



SIMPOSIUM ILMIAH AKUNTANSI 7

ESG AWARENESS, ISLAMIC VALUES, AND BUSINESS SUSTAINABILITY IN BINJAI TRADITIONAL TOFU MANUFACTURING SMEs

Hastuti Olivia ¹, Fawazra Athalla Pasha ², Anggi Pratiwi Sitorus ³

¹Magister Akuntansi, Universitas Muhammadiyah Sumatera Utara Indonesia, ²Vokasi Akuntansi, IPB University Bogor Indonesia, ³Universitas Negeri Medan, Indonesia

ARTICLE INFO

Article history:

Received: 10 Oktober 2025

Revised: 12 Januari 2026

Accepted: 25 Januari 2025

Keywords:

ESG awareness

Islamic values

SMEs sustainability

ABSTRACT

The integration of Environmental, Social, and Governance (ESG) principles in Small and Medium Enterprises (SMEs) remains underexplored, particularly in emerging markets where traditional businesses face unique challenges in adopting sustainability practices. This study aims to analyze the research landscape of ESG implementation and identify strategic positioning for investigating ESG awareness integration with Islamic values in traditional SME contexts, specifically Kampung Tahu Binjai, Indonesia. Employing bibliometric analysis using VOSviewer software, this research examined scholarly publications from the Scopus database to map network visualization, overlay visualization, and density visualization of ESG-related research. The findings reveal that traditional topics such as governance disclosure and firm value have reached saturation, while emerging themes including strategic implementation, sustainable development framework, and stakeholder integration represent growing research frontiers. Significantly, a research gap exists at the intersection of business sustainability, social responsibility, and local cultural values, presenting opportunities for contextualized ESG studies. This study concludes that integrating ESG awareness with Maqasid al-Shariah principles in traditional SMEs offers an original contribution to developing inclusive and culturally-rooted sustainability models for emerging economies.

This is an open-access article
under the [CC BY](#) license.



Corresponding Author:

Hastuti Olivia,

hastutiolivia@umsu.ac.id,

INTRODUCTION

Environmental, Social, and Governance (ESG) practices have become a global paradigm in measuring corporate sustainability and social responsibility (Chopra et al., 2024; Shaikh, 2022), where business organisations are required to focus not only on profit but also on environmental impact and social welfare (Barauskaite & Streimikiene, 2021; Zhang et al., 2021). ESG awareness has been proven to positively affect a company's long-term performance and to increase stakeholder confidence in responsible business practices. In the context of MSMEs, although a formal reporting system is not yet in place (Riwajanti, 2022), basic ESG principles can be implemented through daily operational practices that incorporate environmental sustainability, worker welfare, and transparent governance (Torres et al., 2023; Zheng et al., 2024).

Islamic values as a comprehensive ethical system have long guided economic and business activities (Kalkavan et al., 2021), including the principles of shiddiq (honesty), amanah (responsibility), 'adl (justice), ta'awun (mutual assistance), ihsan (benevolence), prohibition of israf (extravagance), and rejection of the riba system (Shahariman et al., 2024). Research shows that the implementation of Islamic values in business practices increases stakeholder trust, strengthens business sustainability, and encourages ethical and responsible business behaviour. From an Islamic economics perspective, these values align with the concept of maqasid syariah, which aims to achieve maslahah (benefit) for humans and the environment (Wulandari & Aziz, 2025).

Business sustainability is defined as an organisation's ability to maintain its operations in the long term while creating value for stakeholders and contributing positively to society and the environment (Freudenreich et al., 2020). The literature shows that the sustainability of MSMEs is not only determined by financial performance, but also by adaptability, resilience to external changes, the quality of relationships with stakeholders, and management practices that are responsive to social and environmental issues. The traditional tofu industry in Binjai, North Sumatra, with 47 business units and an economic turnover of Rp 2.5 billion per month, represents Indonesian MSMEs that face sustainability challenges in terms of environmental management, worker welfare, and informal governance (Ssenyonga, 2021).

