

Green Product In Micro Small Medium Enterprises Produk Hijau pada UMKM

Dewi Nusraningrum*¹, Sugiyono², Wei-Loon Koe³

^{1,2}Universitas Mercu Buana, ³University Teknologi Mara

¹²Program Studi Magister Manajemen, Fakultas Ekonomi dan Bisnis, Universitas Mercu Buana

³Business, University Teknologi Mara, Malaysia

*e-mail: dewinusraningrum@mercubuana.ac.id¹, sugiyonomadelan@gmail.com², koewei516@uitm.edu.my³

Abstract

This activity related to community economic empowerment through socialization and training in implementing green product entrepreneurial production strategies. The problem that arises in the production of green products is the limitation of knowledge that causes the quality of local products to be unable to compete in markets. To support community service, community economic empowerment efforts about green products will help small and medium enterprises to know how to develop the production of competing for green products. The community service provides assistance and training in green product production strategy skills, so that partners are able to become independent and have a production strategy. These skills will be beneficial to themselves will at least help reduce the economic burden of the family by earning income from the green products developed. The outcome are; the development of green product knowledge, transforming into green business-oriented businesses by involving local communities to produce green products.

Keywords: green product, environment, green business, service_community

Abstrak

Pengabdian kepada masyarakat inimerupakan kegiatan yang berkaitan dengan pemberdayaan ekonomi masyarakat melalui sosialisasi dan pelatihan dalam pelaksanaan strategi produksi kewirausahaan produk hijau. Permasalahan yang muncul dalam produksi produk hijau adalah keterbatasan pengetahuan yang menyebabkan kualitas produk local tidak mampu bersaing di pasar nasional, regional dan internasional. Dalam rangka mendukung pengabdian kepada masyarakat upaya pemberdayaan ekonomi masyarakat tentang produk hijau akan membantu usaha kecil dan menengah untuk mengetahui bagaimana mengembangkan produksi produk hijau yang bersaing. Untuk itu, kegiatan ini akan memberikan pendampingan dan pelatihan keterampilan strategi produksi produk hijau, sehingga nantinya mitra mampu mandiri dan memiliki strategi produksi. Keterampilan ini selain bermanfaat bagi diri mereka sendiri, ini setidaknya akan membantu mengurangi beban ekonomi keluarga dengan mendapatkan penghasilan dari produksi produk hijau yang dikembangkan. Keluaran dari kegiatan ini adalah: pengembangan pengetahuan produk hijau, dan pendampingan peserta dalam bertransformasi menjadi usaha yang berorientasi bisnis hijau dengan melibatkan masyarakat local untuk menghasilkan produk hijau.

Kata kunci: produk hijau, lingkungan, bisnis hijau, pengabdian_masyarakat

1. INTRODUCTION

Industries and services of the small and medium enterprise sector in Indonesia have great potential for the economy both in terms of producers and market development (Nusraningrum & Gading, 2021). Green and environmental or environmentally friendly become something that is important for the company in running the company's operations. Industry awareness of environmentally friendly makes the emergence of various governance with the concept of green or environmentally friendly. This is driven by the rapid flow of information about matters related to the management of environmentally friendly operations around the world, which causes industry players to apply the concept of green to maintain business continuity. In line with the results of research conducted by (Azari, Baihaqi, & Bramanti, 2018) explaining the risks that arise in the overall business process in a sustainable manner from environmental aspects.

When we discuss green practices in business, this practice is a continuity oriented to maintaining and maintaining the earth in using resources derived from the earth for the benefit of business continuity. This business practice must of course avoid environmental damage such as water pollution, land pollution, and air pollution by producing green products that are

environmentally friendly (Nusraningrum, 2018). Environmentally friendly can be done by managing business through green management (Nusraningrum, Santoso, Gunawijaya, & Gading, 2021), green business, and green marketing. Furthermore, green products will have an impact on green consumers who care deeply about environmentally friendly products and only consume products that do not damage the environment.

Environmentally friendly products or green products that are industrial products in Indonesia are regulated by Law Number 3 on Industry (Government Regulation, 2014), where natural resources are processed and utilized efficiently, environmentally friendly and sustainable. In utilizing natural resources efficiently, companies must do so starting from the product design stage, production process design, production stage, optimization of the rest of the product, and waste management. While the obligations of the government and local government are: a). facilitate research and development cooperation in science and technology in the industrial field between industrial companies and universities or research and development institutions of domestic and foreign industries; b) promote the transfer of technology from large industries, research and development institutions, universities, and/or other institutions to small and medium-sized industries; c) domestic research and development institutions and/or domestic industrial companies that develop technology in the industrial field.

