

## THE IMPORTANCE OF GREEN MANAGEMENT AND ITS IMPLICATION IN CREATING SUSTAINABILITY PERFORMANCE ON THE SMALL- SCALE INDUSTRIES IN INDIA

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### ABSTRACT

**Objective:** This paper examines how stakeholder demand, organisational resources, knowledge, environmental uncertainty management, and product uniqueness affect green marketing and India's small-scale industry's sustainability. The study is important in green management because it examines concurrent relationships between stakeholders' demand, organisations' resources, knowledge, environmental uncertainty management, product uniqueness, and sustainability performance. Sustainability performance variables measure financial and non-financial performance in this study.

**Method:** This study will quantitatively explain the phenomenon using numerical data and linear equation methods. Madhya Pradesh, with 7.54 percent of India's SSIs, hosted the study. Madhya Pradesh's forest-based industry and environmentally friendly development made these sites ideal. Researchers chose large cities since SSIs were more prevalent there in prior years. Bhopal, Jabalpur, and Gwalior will contribute data.

**Result:** Green management affects SSIs' sustainability performance due to stakeholder demand, knowledge, environmental uncertainty management, and product uniqueness, but not organisational resources.

**Conclusion:** Stakeholder demand, organisation resources, expertise, managing environmental uncertainty, and product uniqueness affect green management and SSI's sustainability performance. Green management boosts SSI's sustainability.

**Keywords:** green management, sustainability, performance, SSI, implication.

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## A IMPORTÂNCIA DA GESTÃO ECOLÓGICA E SUAS IMPLICAÇÕES NA CRIAÇÃO DE DESEMPENHO DE SUSTENTABILIDADE NAS PEQUENAS INDÚSTRIAS NA ÍNDIA

### RESUMO

**Objetivo:** Este documento examina como a demanda das partes interessadas, os recursos organizacionais, o conhecimento, o gerenciamento da incerteza ambiental e a exclusividade do produto afetam o marketing ecológico e a sustentabilidade do setor de pequena escala da Índia. O estudo é importante na gestão ecológica porque examina as relações simultâneas entre a demanda das partes interessadas, os recursos das organizações, o conhecimento, o gerenciamento da incerteza ambiental, a exclusividade do produto e o desempenho da sustentabilidade. As variáveis de desempenho de sustentabilidade medem o desempenho financeiro e não financeiro neste estudo.

**Método:** Este estudo irá explicar quantitativamente o fenômeno usando dados numéricos e métodos de equação linear. Madhya Pradesh, com 7,54% dos SSIs da Índia, sediou o estudo. A indústria florestal de Madhya Pradesh e o desenvolvimento ambientalmente amigável tornaram esses locais ideais. Pesquisadores escolheram grandes cidades, uma vez que as ISEs foram mais prevalentes lá em anos anteriores. Bhopal, Jabalpur e Gwalior contribuirão com dados.

**Resultado:** A gestão ecológica afeta o desempenho de sustentabilidade dos SSIs devido à demanda das partes interessadas, ao conhecimento, à gestão da incerteza ambiental e à exclusividade do produto, mas não aos recursos organizacionais.

**Conclusão:** A demanda das partes interessadas, os recursos da organização, a experiência, o gerenciamento da incerteza ambiental e a exclusividade do produto afetam a gestão ecológica e o desempenho de sustentabilidade do SSI. A gestão ecológica aumenta a sustentabilidade do SSI.

**Palavras-chave:** gestão ecológica, sustentabilidade, desempenho, SSI, implicação.

### 1 INTRODUCTION

Businesses have been running under the guise of general management systems for a long time, not paying attention to how they affect the environment. Gases escaping, natural harm produced by chemical compounds, the environmental damage caused by solid waste, and environmental contamination are being ignored. Along with global warming, corporations are refocusing their efforts on green management, which is concerned with minimizing environmental damage. Businesses manufacture environmentally friendly products in the twenty-first century to ensure their continued existence and boost their profitability and productivity due to their contact with the environment. Businesses implement green management practices to minimize their environmental impact. Businesses have an advantage over their competitors because they make environmentally friendly products, use environmentally friendly technology, and think about the environment. Almost every industry, through a variety of



applications, creates environmentally beneficial activities within itself, such as environmentally friendly hybrid vehicles in the automotive sector, recyclable papers in the paper industry, green star applications in the tourism sector, ease of recycling packaging in the food sector, and the production of environmentally friendly products are all examples of activities that take place in a green management-focused environment. Some various elements and authorities push enterprises to practice environmentally responsible management. The government encourages enterprises to practice green management through its policies and programs. The government provides specific incentives and awards to industries and enterprises that practice environmentally friendly management. To implement green management, businesses must prioritize their objectives, visions, targets, tactics, strategies, and politics. Along with their appropriate strategies, firms that practice green management with an emphasis on the environment obtain a competitive edge over their competitors through environmentally friendly products and rules. Businesses teach their customers and employees about the environment by making environmentally friendly products and giving out information about the environment.

