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The Emergence of Green Management and Sustainability Performance for Sustainable Business at Small Medium Enterprises (SMEs) in the Culinary Sector in Indonesia

Helin G. Yudawisastra*, Mokhamad Anwar, Sulaeman Rahman Nidar, Yudi Azis

Department of Management, Faculty of Economics and Business, Universitas Padjadjaran, Bandung 40132, Indonesia

Corresponding Author Email: yudawisastra.helin@gmail.com

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ABSTRACT

This study aims to see the emergence of green management and sustainable performance that can affect sustainable business in Small and Medium Enterprises (SMEs) in the culinary sector in Indonesia. This research sample is of 372 SMEs in the culinary sector in Indonesia. Data analysis uses factor analysis and partial least squares (PLS). The sampling technique used stratified cash based on UNWTO (2012) criteria. The results showed that stakeholder demand has a significant effect on the implementation of green management, resources and knowledge have a significant effect on the implementation of green management. It shows that stakeholder demand, available resources, knowledge, and product uniqueness significantly affect green management. Product uniqueness has a significant effect on green management, and green management has a significant effect on sustainability performance. Green management simultaneously has a significant effect on sustainability performance. The research innovation is a green management and sustainability guidelines for SMEs culinary sector to implement and improve green management and sustainability performance.

1. INTRODUCTION

In the research by Votz et al. [1], the Worldwide Fund for Nature confirms that global warming directly impacts human health and livelihoods. Water and air pollution can cause environmental damage. Clean water and unhealthy food have made people aware of the importance of healthy living. It triggers people to realize the need for products and services that are environmentally friendly. The green economy seeks to produce goods with more efficient use of resources and produce goods and services that contribute to more environmentally friendly outcomes, such as recycled paper and solar water heaters. With green production methods, many environmentally friendly goods and services are available. With standardization, it is easier to put green principles into practice than additional features or quirks. This requires a strategic transformation of management practices to a green management level [2].

A Nielsen survey in Insight, 2015 states that that across 60 countries, 55 percent of customers worldwide are likely to be willing to pay more for products and services provided by companies that are engaged in social and environmental impact. The government has proven its commitment to environmental management through Law Number 32 of 2009 concerning Environmental Protection and Management and its implementation in industry and Government Regulation of the Republic of Indonesia Number 74 of 2001 concerning the management of dangerous and hazardous substances. However, stakeholders sometimes pay less attention to this, and thus sustainability goals still need to be achieved.

Studies on green management and sustainability with Small and Medium Enterprises (SMEs) still need to be made in the business and management literature. Companies that adopt green and sustainability strategies can offer many advantages, such as the cost savings generated from environmental efficiency, an excellent corporate reputation, good relations with local society, access to green markets, and competitive advantage [3]. In the other hand, some researchers argue that these benefits are not optimal for SMEs because they are only relevant to large companies [4, 5]. Hitchens et al. [6] states a critical issue for SMEs is the shortage of information and resources that hampers their investment in green management. Therefore, it is essential to know the emergence of green management and performance sustainability in business organizations, especially SMEs in the culinary sector in Indonesia.

2. LITERATURE REVIEW

2.1 Green and sustainability management in SMEs

In the case of SMEs as an organization, they have some advantages compared to companies with large organizations in providing more effective green management. In a smaller organization, the lines of communication are often narrower, the organizational structure is simple, people often perform multiple tasks, and access to the top management is more available than others. These characteristics can be a real advantage for the effective green management of SMEs. SMEs have few employees and a small organizational structure. The small number of employees often indicates the need for more human resources, which, as mentioned, hinders the implementation of environmental management [4, 7-9]. Gladwin et al. [10] asked researchers to consider environmental issues to develop organizational assessments.

Sustainability is more than just reducing the waste a company produces. It requires being sustainable to achieve challenging goals. According to Daly [11], the economy should change drastically for sustainability to be realized. It should focus on steady economic growth, where the consumption rate does not exceed the rate of regeneration and non-renewal. Efforts are made to develop sustainable renewable resources, and pollution emissions remain the same beyond the assimilation potential of the surrounding environment. Over time, corporate behavior towards sustainability has changed from reactive to proactive.