Green product has the characteristics of recyclable, rechargeable, and sustainable because it can be utilized continuously. Social value influences consumers in choosing, buying, and consuming green products. This is because consumers do not want to be separated from the community groups that are part of their lives where more and more sources of information about green products make people happy, the market is more competitive and consumers are more rational (Nusraningrum, Santoso, Gunawijaya, & Gading, 2021), (Pilal, 2013). While consumer knowledge about brands differs from green products, brands can be integrated with green products (Keller, 2003). This can simultaneously increase consumer awareness about green products, green concepts, and environmentally friendly products. Knowledge and concern for the environment has a positive and significant effect on buying attitudes and intentions, as well as positive and significant influences on green product buying intentions (Rini, Sukaatmadja, & Giantari, 2017).

Consumers with a strong environmental attitude will consider environmentally friendly products and are willing to pay more for products that benefit the environment (Barber, Christopher, & Sandy, 2017), there is an attitude influence on environmentally friendly products towards the willingness to buy environmentally friendly products or green products (Cheah & Ian, 2009), (Aman, Amran, & Zuhail, 2012), (Pratiwi & Suhaini, 2018), (Zhu, 2013), (Rini, Sukaatmadja, & Giantari, 2017), (Ling, 2013), (Akbar, Saud, Sharoz, & Muhammad, 2014).

This community service activity aims to answer questions; 1) What roles can the MSME play in solving environmental issues? 2) How does the company "Turn green"?

2. METHOD

Solutions offered to solve the problems faced by the partners systematically according to the priority of the problem is by providing training to the surrounding community about green product with the purpose of: 1) Society reveals the importance of green product knowledge in society reveals the importance of green management knowledge in solving environmental issues. 2) Society know ways to change their habit of not being environmentally friendly to "Turn green".

Community services conducted on February 2022, in Jakarta – Indonesia. Participants are ninety MSMEs from Jakarta, Bogor, Depok, Tangerang, and Bekasi. To preserve the natural environment by starting to seek new discoveries that are environmentally friendly to eliminate the pollution of the environment by identified problems in the production, and problems in management.

Technical Activity:

- 1) Dissemination research result.
- 2) Discussions and FAQs;

- a. Legal approach by complying with applicable laws and regulations, even making the law a boon for themselves, but to the extent that it is in line with their efforts to green.
 - b. Approach the market by responding to the environmental preferences of its customers. Any market demand that wants environmentally friendly products will be provided by the organization.
 - c. The stakeholder approach to which the Organization chooses to respond to the many demands made by stakeholder such as employees, suppliers, investors, or communities.
 - d. An activist approach where the company or organization seeks to respect and preserve the earth and its natural resources.
 - e. The essence of shared values the organization's managers are responsible for establishing and maintaining the values of companies that want to be implanted to employees. The value of an organization is reflected in employee decisions and actions. Essentially the value that managers want to embed will be seen in the actions taken by their employees.
 - f. Managerial ethics refers to the rules and principles that define the right and wrong actions. Many decisions that the experts do require them to ponder who can be affected related to the outcome or the process.
- 3) Evaluation is conducted using pre-test and post-test implementation of green product.

3. RESULTS AND DISCUSSION

The number of small and medium entrepreneurs who attended the training provided was ninety entrepreneurs consisting of; food entrepreneurs, garment entrepreneurs, beverage entrepreneurs, construction entrepreneurs, and consultants for small and medium business establishments. The distribution of trainee entrepreneurs can be seen in the following table.

Table 1. Community Service Participants

Type of Business	Total	%
Food	25	27.85
Garment	30	33.3
Drink	25	27.85
Construction	5	5.5
Consultant	5	5.5
Total	90	100

3.1 RESULT

Training activities for the micro, small and medium business community are carried out by providing an understanding of science to solve ways to improve the performance of micro, small and medium enterprises from various study points of view, and benefit from the gig economy.