There is a strong philosophical convergence between ESG principles and Islamic values, where concern for the environment is in line with the concept of *khalifah fil* and the prohibition of *israf* (Muneeza & Mustapha, 2021), social responsibility reflects the values of *ta'awun* and *'adl*, and good governance embodies the principles of *amanah* and *shiddiq*. Previous research on large companies shows that ESG practices and Islamic values contribute to improved organisational performance and sustainability (Chouaibi et al., 2022), but studies in the context of traditional MSMEs that have not yet implemented a formal accounting system are still very limited (Acintya & Mada, 2020).

It is not yet empirically known how ESG awareness at the level of traditional MSME business actors affects business sustainability in the context of small-scale manufacturing industries that operate without a formal sustainability reporting system (Mejia-Escobar et al., 2020; Socoliuc et al., 2005). The majority of ESG research focuses on large companies with structured reporting systems, while studies on traditional MSMEs that rely on informal practices and business owner awareness are still minimal, even though MSMEs are the backbone of the Indonesian economy with operational characteristics that are very different from corporations (Nursini, 2020).

There is still limited understanding of how the implementation of Islamic values in the daily business practices of traditional MSMEs contributes to business sustainability (Santoso, 2020), particularly in the context of industries that have not yet implemented a formal sharia accounting system. Previous studies have tended to examine Islamic values within the complex framework of sharia accounting in financial institutions or large companies (Al-sartawi, 2020; Ayedh et al., 2018; Karim & Shetu, 2020), but have not explored how Islamic values are implemented naturally and informally by traditional SME actors and their impact on the sustainability of their businesses (Wibowo & Mansah, 2020).

There has been no comprehensive study that simultaneously integrates ESG awareness and the implementation of Islamic values as predictors of business sustainability in traditional manufacturing MSMEs in Indonesia. Previous studies have generally separated ESG studies from Islamic values studies, thus failing to provide a holistic understanding of how these two dimensions interact and reinforce each other in influencing the sustainability of MSMEs, the majority of which are owned by Muslim entrepreneurs.

There is no empirical evidence regarding ESG practices and Islamic values in the traditional tofu industry in Binjai, one of Indonesia's centres for food manufacturing MSMEs, which could serve as baseline data for the development of MSME development programmes based on sustainability and Islamic values. The absence of empirical data means that SME development programmes are often not contextualised with the operational realities and values embraced by grassroots entrepreneurs.

The urgency of this research lies in the need to uncover the mechanisms by which ESG awareness and the implementation of Islamic values, as two dimensions that are philosophically aligned but different in their operationalisation, can promote the sustainability of traditional MSMEs, which constitute the majority of economic actors in Indonesia. This research is important because traditional manufacturing MSMEs, such as the tofu industry in Binjai, face real challenges in terms of waste management, worker welfare, and informal governance. Therefore, understanding the factors that encourage sustainable practices can contribute to the development of more effective and contextual coaching strategies.

This study offers an integrative approach by combining global (ESG) and local (Islamic values) perspectives in a single model to explain the sustainability of Indonesian Muslim MSMEs, resulting in a framework that is not only theoretically applicable but also culturally and religiously resonant for business actors. The novelty of this research lies in measuring ESG awareness and

Islamic values through observable practices and the perceptions of business actors, rather than through formal reporting systems that are not available in traditional MSMEs, thereby producing a more realistic assessment model that can be replicated in similar industries in various regions.

This study aims to analyse the influence of ESG awareness and the implementation of Islamic values on business sustainability in traditional tofu-making MSMEs in Binjai, as well as to provide practical recommendations for the development of contextual ESG literacy and Islamic values programmes to improve the sustainability of MSMEs in Indonesia. Specifically, this study seeks to identify the level of ESG awareness and implementation of Islamic values among tofu producers in Binjai, examine the influence of these two variables on business sustainability both partially and simultaneously, and explore the concrete practices carried out by producers in managing environmental, social, and governance aspects based on their awareness and values.

LITERATURE REVIEW

Environmental, Social, and Governance (ESG)

ESG is a framework used to evaluate an organisation's sustainability practices in three main dimensions: environment, social, and governance. The ESG concept developed in response to growing awareness that an organisation's performance is not only measured by financial aspects, but also by its impact on the environment and society, as well as the quality of its governance. In the context of MSMEs, the application of ESG does not always require complex reporting systems such as those used by large companies. What is more important is the awareness of business actors regarding practices that are in line with ESG principles, such as responsible waste management, fair treatment of workers, and transparency in business management.

