

INCREASING COMPETITIVENESS OF CREATIVE BUSINESS IN SMALL AND MEDIUM ENTERPRISES (SMEs): SYSTEMATIC LITERATURE REVIEW

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Abstract

This study aims to determine the trend of increasing competitiveness of creative businesses in small and medium enterprises (SMEs) in 2018-2024. This research method uses a systematic literature review, which is divided into two steps, namely, planning and implementation of results. This study uses a search approach of 197 relevant articles indexed in the Scopus database, and then a filtering process is carried out until the final results are 20 journals that meet the research criteria, including journal categories, open access categories and full-text manuscripts. The findings show that the competitiveness of creative SMEs is driven by various factors, including organizational adaptation, innovation, knowledge management, institutional support, leadership, and strategic resource management. These determinants interact dynamically to shape SMEs' ability to innovate, adapt, and thrive in competitive markets. Future research should focus on integrating these factors in specific creative sectors to develop a comprehensive framework for enhancing SME competitiveness.

Keywords: *SME Competitiveness, Creative Industries, Small and Medium Enterprises, Innovation Capability, Organizational Adaptation.*

1. INTRODUCTION

In today's rapidly evolving global economy, small and medium enterprises (SMEs) play a pivotal role in driving innovation, employment, and economic growth. Within this context, creative businesses, characterized by their unique products, services, and innovative processes, represent a significant segment of SMEs. However, these businesses often face numerous challenges that can hinder their competitiveness, including limited resources, intense competition, and rapidly changing market demands. To thrive in such a dynamic environment, it is imperative for creative SMEs to enhance their competitiveness through strategic innovation, effective governance, and robust networking.

The increasing competitiveness of creative businesses within small and medium enterprises (SMEs) is a critical area of research that has gained significant attention in recent years. SMEs are often characterized by their innovative capabilities, agility, and potential for economic contribution, yet they face unique challenges that can hinder their growth and competitiveness. This systematic literature review aims to synthesize existing research on the factors influencing the competitiveness of creative SMEs, providing a comprehensive understanding of the landscape and identifying gaps for future research.

Creativity's role in enhancing SMEs' competitiveness cannot be overstated. Creative businesses leverage innovative ideas and practices to differentiate themselves in the marketplace, thereby enhancing their competitive edge. As noted by Harney and Alkhalaf (2021), the integration of human resource management practices tailored to the unique needs of SMEs can significantly influence their innovative capabilities and overall performance. This suggests that a

strategic focus on human capital development is essential for fostering creativity and innovation within SMEs.

Moreover, the financial aspects of implementing creative strategies in SMEs are crucial. Systematic review highlights the financial factors that affect the adoption of lean principles in SMEs, emphasizing the importance of financial management in facilitating innovative practices (Alkhoraif, 2024). This underscores the need for SMEs to adopt sound financial strategies that support their creative initiatives, enabling them to invest in innovation and maintain competitiveness.

Digital marketing has emerged as a vital tool for SMEs seeking to enhance their competitiveness. Research on digital marketing alliances illustrates how SMEs can leverage partnerships to access critical resources and enhance their market presence (Bahukeling et al., 2024). This aligns with the findings of Yuwono (2024), who emphasizes the role of information and communication technology (ICT) in enabling SMEs to innovate and compete effectively in the digital age. The integration of digital marketing strategies and ICT can thus catalyze creativity and competitiveness in SMEs.

The challenges posed by digitalization are also significant. Digitalization challenges for SMEs reveals that while digital transformation presents opportunities for growth, it also introduces complexities that SMEs must navigate (Nazaruddin et al., 2024). This highlights the necessity for SMEs to develop robust strategies that address these challenges while capitalizing on the benefits of digitalization to enhance their creative capabilities.

Furthermore, the impact of external factors, such as social capital, on SME performance is noteworthy. Social capital is crucial in facilitating knowledge sharing and collaboration among SMEs, which can enhance their innovative capabilities (Prabandari & Yulianti, 2023). This suggests that fostering strong networks and relationships can drive creativity and competitiveness in the SME sector.

The COVID-19 pandemic has further underscored the importance of resilience and adaptability in SMEs. Hossain et al. (2022), explore the strategies employed by SMEs to navigate the challenges posed by the pandemic, emphasizing the need for innovative approaches to sustain operations and competitiveness during crises. This highlights the dynamic nature of the SME landscape, where creativity and adaptability are essential for survival and growth.

