

Implementation of the Triple Bottom Line Concept in Business Development for Batik Craftsmen

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Abstract

Triple Bottom Line (TBL) is a concept that is being promoted to be applied to businesses. TBL prioritizes the balance of people, planet and profit in business. No exception for batik craftsmen. Batik crafts in their production process involve a coloring process, which is dangerous for the health of their employees and a washing process that risks disrupting soil fertility. This is the background to this research, so it was carried out at Batik Bambu Kenanga craftsmen, Malang Regency, East Java, Indonesia. The research was carried out using a qualitative approach, with data obtained from observations and interviews. The results of the study found that Batik Bambu Kenanga is run with simple management, although not written and recorded every procedure and business process, Batik Bambu Kenanga has implemented TBL. Such as maintaining the health and safety of its employees when producing batik (implementing people), implementing adequate waste management (implementing planet), and establishing good relationships with village officials, local governments and other parties that influence its production process. These results show that Batik Bambu Kenanga, which has implemented TBL, finally gets convenience in running its business which is correlated with profit achievement. The existence of employee support, support from local residents and support from the government. All of that can guarantee the sustainability of the Batik Bambu Kenanga business and to gain competitive advantage in the midst of batik craft competition.

Keywords

Triple bottom line; people; planet; profit; batik craftsmen



I. Introduction

Current business developments are directed at how business actors think about the sustainability of their businesses. Not only getting the greatest possible profit, but establishing good relationships with various parties is also important. Such as having good relationships with humans and the surrounding environment. This phenomenon is called the triple bottom line (TBL) concept, which emphasizes that in running a business, it is required to not only pay attention to financial orientation (profit), but also to contribute to society (people), and contribute to protecting the environment (planet).

The TBL concept, a term coined by Elkington (1997), has become an influential approach worldwide (Svensson & Wagner, 2015; Correia, 2019). Triple bottom line is a concept of measuring the performance of a business holistically by considering economic performance measures in the form of profit, social concern measures (people), and environmental protection (planet) (Elkington, 1998). This concept is key to long-term

strategies for businesses making the transition to sustainability, with three dimensions essential to sustainable development: environmental quality, social equity, and economic benefits (Elkington, 1998).

This research was conducted on batik craftsmen in East Java, Indonesia. The reason for choosing the research subjects is that batik production, in addition to being a source of income, in its production process involves people and the planet. When making batik, there is a stage of canting, coloring using chemicals, which affects the health of the employees who work on it. There is also a repeated washing process, using water and the remaining washing water is disposed of into the ground which needs to be analyzed for the safety of the wastewater disposal process.

Moreover, with the enactment of Law Number 32 of 2009 concerning companies with business activities in the field and/or related to natural resources, they are required to carry out social and environmental responsibilities. This regulation is supplemented by Law Number 40 of 2007 Article 66 concerning social and environmental responsibilities which must be informed in the annual report. So based on this appeal, companies are required to not only apply the single bottom line concept, which is not only oriented towards profit goals but companies are required to apply the triple bottom line which is a concept that benefits the company and benefits people and the surrounding environment.

Batik craftsmen who involve people and the planet in their production process are required to apply the triple bottom line. Managing employees as people by providing safety and health guarantees, and ensuring that the production process is safe and does not damage the environment. Requires commitment from the owner, that the goal is not only to achieve profit, but also for business sustainability. Sustainability means that it is beneficial not only for himself, but also for employees and environmental sustainability.

II. Review of Literatures

2.1 Triple Bottom Line

John Elkington proposed the triple bottom line (TBL) concept in 1997, according to him, in running a business, it should prioritize and participate in advancing the welfare of society (people) and the environment (planet) in addition to maximizing profits. TBL is the core of business sustainability because it is the process of evaluating an organization's operations whether they are able to influence the world, including achieving profitability, meeting the interests of its shareholders and contributing to social, community and environmental issues (Hidayat, 2023).

TBL is an important factor that needs to be considered by today's business actors. Today's businesses are faced with smart consumers, that they buy products not only the product itself, but also the attributes that accompany the product. Consumers assess products from input to after consuming them. Products that are able to offer attributes with broader benefits are often chosen by consumers (Blijlevens, Creusen, & Schoormans, 2009). Consumers analyze a product more lengthily, because of the many product brands on the market. At the comparison stage, environmentally friendly products are often the choice of consumers. TBL is closely related to being environmentally friendly. Safe for people, safe for the environment and profitable because consumers prefer environmentally friendly products today (Irawan et al., 2023).

TBL can be used as a benchmark for businesses, considering not only financial aspects but also social and environmental impacts, both profitable and unprofitable. The three components of TBL are closely related and interconnected. From an economic

perspective, businesses must concentrate on profits in order to survive (Purnama, 2024), from a social perspective, businesses must commit to the community in order to provide the greatest possible benefits (Svensson & Wagner, 2015), and from an environmental perspective, all business activities are directly related to the environment (Irawan et al., 2023).