Islamic Values in Business Practice

Islamic values provide comprehensive guidelines for Muslims in conducting economic and business activities. These values are derived from the Qur'an and Hadith, and have been practised since the time of the Prophet Muhammad (peace be upon him). In the context of business, Islamic values not only regulate transactional aspects, but also ethical, moral, and social responsibility dimensions.

Business Sustainability

Business sustainability refers to an organisation's ability to maintain its operations in the long term while continuing to create value for its stakeholders. In strategic management literature, business sustainability is measured not only from a financial perspective, but also from the perspective of adaptability, resilience, and positive contributions to the environment and society.

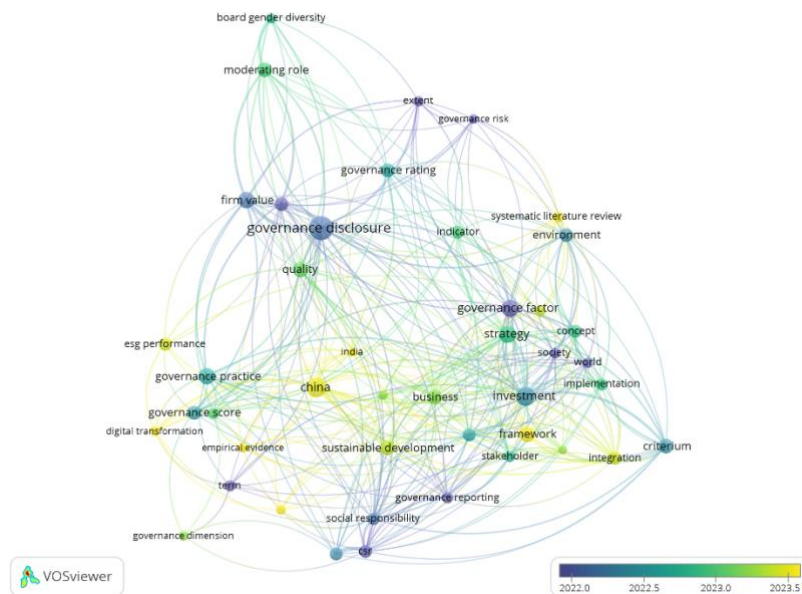
RESEARCH METHODS

This study uses a qualitative approach with an interpretive paradigm to gain an in-depth understanding of how ESG awareness and the implementation of Islamic values contribute to business sustainability in traditional tofu-making MSMEs in Binjai. A qualitative approach was chosen because it is appropriate for traditional MSMEs that have not yet implemented a formal accounting system, so that understanding of ESG practices and Islamic values needs to be explored through in-depth exploration of the experiences, perceptions, and actual practices of business actors in the context of their daily lives. This research is descriptive-exploratory in nature, aiming to describe the phenomenon of ESG awareness and Islamic values and explore how these two dimensions play a role in maintaining business sustainability (Olivia & Hidayat, 2024).

In this study, bibliometric analysis was used to validate the relevance and novelty of the research topic and to identify current research trends regarding ESG awareness, Islamic values, and business sustainability. Bibliometric analysis is a quantitative approach to analysing scientific publications and citation patterns in order to identify the intellectual structure of a field of research, emerging trends, and existing research gaps.

Cluster analysis shows the dominance of ESG research in the dimensions of governance disclosure and firm value, but identifies a significant research gap related to the integration of Islamic perspectives. Research (Rohendi et al., 2024) proving that competitive advantage can be a mediating variable in the relationship between ESG disclosure and firm value, which is in line with the green cluster in the visualisation displaying the keywords "moderating role" and "quality" as factors influencing organisational outcomes. (Desai, 2024) Analysing the effect of ESG disclosure on firm value using a sample of Indian companies, we found that mandatory disclosure of non-financial information benefits companies, investors, and society, which is relevant to the yellow cluster showing the geographical focus of ESG research in emerging Asian markets such as India and China and its link to sustainable development goals.

