

THE EFFECT OF GREEN MANAGEMENT STRATEGY AND ECONOMY BENEFIT TOWARD PERFORMANCE OF SHARIA SMEs TO SUPPORT HALAL TOURISM DESTINATION

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ABSTRACT

Tourism industry is one of industries that give an effects to social, environmental, and economical life. The role of tourism in economic development has no doubt because tourism is one of superior sectors that should be empowered. This research was conducted in Lombok (Nusa Tenggara Barat) with purpose to examined and analyzed the effect of green management strategy variable can increase of economic benefit; to examined and analyzed the effect of economic benefit variable and green management strategy toward performance of Sharia SMEs. Population and sample in this research is the doer of Sharia SMEs. The data analysis technique is partial least square. The result of the research shows that green management strategy variable have effects toward the increase of economic benefit of Sharia SMEs, and economic benefit and green management strategy variable have effects toward performance of Sharia SMEs

Keywords: Green Management Strategy, Economic Benefit, and SMEs Performance

INTRODUCTION

The natural beauty of Nusa Tenggara Barat is indeed undoubted. The combination of religious diversity and culture coloring the existence of tourist destinations is very inherent in Nusa Tenggara Barat. This is the reason why tourists, both domestic and foreign, are captivated by this region of Eastern Indonesia. In this integrated world, which seems without physical boundaries, forces all parties to be ready to compete and only companies that succeed in achieving efficiency are able to win the competition. So the consequence is that only the most efficient economic actors will survive and develop. Inefficient competitors will soon be abandoned by their customers and then leave the market. (Prasentiantono, 1996:1)

One of efficiency forms that have been a global issue today is economic efficiency, an effort that links the performance of a company to the environment. This means that in this era of free trade, there is a demand for the performance of a company to make a breakthrough in its management, namely the need to conduct management that alienates environmental problems as part of company / trade activities, known as Green Management. (Suyatno, 1995:32)

Research on green management strategy has been carried out by Wu and Wu, (2014), who applied the theory of planned behavior (TPB) to test awareness of green management in executive companies in China. Whereas Stefano and Raffaele, (2014) discussed that develop an integrated framework that aims to support managers' commitment to green management and environmental strategies. Siddhat, et al., (2013), also analyzed that the potential for implementing green management in the work environment because throughout the world, protecting the environment is a major concern, due to the rapid reduction of go green resources. The difference in current research compared to previous research lies in the variables and indicators used.

Current research was used green management strategy variables, economic benefits, and performance, while previous studies looked at the effect of the theory of planned behavior (TPB) to test awareness of green management in executive companies in China. The unit of analysis and analysis tools used in this study also have differences. The unit of analysis in previous studies was carried out in companies while the current research was conducted on ShariaSMEs. The unit of analysis and analysis tools used in this study also have differences. The unit of analysis in previous studies was carried out in companies while the current research was conducted on Sharia SMEs. The analysis tool used also has differences. Previous research was conducted qualitatively and quantitatively with the Structural equation model approach, while the current research was carried out using the Partial Least Square approach.

This research aims to examine and analyze the effect of green management strategy variables on increasing economic benefits, and test and analyze the effect of economic benefit variables and green management strategies on improving the performance of Sharia SMEs.

TEORITICAL FRAMEWORK

Syariah Based on SME Challenges and Prospects

Syariah based on micro, small and medium enterprises if correlated between the notion of the word "Syariah" according to the Indonesian dictionary is a religious law that stipulates the rules of human life, human relations with Allah SWT, the relationship between humans and humans based on the Quran and Hadith. Sharia business is everything related to buying and selling based

on sharia law or the Islamic system. Sharia business itself comes from two words namely “business” and “syariah”. Business is everything related to buying and selling or trading. While sharia means that the source of a straight path. While in terms, sharia means that legislation passed down by Allah SWT through the Messenger of Allāh for all mankind, both concerning matters of worship, morals, food, drinks, clothing and muamalah.

Syariah based on SMEs can be interpreted as productive economic activities of small and medium scale people that are managed commercially, and fulfill the stipulated requirements and in managing them using sharia principles. In other words, this business does not violate sharia rules, such as maisir, gharar, and riba such as financing using Islamic banks or Islamic micro finance institutions and guaranteeing them with Islamic insurance. In accordance with its sharia operational basis, financing products provided by Islamic banks and Islamic micro-finance institutions to prospective customers are based on sharia principles.