2.2 Management of Batik Craft Business

Batik craftsmen are included in SMEs businesses, so the policies that cover them are related to the management of micro, small and medium enterprises. The Indonesian government has declared that SMEs are included in the focus of the 2020-2024 national development plan. Government support for SMEs is stated in Government Regulation Number 7 of 2021 concerning the facilitation, protection and empowerment of SMEs. This regulation is a derivative of the Cipta Kerja Law. Development is a change towards improvement. Changes towards improvement require the mobilization of all human resources and reason to realize what is aspired (Shah et al, 2020). The development of human resources is a process of changing the human resources who belong to an organization, from one situation to another, which is better to prepare a future responsibility in achieving organizational goals (Werdhiastutie et al, 2020).

Management of batik craftsmen in Indonesia focuses on increasing the role of local government and placing batik craftsmen in the creative industry (Roziqin at al., 2021). The government has developed 16 sub-sectors in the creative industry, including game production and applications, architecture, interior design, visual communication design, product design, fashion, film, photography, crafts, culinary, music, publishing, performing arts, fine arts, television, and radio. The contribution of the creative industry to Indonesia's domestic income has increased from 2017 to the present (Roziqin el al., 2021). The creative industry also helps the government reduce unemployment (Rohmah & Kusuma, 2017). One of the creative industry instruments that contributes to this figure is batik (Roziqin et al., 2021). Batik is a cultural and artistic product. Batik also has high economic value. Batik is very famous in Indonesia and internationally has been recognized by UNESCO as an Indonesian cultural heritage (Nuriyanto, 2022). Placing batik in the creative industry makes it easier for the government to empower and formulate policies to organize batik artisans throughout Indonesia.

The role of local government is also encouraged by the central government to help manage batik craftsmen (Roziqin et al., 2021; Sukmariningsih, Karyono, & Hassim, 2024). Local government that understands batik craftsmen in their area. Organization in the region accelerates organization, because information is presented more closely and faced in real terms.

2.3 Research Question

The question in this study is in accordance with the title, the background presented is how to implement the triple bottom line for sustainable business in batik craftsmen.

III. Research Methods

This article tries to analyze how TBL is implemented in batik craftsmen, especially for batik with synthetic dyes. This study is based on the fact that synthetic dyes, if the hands or other body parts are exposed frequently, will interfere with health. Then the wastewater from washing batik cloth, is it safe or disrupts soil fertility. In addition, the purpose of this business is to gain profit.

This research was conducted with a qualitative approach. The research was conducted at Batik Bambu Kenanga craftsmen, East Java, Indonesia. The data collection technique used was the survey method with the main data being the results of in-depth interviews with key informants as the owners of Batik Bambu Kenanga, Batik Bambu Kenanga employees, the community and village officials. The data analysis technique used was qualitative descriptive analysis. The data obtained from the results of observations, interviews, and documentation were reduced and then described again qualitatively. The results are presented and concluded as research results.

IV. Result and Discussion

The role of TBL in managing the Batik Bambu Kenanga business is in line with what Nogueira, Gomes, & Lopes (2023) said as follow:

1. Protection of Natural Resources and the Environment.

Generally, the growth of the batik business will be followed by resource degradation caused by the growth and development of extensive and uncontrolled batik crafts, as a result of the increasing market demand for batik products. Wise management is needed so that increasing income should not sacrifice natural resources and the environment. such as by using environmentally friendly dyes, processing waste so that it does not disrupt the soil ecosystem in the surrounding environment.

2. Economic Sustainability.

The economic benefits obtained are not only by the owner of Batik Bambu Kenanga, but are also felt by the surrounding community who are involved as employees. The environmentally friendly batik production process will create a quality of employee health that does not decline and does not need to set aside salaries for medical purposes.

3. Increasing Cultural Integrity.

A good relationship has been established between Batik Bambu Kenanga and several cultural communities to discuss motifs, social and environmental aspects to continue good cultures that must be conveyed to the next generation. For example, bringing up motifs on batik by depicting the local community's habit of living "gotong royong", is a cultural message written in the batik motif to be read, seen and able to influence those who see it.

4. Educational and Learning Values.

The sustainability and sustainability of a business depends on how to raise the understanding and concern of all stakeholders towards the supporting resources of a business. This understanding and concern can only be achieved through the process of capital investment (value) and norms through the process of education and learning.

From the results of observations and interviews with key informants of this study, it can be said that in the management of the Batik Bambu Kenanga business, it is still managed very simply, management is more directed at maintaining the business so that it can be used as a source of income not only for the owner but also for his employees. Efforts to maintain employee health have been made by providing an appeal to use masks and cloth gloves during the coloring process, using rubber gloves and boots during washing. This finding can explain that Batik Bambu Kenanga has implemented the concept of people, that Batik Bambu Kenanga cares about the health of its employees. Not only pursuing maximum production to get maximum income. However, in every batik production process, it also prioritizes the health and safety of its

employees. The owner of Batik Bambu Kenanga feels that employees are the main resource that should not be ignored. Employees are as important as other resources. If employees are not in good condition, it will disrupt the entire business operation.