Sustainable business performance indicates a company's success in facing competition. Sustainability performance is generally related to the size of the business. Even though it was tested during a crisis, the competitiveness of SMEs is still an interesting issue to discuss. The low competitiveness of SMEs is allegedly caused by low quality, lack of innovation development, and lack of efforts to preserve natural resources [12]. The concept of corporate sustainability is increasingly impacting the nature of corporate operations. There is a growing awareness of organic culinary productions and their impact on environmental ecosystems. In addition, ecological, etiquette, and social awareness have grown in recent years substantially. Hence, a range of environmentally conscious user societies, policymakers, environmental advisory societies, and consumer organizations are encouraging industries to promote the concept of eco-friendliness and sustainability in business [13].

Green management transforms the inputs into outputs by emphasizing the integration and synergies among economic, social, and environmental objectives [14]. Meanwhile, Büyüközkan and Karabulut [15] defines sustainability performance as a negative or positive aggregate baseline of an entity's economic, environmental, and social impacts against a predetermined baseline. Business sustainability is a critical concept that illustrates an organization's actions that promote business excellence by considering various socio-economic aspects and their connection to the environment [16]. According to Garzella and Fiorentino [17], the impact of green management policies is related to four dimensions, namely 1) environmental strategy formulation in the form of integrating the legitimacy and the significance of the biophysical environment into the strategic process formulation; 2) synchronization of environmental strategies and practices in the form of implementation processes; 3) achievement of environmental results in the form of actual performance and the impact of strategic measures on the biophysical environment; 4) finance and competitiveness in the form of the impact of better environmental processes on earnings, costs, and competitive advantage. Some research on green management including Asni and Agustia [18], that focus on green innovation, another research discusses about corporate governance and green innovation [19], green market orientation and supply chain management [20-22] green technology and supply chain [23, 24] green marketing and supply chain [25].

2.2 The effect of stakeholder demand on green management and sustainability performance

Based on research from Raharjo [14], Stakeholder demand significantly affects green management, meaning the more significant the stakeholder request, the more the performance of SMEs in implementing green management will increase. In line with research from [26, 27] state that government rules, market demand, and society consistently force companies to minimize their adverse environmental impacts, with companies that have failed to minimize pollution and other emissions penalized. However, sometimes the role of stakeholders has yet to be considered in depth in the current measurement and assessment of sustainability performance [28]. To achieve sustainability-related goals, stakeholders should understand the various sustainability and performance agendas using key performance indicators [29].

H1: That is significant relationship between stakeholder demand on green management

H2: That is significant relationship between stakeholder demand on sustainability performance

2.3 The effect of resources on green management and sustainability performance

Resources significantly affect green management. That is, the more resources and raw materials available, the more significant the impact of the application of green management. The diversified high-tech economy has seen a slight improvement in sustainability, especially in resource consumption, with a vision of biological resources that emphasizes the efficient use of raw materials [30]. The supply of raw materials as natural dyes in Batik MSEs is an important factor in applying green management [14]. Once the raw materials are ready, the business will be easier to manage and sustain [31].

H3: That is significant relationship between resources on green management

H4: That is significant relationship between resources on sustainability performance

2.4 The effect of knowledge on green management and sustainability performance

The test shows the empirical results that there is no influence of SME owners' knowledge on green management [14]. However, it is worth mentioning just as much that existing knowledge on materials and how to make batik with traditional dyes is handed on from one generation to the next and from the government, so knowledge is only sometimes the key factor for adopting green management. It is in line with research by Zalfa and Novita [32] that there is a negative intellectual influence on Sustainable Performance, so SMEs need support in developing human resources capable of realizing an environmentally sound business so that SMEs can save expenses.

H5: That is significant relationship between knowledge on green management

H6: That is significant relationship between knowledge on sustainability performance

2.5 The effect of product uniqueness on green management and sustainability performance

Empirical results show no influence of the unique product on green management [14]. Nevertheless, in the research object of UMK Batik, which produces similar products, the difference is only in the motifs, so the uniqueness of the product is not one of the main reasons for implementing green management. Companies need to design their innovations so that the products they create are successful in the market [33].

Organizations must develop a green innovation strategy embodied in a green organizational entity to obtain environmental and organizational legitimization and improve innovation performance [23]. Therefore, SMEs often need a more comprehensive view of the future path of innovation and are likely to address green issues appropriately [27, 34, 35].