However, crucially, the study by Hassan et al. (2022) shows that Sharia-indexed companies have proven to have high ESG values because they prioritise not only business values but also their religious values, and the research by Zain et al. (2024) Integrating ESG principles with Maqasid al-Shariah in Takaful operations, which presents a unique blueprint for ethical financial practices that align Islamic values with contemporary global ethical imperatives. The absence of the keywords "Islamic values" or "Islamic finance" as major nodes in the network visualisation validates that the integration of Islamic perspectives in ESG research is still an underexplored area, despite the Karim et al. (2024) in GCC countries shows that ESG integration in Islamic banks is not only a moral or regulatory imperative but also a strategic business decision that can increase competitiveness, reinforcing the urgency of this research to fill the research gap by integrating Islamic values as a theoretical framework in understanding ESG practices in MSMEs.

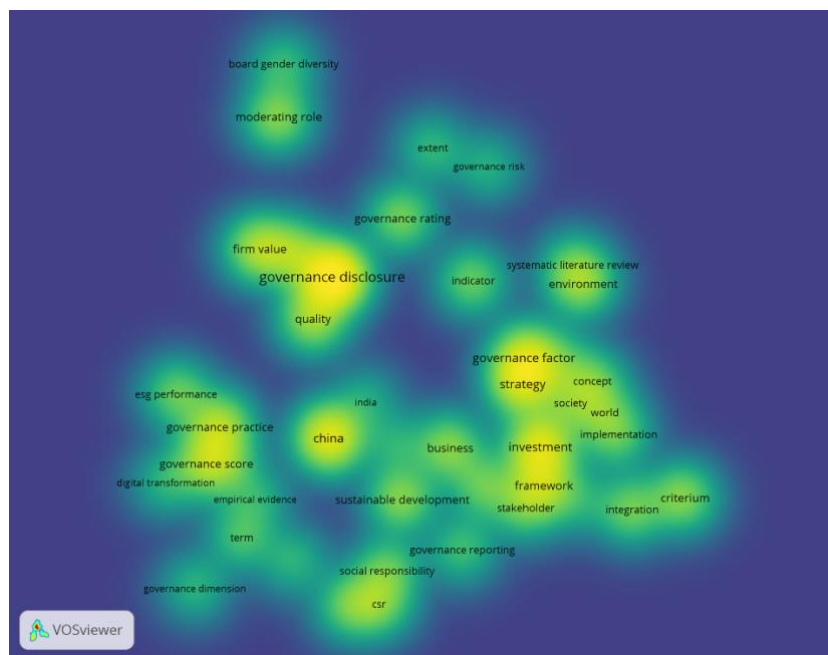


Picture 2. Overlay Visualisation

The findings from this Overlay Visualisation are in line with global ESG research trends, which have undergone significant shifts in the last five years. Research on the presence of ESG activities in Small and Medium Enterprises (SMEs) is still in its early stages in the literature and requires further empirical evidence. (Garrido-Ruso et al., 2024), which indicates a substantial research gap at the small and medium enterprise level. Bibliometric analysis of the Scopus database for the period 2001-2023 shows that the relationship between ESG disclosure and firm value has varying effects and that disclosure has an impact through various channels, including increased stakeholder trust. (Elfeky et al., 2024). The integration of ESG principles with the Maqasid al-Shariah framework offers a new approach that aligns Islamic values with contemporary global ethical demands. (Mohd Zain et al., 2024), providing an original

framework for responsible business practices that are in line with evolving ethical standards and the enduring principles of Islamic finance. Research involving 325 respondents from Islamic institutions in Indonesia confirmed that business sustainability can be achieved through the implementation of Islamic business and work ethics and increased awareness of sustainability goals (Sustainability Awareness) (Ghoniya & Amilahaq, 2024).