In conclusion, the competitiveness of creative businesses in SMEs is influenced by a myriad of factors, including human resource management, financial strategies, digital marketing, and social capital. This systematic literature review aims to consolidate these insights, providing a foundation for future research that can further explore the intricate relationships between these factors and their impact on the competitiveness of SMEs. By identifying gaps in the existing literature, this review seeks to contribute to a more nuanced understanding of how SMEs can enhance their creative capabilities and thrive in an increasingly competitive environment. Based on the above, the author can choose to conduct SLR research related to the trend of increasing the competitiveness of creative businesses in small and medium enterprises (SMEs) by conducting a systematic literature review.

2. RESEARCH METHODS

2.1 Search Process

The search process was used to obtain various relevant literature sources to answer the Research Question (RQ). The search process was conducted using a search engine (Google Chrome) at the website address <https://www.scopus.com/search/> to obtain metadata in the form of RIS and CSV.

2.2 Quality Assessment

In literature review research, the data found will be evaluated based on the following quality assessment criteria questions:

QA1. Was the journal published in 2018–2024?

QA2. Does the journal include the variable of creative business competitiveness?

QA3. Does the journal include the method used in the research on creative business competitiveness in MSMEs?

2.3 Research Question (RQ)

Research questions are created based on the needs of the chosen topic. The following are the research questions in this study:

RQ1: What are the determinant factors that influence the competitiveness of creative businesses in MSMEs?

RQ2: What are the current and thematic research trends in the context of creative business competitiveness in MSMEs?

2.4 Inclusion and Exclusion Criteria

This stage is carried out to decide whether the data found is suitable for use in literature review research or not. A study is suitable to be selected if the following criteria are met:

a. Data used in the period 2018–2024.

b. Data obtained through the website <https://www.scopus.com/search>.

c. The data used is only related to the competitiveness of creative businesses in MSMEs.

2.5 Data Analysis and Data Extraction

The selected primary studies were then extracted to collect data that contributed to answering the research questions.

The research method that will be used in this research uses a systematic literature review. A systematic literature review contains a review, summary, and the author's thoughts on several library sources in the form of journals indexed by Scopus. The systematic literature review in this study aims to explore the trend of increasing the competitiveness of creative businesses in small and medium enterprises (MSMEs). The analysis process in this systematic literature review research includes four stages that must be carried out sequentially in order to provide various acceptable answers to the research questions. The first step is to search and collect Scopus journal data with the keywords **business AND creativity; small medium AND enterprises**. The second step, the researcher tried to select the articles by selecting articles in the form of research journals indexed by the Scopus database in the last eight years (2018-2024) with the subjects of Business, Management and Accounting, Economics, Econometrics and Finance as well as English-language journals and Open Access. Based on the document selection process, from 194 articles, then down to 135 articles, then down to 66 articles, then there are only 20 articles that are relevant and can be analyzed further. The stages in the systematic literature review research using the Preferred Reporting Items for Systematic reviews and Meta-Analysis (PRISMA) reference can be seen below:

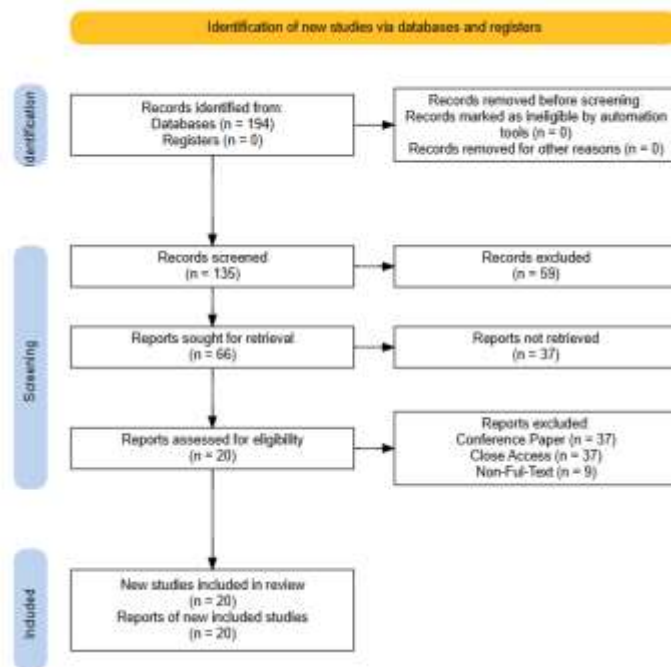


Figure 1. Filter Articles Using PRISMA Flow Diagram

3. RESULT AND DISCUSSION

3.1 Search Process Results and Criteria

The search results, which included several criteria, contained 20 journals that met the requirements and had a publication range from 2018 to 2024. The journal search used the Scopus.com database and the keywords ***business AND creativity; small medium AND enterprises***. The data search aims to map the competitiveness of creative businesses in MSMEs as a result of the selection process and inclusion and exclusion criteria.

No.	Author	Title	Journal Name
1	Reifferscheidt & Darr (2018)	Meeting the growth challenge: developing the next level organization for GASA Group Germany	International Food and Agribusiness Management Review
2	Ncube & Zondo (2018)	Influence of Self-Motivation and Intrinsic Motivational Factors for Small and MEDIUM BUSINESS Growth: A South African Case Study	South African Journal of Economic and Management Science
3	Mayanja., et al (2019)	Ecologies of innovation among small and medium enterprises in Uganda as a mediator of entrepreneurial networking and opportunity exploitation	Cogent Business & Management
4	Nguyen., et al (2019)	Internal corporate social responsibility and organizational creativity: An empirical study of	Intangible Capital

		Vietnamese small and medium-sized enterprises	
5	Darteh & Asamoah (2020)	Does the presence of governance structure affect small and medium-sized enterprise performance? Evidence from an emerging market	Entrepreneurial Business and Economics Review
6	Suhartini., et al (2021)	Marketing Strategy Design Based on Information Technology in Batik Small and Medium-Sized Enterprises in Indonesia	Eastern-European Journal of Enterprise Technologies
7	Tian., et al (2021)	New Product Creativity Mediating the Relationship Between Organizational Bricolage and the Competitive Advantage of SMEs	Journal of Competitiveness
8	Asriati., et al (2022)	Analysis of business behavior and HRM perspectives on post-COVID-19 SME business sustainability	Cogent Business & Management
9	Primantari., et al (2022)	Branding of Products as A Region and Country Icon: Governance and Entrepreneurship In The Textile Industry	Journal of Governance and Regulation
10	Vergara & Lema (2022)	Creativity in SMEs: A overview and agenda for future research	Brazilian Business Review
11	Alvarado (2022)	Small and Medium Enterprises in Mexico and the Craft Beer Sector in Baja California: Dynamic Capabilities, Culture, and Innovation	Journal of Evolutionary Studies in Business
12	Naushad (2022)	SME innovation and employee creativity: The role of entrepreneurial leadership	Problems and Perspectives in Management
13	Okoi., (2022)	Strategic entrepreneurship practices and performance of small and medium-sized enterprises in Nigeria	Problems and Perspectives in Management
14	Halim., et al (2023)	Effect of Internal Barriers on Innovation Performance in Embryonic SMEs in Malaysia	Asian Academy of Management Journal
15	Eniola., et al (2023)	High-Performance Work System on Sustainable Organizations Performance in SMEs	Business: Theory and Practice
16	Widiastini., et al (2023)	How Do Micro, Small, and Medium Enterprises (MSMEs) in Bali Survive the Pandemic? A Qualitative Study in Buleleng, Tabanan, Gianyar, and Denpasar	International Journal of Professional Business Review
17	Panjaitan., et al (2023)	Improving Entrepreneurial Satisfaction Through Creativity and	Gadjah Mada International Journal of Business

		Intellectual Agility-Resonance: Evidence from Indonesia	
18	Yunus & Yuniarti (2023)	Preserving Heritage of Humanity: A Systematic Study of the Pandemic Impacts and Countermeasures of the SMEs	Administrative Sciences
19	Jora., et al (2023)	Small and medium enterprises shooting for the stars: what matters, besides size, in outer space economy?	Management & Marketing
20	Isa., et al (2024)	Innovation capabilities and performance of small and medium- sized enterprises in Indonesia	Acta Commercii - Independent Research Journal in the Management Sciences