H7: That is significant relationship between product uniqueness on green management

H8: That is significant relationship between product uniqueness on sustainability performance

2.6 The effect of green management on sustainability performance

Green management is described as environmentally friendly products and efforts to reduce environmental impacts using green production, research, and management [36]. Studies from Raharjo [14] roves that green management significantly affects sustainability performance, meaning that the better the implementation of green management, the higher the sustainability performance. It is in line with the research of Goyal et al. [37] that a company that carries out environmental, social, and economic management will obtain sustainable performance, which impacts finance and non-finance. Batik SMEs implementing green management will obtain financial and non-financial benefits in the long run. These benefits include reduced costs due to environmental efficiency, improved corporate reputation, improved connections with local society, increased impact on potential and new green markets, and gaining a competitive advantage over competitors. The environmental management paradigms that have emerged in recent years fall into four groups that provide an overall conceptual framework [38]. Its involvement shows that while some see the environment as an ethical issue, others see it to financial gain. The effect of green management on firm performance can result from the potential effect of environmental performance on the level of product differentiation or production costs, such as green awards for product performance or reduced production costs due to reduced consumption [17].

H9: That is significant relationship between green management on sustainability performance

2.7 The effect of green management to sustainable business

Capra [39] warns the corporate community that companies are missing many opportunities for new sustainable businesses that can prevent the inevitable threat of societal collapse by avoiding the underlying relationship between business, the environment, and society. More and more companies realize that sustainability is an important strategic issue, and developing strategic planning is another necessary effort to maintain competitiveness. Identifying and understanding business sustainability is critical [40]. Most approaches focus only on certain aspects of the process or product being produced when SMEs are trying to transform. Therefore, SMEs are frequently in need of a more comprehensive perspective on the future direction of innovation and are likely to be able to adequately address green problems [27, 34]. Sustainable business practices are an aspiration for most SMEs worldwide, promising profitability, durability, and positive social and environmental impact [41]. For large companies, the strategic issue of green management has become popular. Using a sample from the Italian industry, Azzone et al. [42] found the unique resources of small firms. These include the need for more significant financial resources to establish green initiation, the capacity to adapt the organization to environmental stimulus, and the lack of an organization specifically dedicated to managing environmental issues. In a similar tone, with a substantial sample of Korean industries, Lee [27] identified the current SME movement in green management that SMEs are transitioning from a command-and-control model to a market-and-competition approach in implementing green management. SMEs generally experience difficulties implementing environmental management measures due to the lack of standardized and formally structured organizations [4, 8]. Adopting green management measures and practices may result in a loss of flexibility for SMEs. Based on Noci and Verganti [5] SMEs business managers find it more convenient to respond to environmental challenges through reactive and implicit measures.

H10: That is significant relationship between green management to sustainable business

2.8 The effect of sustainability performance to sustainable business

Business executives and decision-makers need help with sustainability decisions. Customer demand for green products and improved technologies encourage businesses to participate in sustainable development products. A recommendation of a combination of both internal and external factors drives corporate involvement in sustainable business activities [43]. By integrating sustainability into business strategy, companies seek greater profitability by intentionally adopting a sustainability strategy. Sustainability strategies to prevent pollution and manage products create synergistic impacts for suppliers and joint business partners [44, 45].

H11: That is significant relationship between sustainability performance to sustainable business

3. METHODOLOGY

The research used a quantitative approach and used primary data from questionnaires. The population in this research is 5494 restaurants, bars, and cafés under Bekraf (Indonesian creative economics board) list in six big cities in Indonesia, namely Bandung (West Java), Yogyakarta (Central Java), Solo (Central Java), Semarang (Central Java) Badung (Bali), Lombok (Nusa Tenggara Barat). The sampling technique is purposive sampling with some criteria as follows (1) has business permit in culinary sector, (2) has minimum ten employees, (3) has minimum one year operation, (4) the SME type is trading business (UD), business entity (CV), and limited liability company (PT). (5) listed under Indonesian creative economics board, (6) has asset between 50-500 million rupiah or 3,300-33,300 USD. The electronic questionnaires were distributed directly to 372 SMEs owners in the culinary sector (Table 1).

A Likert scale measured the variables in this study with five alternatives from 1 to 5, where 1 indicated strongly disagree and 5 indicated strongly agreed. Table 2 shows the variable measurements in the study.

