Increasing Business Sustainability Through Green Intellectual Capital And Competitive Advantage In Sme's

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Abstract

Environmental SMEs are a business sector that can be developed to advance the economy. SMEs can be a place to create productive employment opportunities. Business competition demands that every business actor not only has as much working capital as possible but is also able to manage human resources. With regard to business sustainability, it is necessary to pay attention to Green Intellectual Capital which is an important component of a business model that focuses on knowledge and human resources to determine knowledge environmentally friendly. This study aims to analyze the influence of Green Intellectual Capital (consisting of Green Human Capital, Green Structural Capital & Green Relational Capital) and Competitive advantage on Business Sustainability SMEs in Indonesia & Philippine. This research was done with Quantitative Method using Structural Equation Modelling (SEM) analysis with software Partial Least Square (PLS). The population in this study was a sample of 100 people and the sampling technique is random sampling. This research proved that Green Structural Capital & Green Relational Capital have effect to Business Sustainability through Competitive advantage

Keywords: Green Human Capital;Green Structural Capital;Green Relational Capital;Business Sustainability through Competitive advantage

1. Introduction

In the Volatility, Uncertainty, Complexity, dan Ambiguity (VUCA) era which is full of uncertainty, Small and Medium Enterprises (SMEs) is one of the business fields that can be developed to advance the economy. SMEs can be a place to create productive employment opportunities (Lenny & Ahmad, 2019 & 2021). Currently, SMEs are quite affected by the COVID 19 pandemic. Many SMEs are experiencing problems in the fields of capital, distribution of raw materials, marketing and human resources. Several programs were made to overcome these problems and support the growth of SMEs through the banking sector or through various related agencies in Indonesia and in Philippine.

Business competition demands that every business actor not only have as much working capital as possible but also be able to manage knowledge of human resources. Every company is required to continue to develop its capabilities, competencies, and competitive advantages by relying on experience and intellectual capital. Green Intellectual Capital is the development of intellectual capital which is an important component of a business model that focuses on knowledge and human

resources as knowledge assets with an environmental perspective.

Several previous studies related to Green Intellectual Capital and business sustainability (Chen, 2015; Muhamad, 2017; Yusmazida, 2019) proved that there were influences related to intellectual capital and business sustainability.

However, when examined further the dimensions of Green Intellectual Capital, namely Green Human Capital, Green Structural Capital and Green Relational Capital, there are still inconsistent results such as research conducted by Khalil (2019) which states that Green Human Capital and Green Relational Capital have an effect on Business Sustainability while Green Structural Capital has no effect. Yusmazida's (2019) research states that Green Structural Capital and Green Relational Capital have an effect on Business Sustainability while Green Human Capital has no effect. Research related to Green Intellectual Capital and Competitive advantage was conducted by Chaudhry (2016) which stated that Green Intellectual Capital had an effect on competitive advantage.

Based on previous research, research on other variables that are thought to have an effect on Business Sustainability was carried out, namely Green Intellectual Capital and Competitive Advantage. To find out more about the influence of these variables on Business Sustainability, then this research will be carried out.

2.   Literature Review
2.1.   Green Intellectual Capital
Green Intellectual Capital is The Integration Of Intellectual Capital And Environmental Concerns At The Organizational Or Individual Level Having All Types Of Asset, Which Are Considered Intangible, Like Competencies, Knowledge, And Interactions (Chen, 2008).
Dimensions of Green Intellectual Capital are:
a.   Green Human Capital: The final presentation of employee knowledge, expertise, abilities, experience, behavior, wisdom, creativity and commitment to environmental protection or green innovation
b.   Green Structural Capital : Organizational Assets which shows concerns about Environmental Protection Or Green Innovation inside The Company And those Assets Named as Strategies Regarding Organizational Commitments, Organizational

Capabilities, Rewards Systems Organizational Culture, Databases, Knowledge Management System, Information Technology, Company Images, Copyrights And Trademarks
c.   Green Relational Capital: Intangible Asset Of Company That Are Based On The Relationship Between Organization And Supplier, Customers, Green Innovation, Network Members, And Partners About Corporate Environmental Management With the aim to Obtain Competitive Advantage
2.2.   Competitive Advantage
Fred (2011) defines competitive advantage as "whatever a company does better than its competitors". When a company does something that a rival firm cannot do or has something that a rival company wants, it can represent a competitive advantage. Porter outlined three main ways companies can achieve sustainable profit. They are Leadership / leadership Costs, differentiation, and focus.