Green management is the enterprise-wide act of preparing creative procedures to achieve sustainability through waste reduction and by embracing environmental objectives and strategies that are fully integrated with the goals and strategy of the business (Kumar, 2019). Industries in the twenty-first century strive for a greener environment by providing environmentally friendly industrial systems and laws to compete in the national and international markets. They place a premium on technological advancements that safeguard the environment. Businesses affect their environment through their operations to continue to exist, grow their productivity, and maintain a profit margin while also being influenced by the environment. (Uygur & Musluk, 2015).

Green management is defined as the process inside a company that uses innovation to accomplish sustainability, waste reduction, social responsibility, and competitive advantage via continuous learning and improvement. Organizations should affect these changes by implementing environmental goals and strategies that align with the organization's goals and strategies. As a result, the organization's mission and vision will be more clearly defined (Matheus et al., 2023). Nowadays, businesses sell their products by emphasizing their environmental stewardship. Whether the message is broadcast on television or shown on a billboard, "gogreen" is virtually always included.



However, why are we choosing green? Green is more than a hue in the rainbow. Going green is a strategy for some organizations and the broader society to modify their lifestyles. This entails implementing more eco-friendly improvements. It is worth noting that the plain truth is that when an individual does something that affects the globe, good or bad, he or she has the full ability to make decisions, allowing the individual to manage the influence caused. Additionally, another critical point is the significance of turning green. Few businesses understand the value of turning green. Implementing a green management system ensures that it will exist in perpetuity. While all other types of energy are finite, the green system will never run out. Renewable energy sources will always be available to meet human requirements. Second, utilizing green materials and quality contributes to protecting the environment instead of costly energy imports. As a result, it has been proved that green technology can contribute to the reduction of the US economy's trade deficit. Thirdly, being green will undoubtedly benefit the organization financially. Paying bills online saves money for paperless businesses, but it also saves money on shipping and paper costs. As a result, both individuals and businesses profit from the green movement.

Businesses that practice green management employ technology that does not hurt the environment in all of their industrial activities. Businesses employ clean production activities and environmentally friendly technology throughout the manufacturing process to avoid contamination at the source, and closed-circuit production facilities are developed to contain waste (Hosseini, 2007:223). Environmental consciousness in green management applications aims to evaluate the entire manufacturing process, from design to recycling, replication, and reuse (Büyüközkan and Vardalolu, 2008:7). The utilization of trash through recycling and reassessment is a priority in industry activities. Businesses should use sources with no adverse influence on nature to ensure practical source usage (Karabulut, 2003).

The environment demands its users to have a facilitative and caring attitude to protect, utilize, and maintain the resources and nature for an extended time. This also applies to organizations, which, in light of growing environmental concerns, are now obligated to act to promote opportunities while having a minimal negative impact on the environment (Haden et al., 2009). Additionally, with the growing consumption of natural resources, organizations are now forced to adopt a more environmentally friendly strategy, which includes acting in ways that contribute to the conservation of



**natural resources and avoid their depletion** (Alshuwaikhat & Abubakar, 2008). Additionally, they must adhere to an ideology that discourages the degradation of natural resources. The increasing and ever-increasing use of natural resources are progressively bringing us to a state of chaos that requires the immediate attention of all involved stakeholders, from individuals to corporate entities (Friedman, 2007). This is even more critical for organizations, particularly multinational corporations (MNCs), to comprehend and work to resolve this issue. This overuse contributes to resource depletion and the frequent occurrence of natural disasters such as tsunamis, floods, acid rains, and hurricanes. Individuals and organizations are now compelled to act responsibly, and the only way to do so is to go "greener" (Hyndman & Hyndman, 2016). Within each organization, it is the responsibility of every individual, from top management to individual staff members, to strive toward supporting activities that use the fewest possible natural resources and the implementation of activities that promote greener activities (Opatha & Arulrajah, 2014). Going green makes excellent commercial sense, and as a result, corporations worldwide are increasingly adopting a green concept in their management functions. Some of the reasons or forces that motivate such movements are listed below (Tam et al., 2016).

Every business group has a moral and ethical commitment to contribute to the well-being of the communities in which they operate. Corporations must be concerned with societal issues, and businesses must contribute to resolving those issues. The globe is currently confronted with a problem of environmental degradation on land, air, and water due to the industrial sector's exploitative behaviour in the past. As a result, it is time for management to prioritize green programs and initiatives in response to social needs.

The International Organization for Standardization enacted some rules and regulations that its member nations must adhere to limit pollution emissions further. EMS 14001 certification ensures compliance with environmental regulations, specifically environmental product and process innovations, defined as distinct types of new green and clean technological innovations comprised of new products and processes that avoid or reduce environmental burden. The ISO certificate is a declaration and remark on a business's operational efficiency and effectiveness. Such a certificate enables and benefits a business in the long run.

Numerous laws are amended by the state's governing body to protect and preserve the natural environment. Additionally, such laws have provisions that protect





the interests of consumers and society. The new law will substantially impact company strategies to adopt green management practices. To comply with government policy, the organization must practice green management.

Businesses that aim to be more environmentally responsible satisfy their customers and society. Individuals who are more concerned with the environment generate another section of the niche market for the firm's growth and capture a larger market share. After initiating a sustained effort, several businesses discovered additional revenue streams or an altogether new product. Choosing green management enables businesses to be free of environmental activist pressure; some become promoters of their firm due to their corporate effort.