Green Management Strategy

Strategic Management according to Fred R. David (2004: 5) said that it is the science of formulating, implementing and evaluating cross-functional decisions that enable organizations to achieve their goals. According to Fred R David (2011; 10) said that the strategy management process consists of four stages, namely: environmental scanning, strategy formulation, strategy implementation, and strategy assessment. Formulation, implementation and strategy assessment activities occur at three levels of hierarchy in large organizations, namely corporate, divisional or strategic and functional business units.

According to Whellean and Hunger (2012; 15) stated that strategic management is concerned with efforts to decide the problem of strategy and planning, and how the strategy is implemented in practice. The process of determining strategic management can be seen as something that includes four main elements, namely environmental scanning, strategic formulation, strategic implementation and strategic evaluation.

Green Management Strategy is an effort or mechanism to realize environmental factors explicitly in every activity of the company, which was originally considered a free item and is an external cost must be calculated into the factor of production costs of each company activity. Therefore, management mechanisms are used in the implementation of incorporating environmental factors into their parts (Suyatno, 1995: 33-34).

Economic Benefit

Benefit is the benefit of the use of an output that is felt directly by the community, can be in the form of the availability of services or facilities that can be accessed by the public. Another definition states that benefits are performance indicators based on the level of benefits that can be felt as added value for the community and the Regional Government from the outcome. Sukirno, (2001) said that an economic benefits are benefits that can be measured in the form of money generated, such as net income, income, etc. How a person measures economic benefits depends greatly on what he analyzes. Economic benefits can be measured and used in business decisions, policy decisions, and market analysis. Businesses might use steps, such as net income, net cash flow, or return on investment. Policy makers are likely to use consumer measures and producer surpluses. According to Riina Antikainen, (2014) said that economic benefit indicators are economic growth, increased productivity, increased competitiveness, and innovation.

Performance of ShariaSMEs

Bernardin and Russel (1993), define performance as follows: “Performance is defined as the record of outcomes produced on a specified job function or activity during a time period“. According to Robbins (2005), performance is the answer to the question "what results are achieved by someone after doing something". Schemerson, Hunt and Osborn, (2001) say performance is the quantity and quality of achievement of tasks, whether done by individuals, groups or organizations. A more comprehensive opinion is delivered by Brumbrach as follows: “Performance means behaviours and results. Behaviours emanate from the performer and transform performance from abstraction to action. Not just the instruments for results, behaviours are also outcomes in their own right the product of mental and physical effort applied to tasks and can be judged apart from results.” The indicators are quantity of work, quality of work, timeliness, cooperation and personal quality (Gable M, 2000).

Work is a manifestation of righteous deeds. If work is a good deed, then work is worship. And if work is worship, then human life cannot be separated from work. The work in question is any work as long as it does not deviate from the rules stipulated by religion. Rasulullah S.a.w is a figure who always acts before he orders the friends to do it. This is in accordance with his duty as *ushwatun hasanah*; a good example for all humans. So, when we talk about the Islamic work ethic, then the person who is most worthy of being a reference. And speaking of the work ethic of the Prophet Muhammad means the same as talking about how he performs the roles in his life.

RESEARCH METHOD

This study analyzes the development of the business of ShariaSMEs in improving the tourism industry in Lombok (NTB). The population in this study were all ShariaSMEs engaged in food processing products. The sampling technique is purposive sampling. Data analysis was performed with Partial Least Square (PLS). The research model is as follows:

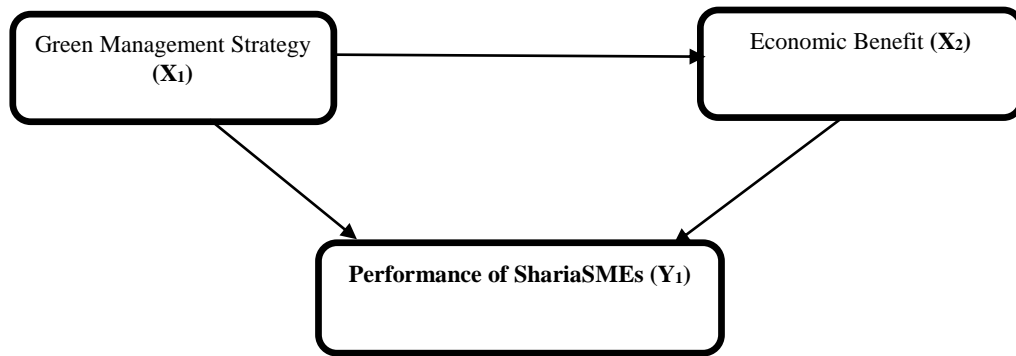


Figure .1. Research Model

The hypothesis in this study is

1. Understanding of good strategic green management will encourage increased economic benefits of ShariaSMEs.
2. The greater the economic benefits obtained, the greater the performance of the ShariaSME business will be.
3. Understanding of good strategic green management will encourage an increase in ShariaSME business performance.