2.3.   Sustainability Organizational
Sustainable business is an enterprise that has minimal negative impact or potentially a positive effect on the global or local environment, community, society, or economy - a business that strives to meet the triple bottom line
Dimensions and indicators of Business sustainability are as follows:
a.   The Economic dimension in question is how the organization is able to maintain sustainability in the economic field.
b.   The environmental dimension is how to build values / culture for employees to care about the environment.
c.   The social dimension in question is the way the organization to establish sustainable cooperation and based on the involvement of organizations to care for the environment

2.4.   Hypothesis Development & Research Model
1.   The relationship between Green Human Capital and Competitive Advantage
Research conducted by Qurota & Muafi (2020) proves that green human capital has an effect on Competitive Advantage on Batik SMEs in Indonesia. Based on the description above, the researcher proposes the following hypothesis:
H1: Green Human Capital has effect on

Competitive Advantage

2.   The relationship between Green Structural Capital and Competitive Advantage

Research conducted by Chaudhry (2016) shows that Green Structural Capital has effect on Competitive Advantage in manufacturing in Pakistan. Based on the description above, the researcher proposes the following hypothesis:

H2: Green Structural Capital has effect on Competitive Advantage

3.   The relationship between Green Relational Capital and Competitive Advantage.

The research conducted by Chen (2008) proves that the effect of Green Relational Capital on competitive advantage of SMEs in Taiwan. Based on the description above, the researcher proposes the following hypothesis:

H3: Green Relational Capital has effect on Competitive Advantage

4.   The relationship between Competitive Advantage and Business Sustainability

The influence of Competitive Advantage on company performance which will later affect Business Sustainability is proven by research by Chaudhry, et.al (2016). Based on the description above, the researcher proposes the following hypothesis:

H4:Competitive Advantage has effect on Business Sustainability

5.   The relationship between Green Human Capital and Business Sustainability

Research conducted by Muhamad.et.al (2019) states that Green Intellectual Capital, including Green Human Capital, has an effect on business sustainability in Philippine. Based on the description above, the researcher proposes the following hypothesis :

H5: Green Human Capital has effect on Business Sustainability.

6.   The relationship between Green Structural Capital and Business Sustainability

Research conducted by Yusmazida & Muhamad (2019) proves that Green Structural Capital affects Business Sustainability in companies in Philippine.

Based on the description above, the researcher proposes the following hypothesis:

H6:Green Structural Capital has effect on Business Sustainability

7.   The relationship between Green

Relational   Capital   and   Business Sustainability

Several studies have shown the influence between Green Relational Capital and Business Sustainability, such as research conducted by Omar (2019) which states that there is an effect of green intellectual capital including Green Relational Capital on business sustainability in manufacturing companies.

Based on the description above, the researcher proposes the following hypothesis :

H7 : Green Relational Capital has effect on Business Sustainability

8. The relationship between Green Human Capital and Business Sustainability through Competitive Advantage

Several studies have shown that there is a relationship between Green Human Capital and Competitive Advantage (Qurota & Muafi, 2020) and a relationship between Competitive Advantage and Business Sustainability (Chaudhry, 2016). Based on the description above, the researcher proposes the following hypothesis:

H8: Green Human Capital has effect on Business Sustainability through Competitive Advantage

9.   The relationship between Green Structural   Capital   and   Business Sustainability   through   Competitive Advantage

Research by Yusmazida (2019) and Yvonne (2020) proved the influence of Green Structural Capital with Competitive Advantage and Competitive Advantage influence to Business Sustainability (Julio, 2017).