Table 1. Population and samples

Area / City	Restaurant, café and bar	Sample
Bandung	1187	80
Yogyakarta	282	67
Solo	893	60
Semarang	257	17
Badung (Bali)	2058	140
Mataram Lombok	117	8
Total Population	5494	
Total Samples		372

Table 2. Research variables and indicators

Variable	Indicator
Stakeholder demand [14]	Government, Consumer, Community
Resources [14, 46]	Abiotic Materials, Biotic Materials, Nonmaterial
Knowledge [14]	Learning orientation, Tenacity, Persistence
Product uniqueness [14]	Innovation, Technology, Different from other
Green management [14, 47]	Product, Process, Stakeholder approach, Legal, Market, Environmental management, Efficiency, Renewable
Sustainability performance [14]	Quality of financial performance, Quantity of financial performance, Quality of non-financial performance, Quantity of non-financial performance
Sustainable business [48]	Organizational support, Business Network, Corporate culture, Company reputation, Commitment and dedication, and Sustainability reporting

3.1 Instrument validity and reliability test

Construct validity and reliability are tests to determine the reliability of the construct—data analysis in this research using Structural Equation Model Partial Least Square (SEM-PLS). The test is based on the validation and reliability of each observed variable (Table 3).

The reliability test is using Spearman Brown.

$$r_i = \frac{2r_b}{(1 + r_b)}$$

Composite Reliability Test:

$$\rho_c = \frac{\left(\sum \lambda_{kj}\right)^2}{\left(\sum \lambda_{kj}\right)^2 + \sum\left(1 - \lambda_{kj}^2\right)}$$

in which, λ_{kj}= loading factor manifest variable to-*k* to laten variable to-*j*.

Average Variance Extracted:

This measurement to measure variation of laten varible that can be explain by the variable measurement model:

$$AVE = \frac{\sum {\lambda_{kj}}^2}{n}.$$

3.2 Data analysis

Data analysis in this study used Structural Equation Model Partial Least Square (SEM-PLS). SEM-PLS is an alternative to the covariance, variance, or component-based SEM approach, with PLS orienting the analysis from testing causality/theory models to component-based predictive models. The variance-based approach was tested to determine the validity of the research being studied. The test results show the validation and reliability of each variable observed. Based on the test results, it is concluded that all indicators used are valid. In stages 1, 2, and 3, there are indicators with weight factor values <0.7 [49]. The construct reliability score of the research results must have a composite reliability criterion of > 0.6 [50]. For more details, it can be seen in the Table 3, which shows that the results of this study are valid and reliable.

Table 3. Validity and reliability tests

Variable		Dimension		Loading factor	Conclusion	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)	Conclusion
Stakeholder demand	1	SD1	Government	0.85	valid	0.84	0.90	0.75	Reliable
	2	SD2	Consumer	0.80	valid				
	3	SD3	Community	0.94	valid				
Resources	1	R2	Biotic Materials	0.95	valid	0.89	0.95	0.90	Reliable
	2	R3	Non-material	0.95	valid				
Knowledge	4	K1	Learning orientation	0.94	valid	0.88	0.92	0.80	Reliable
	5	K2	Tenacity	0.84	valid				
	6	K3	Persistence	0.91	valid				
Product uniqueness	7	PU1	Innovation	0.90	valid	0.92	0.95	0.86	Reliable
	8	PU2	Technology	0.95	valid				
	9	PU3	Different from other	0.93	valid				
Green management	10	GM1	Product	0.74	valid	0.85	0.89	0.63	Reliable
	11	GM2	Process	0.75	valid				
	12	GM6	Environmental management	0.83	valid				
	13	GM7	Efficiency	0.87	valid				
	14	GM8	Renewable	0.78	valid				
Sustainability performance	10	SP1	Quality of financial performance	0.90	valid	0.83	0.89	0.67	Reliable
	11	SP2	Quantity of financial performance	0.90	valid				

	12	SP3	Quality of non-financial performance	0.88	valid				
	13	SP4	Quantity of non-financial performance	0.85	valid				
	14	SD1	Organizational Support	0.80	valid				
Sustainable business	15	SD2	Business Network	0.82	valid	0.91	0.93	0.78	Reliable
	16	SD3	Corporate culture	0.87	valid				
	17	SD4	Company reputation	0.78	valid				

4. RESULT AND DISCUSSION

According to the research result, the mean score of stakeholder demand is in the range of 0.14613333. The resources variable is 0.1383; Knowledge is 0.13263333; product unique is 0.1371, green management is 0.1168375; sustainability performance is 0.13145, and the average value of business sustainability is 0.1250. Likewise, with the standard deviation of each variable, there is no significant difference (Table 4).

