

## DEVELOPING GREEN BEHAVIORS FOR MICRO AND SMALL ENTERPRISES AT SOUTH KEMBANGAN URBAN VILLAGE IN WEST JAKARTA

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### ABSTRACT

Urban village sustainable development program is one of the government programs in helping the Indonesian people to be self-supported. The government is in a serious effort to increase the number of entrepreneurs through micro and small businesses to families live in urban village areas while at the same time starts to introduce green business concepts and operations to reduce climate change. The target area of this community service is South Kembangan Urban Village, Kembangan District, West Jakarta. The micro and small enterprises (MSE) have not yet adopted the green concept of Triple Bottom Line - profit, people, and planet or Triple Helix – economy, society, and environment approach in doing businesses. The area to start is practicing green behaviors suitable for the micro and small enterprises. Hopefully, by practicing green behaviors could add values to gain business' competitiveness since this research finding shows customers are willing to pay more to MSE businesses as long as they practice green behavior and green management. Good predictors that MSE has practice green behaviors are when MSE uses renewable energy, reject products and services which are environmentally unfriendly, and switch to use more renewable resources. The practice of green behaviors for improving the economy and preserving the environment will be successful if it is fully supported by the government, academicians, business owners/leaders, and societies, mostly the customers.

**Keywords:** MSE, Green Behaviors, Triple Bottom Line, Climate Change

### 1. BACKGROUND

Traditional management approach is a dominant management concept and practice until two to three decades ago (Guner, 2018). It receives criticism from green environmentalists since business organizations pay attention only to their social, political, and economic environments, but ignore the natural environment. According to traditional management approach, the environment has been described as a packaged source to be used by organizations. Traditionally it only takes financial risks into account but does not care about the effects of organization's technology usage on the environment. Its ideology gives the human race a separation and unique priority for supremacy against nature (Guner, 2018).

In spite of the traditional management domination, there is a great deal of evidence that shows green management approach is significantly gaining acceptance. Stakeholders, such as customers, employees, suppliers, or community in general, even the government due climate control agreement, force companies to adopt sustainable practices in their business (Guner, 2018). As a result, green management is becoming important for business. Green management deals with environmental issues and emerges as strategic problems for a growing number of business organizations. Now, it is imperative for the governments who signed the Paris Agreement to comply by it in order to achieve low greenhouse gas emissions. Under the Paris Agreement, each country must determine, plan, and regularly report on the contribution that it undertakes to mitigate global warming according to Article 3, Paris Agreement (Upton, 2016).

The Indonesian government, by the Paris Agreement must adopt green management approach for its businesses. Through the Ministry of Life Environment and Forestry, the government regulates industries and business to safe guards the environment, including

reducing global warming threats. Although not as strong as for the medium and large scales businesses, the green management approach is also introduced to and demanded from micro and small enterprises. The importance of green management approach for micro and small enterprises (UMK) should not be understated since they represent more than 62.9 million units or 99.9% (Indonesian Statistics Unit, 2020 and The Ministry of Cooperatives and MSE, 2020).

Several studies by Ye, *et al.* (2020), Li, *et al.* (2019), Ebert, *et al.* (2017), Maziriri and Saurombe (2018), Farioli, *et al.* (2018), and Scalia, *et al.* (2018) showed that business firms that implement triple helix concepts through green behavior practices do better than those that do not since they were seen as having added values by their stakeholders - "care for green environment". According to Ebert, *et al.* (2017) and Longenecker, *et al.* (2017) there are some fundamental differences in applying green management for micro and small firms than for larger firms in terms of their size, priority, informality, and their entrepreneurial nature. In terms of size, the smaller the size of business and the more simple the nature of business functions are the more costly to implement green management. The most related green management operations for micro and small business firms will be for finance, production, service operations, and sales. The pressure of businesses to focus on reducing cost to gain more profits will set less priority for business owners and leaders to spend more on green management related issues. It is even true with micro and small business owners. The number of employees who work for a micro or small business is very small in number. It is around 1-10 persons, mostly less than 50. Knowing that there are limitations of resources, such as time, money, personnel, and expertise, the business imperatives are given more intense to profits, not to green management practices. In micro and small businesses, educating and

training for employees tend to be very informal. Trainings are often given informally by the owners/leaders and then are spread by supervisors and co-workers through on-the-job training. It is done due to lack of resource and more on a “matter of survival”. The entrepreneurial nature of micro and small businesses has forced the firms’ owners to react fast to changing competitive conditions. It often means that they must deal with important things first, such as business survival and adherent to government rules and regulations on COVID-19 pandemic in a short notice – which is not good for businesses.