One of the primary motivations driving corporations to adopt green management practices is intense competition and the need to preserve a competitive edge in the market. Competition for a better brand and establishing an image in society's eyes requires strategies that enable them to remain viable for an extended time. Going green also enables businesses to manage risks more efficiently, expand into new markets, better use available resources, and strengthen their competitive position. Green management gives businesses an edge in the competitive business environment.

It is all about ensuring the business's viability without jeopardizing future obligations. Concerning a corporate plan means that a business has an opportunity to deliver long-term solutions, such as the need to improve job quality, geographical location, and natural environment Management that is sustainable Corporate sustainability is referred to in a variety of ways. Development that is sustainable and corporate social responsibility. Sustainability is generally described as "progress that satisfies future requirements without jeopardizing future generations' ability to fulfil their own" (WCED pg. 49). Moreover, we operate on three axes: environmental conservation, economic growth, and social justice. Corporate sustainability efforts are organized around three pillars: People, Planet, and Profit, to find a means to balance the three Ps.

Small scale industries have been acknowledged as a vital part of economic growth and a critical component of efforts to raise countries out of poverty. Onwuka and Ile (2006) claimed that the government's focus on small-scale firms has always been because the aggregate of small-scale enterprises can accelerate the country's economic development and has successfully played a constructive role in the economic life of rural and urban areas. Although the actual environmental impact of small firms is unknown



(Hillary, 2000) and may be difficult to quantify, it has been proposed that they are more 'pollution-intensive' than 'large businesses' (Blackman, 2006). Their contribution to pollution has been estimated to be between 60% and 70% (Hillary, 2000; Stokes, Chen, & Revell, 2007), but Hillary (2000) cautions that these statistics have not been confirmed. However, Hillary (2000, p.12) notes that tiny enterprises can significantly impact local ecosystems and communities. The sheer volume of tiny firms worldwide corroborates this assertion. As a result, these businesses should practice sound environmental management. However, most have failed to do so (Hillary, 2000; Redmond, Walker, & Wang, 2008; Revell, 2007; UNIDO, 2002), even though their participation may boost international and national environmental results. SSIs' combined harmful influence on the ecosystem has only been recognized recently (Redmond et al., 2008). As a result, few empirical studies on the topic have been conducted, and this study discusses the application of green management to SSI activities. This study aims to determine the influence of specified indicators on green management application, the impact of green management on business sustainability performance, and the relationship between business sustainability and SSI's financial success in India.

## 2 LITERATURE REVIEW

### 2.1 IMPLICATION CRITERIA

Based on a literature review, we identified the qualitative determinants. Raharjo (2014) suggested as indicators of green management implications. These determinants include stakeholder demand, available resources, knowledge, and product uniqueness. The first of these indicators is the stakeholder's demand, which is defined as Stakeholders are defined as any individual or group of individuals who have a vested interest in the success or failure of a firm. It is critical for organizations to have healthy and balanced relationships with their stakeholders, as the degree to which they are authentic is decided by their ability to address the needs of their stakeholders. In the context of SSI in India, government policies and consumer demand are more important considerations. Starting with the definition of customers as stakeholders is critical. Customers are the most crucial source of revenue for any company, no matter how large or small. Supply, products, and services the organization provides are essential to its survival. They are beneficial to the firm and are considered one of the essential corporate



growth strategies. Their responsibilities include making purchases and advising the company on how and what to spend on products and services. Aside from that, they identify the immediate necessities for corporate growth and expansion. Customers can assist a company in deciding its course of action. They communicate with the organization about their ideas and experiences, and they direct their requests in the process of improving service. To maximize earnings, customers frequently contact the company to suggest how things and services should be sold. Furthermore, because customers are immediately linked to what is happening within the company, small businesses can discover what adjustments they need to make and what their customers want (Amran & Keat, 2014).

Governments play a critical role in achieving development goals and targets by, among other things, establishing and implementing water quality policy frameworks and standards, regulating pollutant discharge into the environment, and implementing wastewater management, recycling, and reuse programs (Rossana Parizotto Ribeiro & Iuri Gavronski, 2021). Environmental policy should serve as the cornerstone for all environmental initiatives for every business size. Significant business benefits can be gained from having an environmental policy. Keep your employees aware of their environmental roles and responsibilities, keep costs down, reduce accidents that could lead to liability, save raw materials and energy, monitor the environment more, and make your processes more efficient (UN-Water Annual International Zaragoza Conference, 2015). As a result, the consumer's demand and the government's policy are essential in competition with others in small organizations or businesses, impacting the implementation of green management in SSI.

The second indicator is the organization's resources. In green management, resources can play a significant role in environmental management. Stephanie et al. (2009) & Raharjo (2014) mentioned that it is necessary to focus on the resources of the product while the implication of green management. There might be so many ingredients throughout the manufacture, and non-ingredients are utilized to produce the product. All independent must be ecofriendly or less harmful to nature while they are in the production process or not after that the manufacturing of the product; it becomes more vital to focus on the waste material because non-biodegradable and toxic wastes like radioactive remnants can potentially cause irreparable damage to the environment and human health if not strategically disposed of. In India, due to numerous causes,





Small - scale Industries may have been left out of the regulatory and social constraints. The time has arrived when ignoring the environmental implications of SMEs is no longer possible. Small and medium-sized enterprises are crucial to all economies and have a considerable detrimental impact on the environment. Their cumulative footprint equals the significant impact of industrial pollution; however, SMEs are not convinced of the urgency for behaviour change. SMEs are often sluggish to adjust to the changes and are still working towards better environmental practices (Singh & Thakar, 2018; Janice et al.; 2008 ).