Table 4. Descriptive statistic

	Items	Range	Mean	SD
	Stakeholder demand			
	Government	1-5	0.1496	0.0278
2	Consumer	1-5	0.1338	0.0273
3	Community	1-5	0.1550	0.0325
	Resources			
1	Abiotic Materials	1-5	0.1483	0.0273
2	Biotic Materials	1-5	0.1333	0.0340
3	Non-material		0.1333	0.0355
	Knowledge			
1	Learning orientation	1-5	0.1400	0.0408
2	Tenacity	1-5	0.1304	0.0344
3	Persistence	1-5	0.1275	0.0392
	Product uniqueness			
1	Innovation	1-5	0.1354	0.0352
2	Technology	1-5	0.1371	0.0385
3	Different from other	1-5	0.1388	0.0393
	Green Management			
1	Product	1-5	0.1300	0.0347
2	Process	1-5	0.1313	0.0332
3	Stakeholder approach	1-5	0.0992	0.0334
4	Legal	1-5	0.0983	0.0311
5	Market	1-5	0.0971	0.0325
6	Environmental management	1-5	0.1217	0.0354
7	Efficiency	1-5	0.1254	0.0404
8	Renewable	1-5	0.1317	0.0426
	Sustainability performance			
1	Quality of financial performance	1-5	0.1283	0.0413
2	Quantity of financial performance	1-5	0.1258	0.0330
3	Quality of non-financial performance	1-5	0.1313	0.0452
4	Quantity of non-financial performance	1-5	0.1404	0.0359
	sustainable business			
1	Organizational Support	1-5	0.1246	0.0457
2	Business Network	1-5	0.1375	0.0441
3	Corporate culture	1-5	0.1263	0.0464
4	Company reputation	1-5	0.1221	0.0440
5	Commitment and dedication	1-5	0.1200	0.0336
6	Sustainability reporting	1-5	0.1225	0.0334

Table 5. Hypothesis test

	t Statistics	P Values	Conclusion	F Statistics	Conclusion
Stakeholder demand -> Green Management	0.62	0.54	Not Supported		
Stakeholder demand -> Sustainability performance	2.01	0.05	Supported		
Resources -> Green Management	2.50	0.01	Supported		
Resources -> Sustainability performance	0.73	0.47	Not Supported		
Knowledge -> Green Management	2.85	0.00	Supported		
Knowledge -> Sustainability performance	1.16	0.25	Not Supported	44.44	Supported
Product uniqueness -> Green Management	15.18	0.00	Supported		
Product uniqueness -> Sustainability performance	1.49	0.14	Not Supported		
Green Management -> Sustainability performance	6.36	0.00	Supported		
Green Management -> Sustainable business	1.54	0.12	Not Supported		
Sustainability performance -> Sustainable business	16.61	0.00	Supported		

The alternative to covariance-based SEM is a variance-based or component-based approach using PLS, which is oriented towards analysis from testing the theory of causality to component-based predictive models. The results of the established structural model of the problem formulation are as follows.

All dimensions of the variables used are valid and reliable. The government, consumer, and community dimensions are valid and reliable for this research in the resources variable. In the resource variable, abiotic material is not valid in explaining resources, but biotic material and material dimensions are valid. All dimensions of the knowledge edge and product uniqueness variables are valid and reliable. The correct dimensions of the green management variable are product, process, environment management, efficiency, and renewable, while the stakeholder, legal, and market approaches are not used in the data processing. All dimensions of the variables of sustainability performance and business sustainability are valid and reliable.

The study results show (Table 5) that stakeholder demand does not affect green management. It is different from previous research from Raharjo [14], where at the SMEs batik, stakeholder requests significantly affect green management. Stakeholder demand affects sustainable performance in the

culinary sector. This research is in line with Raharjo [14], where stakeholders affect sustainability performance, meaning that the greater the stakeholder demand, the better the performance of SMEs will be in implementing green management. SMEs in the culinary sector will be highly motivated and ready to improve their performance if there are demands and pressures from stakeholders in the form of regulations, consumer and public awareness of environmentally friendly products, and attempts to minimize the impact of pollution on the environment. The influence of environmental regulations and SMEs competitiveness should be explored in business and management research, as studies on SMEs performance and environmental governance still need to be conducted [8].

Implementing green management into day-to-day business activities demands a more innovative approach to developing technological and organizational capability. The results of this study show that resources influence green management. This research is in line with research by Bieber et al. [51] that when raw materials are available, it is easy to run and survive a business while at the same time representing environmentally friendly business management. The results of the study show that resources do not affect sustainability performance. Activities in green management require a large number of diverse resources. SMEs need help with obtaining financial and technological resources to handle business activities. Research results differ from the opinion from Bugge et al. [30] that a diversified high-tech economy has experienced a slight increase in sustainability, especially in terms of resource consumption with a vision of biological resources with an emphasis on the efficient use of raw materials. In the long run, the issue of sustainability will become a significant factor for SMEs to consider for survival and competitiveness.