Source: Data processed by researchers, 2025

3.2 Quality Assessment

The final results of the quality assessment of the selected journals are as follows:

No.	Author	Year	QA1	QA2	QA3	Result
1	Reifferscheidt & Darr (2018)	2018	Yes	Yes	Yes	Accepted
2	Ncube & Zondo (2018)	2018	Yes	Yes	Yes	Accepted
3	Mayanja., et al (2019)	2019	Yes	Yes	Yes	Accepted
4	Nguyen., et al (2019)	2019	Yes	Yes	Yes	Accepted
5	Darteh & Asamoah (2020)	2020	Yes	Yes	Yes	Accepted
6	Suhartini., et al (2021)	2021	Yes	Yes	Yes	Accepted
7	Tian., et al (2021)	2021	Yes	Yes	Yes	Accepted
8	Asriati., et al (2022)	2022	Yes	Yes	Yes	Accepted
9	Primantari., et al (2022)	2022	Yes	Yes	Yes	Accepted
10	Vergara & Lema (2022)	2022	Yes	Yes	Yes	Accepted
11	Alvarado (2022)	2022	Yes	Yes	Yes	Accepted
12	Naushad (2022)	2022	Yes	Yes	Yes	Accepted
13	Okoi., (2022)	2022	Yes	Yes	Yes	Accepted
14	Halim., et al (2023)	2023	Yes	Yes	Yes	Accepted
15	Eniola., et al (2023)	2023	Yes	Yes	Yes	Accepted
16	Widiastini., et al (2023)	2023	Yes	Yes	Yes	Accepted
17	Panjaitan., et al (2023)	2023	Yes	Yes	Yes	Accepted
18	Yunus & Yuniarti (2023)	2023	Yes	Yes	Yes	Accepted
19	Jora., et al (2023)	2023	Yes	Yes	Yes	Accepted
20	Isa., et al (2024)	2024	Yes	Yes	Yes	Accepted

Source: Data processed by researchers, 2025

3.3 Analysis of the First Research Question (RQ1)

Determinant factors influencing the competitiveness of creative businesses in MSMEs from 2018-2024? (RQ1)

a. Organizational Bricolage and Creativity

The study by Tian et al. (2021) emphasizes the role of organizational bricolage—leveraging limited resources creatively—in enhancing competitive advantage. The mediation of creativity is particularly noteworthy, as it allows SMEs to develop innovative products despite resource constraints. The findings underline that bricolage provides a strategic pathway for SMEs to adapt and thrive in uncertain environments. Future research could further explore how bricolage operates under extreme disruptions like economic crises or pandemics to validate its efficacy (Tian et al., 2021).

b. Innovation and Resilience

Yunus et al. (2023) focus on resilience and innovation as critical factors for SMEs' survival, especially during crises such as the COVID-19 pandemic. Retrenchment, while a short-term strategy, supports immediate survival, but long-term competitiveness requires innovation and perseverance. This highlights the dual need for adaptability and innovation to ensure sustainability, particularly in creative industries like traditional crafts. Further exploration of the long-term impacts of digitization could provide insights into sustaining heritage-based SMEs (Yunus et al., 2023).

c. Knowledge Management and Dynamic Capabilities

Alvarado (2022) identifies knowledge management and dynamic capabilities as essential determinants of competitiveness in niche markets, such as the craft beer industry. By fostering a culture of knowledge-sharing and leveraging symbolic capital, SMEs can achieve differentiation and resilience. These capabilities enable SMEs to navigate competitive pressures and adapt to changing market conditions. Future studies should assess how symbolic capital can be cultivated and utilized for long-term growth in other creative sectors (Alvarado, 2022).

