

HUMAN RESOURCE MANAGEMENT OF SME ACTORS TO ENCOURAGE INNOVATION IN THE CONTEXT OF GREEN ECONOMY IN MAKASSAR CITY

Iwan Perwira ¹, Hernita ², Palipada Palisuri ³,
Mawar Fitriazahra ⁴ and Zamrud Ichsan Rafi ⁵

^{1,2} Lecturer, STIM Lasharan Jaya Makassar, Indonesia.

³ Lecturer, Universitas Bosowa Makassar, Indonesia.

^{4,5} STIM Lasharan Jaya Makassar, Indonesia.

*Corresponding Author Email: iwanpzb69@gmail.com

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Abstract

The type of research is qualitative through a phenomenological approach, while the results show that Human resource management (HRM) in small and medium enterprises in Makassar is important for innovation and sustainable growth in the green economy. Although small businesses still use traditional methods, they must adopt green economy principles such as energy efficiency and waste management. This needs to be supported by talented people through training and an innovative culture. Recruitment strategies based on green skills, continuous training, and green technology, supported by government incentives, can improve the operational efficiency, competitiveness, and reputation of small and medium enterprises. Effective human resource (HR) management is critical to the success of Makassar's SMEs, particularly in implementing the green economy. Feasible strategies include continuous education and training on green practices, building a green work culture, and implementing green technologies. In addition, it is important to engage employees in green initiatives, collaborate with third parties such as the government and NGOs, and regularly monitor and evaluate the effectiveness of green initiatives. These measures, supported by government incentives and funding opportunities, will improve the environmental awareness, operational efficiency and competitiveness of small and medium-sized enterprises. For SMEs in Makassar, effective human resource management (HRM) is essential to support innovation and growth in a green economy. Investing in ongoing training, particularly in green technology and sustainable practices, will improve the quality of your workforce and work productivity. Good human resource management encourages innovation in green products and services, promotes compliance with environmental regulations, and enhances a company's image and reputation. Key challenges such as lack of awareness and resources can be overcome with government support and collaboration with various stakeholders. In this way, Makassar SMEs can improve their competitiveness, increase their contribution to environmental protection, and capitalise on green economy opportunities.

Keywords: Innovation, SMEs, Environment, Economy, Management.

INTRODUCTION

Human resource management (HRM) is an important aspect of business operations and the growth of small and medium-sized enterprises (SMEs). In Makassar City, small and medium-sized enterprises play an important role in the local economy. With the increasing global demand for sustainable and environmentally friendly business practices, the concept of green economy is becoming increasingly important.

The green economy emphasises economic growth that is consistent with environmental sustainability. In this context, sustainable human resource management strategies are essential to foster innovation and economic growth of SMEs in Makassar City.

The 4,444 small and medium enterprises in Makassar City contribute significantly to job creation and local economic value creation. However, the challenges faced by

small and medium enterprises are not small. One of the biggest challenges is effective and sustainable talent management. Small and medium-sized enterprises often have limited financial resources and managerial capabilities, hindering them from implementing innovative and environmentally friendly HR strategies.

Sustainable human resource management means incorporating practices into business operations that support employee well-being and environmental sustainability. These strategies include employee training and development, occupational health and safety, fair labour practices, and environmentally friendly management of the work environment.

In the context of Makassar SMEs, this strategy is important for several reasons.

1. Trained and developed employees tend to be more innovative and productive. You can further contribute to the development of new environmentally friendly products and services.
2. Small businesses that implement quality human resource practices can enhance their reputation in the eyes of consumers and business partners. This opens up new market opportunities and supports the long-term sustainability of the company.
3. With increasing government regulations on the environment, small businesses that implement HR strategies are better equipped to comply with regulations and avoid potential sanctions. The green economy emphasises economic growth that reduces environmental risks and ecological scarcity. In this context, sustainable human resource management in Makassar SMEs should support green economy goals.

Strategies that can be implemented include: introduction of environmentally friendly raw materials and technologies; participating in community programmes that support environmental sustainability and strengthen the local economy. While HRM strategies offer many benefits, SMEs in Makassar face several challenges. Limited funds and access to adequate training resources are often major obstacles. However, the opportunities to overcome these challenges are also considerable, especially with support from government and non-government agencies that encourage business practices SMEs can establish partnerships with educational institutions, non-government organisations, and government to gain access to necessary resources and training. Local governments can play an important role by providing incentives and policy support that encourage the adoption of sustainable HR practices. The utilisation of digital technology can help SMEs manage their HR more efficiently and effectively, while supporting green initiatives.