Empirical work on corporate environmental aspects is still very limited, with a lack of studies exploring sustainability business models in SMEs, which represents a solid research opportunity. (Rubio-Andrés et al., 2025). The colour transition from blue to yellow in this visualisation reflects the paradigmatic evolution of ESG research, which has moved from a compliance-based approach to strategic implementation, where digital transformation positively influences ESG performance in SMEs, with innovation capabilities and servitisation levels partially mediating this relationship. (Vendrell-Herrero et al., 2024). This research position, which integrates ESG implementation in MSMEs with Islamic values, lies precisely at the intersection between emerging topics (strategic implementation, sustainable development, framework) and mature topics (governance, firm value), making it a timely and strategic contribution to the contemporary ESG research landscape.



Picture 3. Density Visualization

The density distribution pattern in this visualisation confirms the existence of research saturation in the traditional area of corporate governance while revealing research frontiers that have not been adequately explored. Addressing a significant gap in the literature, ESG research on SMEs responds to calls from various authors to expand ESG studies to small and medium-sized enterprises, where findings show differential ESG impacts on performance between SMEs and large companies, emphasising the need for further research in this direction. (Garrido-Ruso et al., 2024). Although ESG research has gained popularity, it has predominantly focused on single-country analysis, leaving regional analysis relatively neglected despite global interest in sustainability and ethical practices. This gap in understanding, particularly in emerging markets such as ASEAN, can hinder investors' ability to make decisions that take into account ESG risks and opportunities in these markets. (Marie et al., 2024). Emerging markets face different structural barriers in ESG implementation, including limited institutional capacity, fragmented regulatory environments, and underdeveloped sustainability disclosure ecosystems. These conditions require an approach tailored to the realities of data scarcity and market heterogeneity. Future research needs to consider local

and international regulatory environments, as these factors significantly influence ESG innovation and practices. (El Fakir et al., 2025), and developing longitudinal measurement approaches and network interactions to better understand the dynamics of ESG implementation and its contribution to sustainable development.

CONCLUSION

Based on bibliometric analysis using VOSviewer, which includes Network Visualisation, Overlay Visualisation, and Density Visualisation, it can be concluded that the ESG (Environmental, Social, and Governance) research landscape has undergone a significant paradigmatic evolution in the last five years. The findings show that traditional topics such as "governance disclosure", "firm value", and "board gender diversity" have reached a high level of saturation (mature topics), while the current research focus has shifted towards "implementation", "strategy", "framework", and "sustainable development" as emerging topics that have received intense attention since 2023. The density analysis reveals a research frontier in the low-density area that connects "business", "society", "stakeholders", and "social responsibility" with the local context and cultural values, a research gap that actually becomes the strategic positioning of research on Kampung Tahu Binjai. The integration of ESG awareness with Islamic values in the context of traditional Indonesian MSMEs represents an original contribution that bridges the gap between the global ESG framework, which is dominated by the perspective of large corporations in developed countries, and the reality of micro, small and medium enterprises in emerging markets. The research on Kampung Tahu Binjai offers a unique perspective on how sustainability principles can be implemented through a bottom-up approach rooted in local wisdom and Islamic business ethics (Maqasid al-Shariah), not merely compliance with top-down disclosure standards. Thus, this study not only fills the gap in the literature identified in bibliometric mapping, but also contributes to the development of a more inclusive, contextual, and applicable ESG model for millions of MSMEs in Indonesia, which are the backbone of the national economy and guardians of the socio-cultural values of society.

