

Literature Review: Strategy, Sustainability, and International Business

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ABSTRACT

The growth of startups and small businesses globally has made management strategy a crucial component of business development and the pursuit of opportunities that align with the Sustainable Development Goals. The aim of this study is to review the literature on the relationship between strategy, sustainability, and international business. A review of 156 articles published in prestigious journals was conducted. Four clusters—the Indian Perspective on International Business, Global Strategy, Strategic Entrepreneurship, and Management Strategy in Organizations—highlight the study's findings. The study highlights that competitive advantage is often built through innovation, partnerships with global institutions, and the ability to exploit dynamic capabilities. Furthermore, an effective management strategy integrates sustainability into core operations. Management strategies must address risks, foster innovation, and maintain competitive advantage. In particular, due stress on corporate social responsibility, ethics, and employee attitude in organizations are to be given. Additionally, the study makes suggestions for international business practitioners

Keywords: Strategy, Sustainability, International Business, Literature review.

INTRODUCTION:

In the context of international business, which has dominance of uncertainty, incomplete information, and dilemma in decision-making, the term 'strategy' is about structures, capabilities, and activities that can enable businesses/companies to function in an most optimistic and sustainable manner (Garanina et al., 2024; Yücesan, 2025; Tang et al., 2025). Predominantly, the strategy discusses two pertinent theories, namely, stakeholder theory (Freeman et al., 2010) and institutional theory (Scott, 2005) to examine how businesses deal with various competitive, cultural, and regulatory environments. Gaining a competitive edge necessitates knowledge of dynamic capabilities (Teece et al., 1997), global institutions, and emerging market complexities. With the rise of startups (Dinesh and Sushil, 2019; Saxena, 2025) and small businesses in the international arena, the subject of strategic entrepreneurship (Djordjevic, 2013; Combs et al., 2023) has become one of most important domains to business development as well as the exploitation of opportunities that are aligned with Sustainable Development Goals (SDGs).

This review critically examines the interplay of strategy, sustainability, and international business, beginning with the Indian perspective, and progressing to global strategy, strategic entrepreneurship, and management strategy. It concludes with helpful suggestions for practitioners, highlighting how crucial it is to match strategies with stakeholder expectations, institutional contexts, and sustainable growth in order to succeed in highly competitive, dynamic marketplaces.

2. Research methodology

This study employed Scopus database and identified prominent studies published in reputed journals using keywords “international business”, “strategy”, and “sustainability”. Furthermore, using forward and backward chaining, the author searched for relevant studies in Google Scholar database. A total of 156 studies were included in this literature review.

3. Literature review

3.1 Indian Perspective of International Business

India's international business landscape has undergone a significant transformation which is mostly influenced by liberalization policies of the government (Bowonder, and Richardson, 2000; Forbes, 2002; Witt, 2019) aimed to increase the business and self-reliance, technology, and the integration with global institutions in various sectors. One of the pertinent theories, namely, the institutional theory (Scott, 2005), explains about role of the Indian regulatory environment, policies, and informal norms which have shaped the internationalization of firms.

Moreover, the Stakeholder theory (Freeman et al., 2010) is equally relevant, more particularly because Indian companies must balance the expectations of investors, employees, communities, and regulators when expanding abroad. Most importantly, businesses in varying contexts, such as agriculture, fashion, and automobiles, have intricacies that are different from each other. More recently, the Indian economy's growth has exponentially increased opportunities for startups and small businesses (Dinesh and Sushil, 2019; Saxena, 2025), in particular with technology hubs, namely Pune and Bengaluru, which have enhanced innovation and entrepreneurial ventures in

India and abroad. Strategic exploitation (Sharma et al., 2018) of emerging markets is more evident as Indian firms, often leverage dynamic capabilities (e.g. finances, capital, resources) to enter high-paying sectors like information technology, pharmaceuticals, and renewable energy (Ghosh et al., 2002).