The gig economy is related to the performance of micro, small and medium enterprises including financial performance which can be measured using the profits earned, business income, sales growth, and return on equity. while non-financial performance can be measured using new product innovations, product reputation offered, sustainability ratings, Corporate Social Responsibility function ratings to carry out social and environmental duties and responsibilities, for business or industrial actors. The gig economy is an economy based on flexible, part-time, temporary and/or casual work, and regular or full-time work is no longer essential in the gig economy. Examples of companies that have implemented the gig economy are Gojek, Tokopedia, Uber, Amazon.com, Lazada, Shopee, ticket.com, airbnb, etc.

The characteristics of the gig economy are; sharing with stakeholders, collaboration between stakeholders, as needed (independent) based on the project, having freedom (flexible), no permanent job, short term or temporary work (temporary work), technology based (digital). the advantages and benefits of the gig economy for micro, small and medium enterprises namely

broad flexibility in the business model being run, low operating costs of doing business, having access to a great pool of talent, getting new or fresh ideas from talent, work can be completed on time, can meet the workforce according to needs.

The gig economy can improve performance by: a). It is very important to have technology/digital skills, and must have knowledge to be a gig application user. b). It is mandatory to take advantage of various platforms provided by gig economy companies, and collaborate with them. c). share with other users in the gig economy. d). Work closely with show workers, use the different skills or specializations offered by them. e). Adopt flexibility in work, and can adapt to the platform offered by selecting the best workers.

The gig economy has drawbacks including: 1) Workers lack commitment or are inconsistent at work. 2) Proper planning or scheduling is needed. 3) Difficult to maintain a long term relationship. 4) Low level of trust.

After participants gain knowledge about the gig economy, they learn about products that are environmentally friendly, how to improve the performance of micro, small and medium enterprises while maintaining environmental sustainability.

Environmentally friendly products or green products which are industrial products in Indonesia are regulated by law number 3 concerning Industry (Law Number 3 year 2014 on Industry of Republic Indonesia, 2014), where natural resources are processed and utilized efficiently, environmentally friendly and sustainably.

To utilize natural resources efficiently, companies must do this in stages starting from: 1) Create a product design that is free of plastic, uses bioplastics, or uses an alternative to paper. 2) When processing product design, it must apply environmentally friendly, as well as the production process. 3) Production residue must be optimized so that it can be easily recycled, can be compiled, and reused. 4) Creating a waste management system so as not to poison the environment.

So that products produced by micro, small and medium enterprises meet standards that can be refilled, recycled, reused, and of course sustainable.

Obligations of Governments and local Governments in supporting green products:

- 1) Facilitate research cooperation and development of science and technology in the industrial field between industrial companies and universities or research and development institutions of domestic and foreign industries.
- 2) Promote the transfer technology from large industries, research and development institutions, universities, and/or other institutions to small and medium-sized industries.
- 3) Domestic research and development institutions and/or domestic industrial enterprises developing technology in industrial field.

The social value of consumers in choosing, buying, and consuming green products; Family, role, and status of the consumer.

Packaging that supports green products must meet the following requirements:

- 1) Plastic free, because plastic is made of synthetic polymer materials, so it takes 500 years to decompose.
- 2) Bioplastics is plastic-like packaging made from plants, made from renewable sources such as glucose (sugar), starch, or proteins derived from various plants.
- 3) Using paper as an alternative packaging.
- 4) Packing peanuts biodegradable made from corn starch, potatoes, and other crops. Packing peanuts is made from non-toxic plants, so it shouldn't matter if accidentally consumed by animals or small children.
- 5) Packing from compost is usually plant-based, and use materials which is easy to decompose.
- 6) Reusable packaging to make it more sustainable and environmentally friendly.
- 7) Bamboo is not only environmentally friendly, but also has many functions, sturdy, and has an attractive appearance.

3.2. DISCUSSION

The MSMEs role play in solving environmental issues can be seen from their concern in planning, organizing, directing, and evaluating the governance of their operations/business processes towards being environmentally friendly or green which leads to environmental awareness (Nusraningrum, Santoso, Gunawijaya, & Gading, 2021).