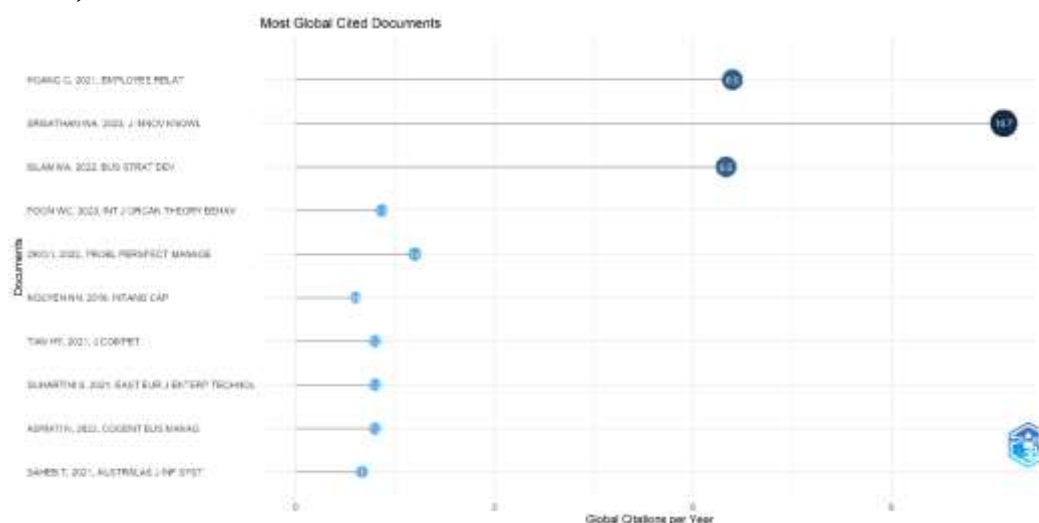


Figure 2. Displays the 10 journals with the most globally cited papers in global creative business competitiveness research about SMEs

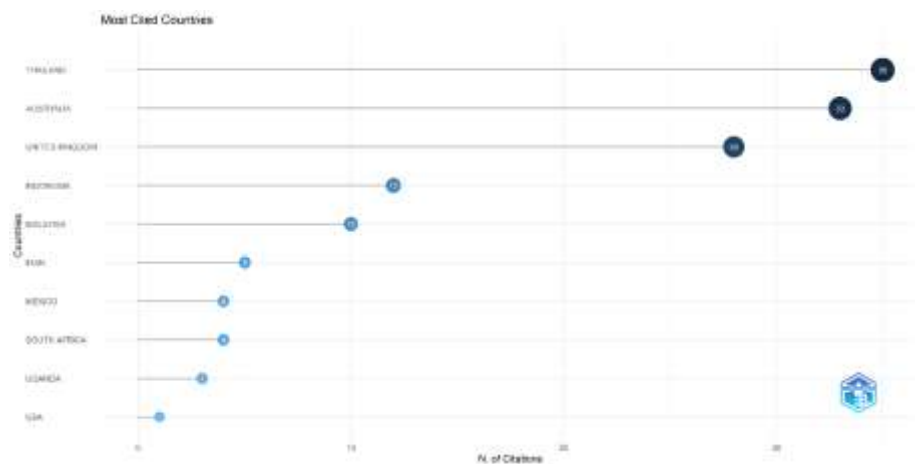


Figure 3. Displays the 10 journals with the most globally cited countries in global creative business competitiveness research about SMEs

3.4 Analysis of Research Question Two (RQ2)

What are the current and thematic research trends regarding creative business competitiveness in MSMEs? (RQ2)

a. Organizational Adaptation and Strategic Growth

The ability of SMEs to continuously adapt and strategically grow is crucial for maintaining competitiveness. Reifferscheidt and Darr (2018) highlight the need for SMEs to strike a balance between efficiency and flexibility to address evolving market demands. Their study in the horticulture industry underscores the importance of value chain exploitation and strategic initiatives to ensure sustainable growth. This finding suggests that adaptive capabilities should be central to SME strategies, particularly in dynamic industries. Future studies could explore the role of digital transformation in enhancing this adaptability, especially in creative sectors like design and arts (Reifferscheidt & Darr, 2018).

a. Institutional Support and Knowledge-Economy

Jora et al. (2023) highlight the importance of institutional support in integrating SMEs into global value chains, particularly in high-technology sectors. For creative SMEs, access to institutional incentives and a robust knowledge economy facilitates technological adoption and value chain participation. This finding underscores the need for targeted policies and support structures to enhance SME competitiveness. Sector-specific barriers to high-tech industry entry remain a fertile area for further research (Jora et al., 2023).