The third indicator is knowledge, where knowledge refers to an individual SSI owner's understanding of the notion of eco-friendly material selection for residents and the recycling process—for example, selecting materials that are eco-friendly and easy to recycle (Liudmila Khoruzhy et al., 2023). Batik SME and concluded that the natural extract could be reused until nothing is left over after the manufacturing process, so it does not cause waste, unlike synthetic or chemical waste. Product Uniqueness is the fourth and final indicator (Raharjo, 2014). A unique product is also "one of a kind," and, in that sense, it may be regarded as "strange" or "novel" in some way. In this study, product uniqueness refers to a product's eco-friendly or environment-specific design, also referred to as Eco-design. Eco-design minimizes a product's negative impact by incorporating environmental concerns into its specifications, such as preserving precious or nonrenewable resources, preventing pollution, and the absence of danger for animal and plant species (Chan, 2011). Through analyzing the awareness of SME owners, Shivstave (2007) and Rahajro (2014) found that this indicator was positively affected by SME owner awareness.

## 2.2 BUSINESS SUSTAINABILITY PERFORMANCE

Business performance is a measurement of a company's success during a specified period. The performance of a business can be measured by sales growth and market share. Every organization desires long-term survival; thus, strategies and performance are crucial. In past research on measuring business performance, financial and non-financial measures were utilized. There are numerous studies of company sustainability and performance, and it is not difficult to conclude that a positive relationship exists between the sustainable behaviour of small businesses and their financial performance. Murthy (2012) asserted that achieving business performance involves an understanding of



"external expectations" and "internal conditions" to build a competitive advantage for a corporation. External expectations can include government-created environmental legislation and community awareness of environmental issues. According to the example's sustainability perspective, the objective is to minimize waste and environmental disturbances that can impede business growth. Some companies outperform their rivals for brief periods, but few consistently outperform them for lengthy stretches.

According to Marcus (2005), the objective of a management strategy that exceeds the industry norm for at least ten years is to achieve a durable competitive advantage. According to Porter (1993), a company's strategy should be geared toward achieving a lasting competitive advantage so that it may dominate both the old and new markets. In this case, identifying the true firm assets, the tangible and intangible resources that make the organization unique, is the most significant factor in attaining the success of the applied strategy. A corporation has a competitive edge if it possesses something that its competitors do not, performs a task better than its competitors, or can accomplish something that its competitors cannot afford. Thus, competitive advantage becomes a crucial prerequisite for long-term success and the longevity of a business (Kuncoro, 2006). Morgan (2011) evaluated the effectiveness of a firm in two ways: first is a financial aspect: this financial performance is the primary objective of all management and investment activities related to business performance. From a financial standpoint, organizational success is defined and quantified by accounting indicators such as the organization's profitability, investment turnover, sales growth, and cash flows. Secondly, non-financial factors: are intangible factors, such as customer happiness, product development, and sales volume growth. (Anderson, 1994; Bartolacci et al., 2019; Behn and Riley's, 1999; Ankrah et al., 2015; Wiersma, E., 2003; Gerba & Viswanadham, 2016; Lekovi & Mari, 2015; Gupta, Shuchi & Tripathi, 2020).

### 2.3 THEORETICAL FRAME WORK

Although significant research has been undertaken on green management and its numerous applications. Despite this, the focus of this inquiry was on environmentally responsible business practices and how they are implemented in the small-scale industries of Madhya Pradesh, India. We opted to focus on these industries since they are badly neglected in terms of environmentally responsible management. Based on the



prior information, the research problems that have been formulated are as follows:

**H01:** There is no significant impact of uniqueness of the Product on the implementation of GreenManagement.

**Ha1:** There is a significant impact of uniqueness of the Product on the implementation of GreenManagement.

**H02:** There is no significant impact of product on the implementation of green management.

**Ha2:** There is a significant impact of product on the implementation of green management.

**H03:** There is no significant impact of demand of stakeholder on the implementation of GreenManagement.

**Ha3:** There is a significant impact of demand of stakeholder on the Implementation of GreenManagement.

**H04:** There is no significant impact of Resource of the organization on the Implementation of GreenManagement

**Ha4:** There is a significant impact of Resource of the organization on the Implementation of GreenManagement.

**H05:** There is no significant impact of the Knowledge of the Proprietors on the Implementation of GreenManagement.

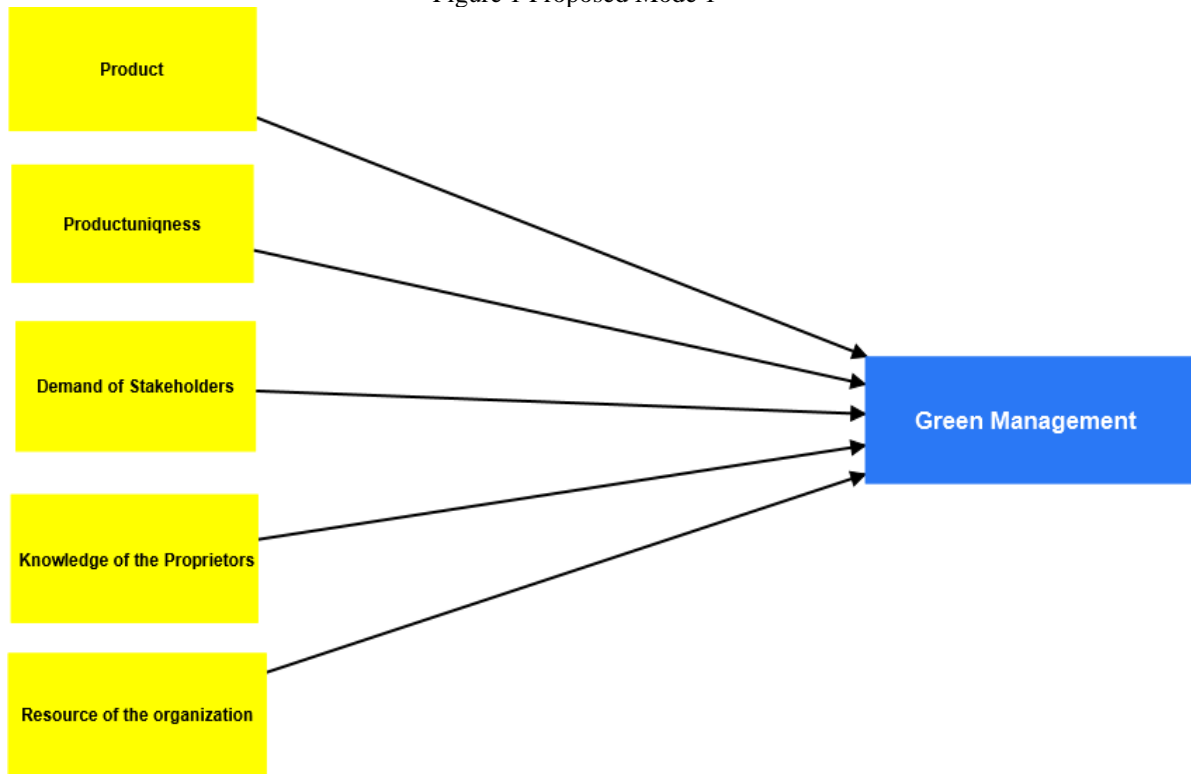
**Ha5:** There is a significant impact of the Knowledge of the Proprietors on the Implementation of GreenManagement.

**H06:** There is no significant effect of Green Management on the Business Performance Sustainability ofSSIs.

**Ha6:** There is a significant effect of Green Management on the Business Performance Sustainability of SSIs.

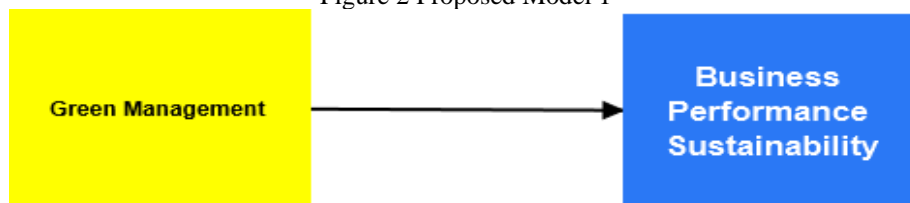


Figure 1 Proposed Mode 1



Source: Smart PLS

Figure 2 Proposed Model 1



Source: Smart PLS

### 3 METHODOLOGY

The research design in this study will quantitatively elucidate the phenomenon by collecting numerical data and analyzing it using linear equation methods. The study was carried out in Madhya Pradesh, which accounts for 7.54 percent of all SSIs in India. Because Madhya Pradesh has a plethora of forest- based enterprises and a history of environmentally beneficial growth, these regions were chosen. As justification for picking large cities as the sample area, researchers observe that in previous years, SSIs have been more prevalent in these locations. The data will originate from four major cities in Madhya Pradesh: Bhopal, Jabalpur, and Gwalior. The instrument utilized was a questionnaire that was created using a conceptual model and significant literature review, and it was also used to collect information directly from respondents who were interested in the topic under study. The factors in this study were measured using a Likert



scale with five possibilities ranging from 1 to 5, with 1 indicating "strongly disagree" and 5 indicating "strongly agree." To establish the required sample size for this investigation, the sample planning wizard from Stat Track was utilized. Stat Treak's sample planning wizard was utilized to establish the appropriate sample size from the 793,552 registered SSIs in Madhya Pradesh. The formula reads as follows:

$$n = \frac{z^2 pq + e^2}{e^2 + (z^2 pq / N)}$$

Where,

n= Sample Size

z= standard error of the means (usually 95%, corresponding to 1.96 in the z- distribution table).

p= estimated proportion of an attribute that is present in the population.

q= estimated proportion of an attribute that is not present in the population.

e= tolerable error margin (5% or 0.05)

N= Population Size (which is 7, 93,552)

To apply this formula,

$$n = \frac{(1.96^2 \times 0.5 \times 0.5) + 0.05^2}{0.05^2 + (1.96^2 \times 0.5 \times 0.5) / 793552}$$
$$n = 385$$

Stat Treak's sample planning wizard recommended that a sample size of 385 would adequately represent the population.