At South Kembangan Urban Village, there has not been any training for business owners on the subjects of green management approach, especially about green behaviors business practices for micro and small business although the benefits of having green management practices for the well-being of their businesses are there. Almost all of the micro and small businesses in South Kembangan Urban Village are family businesses. It is only about time that the micro and small businesses in the South Kembangan, West Jakarta area will be required to adopt and implement the green management. According to BPS (2018) data, the occupancy of the people lived in South Kembangan Urban Village mostly were entrepreneurs. They were micro and small business owners, running small size restaurants (110), small shops/stores (80), self-employed as street vendors (219) and others tutors, clothing/tailors, construction labors). The types of micro and small businesses the participants interested i: selling goods, foods and food products related businesses, clothing or tailor, tutorial service for children, and poultry. During this COVID-19 pandemic situation, there is a possibility great numbers of micro and small businesses will be shut permanently if there is no help from the government.

The target groups of this community service are the entrepreneurs and/or the owners/leaders of micro and small business firms at South Kembangan Urban Village who would be ready to follow the government program on handling climate change according to Paris Agreement (Upton, 2016) by applying green management approach for business. The entrepreneurs or the firms’ owners and leaders are chosen since they could successfully implement green behaviors practices (Li, *et.al.* 2019 and Boiral, *et. al.* 2018). The idea is to implement green behaviors practices suitable for micro and small businesses. The Head of the Urban Village will give invitation for the training. The business owners/leaders must have enough educational background or at least senior high school graduates, so that they will be able to understand any training provided. The training will focus on practical knowledge and skills related to green behaviors practices suitable for micro and small businesses. The green behaviors practices are believed can add values to business operations and in the long run can improve the firms’ profits and sustainability since green image exposure becomes the firms’ competitive advantage. Trainings through webinar

and consultations with participants will be conducted. The materials presented and discussed at the webinar are about introduction to green management for micro and small enterprises, the practice on green behaviors for micro and small business firms, and example of real life, green behaviors practices discussed in the training. The objectives after attending this training are the participants will know the values, advantages, and benefits in applying green management approach suitable for micro and small businesses, with focus on green behaviors.

## PROBLEM IDENTIFICATION

The object of this study is a South Kembangan Urban Village, Kembangan District, West Jakarta. There has not been any training for business owners on the subjects of green behaviors practices for micro and small business enterprises although the benefits of having green behaviors practices for mitigating the climate change are very promising in the long run. The problems are:

1. The SMEs are doing businesses in their traditional ways with no regards for green environments.
2. The low costs and low prices policy is still dominant for SMEs, regardless of the destructive effects on environments for using non-green materials, technology, and energies.
3. There is very limited knowledge about green management approach to business, let alone the green behaviors practices for the SMEs business operations.
4. The SMEs are not aware that using green materials, technology, and energies can reduce costs in the long run and can avoid the climate change and save the earth
5. There more and more people, customers are willing to pay higher prices for green products and services since they know the benefits on being and acting green.
6. There is no knowledge and skills in green management and green behaviors practices for SMEs.

## OUTCOMES

The expected outcome after attending this training, i.e. the participants would know the advantages and benefits in applying green behaviors in SMEs operations, they are as follows:

1. Participants know the benefits in implementing green management, especially green behaviors practices for their businesses operations.
2. Participants want to practice green behaviors for their day to day business operations.
3. Participants have the skills and are able to practice green behaviors for their business operations.

## 2. METHOD

### ACTIVITY AND PARTICIPANTS

The delivery of the training was carried out on Tuesday, April 6, 2021, from 9.00 am to 11.30 am. It was done through webinar using Zoom, administered by Universitas Mercu Buana, Graduate School of

Management in Jakarta. The participants for this training were invited from the South Kembangan Urban Village area they were urban village government officers, owners of the micro and small business enterprises which employed less than 10 to 50 people in a firm. Students of the university were also invited to this webinar. However, only eleven participants from the community attended since the webinar was carried on online. Out of the 306 people recorded attending the webinar, the majority were undergraduate students 279 people (92.4%) and graduate students 16 people (5.3%), and the community members recorded were 11 people (3.6%).

### METHOD OF EXECUTION

This community service is carried out in the form of training through webinar to micro and small businesses actors. The steps by steps execution of webinar are as follows:

1. Writing down a Plan
  - a. Contact and coordinate with stakeholders
  - b. Make a step by step plan
2. Preparing for the Execution
  - a. Invite the stakeholders
  - b. Check the final preparation
3. Doing the Execution
  - a. Deliver the Webinar training
  - b. Open Inter-active Discussions
4. Monitoring and Evaluating the Execution
 

Monitor the execution from the beginning, during, and after the process is done.

  1. Check the preparation steps
  2. Communicate and coordinate with the stakeholders;
  3. Check the training materials and the trainer(s)
  4. Make sure the participants' attendance
  5. Check the instruments, administrative procedure, and final run-downs

Next, consultation activities are carried out in the form of tutorial assistance and are given after the training.