While the operational concepts in this study are:

Table .1. Operational Research Variables

Variable	Variable Definition	Indicator
Green Management Strategy (X ₁)	An effort or mechanism to realize environmental factors explicitly in every activity of the company, which was originally considered a free item and is an external cost must be calculated into the factor of production costs of each company activity. Therefore, management mechanisms are used in the implementation of incorporating environmental factors into their parts (Suyatno, 1995: 33-34).	<ol style="list-style-type: none"> 1. Long-term business development. 2. Special costs for protecting the environment. 3. The increasing awareness of the world community on environmental sustainability. 4. Improved product quality. (Summarized from various sources)
Economic Benefit (X ₂)	Economic benefit is benefit that can be measured in the form of money generated, such as net income, income, etc. (Sukirno, 2001)	<ol style="list-style-type: none"> 1. Economic growth, 2. Increased productivity 3. Increased competitiveness 4. Innovation (Riina Antikainen, 2014)
Performance of ShariaSMEs (Y ₁)	Performance is the quantity and quality of achievement of tasks, whether done by individuals, groups or organizations. (Schemerson, Hunt dan Osborn:2000)	<ol style="list-style-type: none"> 1. Quantity of work 2. Quality of work 3. Timeliness 4. Cooperation 5. Personal quality (Gable M, 2000)

Source: Summarized from various sources

RESEARCH RESULTS AND DISCUSSION

The structural models produced in PLS are as follows:

While, the results of the interpretation of data from PLS output can be seen in the following table:

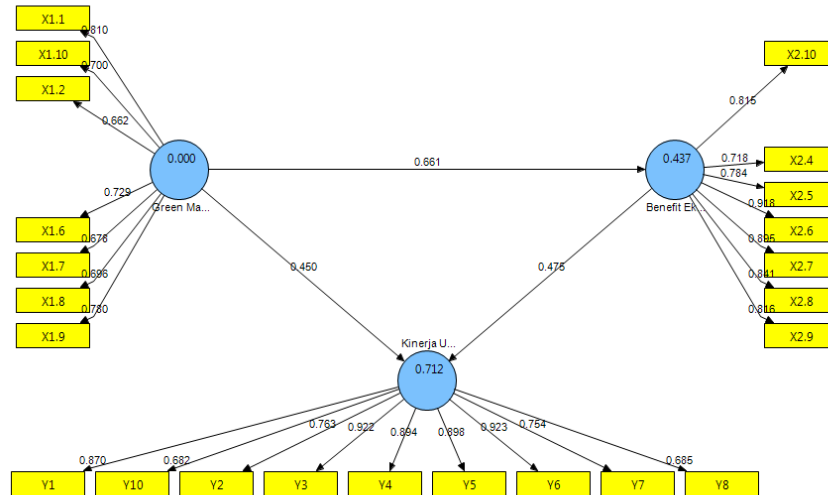


Figure 1. Output of PLS

Table 1. Intermediate Variable Path Coefficients

	Original Sample (O)	T Statistics (O/STERR)
Green Management Strategy (X1) -> Economic Benefit (X2)	0,661	12,494
Green Management Strategy (X1) -> Performance of SME (Y)	0,450	4,343
Economic Benefit (X2) -> Performance of SME (Y)	0,475	4,492

From the picture and table above, we can find out the results of testing the structural model by looking at the influence of the following variables:

1) The Effect of Green Strategy Management Variables (X1) on Economic Benefit Variables (X2)

The Green Strategy Management variable (X1) has a positive effect on the Economic Benefit Variable (X2), with a path coefficient of 0.661. This shows that if the Green Management Strategy (X1) variable increases, the Economic Benefit variable (X2) also increases. While the value of t count from the Green Management Strategy variable (X1) is 12,494, greater than t table of 1.96. This shows that there is a significant influence between the Green Strategy Management variable (X1) on the Economic Benefit variable (X2). In other words, a good understanding of Green Management Strategy will encourage an increase in the Economic Benefits of ShariaSMEs in the City of Lombok.

