

Measuring Sustainability Performance of SMEs in A Developing Country – A study of Southern Vietnam

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Abstract

Over the last decade, measuring sustainability performance has been increasingly important. So far, research about the subject matter has been mostly conducted in developed nations, and for large corporations but SMEs in developing countries has received less attention in this area. The primary purpose of this study is therefore to investigate most appropriate metrics for SMEs to better help these firms to measure their sustainability performance. Semi-structured interviews were conducted with 20 companies' owners/managers and 23 key stakeholders in Vietnam. Thematic analysis was employed to examine the perspectives of participants, highlighting similarities and differences, and generating unanticipated insights. This study explored the extent of the use and adoption of sustainability pillars (economic, social and environmental) in SMEs. Findings showed that financial interests, improving resource efficiency, and corporate image enhancement are key motives driving firms to implement sustainability performance measurement. Representatives in different firms also shared views that flexibility and agility are main enablers while lack of capabilities is the key inhibitor influencing the selection of appropriate sustainability metrics. Our findings therefore suggest that organisational changes are necessary for successful implementation of the sustainability measurement practices. This study contributes to the limited research focusing on developing metrics for measuring sustainability performance in a developing country context. The study has strong implications for both managers and policy makers aiming to improve SMEs' sustainability performance.

Keywords

Sustainability; Triple Bottom Line (TBL), Measuring Performance; SMEs, Sustainability Metrics