#### 4 RESULTS AND DISCUSSION

This study employs a questionnaire distributed directly to the manufacturers of Madhya Pradesh SSIs and the characteristics of the respondents are reported in four sections in table number 1. These characteristics include gender, education, business age and city.. The majority of MP SSI owners are male (93.2) according to table 2 . In the course of the investigation, the respondents' educational levels were assessed. Table 3 shows that 67.5% of respondents are graduated (held a bachelor's degree), while 32.5% are post-graduate (held a master's degree) or higher. In the course of the investigation, the respondents' educational levels were assessed. Table 3 shows that 67.5% of respondents are graduated (held a bachelor's degree), while 32.5% are post-graduate



(held a master's degree) or higher. Table 4 displays the respondent cities, with the majority of respondents being from Gwalior. 33.8% and 33.2% of the population are from Bhopal, while 33.0% are from Jabalpur. 59.7 percent of respondents' businesses are between 11 and 19 years old, while 31.9 percent of businesses are between 2 and 10 yearsold, as shown in table number 5.

Table 1 Characteristics of Respondents

| Statistics |         |        |           |              |      |
|------------|---------|--------|-----------|--------------|------|
|            |         | Gender | Education | Business Age | City |
| N          | Valid   | 385    | 385       | 385          | 385  |
|            | Missing | 0      | 0         | 0            | 0    |

Sources: SPSS

Table 2 Gender of Respondents

| Gender |        |           |         |               |                    |
|--------|--------|-----------|---------|---------------|--------------------|
|        |        | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid  | Male   | 359       | 93.2    | 93.2          | 93.2               |
|        | Female | 26        | 6.8     | 6.8           | 100.0              |
|        | Total  | 385       | 100.0   | 100.0         |                    |

Source: SPSS

Table 3 Education of Respondents

| Education |          |           |         |               |                    |
|-----------|----------|-----------|---------|---------------|--------------------|
|           |          | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid     | Graduate | 260       | 67.5    | 67.5          | 67.5               |
|           | Post Gra | 125       | 32.5    | 32.5          | 100.0              |
|           | Total    | 385       | 100.0   | 100.0         |                    |

Source: SPSS

Table 4 City of Respondents

| City  |          |           |         |               |                    |
|-------|----------|-----------|---------|---------------|--------------------|
|       |          | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Bhopal   | 128       | 33.2    | 33.2          | 33.2               |
|       | Gwalior  | 130       | 33.8    | 33.8          | 67.0               |
|       | Jabalpur | 127       | 33.0    | 33.0          | 100.0              |
|       | Total    | 385       | 100.0   | 100.0         |                    |

Source: SPSS

Table 5 Business Age

| Business Age |          |           |         |               |                    |
|--------------|----------|-----------|---------|---------------|--------------------|
|              |          | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid        | 11-19 y  | 230       | 59.7    | 59.7          | 59.7               |
|              | 2-10 yea | 123       | 31.9    | 31.9          | 91.7               |
|              | 20-28 y  | 32        | 8.3     | 8.3           | 100.0              |
|              | Total    | 385       | 100.0   | 100.0         |                    |

Source: SPSS





## 5 RELIABILITY

Table 6 Reliability Test

| Reliability Statistics |            |
|------------------------|------------|
| Cronbach's Alpha       | N of Items |
| .985                   | 6          |

Source: SPSS

### 5.1 INTERPRETATION: RELIABILITY TEST

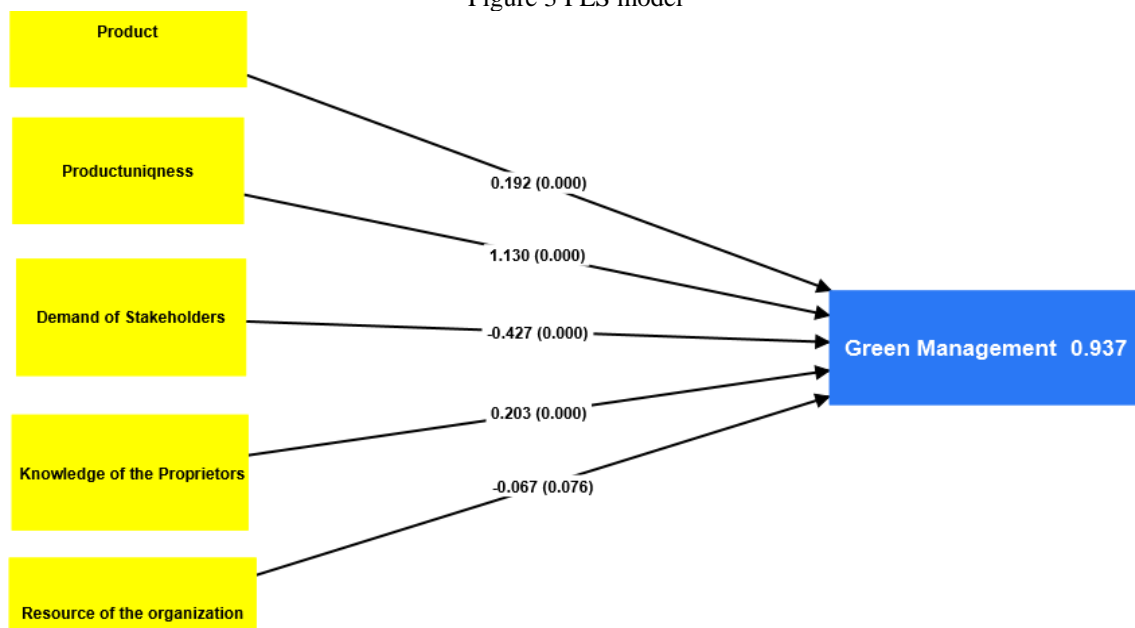
Cronbach's Alpha reliability test between the dependent and all independent variables using SPSS, which is .985 and the value of Cronbach's Alpha is extremely close to 1, indicating that data is more reliable for fitting multiple regression models.

