SME performance will provide valuable insights for the development of sustainability-oriented SMEs in the future. For example, research on promoting eco-design for adoption by SMEs (Masrukhin et al., 2023) and studies assessing the impact of specific technological innovations on SMEs' sustainability outcomes (Asim et al., 2019).

### *Information Security Management*

Research examining the effectiveness of various ISM (Information Security Management) frameworks in real-world applications within SMEs (Kaušpadienė et al., 2019).

### **Interaction between Internal and External Factors**

Many studies discuss internal and external factors separately, but few explore how the interaction between these types of factors affects SME performance. For instance, how the combination of internal management quality and government policy support can strengthen SME competitiveness in certain sectors. This interaction approach can provide a more comprehensive understanding of the impact of mutually supportive or even contradictory factors.

For example, research could explore factors influencing the adoption of cloud-based accounting and its relation to regulatory issues, organizational culture, and industry characteristics (Kamal et al., 2023). Additionally, studies could analyze marketing resource dimensions across various sectors to assess whether the findings apply universally or if there are unique factors in specific sectors (Altuntas & Yilmaz, 2016). Large-scale research, such as on SME development in developing countries, indicates that SMEs in these regions should focus on fostering a market-oriented SME culture by actively implementing performance-based reward systems and enhancing collaboration (Dubihlela & Dhurup, 2014).

## **CONCLUSION**

### **Conclusion**

During the period 2010-2024, 67 articles were published across 43 peer-reviewed journals. This period shows an increasing trend in the number of published articles. Research on MSMEs is predominantly conducted in developing countries, with a significant focus on ASEAN member countries. This SLR identifies the factors that determine MSME performance, which can be categorized into internal and external factors. Product innovation and digital marketing are the main factors. Proactive and innovative business owners can leverage market opportunities and respond more quickly to changes, which in turn boosts MSME growth and competitiveness.

Other factors influencing SME performance include leadership, risk-taking, organizational adaptability, financial stability, human resources, logistics and supply chain efficiency, product and service quality, market access, government policies and regulations, access to capital, supply chain management, and external institutional support. Throughout the 2010-2024 research period, there are research gaps that have not been widely discussed or explored regarding factors affecting MSME performance. These gaps offer important directions for future research, including digital innovation and technological transformation, the use of social media and online marketing, MSME development according to local social and cultural issues, human resource competency development, sustainable MSMEs, service quality and customer satisfaction, as well as research analyzing the interaction between internal and external factors.

### **Limitations**

This SLR still uses articles published in Scopus-indexed journals. Future SLR research can utilize data sources from credible journals indexed outside of Scopus. Although the results of this SLR provide insights into future practices and future research within a framework to help SMEs grow, become more adaptive and competitive in an increasingly digital and connected market, and enhance their long-term resilience and sustainability.

### **Research Implications**

In this digital era, a key challenge for SMEs is adapting to adopt and optimize digital technology to improve efficiency and competitiveness, including using technology-based tools such as AI, IoT, and data analytics. Research on effective strategies for using social media platforms for marketing, expanding customer reach, and maintaining customer loyalty is also important. Another challenge facing SMEs today is the availability of quality human resources.

Therefore, effective approaches are needed to improve the skills and competencies of SME human resources, such as training in business management, digital marketing, and other technical skills like accounting and taxation.

With the environmental changes, the issue of sustainability in SMEs has also become more pressing. Research and sustainable practices can be applied to SMEs, such as green management, environmentally friendly waste management, efficient use of resources, and contributions to sustainable development. Ultimately, identifying ways to improve product and service quality to maintain customer satisfaction is an important topic for research and for follow-up in SME development practices. More in-depth research on SMEs should involve both internal factors (such as leadership and innovation) and external factors (such as government policies and institutional support) that mutually influence each other in supporting SME performance.

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