Based on the results of interviews with the Office of Cooperatives and SMEs, the Lombok City government is very concerned about developing a green management strategy in increasing economic benefits in Sharia businesses by building Islamic cooperatives and has begun to develop in several regions, such as East Lombok, North Lombok, Central Lombok and Lombok Southeast, and currently there are 322 Sharia cooperatives in September 2018. The establishment of these Sharia cooperatives is in order to increase the potential of Muslim communities by empowering the Sharia Directorate, Bank NTB Syariah, Islamic boarding schools, Muhammadiyah College with Hubbul Wathan and mosque councils throughout NTB. This is done in order to increase the commitment of SMEs to use funds and produce products in accordance with Sharia principles. The spread of Sharia cooperatives in several regions has been able to encourage an increase in the economic benefits of ShariaSMEs. This can be seen

from the increasing number of ShariaSMEs. The Office of Cooperatives and SMEs also stated that Green management strategies are an effort to improve economic development by maintaining the environment and the economic independence of the community.

2) The Effect of Green Strategy Management Variables (X1) on Performance Variables on Sharia SMEs (Y)

The Green Strategy Management Variable (X1) has a positive effect on the ShariaSME Performance Variable (Y), with a path coefficient of 0.450. This shows that if the Green Strategy Management variable (X1) increases, the variable Performance of ShariaSMEs (Y) also increases. While the value of t count from the Green Management Strategy variable (X1) is 4.343, greater than t table of 1.96. This shows that there is a significant influence between the Green Strategy Management variable (X1) on the variable performance of ShariaSMEs (Y). In other words, a good understanding of Green Management Strategy will boost the performance of ShariaSMEs in the City of Lombok.

Based on the results of interviews with one on the owners of SMEs for food products, he stated that Islamic teachings teach us to preserve the environment and in doing business, he conveyed to employees to always maintain the cleanliness and comfort of customers in enjoying their food. This can be seen from the dining room, the kitchen is very clean and there is no dirt around the place. For him, cleanliness is the most important thing in running a business. The same thing was also conveyed by the owner of the ShariaSME, S. Hajat. He stated that the SMEs that they had been carrying out had always paid attention to green management with a focus on the products and equipment used in serving customers, because for them, the business they had carried out had to continue to grow by paying attention to the problem of green management strategies.

SME owners realized that the products they produce will have no meaning if they do not pay attention to the green management strategy because the SMEs they live in are a long process and hope that they are always in demand by customers over time. In addition, SME owners of skin crackers were also prepared by the local government in facing various competition and were encouraged to take care of the MUI BPPOM permit, so that the community did not hesitate to consume the skin crackers and SME skin crackers could increase their income and SME performance.

3) The Effect of Economic Benefit Variables (X2) on Performance Variables of ShariaSMEs (Y)

Economic Benefit Variable (X2) has a positive effect on the Performance Variables of ShariaSMEs (Y), with path coefficient of 0.475. This shows that if the Economic Benefit variable (X2) increases, the variable Performance of ShariaSMEs (Y) also increases. While the value of t count from the Economic Benefit variable (X2) is 4.492, greater than t table of 1.96. This shows that there is a significant effect between the Economic Benefit variable (X2) on the variable performance of ShariaSMEs (Y). In other words, the greater the economic benefits obtained, the more it will boost the performance of ShariaSMEs in Lombok City. The results of interviews conducted with the heads of sub-fields of cooperatives and SMEs at the Cooperative and UMKM Service stated that in an effort to improve the performance of ShariaSMEs, they formed several locations as *riba*-free areas and the area was a pilot center and only Shariacooperatives that functioned as financial management.

The area which is the pilot center for Sharia cooperatives is in West Lombok, North Lombok, South Lombok and Southeast Lombok. He stated that in 2019, the development of Sharia cooperatives is targeted to become 500 Sharia cooperatives that provide assistance to all SMEs, especially ShariaSMEs in these regions. He also stated that he was very optimistic in the future that ShariaSMEs would develop rapidly, especially in the NTB Province. The same thing was also conveyed by one of the Sharia cooperative managers in Central Lombok, Bapak Abdus Syukur. He stated that they had mapped the needs of the community in financing business related to business capital. Business capital is provided with a system of profit sharing carried out with a contract and mutual blessing in running a business. If you experience a loss, then the system applies 60% for cooperatives and 40% for the Borrower. He also explained that the Al-hidayah Sharia cooperative not only provided capital rock, but also provided marketing assistance from agricultural, fishery and livestock products to those who needed all the agricultural products. These efforts were carried out in order to improve their product distribution patterns and increase farmers' income and improve the performance of ShariaSMEs in the area.

CONCLUSION

Green management strategy variables have effects to the increase of economic benefits in ShariaSMEs. Economic benefit variables have effects to the performance of ShariaSMEs. Green management strategy variables have effects to the performance of ShariaSMEs.

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