b. Entrepreneurial Leadership and Employee Creativity

Naushad (2022) demonstrates that entrepreneurial leadership fosters employee creativity and organizational innovation. This leadership style promotes a culture of experimentation and innovation, which are critical for maintaining a competitive edge. However, the absence of mediation suggests that additional factors, such as employee satisfaction, could further enhance creativity and innovation in SMEs. Investigating these mediators could yield actionable insights for leadership development in creative industries (Naushad, 2022).

c. Strategic Resource Management and Innovation

Okoi et al. (2022) identify strategic resource management and entrepreneurial innovation as key determinants of SME performance. These factors enable SMEs to adapt to dynamic market environments and leverage innovation for competitive advantage. The study particularly underscores the significance of aligning strategic resources with market demands. Exploring cultural influences on strategic entrepreneurship could reveal valuable insights for tailoring practices to different regions and industries (Okoi et al., 2022).

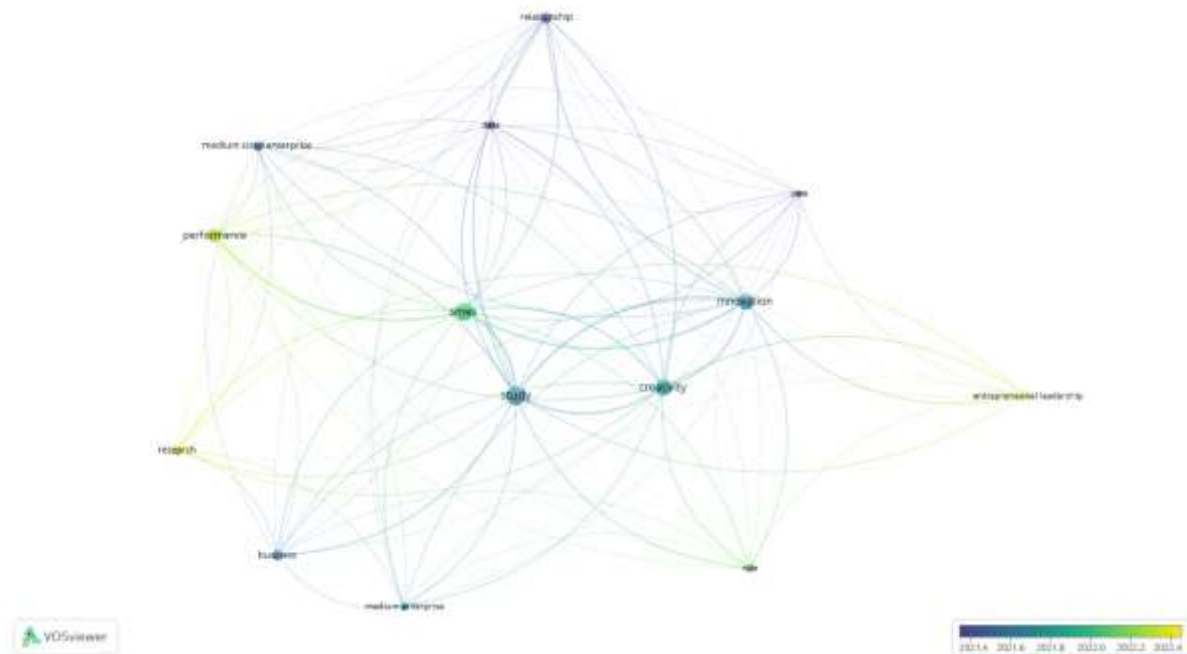


Figure 4. Research trends in the context of creative business competitiveness in MSMEs worldwide using the Overlay Visualization approach with VOSviewer software

4. CONCLUSION

The competitiveness of creative SMEs is shaped by a complex interplay of factors, including organizational bricolage, innovation, knowledge management, institutional support, leadership, and strategic resource management. These determinants not only drive adaptation and resilience but also enable SMEs to carve out niches in competitive markets. Future research should delve into the long-term implications of these factors under evolving economic and technological landscapes to better support creative SMEs in sustaining their competitiveness. Hal tersebut akan memungkinkan organisasi terhindar dari penyalahgunaan kekuasaan yang berasal dari satu orang dan meningkatkan kualitas keputusan yang diambil oleh organisasi. Multifaceted factors, including organizational adaptation, innovation, knowledge management, institutional support, leadership, and strategic resource management drive the competitiveness of creative SMEs.

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