Indian MNCs like Tata Group, Infosys, and Mahindra now have more opportunities to compete globally thanks to globalisation, which highlights the importance of having a competitive edge. These businesses have implemented tactics that include collaborations with international organisations, R and D (Dodgson, 1992), and sustainability-oriented projects (Claro and Esteves, 2021) in line with the SDGs. For example, Indian renewable energy companies are incorporating sustainable business development goals into their growth models and they include their strategy with the rules and regulations mandated by international climate monitoring organizations.

Due to the institutional gaps in many emerging markets, Indian businesses must acquire special skills like regulatory diversity (Delimatsis, 2007) and infrastructure fragmentation adaptation (Engels, 2016). Indian businesses have been able to take advantage of opportunities and reduce risks thanks to dynamic capabilities like agility and learning. Startups play a crucial role in industries like fintech, agritech, and healthtech, where international expansion depends on innovation (Anokhin and Wincent, 2012). Furthermore, the growth of internationally competitive enterprises has been facilitated by India's changing intellectual property laws (Bird, 2006) and growing encouragement of entrepreneurship.

However, challenges persist. For example, cultural diversity (Panda and Gupta, 2004), political and bureaucratic hurdles to business development (Roy et al., 2016), and unstable trade policies (Bilquees and Mukhtar, 2011) can impact the sustainability of international business for organizations in India. Hence, these challenges require more attention and nuanced strategies. Indian businesses must navigate institutional pressures (Jha and Aggrawal, 2020) while maintaining stakeholder trust. For instance, Infosys' focus on ethics, CSR, and employee-centric policies such as consideration of work-life balance, work-pay balance, and good standard of living have exhibited the integration of stakeholder theory into a business strategy which has upper hand over other organizations. In another example, initiatives like "Start-up India" started by Government of India (Tiwari et al., 2021) had been commended to benefit several aspiring entrepreneurial organizations in semi urban as well as rural regions. However, it is important to note that the competition with other MNCs and compliance costs with regulatory bodies have remained significant concerns. Thus, the Indian perspective in the International businesses context underscores the interplay between institutional settings as well as the stakeholder management, entrepreneurship, and dynamic capability development.

3.2 Global Strategy

In the global context, strategy involves aligning organizational capabilities with strengths, weaknesses, opportunities and threats (Pickton and Wright, 1998) across diverse markets. In this regard, the institutional theory (Scott, 2005) highlights how firms respond to regulatory, cultural, and political differences. Stakeholder theory (Freeman et al., 2010) emphasizes the need to satisfy varied expectations that are not only from the consumers, but also, to investors.

Competitive-advantage is developed through innovation, partnerships with global institutions, especially for developing international business, as well as the ability to exploit dynamic capabilities. Furthermore, emerging-markets often represent high-growth opportunities (Hoskisson et al., 2000) for small and medium scale businesses. However, these markets have serious concern of being volatile and prone to unpredictable factors (Tulder et al., 2019) due to unknown policy, rules and regulations of the other countries. Firms that succeed deploy flexible strategies, invest in learning, and exploit unique resources. The topic of sustainable development (Sullivan et al., 2018) is increasingly central and alignment of strategies with SDGs enhances legitimacy and stakeholder trust. Start-ups (Dinesh, and Sushil, 2019; Saxena, 2025) and small businesses entering international markets mostly rely on niche strategies, agility, and technology-enabled scalability (Arno, 2025). Global strategy thus involves balancing exploitation (Prahalad, and Doz, 1987) and exploration, risk management (Miller, 1992), and social value creation (Rygh, 2020) across boundaries.

3.3 Strategic Entrepreneurship

Strategic entrepreneurship has a more specific dimension in that it merges opportunity recognition (Di Gregorio et al., 2022) with resource deployment to achieve a competitive advantage (Gupta, 2015) in businesses. International business involves scaling ventures, adapting to institutional contexts, and leveraging dynamic capabilities (Teece et al., 1997). Startups and small businesses play a critical role. In particular, innovation, predominantly in technology and service sectors enhance the uniqueness and differentiation from other competing companies.