This result supports the research conducted by Colbert & Kurucz (2006) that when a business prioritizes the people aspect (employees), it will get a lot of goodness and it is easy to maintain its business. Employee support is the main capital for a business to grow. They are willing to work together, dedicate themselves and even entrust their family's income is a very important capital for business sustainability. In fact, employees often make their workplace a second home, a place where they can gather and joke, meet friends like family, and often become entertainment in the midst of the fatigue of family routines.

The results of observations and interviews also found that Batik Bambu Kenanga has made efforts to preserve the surrounding environment. One of the methods used is by placing wastewater from washing batik in a reservoir and then mixing it with alum which functions to neutralize wastewater so that it is safe when disposed of in the soil. This wastewater will not damage soil fertility. The proof is, the land that is disposed of wastewater is planted with vegetables and the vegetables can grow and be cooked. The waste reservoir is built underground with cemented walls and floors, then given a channel to be opened and closed, for the purpose of disposing of wastewater into the soil.

This result is in contrast to the findings of Padin's research (2006), that in the TBL concept, the planetary factor is always the last consideration. According to him, many business actors ignore the planetary aspect. For them, profit is still the main thing, then people. However, what happened in this study was that Batik Bambu Kenanga already had good waste management infrastructure. According to the owner of Batik Bambu Kenanga, initially this was only done because the factory location was close to residential areas, so the owner of Batik Bambu Kenanga did not want to be protested by residents. However, over time, by participating in training, workshops, it turned out that the owner of Batik Bambu Kenanga realized the importance of waste management, not only because they were afraid of being protested by residents, but that was indeed the correct production process. Starting from input, process and output must be able to be accounted for properly.

Meanwhile, for profit, all businesses have this goal. So with the presence of TBL, it is hoped that there will be a profit achievement that considers people and the planet. Business profits are not always money, which can be used right now. However, business sustainability is more important, because it is for the benefit of the nation such as reducing unemployment, eradicating poverty, and if it concerns SMEs, it absorbs a lot of workers with low levels of education (Nikmah et al., 2020). Profit for business people must be long-term. The rapidly changing business environment (Zuhri et al., 2024) makes business owners continue to improve in addition to their goal of increasing profits. As with Batik Bambu Kenanga, which is an SME that grew in Malang Regency, East Java, the first development that was carried out was to see the development of local businesses (Hasan et al., 2022) and then increase them on a wider national and even international scale. The implementation of TBL is one of the steps that can be taken for business sustainability, besides that it can also be used as a differentiation strategy to gain competitive advantage. Competitive advantage becomes important (Nikmah et al., 2024) along with the presence of new batik craftsmen. The strategy workshops typically involve an initial explanation of the strategies to be learned, followed by extensive practice sessions (Gadour, 2013).

In relation to the matters stated above, this study presents the implementation of TBL by Batik Bambu Kenanga, as follows:

Table 1. Implementation TBL by Batik Bambu Kenanga

TBL Concept	Implemented	Not Yet Implemented
People	<ol style="list-style-type: none"> 1. Employee support for business sustainability. 2. Security support from village officials. 3. Local government support for the existence of Batik Bambu Kenanga. 4. Support from the East Java batik community. 	Undocumented standard procedures such as rules regarding employee health and safety.
Planet	<ol style="list-style-type: none"> 1. Good waste management. 2. A small part of the production process uses environmentally friendly natural dyes. 	<ol style="list-style-type: none"> 1. Integrated development master plan with environmentally friendly concept. 2. Standard procedure on wastewater management have been not documented.
Profit	<ol style="list-style-type: none"> 1. High pricing for batik with natural dyes. 2. The owner is often a guest for the topic of batik craft business. 3. There is a contribution for those who visit and learn batik at Batik Bambu Kenanga. 	The layout of the workspace and showroom is less marketable, while Batik Bambu Kenanga is often a destination for consumer visits.

Through the table 1 above, it can be seen that the TBL concept has been simply implemented or practiced by Batik Bambu Kenanga, but in the future it needs to be further improved, especially in the importance of Batik Bambu Kenanga business management by paying attention to the balance between people, planet and profit to achieve prosperity not only for Batik Bambu Kenanga owners, but also for the people around them including employees and the planet such as the surrounding environment. Moreover, with a dynamic business environment, every step taken must meet the elements of balance between people, planet and profit because currently faced with fierce competition among batik SMEs or large factories that produce batik. When Batik Bambu Kenanga can implement TBL consistently, business differentiation will be achieved and will easily gain competitive advantage.

V. Conclusion

Triple bottom line is a concept of running a business with sustainable business goals by considering people, planet and profit. Today's business is not only for profit, but to get profit must consider people and planet. People in business means that the business being run has benefits and does not have risk impacts such as safety and health risks. The people

in question are business owners, employees and the surrounding community. Planet means that the business does not damage the environment but instead maintains the sustainability of nature. The production process up to the use of the product, focuses on being environmentally friendly. Planet is a concept that inspires nature conservation in running a business. Among the three concepts, profit is always common in running a business. Every business always aims to achieve profit. However, with the current development of business, to achieve profit must consider people and planet.

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