METHODS

This study adopts a qualitative approach with a phenomenological approach to explore and understand how MSME actors in Makassar experience and interpret human resource management in the context of innovation and green economy. The main focus of this study is on the personal experiences and interpretations of MSME actors regarding the process. To collect data, this study will use several techniques: in-depth interviews with semi-structured techniques to explore participants' experiences, perceptions, and understandings regarding human resource management and innovations related to the green economy; participatory observation to see firsthand

human resource management practices and innovations in the field, in order to understand the context and dynamics that may not be fully revealed through interviews; and documentation, by collecting documents related to policies, strategies, and innovation reports from MSMEs, to provide additional context and reinforce data obtained from interviews and observations.

RESULT & DISCUSSION

1. Human resource management in SMEs in relation to innovation and growth based on green economy in Makassar city

As one of the largest cities in eastern Indonesia, Makassar City plays an important role in the national economy. One sector that contributes greatly is small and medium enterprises (SMEs). Makassar's SMEs not only contribute to job creation, but also encourage innovation and economic growth based on the green economy.

Effective human resource (HR) management is key to realising this potential. Human resource management in small and medium enterprises (SMEs) is a key element to achieving innovation and sustainable growth, especially in the context of Makassar's green economy.

Green economy is a concept of economic development that takes into account environmental sustainability, reduction of carbon emissions, improvement of energy efficiency, and minimisation of waste and degradation of natural resources.

In Makassar, applying these principles to human resource management in small and medium enterprises can support more environmentally friendly and sustainable economic growth. Human resource management in small and medium enterprises in Makassar faces various challenges.

Many small and medium enterprises still rely on traditional methods in managing human resources, including a less selective recruitment system, minimal training, and lack of a structured performance evaluation system. This leads to a lack of productivity and innovation among small business employees.

In addition, many SMEs have yet to realise the importance of the green economy. The green economy emphasises environmental sustainability in all economic activities. Such challenges include the use of environmentally friendly raw materials, energy efficiency, and proper waste management. Without adequate understanding, SMEs in Makassar may miss opportunities to grow within a more sustainable economic framework.

Innovation is the most important key to supporting green growth in the SME sector. Innovation is not limited to products and services, but also includes more efficient and environmentally friendly processes and business models.

For example, small and medium enterprises can innovate by adopting more energy-efficient technologies, using recyclable raw materials, and implementing production processes that minimise waste. These innovations must be supported by a competent and environmentally friendly labour force.

Therefore, small businesses need to invest in training and development. A Structured training programme will help your employees understand the importance of the green economy and how they can contribute to it.

In addition, small businesses need to foster a culture of innovation in the workplace, providing space for all employees to innovate and contribute new ideas. There are several strategies that can be applied by SMEs in Makassar in managing HR to support innovation and growth based on the green economy:

- a. Recruitment and selection based on green skills: The hiring process should be more selective, taking into account green skills. It means looking for potential employees who have the understanding and skills for sustainable business practices.
- b. Training and Development: Organizes regular training courses focused on the green economy. This training can cover energy management, waste management, the use of environmentally friendly raw materials, and sustainable production practices.
- c. Innovative Work Culture Creating a work culture that fosters innovation.
- d. This can be achieved by rewarding employees who contribute to eco-friendly innovation and providing space for creativity.
- e. Adopt eco-friendly technology: Adopt eco-friendly technology that can improve operational efficiency and reduce environmental impact. For example, the use of renewable energy, efficient waste management systems, and clean production techniques.
- f. Product and Process Innovation: The development of environmentally friendly products and processes as part of the business strategy. This can include developing products that use raw materials with less negative impact on the environment and more energy- and water-efficient production processes.

The implementation of a green economy-based human resource management strategy can bring various benefits to SMEs in Makassar.

- a. Improve operational efficiency: Sustainable business practices can reduce operational costs through energy savings, improved waste management, and more efficient use of resources.
- b. 2.Competitive Advantage: Small and medium-sized enterprises that adopt a green economy can improve their competitiveness in the market.
- c. Consumers are increasingly concerned about environmental issues and increasingly choose environmentally friendly products and services.
- d. Government support: Governments often provide incentives and support to companies that implement sustainable practices.
- e. This can include tax breaks, financial support, and access to training and development programs.
- f. Customer reputation and loyalty: Embracing the green economy can improve a company's reputation in the eyes of consumers and the wider public.

This increases customer loyalty and attracts new environmentally conscious market segments. Several small and medium-sized enterprises in Makassar have begun to integrate green economy principles into their operations. For example, in the culinary field, we use environmentally friendly packaging and reduce the use of single-use plastics.

In addition, small and medium-sized businesses in the fashion sector are also starting to use recycled materials and produce more energy-efficient products. Effective and innovative human resource management based on the green economy is the key to the sustainable growth of Makassar SMEs. By addressing challenges and taking advantage of existing opportunities, small and medium-sized businesses can improve their efficiency, competitiveness, and reputation. Cooperation between the government, educational institutions, and the private sector is essential to support small and medium-sized enterprises towards a sustainable green economy.