Entrepreneurship in emerging markets often requires improvisation and resilience due to institutional voids. The exploitation of opportunities, coupled with alignment to SDGs, creates an environment of sustainable growth avenues. Furthermore, the institutional theoretical framework (Scott, 2005) provides a valuable insight for practitioners in international business. For example, how entrepreneurs are able to navigate regulations, norms, and cultural barriers. On the other hand, stakeholder theory (Freeman et al., 2010) guides them in integrating social and environmental considerations. For instance, this theoretical framework helps us to understand how social enterprises attempt to address the concerns of poverty or sustainability. Global institutions, incubators, and venture networks (Pettersen et al., 2015) also support entrepreneurs to obtain capital, mentorship (Purcell, and Scheyvens, 2015), and market access. Hence, it can be

stressed that strategic entrepreneurship is about building, refining, and scaling capabilities to compete in global markets.

3.4. Management Strategy in Organizations

Past research highlights that the management strategy aligns several pertinent attributes in the organizational context such as hierarchy and communication channels that are dependent on internal structures, leadership and group dynamics that impact employee behaviours, and organizational culture (Hitt et al., 2006). The approach of dynamic capabilities enables organizations to sense, seize, and transform in response to market changes. It also helps to highlight about sharing of resources, finance, and capital to catch the fleeting opportunities (Teece, 1997). The stakeholder theory facilitates us to understand about pertinent stakeholder (employees, investors, customers, suppliers, transporters) attributes. Especially, it is pertinent for international businesses to build trust and resilience (Hasayotin, 2023) among stakeholders. Furthermore, the framework of institutional theory highlights on the governance practices, compliance, and ethical standards across jurisdictions.

An effective management strategy integrates sustainability into core operations. For example, companies embedding SDGs into their mission gain legitimacy and attract socially conscious stakeholders (Kolk and Van Tulder, 2010). The exploitation of data, analytics, and technology supports better decision-making (Sharma et al., 2014). Due to flexibility, agility, and innovation speed, small businesses and startups often find it possible to excel. On the other hand, the established firms have upper hand that they can leverage economies of scale. Hence, the management strategies, in such contexts, must address risks, foster innovation, and maintain competitive advantage.

4. Recommendations for Practitioners in International Business

The practitioners, especially in the context of the International businesses, should develop strategies rooted in institutional awareness, stakeholder engagement, and dynamic capabilities. First, understanding institutional contexts and cultural diversity is crucial to avoid missteps in foreign markets. Second, stakeholder mapping and engagement create trust and mitigate risk. Practitioners must integrate sustainability and align strategies with SDGs to develop and ensure business friendly relationships for long-term viability and act in ethically responsible manner.

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Exploitation of niche markets, technological adoption, and partnerships with global institutions enhance competitiveness. Strategic prioritization is a key attribute in startups and small businesses. Especially, with number of problems in uncertain environment and options, the managers have to prepare list and take decisions with most possible advantage depending on their capability and resources. Additionally, building alliances, leveraging incubators, and focusing on scalable models help overcome barriers. Undoubtedly, employees' innovative work behaviours, knowledge, and performances depend on leaders. Hence, practitioners should also invest in leadership and organizational learning to sustain innovation. Finally, risk management frameworks, scenario planning, and adaptability remain key in volatile global environments.

5. Practical implications

The subject of international business and strategy is a dynamic as well as multi-faceted zone that involves a variety of theoretical frameworks and real-world practical situation handling and complicated applications. Hence, the implications of this study for practitioners are undoubtedly obvious. In simple terms, adaptability, stakeholder-centric tactics, and knowledge of institutional variances are extremely crucial. In a globalised economy, including SDGs guarantees responsibility and relevance. International business strategy will change in the future as companies manage complexity through cooperation with international organisations and the use of technology-driven insights.

6. Conclusion

Success depends on coordinating institutional theory, stakeholder expectations, and dynamic skills, as shown in India's changing entrepreneurial ecosystem and international MNE strategy. Innovation, sustainability, and the capacity to take advantage of opportunities in both existing and emerging markets are becoming more and more important components of competitive advantage. Strategic entrepreneurship emphasises how small enterprises and startups can be both growth engines and disruptive forces. Management techniques highlight learning, governance, and culture as key facilitators. In the end, businesses accomplish sustainable growth when they are able to strike a balance between exploration and exploitation, ethics and innovation, and short-term objectives and long-term vision.

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