REFERENCES

- Acintya, A., & Mada, U. G. (2020). DO MICRO SMALL MEDIUM ENTERPRISES (MSMEs) NEED MODERN MANAGEMENT ACCOUNTING TECHNIQUES ? 35(1), 44–56.
- Al-sartawi, A. M. A. M. (2020). *Shariah Disclosure and the Performance of Islamic Financial Institutions*. 13(1), 133–160.
- Ayedh, A. M., Mahyudin, W. A., Subini, M., & Samat, A. (2018). *The integration of Shariah compliance in information system of Islamic financial institutions Qualitative evidence of Malaysia integration of*. <https://doi.org/10.1108/QRFM-05-2017-0042>
- Barauskaite, G., & Streimikiene, D. (2021). Corporate social responsibility and financial performance of companies: The puzzle of concepts, definitions and assessment methods. *Corporate Social Responsibility and Environmental Management*, 28(1), 278–287.
- Chopra, S. S., Senadheera, S. S., Dissanayake, P. D., Withana, P. A., Chib, R., Rhee, J. H., & Ok, Y. S. (2024). Navigating the challenges of environmental, social, and governance (ESG) reporting: The path to broader sustainable development. *Sustainability*, 16(2), 606.
- Chouaibi, S., Rossi, M., & Siggia, D. (2022). *Exploring the Moderating Role of Social and Ethical Practices in the Relationship between Environmental Disclosure and Financial Performance : Evidence from ESG Companies*.
- Desai, R. (2024). *Analysing the Firm Value Effects of Environmental , Social and Governance Disclosure : Empirical Study of Indian Firms*. <https://doi.org/10.1177/09711023241264679>
- El Fakir, A., Hexel, O., & Tkiouat, M. (2025). Exploring the drivers of environmental, social, and governance (ESG) disclosure in an emerging market context using a mixed methods approach. *Future Business Journal*, 11, 530. <https://doi.org/10.1186/s43093-025-00530-w>
- Elfeky, M. I., Side, S.-E. I., & Mohmed, H. M. (2024). Mapping the Landscape of the Literature on

- Environmental, Social, Governance Disclosure and Firm Value: A Bibliometric Analysis and Systematic Review. *Sustainability*, 16(10), 4239. <https://doi.org/10.3390/su16104239>
- Freudenreich, B., Lüdeke, F., & Stefan, F. (2020). A Stakeholder Theory Perspective on Business Models: Value Creation for Sustainability. 3–18. <https://doi.org/10.1007/s10551-019-04112-z>
- Garrido-Ruso, M., Félix, L., & Sáenz-Royo, C. (2024). Does ESG implementation influence performance and risk in SMEs? *Corporate Social Responsibility and Environmental Management*, 31(5), 4119–4136. <https://doi.org/10.1002/csr.2783>
- Ghoniya, N., & Amilahaq, F. (2024). Business sustainability performance through sustainability awareness and business work ethics in Islamic institutions. *Cogent Business & Management*, 11(1), 2303789. <https://doi.org/10.1080/23311975.2024.2303789>
- Kalkavan, H., Dinçer, H., & Yüksel, S. (2021). Analysis of Islamic moral principles for sustainable economic development in developing society. *International Journal of Islamic and Middle Eastern Finance and Management*, 14(5), 982–999.
- Karim, R., & Shetu, S. A. (2020). *Shariah Audit in Islamic Financial Institutions (IFIs): A Literature Review*. 1, 45–66.
- Marie, M., Khafaga, M., & Shehata, N. (2024). Exploring Environmental, Social and Governance research in the wake of COVID-19: A bibliometric analysis of current trends and recommendations for future research. *Corporate Social Responsibility and Environmental Management*, 31(5), 4567–4589. <https://doi.org/10.1002/csr.2909>
- Mejia-Escobar, J. C., González-Ruiz, J. D., & Duque-Grisales, E. (2020). Sustainable financial products in the Latin America banking industry: Current status and insights. *Sustainability*, 12(14), 5648.
- Mohd Zain, F. A., Muhamad, S. F., Abdullah, H., Sheikh Ahmad Tajuddin, S. A. F., & Wan Abdullah, W. A. (2024). Integrating environmental, social and governance (ESG) principles with Maqasid al-Shariah: a blueprint for sustainable takaful operations. *International Journal of Islamic and Middle Eastern Finance and Management*, 17(3), 461–484. <https://doi.org/10.1108/IMEFM-11-2023-0422>
- Muneeza, A., & Mustapha, Z. (2021). Islamic ethical wealth and its strategic solutions to “zero hunger” scheme. In *Islamic Wealth and the SDGs: Global Strategies for Socio-Economic Impact* (pp. 273–303). Springer International Publishing. https://doi.org/10.1007/978-3-030-65313-2_14
- Nursini, N. (2020). Micro, small, and medium enterprises (MSMEs) and poverty reduction: empirical evidence from Indonesia. *Development Studies Research*, 7(1), 153–166.
- Olivia, H., & Hidayat, S. (2024). Mengukur Dampak Lingkungan Melalui Akuntansi Hijau: Analisis Literasi Dan Tren Penelitian Dengan Vosviewer. *Bisnis-Net Jurnal Ekonomi Dan Bisnis*, 7(2).
- Olivia, H., Saban, A., Pulungan, H., Maharanni, N. P., Tanjung, N., & Arip, M. A. (2025). Mapping Research Landscape on *Ijarah Accounting: A Bibliometric Study Based on PSAK 107 2025*(1), 47–59. <https://doi.org/10.29244/jam.13.1.47-59>
- Riwajanti, N. I. (2022). Development Of Accounting Information System Based On Business Process Modelling And Notation And Web-Based Financial Report For Msmes. *International Journal of Economics, Business and Accounting Research (IJEBAR)*, 6(1), 334–350.
- Rohendi, H., Ghozali, I., & Ratmono, D. (2024). Environmental, social, and governance (ESG) disclosure and firm value: the role of competitive advantage as a mediator. *Cogent Business & Management*, 11(1). <https://doi.org/10.1080/23311975.2023.2297446>
- Rubio-Andrés, M., Abril, C., Casado-Molina, A. M., & Cegarra-Navarro, J. G. (2025). Exploring the reality of corporate sustainability strategy and sales performance in entrepreneurial SMEs: the mediating effect of innovation and sustainability performance. *International Entrepreneurship and Management Journal*. <https://doi.org/10.1007/s11365-025-01102-8>
- Santoso, B. (2020). *The Role of Micro, Small, and Medium Enterprises Toward Sustainable Development Goals Through Islamic Financial Institutions*. 409(SoRes 2019), 585–595.
- Shahariman, A. A. B., Asari, N., Sulaiman, N., & Marzuki, N. (2024). Islamic Principles And Their Application In Personal Financial Decision Making. Accessed: Dec, 15.
- Shaikh, I. (2022). Environmental, social, and governance (ESG) practice and firm performance: an international evidence. *Journal of Business Economics and Management (JBEM)*, 23(1), 218–237.
- Socoliuc, M., Cosmulese, C., & Ciubotariu, M. (2005). *Sustainability Reporting as a Mixture of CSR*