Business companies ranging from micro to medium scale the ultimate goal is to produce goods and services that will be consumed by customers (Darajat & Yunitasari, 2017), is a supply chain management that never stops (Slack & Lewis, 2007). The application of green supply chain management is very influential on green businesses that produce green products, starting from how a product is designed, the raw materials used, the process of making environmentally friendly products so that it produces products consumed by customers in an environmentally friendly condition (Nusraningrum, Santoso, Gunawijaya, & Gading, 2021), (Rohdayatin, Sugito, & Handayani, 2018).

By producing new products or providing new value by innovating existing products, it is also a strategy in running a business. To become a developed nation, Indonesia needs at least 3% of entrepreneurs from its total population (Suharyono, Dwi, Mahardi, & Lidya, 2022).

How does the company "Turn green?" Companies can transform towards green by producing green products through the following stages; implementing green supply chain management, conducting business processes in a green or environmentally friendly manner, and conducting green marketing or marketing with environmentally friendly principles so that the entire company's management is oriented towards being environmentally friendly (Nusraningrum, Santoso, Gunawijaya, & Gading, 2021), (Eneizan, Alhamad, Zukime, & Salha, 2019), (Yadav, Dokania, & Pathak, 2018), (Tiyaningsih, Suyitno, & Saddhono, 2020).

Even the sustainability of the company is greatly influenced by the green business it runs, so customers will always come back to buy the quality products it offers (Laroche, Jasmin, & Guido, 2001), (Junaedi & Shellyana, 2015), (Ezanee, Nadarajan, & Norlila, 2013), (Saddhono, 2020), (Kumar, 2016).

4. CONCLUSION

Today, many consumers have had an awareness of the environment affecting their desire to pay at a premium price for environmentally friendly products, and attitudes of awareness towards the environment have a significant influence on the level of consumer involvement in the selection of products made by consumers. The level of consumer involvement in the process of finding information about environmentally friendly products encourages consumers to want to purchase green products that are environmentally friendly that are identified with high-quality products. Green consumers who have social awareness will try to consider their buying behavior with regard to the social influence of the surrounding environment. Thus, environmentally conscious consumers are convinced that the current environmental conditions indicate the serious problems faced by everyone in all parts of the world. Environmental awareness in this study affects consumer involvement in the selection of environmentally friendly products and expected to foster the Indonesian government's understanding of environmental ethics from the community and the development of environmental marketing by business people in Indonesia. With awareness of environmental issues will be considered by the government and entrepreneurs in taking into account costs and benefits when making policy decisions.

REFERENCES

- Akbar, W. (2014). Antecedents Affecting Customer's Purchase Intentions towards Green Products. *Saud, H., Shahroz, K., & Muhammad N. (2014). Antecedents Affecting Customer's Purchase*