2. Human Resource Management Strategy for Small and Medium Enterprises Based on Green Economy in Makassar City Human resource management (HR) is one of the important aspects in the success of small and medium enterprises (SMEs). In this modern era, the trend of the green economy is a major concern because of its impact on environmental sustainability and the economy. Makassar City as one of the economic centers of eastern Indonesia has great potential in implementing a green economy-based human resource management strategy for SMEs

Here are some strategies that can be implemented by small and medium enterprises in Makassar to manage human resources effectively within the framework of a green economy. Human resource management (HR) is an important aspect of the success of small and medium enterprises (SMEs). In this modern era, the trend of the green economy is a major concern because of its impact on environmental sustainability and the economy. Makassar City as one of the economic centers of eastern Indonesia has great potential in implementing a green economy-based human resource management strategy for SMEs.

Here are some strategies that can be implemented by small and medium enterprises in Makassar to manage human resources effectively within the framework of a green economy.

- a. Training and Continuous Development Small and medium-sized enterprises in Makassar must prioritize continuous training and development of their employees. Training programs that focus on environmentally friendly practices, such as waste management, energy efficiency, and the use of environmentally friendly raw materials, can increase employee awareness and competence in implementing green economy principles. In addition, sustainability-oriented management and leadership training is also essential to enable small business leaders to lead their companies towards greener operations.

This training should cover both practical and theoretical aspects to help employees understand and apply the concept of the green economy effectively.

In addition, regular training must be carried out so that employees are always aware of relevant technological developments and environmental regulations.

- b. Creating an eco-friendly work culture Creating an eco-friendly work culture is an important step in integrating the green economy into small businesses. This can start by introducing policies that support sustainability, such as:

3. Reduce paper consumption, recycle office waste, and save energy

In addition, small businesses can encourage their employees to use eco-friendly transportation such as bicycles and electric vehicles. Increasing environmental

awareness in the workplace can not only increase employee morale, but also improve the company's image in the eyes of consumers. Small businesses can run internal campaigns to educate employees about the importance of being environmentally friendly in the workplace.

Examples include the "Bring Your Own Bottle Campaign," which reduces the use of single-use plastic bottles, and "Paperless Day," which reduces the amount of paper used.

a. Use of eco-friendly technology

The use of environmentally friendly technologies is an integral part of the green economy strategy. Small and medium-sized businesses in Makassar can apply the latest technology to support energy efficiency and waste reduction. Examples include the use of energy-efficient machinery, wastewater treatment plants, and the introduction of IT environmental management systems.

Investing in eco-friendly technology not only reduces environmental impact, but also reduces operational costs in the long run.

The application of this environmentally friendly technology includes the use of energy-efficient LED lights, the installation of solar panels as an alternative energy source, and the use of software to manage the use of resources efficiently. This technology is not only environmentally friendly, but can also increase the productivity and operational efficiency of small and medium-sized businesses.

b. Engaging Employees in Green Company Efforts Engaging employees in green company efforts can increase participation and commitment to sustainability programs.

Small businesses can form an eco-friendly team or an environmental committee made up of employee representatives from different departments. This team is in charge of designing, implementing, and monitoring green initiatives within the company. In addition, companies may organize contests and awards to reward employees who have made significant contributions to environmental protection.

Involving employees in this process will increase their sense of ownership and responsibility towards the eco-friendly program that your company implements. This can also encourage employee innovation to find creative solutions in overcoming environmental problems.

c. Collaboration with Third Parties Collaboration with third parties such as government agencies, non-governmental organizations (NGOs), and educational institutions can improve your green economy talent management strategy.

Through this collaboration, small businesses will have access to technical assistance, training resources, and opportunities to participate in broader sustainability programs. Makassar has a number of green economy initiatives and support programs that can be leveraged by small and medium-sized enterprises to strengthen their capabilities. In addition, collaboration with third parties also opens up opportunities for SMEs to receive funding and incentives from the government and donor organizations that support environmentally friendly initiatives. This can help small and medium-sized businesses carry out environmental projects that require large initial investments.

- d. Monitoring and Evaluation Monitoring and evaluation is an important part of ensuring the success of a green economy-based human resource management strategy.

Small businesses need to establish relevant key performance indicators (KPIs) to measure the impact of the green initiatives they are implementing. Regular evaluations help identify areas for improvement and ensure that existing programs remain relevant and effective. In addition, transparency in reporting the results of evaluations to all employees increases accountability and trust. This monitoring and evaluation process can include measuring carbon emission reduction, energy savings, and waste recycling rates. By monitoring these metrics, small businesses can assess the success of their green initiatives and make the necessary adjustments to achieve better results.