Table 8 Coefficients

| Coefficients <sup>a</sup> |                              |                             |            |                           |        |      |                                 |             |
|---------------------------|------------------------------|-----------------------------|------------|---------------------------|--------|------|---------------------------------|-------------|
| Model                     |                              | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. | 95.0% Confidence Interval for B |             |
|                           |                              | B                           | Std. Error | Beta                      |        |      | Lower Bound                     | Upper Bound |
| 1                         | (Constant)                   | -.088                       | .059       |                           | -1.487 | .138 | -.205                           | .028        |
|                           | Uniqueness of the Product    | 1.128                       | .054       | 1.077                     | 20.770 | .000 | 1.021                           | 1.235       |
|                           | Product                      | .220                        | .058       | .187                      | 3.803  | .000 | .106                            | .334        |
|                           | Demand of Stakeholder        | -.451                       | .054       | -.455                     | -8.342 | .000 | -.558                           | -.345       |
|                           | Resource of the Organization | -.048                       | .051       | -.044                     | -.951  | .342 | -.148                           | .052        |
|                           | Knowledge of the Proprietors | .205                        | .057       | .186                      | 3.621  | .000 | .094                            | .316        |

a. Dependent Variable: Green Management  
Sources: SPSS

Figure 3 PLS model



Source: Smart PLS



Hypothesis 1: there is a significant impact of uniqueness of the product on the implementation of green management

Interpretation: The hypothesis test if Uniqueness of the Product carries significant on the Implementations of Green management. The Dependent Variable Green Management was regressed on predicting variable Uniqueness of the Product to test the hypothesis H1. Green management significantly predicted,  $p < .005$ , which indicates that the Uniqueness of the Product can play a significant role in shaping Green management ( $b = 1.077$ ,  $p < .005$ ). these result clearly direct the positive affect of the uniqueness of the product.

Hypothesis 2: There is a significant impact of Product on the Implementation of Green Management

Interpretation: The hypothesis test the Product carries significant on the Implementations of Green management. The Dependent Variable Green Management was regressed on predicting variable Product to test the hypothesis H2. Green management significantly predicted,  $p < .005$ , which indicates that the Product can play a significant role in shaping Green management ( $b = .187$ ,  $p < .005$ ). these results clearly direct the positive affect of the product.

Hypothesis 3: There is a significant impact of Demand of Stakeholder on the Implementation of Green Management

Interpretation: The hypothesis tests the demand of stakeholder carries significant on the Implementations of Green management. The Dependent Variable Green Management was regressed on predicting variable demand of stakeholder to test the hypothesis H3. Green management significantly predicted,  $p < .005$ , which indicates that the demand of stakeholder can play a significant role in shaping green management ( $b = -.455$ ,  $p < .005$ ). These results clearly direct the positive affect of the demand of stakeholder.

Hypothesis 4: There is a significant impact of Resource of the organization on the Implementation of Green Management

Interpretation: The hypothesis tests the Resource of the organization carries not significant on the Implementations of Green management. The Dependent Variable Green Management was not regressed on predicting variable Resource of the organization to test the hypothesis H4. Green management not significantly predicted,  $p > .005$ , which indicates that the Resource of the organization cannot play a significant



role in shaping green management ( $b = -.044, p > .005$ ). These results clearly direct that there is no effect of the resource of the organization.

**Hypothesis 5:** There is a significant impact of the Knowledge of the Proprietors on the Implementation of Green Management

**Interpretation:** The hypothesis tests the Knowledge of the Proprietors carries significant on the Implementations of Green management. The Dependent Variable Green Management was regressed on predicting variable Knowledge of the Proprietors to test the hypothesis H5. Green management significantly predicted,  $p < .005$ , which indicates that the Knowledge of the Proprietors can play a significant role in shaping green management ( $b = .186, p < .005$ ). these results clearly direct the positive affect of the Knowledge of the Proprietors.