### 3. RESULTS AND DISCUSSION EXECUTION

This activity was conducted as one of the Community Development programs by Universitas Mercu Buana - Graduate School in Management as required by Ministry of Research and Technology and Higher Education, called "Tri Dharma Perguruan Tinggi". The webinar training and inter-active discussions were carried out well as planned. There were 306 participants, mostly university students attended this green behaviors training, only eleven participants were from the community. The training was given through interactive lecture, question and answer session, and inter-active discussions.

### MATERIALS AND EQUIPMENT

Training materials were given in the beginning. They were about the theory and real examples of green behaviors related to SMEs daily operations. The trainer

presented the material using power-point software interactively, followed by inter-active discussions.



Figure 1. Slide Presentation (1)



Figure 2. Slide Presentation



Figure 3. Slide Presentation

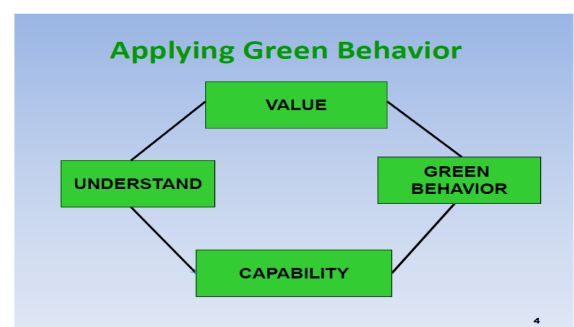


Figure 4. Slide Presentation

### EVALUATION

Following the written plan, the Joint Community Service Team contacted the community leaders and invited community members who own and work for micro and small businesses to join the webinar using Zoom meeting conducted by seven Universitas Mercu Buana instructors and a senior instructor from Universiti Sains Malaysia as

partner. The team presented eight different topics related to micro and small businesses. The title for the umbrella topic was “Strategic Step in Sustainability Management based on MSE’s Development” This paper discussed on one specific subtopic only, regarding Green Behaviors for Micro and Small Business Enterprises. The execution of the green behaviors webinar for micro and small business on Tuesday, April 6, 2021 started from 9.00 am to 11.30 am.

#### 4. DISCUSSION

This community development program was first started by doing field survey, interviews, and direct observations on what could be needed by the South Kembangan Urban Village community. From the pre-activity data gathered, the people would need hands on training on green behaviors for SMEs daily operations to help reduce the climate change threats. They need to learn the effects for not keeping and preserving this earth by being and acting green. They need to have the knowledge and skills to behave green.

Related to the problem identification discussed earlier, the solutions given were as follows:

1. The SMEs should do businesses with high regards for green environments.
2. SMEs should also participate in avoiding climate change and saving the earth and its environments by start using green materials, technology, and energies since more and more people and customers are willing to pay higher prices for green products and services.
3. SMEs and societies need to learn more about green management approach to business and start practicing green behaviors for their daily business operations.

#### 5. CONCLUSION

Based on the Community Service webinar execution by the Joint Team of Lecturers from the Universitas Mercu Buana, Jakarta Indonesia and the Universiti Sains Malaysia, Penang, Malaysia, the following are concluded:

- 1) The participants are mostly undergraduate students and some are graduate students from Universitas Mercu Buana and only a few participants are from the South Kembangan community members.
- 2) The webinar - topics by topics was run effectively and was very well accepted and appreciated by the participants. Participants were eagerly joined the open discussions
- 3) The top five topics they asked for next community service webinars are about (a) micro and small business survival during this Covid-19 pandemic, (b) how to start a new business, and (c ) marketing for micro and small business, (d) running green business, and (e ) financial management for micro and small business. Other requests are about self-development program, ‘halal’ products, and risk management.
- 4) On the specific topic about green behavior for MSE business operations, respondents sent strong messages that they will not buy things from MSEs if they still sell goods or products which are unfriendly to environment, still using styro-foam, do not care on using renewable

energy and resources. However, most respondents are willing to buy products and services with higher prices if the MSE owners practice green behaviors.

- 5) There are three predictors to green behaviors, which have positive effects and statistically significant to green behavior practices by the MSE; they are MSEs (a) use renewable energy, (b) use environmental friendly materials, technology, and energy, such as no plastic bags, styro-foam, and (c ) use renewable material and energy resources. These green behaviors are valued and appreciated highly by MSE’s customers.
- 6) So, it is highly recommended that
  - The SMEs owners and employees should practice green behaviors if they want to have longer lasting businesses and still be profitable since the younger generation of customers care about green that can reduce climate change
  - The local, regional, and central government officers need to support the SMEs owners and employees by issuing government policy and fund to support green behaviors and green behaviors.

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