4. The Impact of SME Human Resource Management on Innovation and Green Economic Growth in Makassar City Human resource management plays an important role in supporting innovation and green economic growth, especially for small and medium enterprises (SMEs)

I fulfill my role. The city is known as the center of trade and business in eastern Indonesia, providing a dynamic environment for the development of small and medium enterprises. In this context, effective human resource management can have a significant impact in encouraging innovation and sustainability of the green economy.

- a. Improving the quality of human resources Small and medium enterprises in Makassar that invest in human resource development tend to be more innovative and competitive in the global market. Ongoing training and education allow employees to develop new skills related to green technologies and sustainable business practices. Training programs that focus on waste management, energy efficiency, and cleaner production will help small and medium-sized businesses adapt to market demands that increasingly emphasize sustainability.
- b. Increasing Productivity and Efficiency Good human resource management can also increase the productivity and operational efficiency of small and medium-sized businesses.

By adopting more environmentally friendly employment practices, such as: For example, by using renewable energy or reducing waste, small businesses can reduce operational costs. This increase in efficiency is not only financially beneficial, but also helps reduce the environmental impact of small and medium-sized businesses, which are at the core of green economic growth.

- c. Innovation Products and Services Innovation is the key to green economic growth, and human resource management plays an important role in creating a culture of innovation in small and medium-sized enterprises. Employees involved in the innovation process tend to be more creative and motivated to develop new, more environmentally friendly products and services.

For example, small and medium-sized businesses in the manufacturing sector can develop products made from recycled materials or develop technologies that make more efficient use of natural resources.

- d. Adapting to regulatory changes Increasingly stringent environmental regulations require small businesses to continue to adapt to stay competitive.

Proper human resource management will help Makassar SMEs be better prepared to face this regulatory change. Employees trained to understand and implement environmental regulations can not only help companies comply with regulations, but also identify new business opportunities that arise from those regulations.

- e. **Improving Image and Reputation** In today's information age, a company's reputation is greatly influenced by its environmental practices. Small businesses that can demonstrate a commitment to sustainability through effective human resource management will gain greater trust from consumers and business partners. This positive image not only contributes to customer loyalty but also attracts sustainability-minded investors.
- f. **Collaboration and Networking** Good human resource management also fosters collaboration between small and medium enterprises as well as with other institutions such as the government, educational institutions, and non-governmental organizations.

This collaboration accelerates the transfer of knowledge and environmentally friendly technologies and provides access to resources that are difficult for individuals to access. For example, small and medium-sized businesses can collaborate on joint projects to develop sustainable and innovative solutions. However, the implementation of effective human resource management to support innovation and green economic growth is not without challenges.

One of the biggest challenges is the lack of awareness and understanding of the importance of sustainability among small and medium-sized businesses. In addition, limited financial and human resources are often an obstacle in implementing workforce development programs aimed at sustainability.

On the other hand, there are also many opportunities that can be taken advantage of. Government support through policies and incentives such as free training and subsidies for the implementation of green technologies can be an important driver. What's more, the increasing consumer awareness of eco-friendly products and services presents a significant market opportunity for small and medium-sized businesses committed to sustainability.

Effective human resource management has a significant impact on innovation and the growth of the green economy of SMEs in Makassar City. By investing appropriately in the development of employee skills and knowledge, small and medium-sized businesses can improve productivity, efficiency, and market competitiveness.

In addition, small and medium-sized businesses can contribute to environmental protection through sustainable business practices while exploring new business opportunities in green economic growth.

CONCLUSION

Human resource (HR) management in SMEs in Makassar is important for innovation and sustainable growth in the green economy. Even if they still use traditional methods, small businesses must adopt green economic principles such as: Energy efficiency and waste management need to be supported by talented people through training and innovative culture.

Recruitment strategies based on green skills, continuous training, and green technology, with the support of government incentives, will improve the operational efficiency, competitiveness, and reputation of small and medium-sized enterprises.

Effective human resource (HR) management is very important for the success of Makassar SMEs, especially in the implementation of the green economy.

Strategies that can be implemented include continuing education and training on green practices, building an environmentally friendly work culture, and implementing green technologies.

In addition, involving employees in green initiatives, collaborating with third parties such as governments and NGOs, and periodic monitoring and evaluation to measure the effectiveness of green initiatives are also important.

These measures, supported by government incentives and funding opportunities, will increase environmental awareness, operational efficiency and the competitiveness of small and medium-sized enterprises. For SMEs in Makassar, effective human resource management (HR) is very important to support innovation and environmentally friendly economic growth. Investing in ongoing training, especially in eco-friendly technology and sustainable practices, will improve the quality of your workforce and the productivity of your operations. Good human resource management encourages innovation in environmentally friendly products and services, facilitates compliance with environmental regulations, and improves the company's image and reputation.

Key challenges such as lack of awareness and resources can be addressed with government support and collaboration with various stakeholders. In this way, Makassar SMEs can increase their competitiveness, increase their contribution to environmental protection, and take advantage of green economic opportunities.

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