## 5.2 REGRESSION MODEL

Table 9 Coefficients Table

| Coefficients <sup>a</sup> |                              |                             |            |                           |        |      |                                 |             |
|---------------------------|------------------------------|-----------------------------|------------|---------------------------|--------|------|---------------------------------|-------------|
| Model                     |                              | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. | 95.0% Confidence Interval for B |             |
|                           |                              | B                           | Std. Error | Beta                      |        |      | Lower Bound                     | Upper Bound |
| 1                         | (Constant)                   | -.088                       | .059       |                           | 1.487  | .138 | -.205                           | .028        |
|                           | Uniqueness of the Product    | 1.128                       | .054       | 1.077                     | 20.770 | .000 | 1.021                           | 1.235       |
|                           | Product                      | .220                        | .058       | .187                      | 3.803  | .000 | .106                            | .334        |
|                           | Demand of Stakeholder        | -.451                       | .054       | -.455                     | 8.342  | .000 | -.558                           | -.345       |
|                           | Resource of the Organization | -.048                       | .051       | -.044                     | -.951  | .342 | -.148                           | .052        |
|                           | Knowledge of the Proprietors | .205                        | .057       | .186                      | 3.621  | .000 | .094                            | .316        |

a. Dependent Variable: Green Management

Source: SPSS

Green Management=  $1.128 \times \text{uniqueness of the product} + (-.088)$  Green management=  $.220 \times \text{Product} + (-.088)$

Green Management=  $-.451 \times \text{Demand of Stakeholder} + (-.088)$

Green Management=  $-.048 \times \text{Resource of the organization} + (-.088)$  Green Management=  $.205 \times \text{Knowledge of the Proprietors} + (-.088)$

## 5.3 MULTIPLE REGRESSION MODEL ANALYSIS

The multiple regression model carries that all independent variable (except resource of the organization) have significantly impact on the Implementations of Green management. The Dependent Variable GreenManagement was regressed on predicting



variables. Independent variables significantly predicted green management,  $F(5, 379) = 1136.610$ ,  $p < .005$ , which indicates that the all-independent variables can play a significant role in shaping green management. Moreover, the  $R^2 = .937$  depicts that the model explains 93.7% of the variance in green management these results clearly direct the positive affect of the Knowledge of the Proprietors.

Conclusion: **93.7%** of the variance in Green Management can be explain by Product, uniqueness of the product, demand of stakeholder, Resource of the organization, Knowledge of the Proprietors.

Table 10 Model Summary

| Model Summary |                   |          |                   |                            |                   |          |     |     |               |
|---------------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| Model         | R                 | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics |          |     |     |               |
|               |                   |          |                   |                            | R Square Change   | F Change | df1 | df2 | Sig. F Change |
| 1             | .902 <sup>a</sup> | .814     | .814              | .45462                     | .814              | 1678.334 | 1   | 383 | .000          |

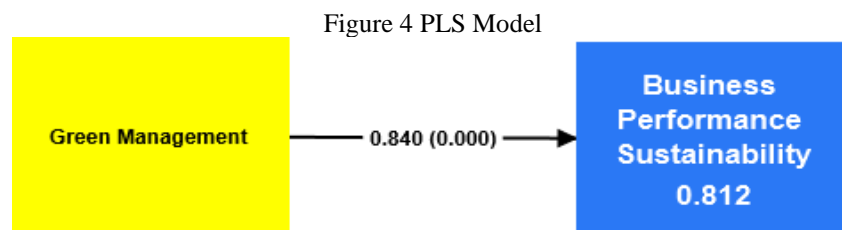
a. Predictors: (Constant), Green Management  
Source: SPSS

Table 11 Coefficients Table

| Coefficients <sup>a</sup> |                  |                             |            |                           |        |      |                                 |             |
|---------------------------|------------------|-----------------------------|------------|---------------------------|--------|------|---------------------------------|-------------|
| Model                     |                  | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. | 95.0% Confidence Interval for B |             |
|                           |                  | B                           | Std. Error | Beta                      |        |      | Lower Bound                     | Upper Bound |
| 1                         | (Constant)       | .090                        | .071       |                           | 1.267  | .206 | -.050                           | .229        |
|                           | Green Management | .819                        | .020       | .902                      | 40.967 | .000 | .780                            | .858        |

a. Dependent Variable: Business Performance Sustainability  
Source: SPSS

## 5.4 INTERPRETATION



Source: Smart PLS



#### Hypothesis 6: There is a significant effect of Green Management on the Business Performance Sustainability

Interpretation: The hypothesis test if the green management carries significant effect on the business performance sustainability. The Dependent Variable business performance sustainability was regressed on predicting variable green management to test the hypothesis H6. Business Performance Sustainability significantly predicted,  $F(1, 383) p < .001$ , which indicates that the green management can play a significant role in shaping Business Performance Sustainability ( $b = .902, p < .001$ ). These results clearly direct the positive affect of the Business Performance Sustainability, moreover, the  $R^2 = .814$  depicts that the model explains 81.4% of the variance in Business Performance Sustainability.

## 6 CONCLUSION

Green management has a significant impact on the sustainability performance of SSIs, as evidenced by the description and results of the analysis. Except for resources of the organization, the adoption of green management is heavily influenced by product, stakeholder demand, Knowledge, and product uniqueness. This implies that product, stakeholder demand, knowledge, and product uniqueness have a significant impact on green management, which impacts SSI's sustainability performance. Additionally, green management will improve SSI's sustainability performance. This study can be used as a reference and can motivate the implementation of green management in the future. In addition, it is anticipated to serve as one of the major resources for enhancing the sustainability performance of SSIs. It is proposed that additional research include more states and sectors so that the results can be generalized and reflect actual conditions.



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