- Intentions towards Green Products. Journal of Sociological Research, 5(1), 273-289., 273-289.*
- Akbar, W., Saud, H., Sharoz, K., & Muhammad, N. (2014). Antecedents Affecting Customer's Purchase Intentions towards Green Products. *Journal of Sociological Research, 5(1), 273-289.*
- Aman, A., Amran, H., & Zuhail, H. (2012). The Influence of Environmental Knowledge and Concern on Green Purchase Intention the Role of Attitude as a Mediating Variable. *British Journal of Arts and Social Sciences, 7(2), 145-167.*
- Azari, S., Baihaqi, I., & Bramanti, G. (2018). Identifikasi Risiko Green Supply Chain Management di PT Petrokimia Gresik. *Jurnal Sains dan Seni. Jurnal Sains dan Seni, 7(1), 2337-3520.*
- Barber, N., Christopher, T., & Sandy, S. (2017). Wine Consumers' Environmental Knowledge and Attitudes: Influence on Willingness to Purchase. *International Journal of Wine Research, 1(1), 59-72.*
- Cheah, I., & Ian, P. (2009). Attitudes towards Environmentally Friendly Products: The Influence of Ecoliteracy, Interpersonal Influence and Value Orientation. *Marketing Intelligence & Planning, 29(5), 452-472.*
- Darojat, & Yunitasari, E. W. (2017). Pengukuran Performansi Perusahaan dengan Menggunakan Metode Supply Chain Operation Reference (SCOR). *Seminar dan Konferensi Nasional IDEC* (pp. 142-151). Surakarta: IDEC.
- Eneizan, B., Alhamad, A., Zukime, M., & Salha, T. (2019). Green Marketing Strategies: Theoretical Approach. *American Journal of Economics and Business Management, 2(2), 77-94.*
- Ezanee, M. E., Nadarajan, S., & Norlila, M. (2013). Green Business Management and Green Supply Chain Practises: A Case Study In A Manufacturing Organization . *Journal of Technology Management, 8(1), 15-33.*
- Law Number 3 year 2014 on Industry of Republic Indonesia. (2014).
- Junaedi, M. F., & Shellyana. (2015). Pengaruh Kesadaran Lingkungan Pada Niat Beli Produk Hijau: Studi Perilaku Konsumen Berwawasan Lingkungan. *Benefit, 9(2), 109-201.*
- Keller, K. (2003). Understanding brands, branding and brand equity. *J Direct Data Digit Mark Pract, 5, 7-20.*
- Kumar, P. (2016). State of green marketing research over 25 years (1990-2014): Literature survey and classification. *Marketing Intell. Plan, 34, 137-158.*
- Laroche, M., Jasmin, B., & Guido, B.-F. (2001). Targeting Consumers Who are Willing to Pay More for Environmentally Friendly Products. *Journal of Consumer Marketing, 18(6), 503-520.*
- Ling, C. Y. (2013). Consumers' Purchase Intention of Green Products: An Investigation of the Drivers and Moderating Variable. *Elixir Marketing Management, 57(A), 14503-14509.*
- Nusraningrum, D. (2018). Implementation Of The Strategy Of Entrepreneurial Production Of Local Products. *ICCD (International Conference on Community Development), 1, pp. 427-431.* Jakarta.
- Nusraningrum, D., & Gading, D. K. (2021). Purchase Intention of Pregnancy Pillow: Price, Brand Awareness, and Brand Image. *Psychology And Education, 58(2), 4536-4550.*
- NUsraningrum, D., & Gading, D. K. (2021). Purchase Intention of Pregnancy Pillow: Price, Brand Awareness, and Brand Image. *Psychology And Education, 58(2), 4536-4555.*
- Nusraningrum, D., Santoso, S., Gunawijaya, J., & Gading, D. K. (2021). Green Operations Management with Green Business and Green Marketing Perspective . *Psychology And Education, 58(2), 4526-4535.*
- Pilal, S. (2013). Profiling Green Consumers based on their purchase behavior. *International Journal of Information, Business and Management, 5(3), 15-25.*
- Pratiwi, N. K., & Suhaini, R. B. (2018). The Effect Of Environmental Knowledge, Green Advertising And Environmental Attitude Toward Green Purchase Intention. *RJOAS, 6(78), 95-105.*
- Rini, A. S., Sukaatmadja, I., & Giantari, I. (2017). Pengaruh Pengetahuan Lingkungan Dan Kepedulian Lingkungan Terhadap Sikap Dan Niat Beli Produk Hijau "The Body Shop" Di Kota Denpasar. *E-Jurnal Ekonomi dan Bisnis Universitas Udaya, 6(1), 137-166.*

- Rohdayatin, A., Sugito, P., & Handayani, K. (2018). Green Supply Chain: Studi Keterkaitannya dengan Kinerja Lingkungan dan Kinerja Finansial. *Jurnal Manajemen & Kewirausahaan*, 6(2), 103-114.
- Saddhono, K. (2020). Indonesian Online Media's Construction of 'Maritime': A Critical Discourse Analysis. *Pomorstvo*, 34(1), 16-23.
- Slack, N., & Lewis, M. (2007). *Operations Strategy*. London: Pearson.
- Suharyono, S., Dwi, A., Mahardi, S., & Lidya, W. (2022). Implementasi Program Pengembangan Kewirausahaan di Politeknik Negeri Bengkalis. *Dinamisia: Jurnal Pengabdian Kepada Masyarakat*, 6(3), 618-632.
- Tiyaningsih, T., Suyitno, & Saddhono, K. (2020). Sustainable Technology in Marine Fisheries in Cilacap Regency, Central Java, Indonesia. *IJDNE*, 15(3), 401-410.
- Yadav, R., Dokania, A., & Pathak, G. (2018). The influence of green marketing functions in building corporate image: evidences from hospitality industry in a developing nation. *Electronic Library*, 34, 1-5.
- Zhu, B. (2013). The Impact of Green Advertising on Consumer Purchase Intention of Green Products. *World Review of Business Research*, 3(3), 72-80.