Green management requires proper implementation of organizational innovations to pursue sustainability, waste reduction, social responsibility, and competitive advantage-sustainable development by completely integrating environmental goals and strategies with organizational objectives and strategies. Product uniqueness and knowledge affect the improvement of green management implementation but not sustainability performance. It is in line with research from Lee [27], which states that there is often a need for more knowledge, expertise, skills, finances, and human resources to make the desired changes in organizations. Moreover, it was found that the approach narrowly focuses on specific features of the production process or product when SMEs are trying to change.

In this study, green management affects sustainability performance. It is in line with Garzella and Fiorentino [17] research that that the positive effect of environmental performance on the level of product differentiation or production costs can cause the effect of green management on the company's performance. Such as green awards for product quality or reduced production costs due to reduced consumption. However, green management does not affect business sustainability in SMEs in the culinary sector. In line with researches [8, 52], SMEs generally experience difficulties in implementing environmental management measures because the organization is not standardized and formally structured. In large firms, the strategic issue of green management is popular, but this is not the case for SMEs. Green management issues can inform various business processes, including the drivers for green management, the strategic horizon, and the strategic level required to analyze the numerous strategic measures a company can develop.

The results of the final hypothesis in this study produce sustainability performance affecting business sustainability. By integrating sustainability into business strategy, companies seek greater profitability by intentionally adopting a sustainability strategy. Sustainability strategies like pollution prevention and product stewardship create synergistic effects for collaborating suppliers and business partners [53, 54]. Some previous studies only discuss factors or indicators partially, and majority dealing with large companies, so this study contribute in development of green management concept and theory, particularly on SMEs in culinary sector. The innovation is on the finding about the factors influencing green management in SMEs that differ to previous study. Therefore, SMEs should implement some steps to make green management succeed. The steps are (1) align the stakeholders demand to SMEs green management initiatives, (2) create exchange environment between stakeholders and SMEs, (3) prepare resources that focus on green management such as special budget, skills, capital equipment, brand name, patent, employees, (4) enhance individual knowledge about green management, such as waste management, green product, (5) design product that differ from other and environmentally friendly, (6) create added value through low waste product, (7) contribute to society to reduce food waste by using customer service responsibility program.

5. CONCLUSIONS

This research reveals some factors that support green management and business sustainability in SMEs context. Green management in SMEs is already developing, especially knowledge, resources, and unique products that support green management. Green management and the concept of sustainability can help SMEs to increase profits, fulfill their social responsibility to society, and preserve the environment. This is in line with the stakeholder maximization concept that a company must benefit and prosper all stakeholders involved in the business, from owners, managers, employees, consumers, and government to society and the environment.

However, there are some factors that need to be increased to achieve the goal. Firstly, Stakeholder (government, community, and customer) demand that significantly influences sustainability performance, however, does not support green management. Following that the dimensions of resources, knowledge, and product uniqueness significantly support green management, but did not support performance sustainability. Finally, green management did not support business sustainability in SMEs. To overcome those voids, there are some steps that can be taken to increase the green management implementation in SMEs. In the stakeholder demand, government can increase the regulation on green and ecofriendly food packaging, increase customers awareness of green product, as well as community. So, SMEs can increase the effort to campaign the green product to all stakeholders. On the other hand, the resources, knowledge, and product uniqueness of culinary SMEs is good but needs to be enhanced so the business sustainability will increase. Some restaurants/café/bars argue that green management will increase the service operation cost, effectivity, and availability of green material, and they are also afraid in the future will affect their business sustainability. In doing so, SMEs can create a low budget green product so they can contribute to the

green management and the business will keep sustain.

This research can be useful to guide SMEs culinary to implement green management and sustainable performance in the future. This research also contributes to the development of theory and concept of green management and business sustainability in the SMEs culinary sector. This research still has limitations, such as only using six cities as sample, the result can be different in different city. Next research can be conducted by investigating the barriers and challenging factors that prevent them to implement green management.

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NOMENCLATURE

Bekraf	*Badan Ekonomi Kreatif* (Creative Economics Board)
CV	*Perusahaan Comanditer* (Limited company)
PT	*Perseroan Terbatas* (Limited Liability Company)
UD	*Usaha D*agang (Trading business)