and Sustainable Development . A Model for Micro-Enterprises within the Romanian Forestry Sector.

- Ssenyonga, M. (2021). Cogent Economics & Finance Imperatives for post COVID-19 recovery of Indonesia ' s education , labor , and SME sectors FINANCIAL ECONOMICS | REVIEW ARTICLE Imperatives for post COVID-19 recovery of Indonesia ' s education , labor , and SME sectors. *Cogent Economics & Finance*, 9(1). <https://doi.org/10.1080/23322039.2021.1911439>
- Torres, L., Ripa, D., Jain, A., Herrero, J., & Leka, S. (2023). The potential of responsible business to promote sustainable work—An analysis of CSR/ESG instruments. *Safety Science*, 164, 106151.
- Vendrell-Herrero, F., Bustinza, O. F., Opazo-Basáez, M., & Gomes, E. (2024). Digital transformation, innovation capabilities, and servitization as drivers of ESG performance in manufacturing SMEs. *Scientific Reports*, 14, 24321. <https://doi.org/10.1038/s41598-024-76416-8>
- Wibowo, A., & Mansah, A. (2020). *Analysis of SMEs in the Ciputat Traditional Market in Islamic Business Ethics Perspective*. 132(AICMaR 2019), 48–52.
- Wulandari, N., & Aziz, A. (2025). Integrating Maqaşid al-Shariah into the Sustainable Development Goals: A Comparative Analysis from an Islamic Economic Perspective. *JEKSYAH: Islamic Economics Journal*, 5(02), 116–128.
- Zhang, Z., Xu, H., Liu, Z., & Fang, Y. (2021). Implications for pure profit, environmental impact and social welfare in a socially responsible supply chain. *Kybernetes*, 50(3), 757–784.
- Zheng, W., Liu, G., Wang, Z., Han, T., Pan, Z., Li, J., Zhang, Z., & Feng, W. (2024). ESG in Modern Corporate Strategy: An Analysis and Discussion on Impacts towards Sustainable Development. *The Frontiers of Society, Science and Technology*, 6(5).
-