Based on the description above, the researcher proposes the following hypothesis:

H9 : Green Structural Capital has effect on Business Sustainability through Competitive Advantage

10.   The relationship between Green Relational   Capital   and   Business Sustainability   through   Competitive Advantage

The effect of Green Relational Capital on Competitive Advantage was researched by Chen (2016). Meanwhile, the influence of Competitive   Advantage   on   Business Sustainability is proven by Julio (2017). Based on the description above, the researcher proposes the following hypothesis:

H10: Green Relational Capital has effect on Business Sustainability through Competitive
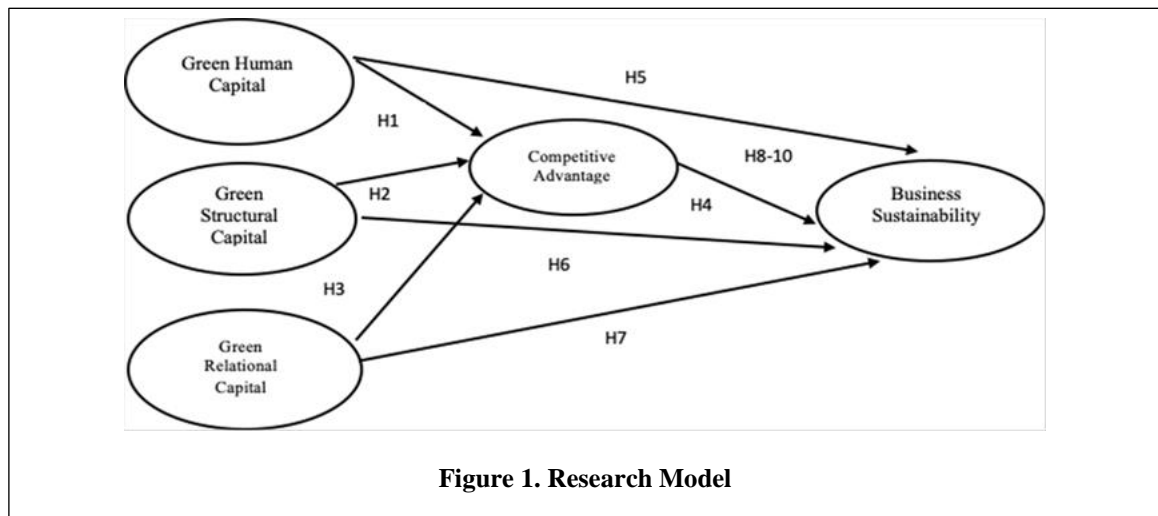
Advantage

Figure 1. Research Model

3.
Methodology/Materials
3.1.   Research Methods
This type of research is quantitative research. The object of this research is this research was conducted at Indonesia and Philippine.

The population in this study Manager SMEs in Indonesia and Philippine. The sample size was taken using the Hair formula, namely 5 x the number of research indicators (20) to 100 people. The sampling technique is random sampling.

The technique of sampling is random sampling and data analysis uses SEM / PLS.
3.2.   Operational Variable
Below is the operational variable table which consists of several variables including; green human capital, green structural capital,green relational capital, competitive advantage and sustainability business variable

Table 1. Operational Variable

	Green Human Capital
1	Employees' concern for environmental protection
2	There is good competence from employees related to the environment
3	The existence of employee team work on environmental protection
4	The existence of company management support that supports employess who care about the environment
	Green Structural Capital
1	Company have innovations related to environmental protection
2	Company have investment in environmental protection
3	The existence of competency development related to environmentally friendly services/ products in company
4	There is a management process in the company that still pays attention to the environment
	Green Relational Capital
1	Products offered by the company are environmentally friendly
2	The existence of environmentally friendly activities carried out by the company for customer satisfaction
3	The company maintains and pays attention to the environment around the company
4	The existence of a harmonious relationship between the company and customers in environmental protection
5	The Company is open to third parties in environmental management

	Competitive Advantage
1	Leadership Costs
2	Differentiation
3	Focus
	Sustainability Business
1	Improving the quality of service in Business
2	Increased Business service user satisfaction
3	Business concerned to Safety & Health
4	Business carries out water & electricity savings

4.   Results and Findings
4.1.   Result
4.1.1.   Outer model Test
1.   Convergent Validity Testing
Table 2 shows the results of testing all indicators having an outer loading value above 0.7 so that it can be concluded that the above indicators meet the proper convergent validity criteria.

The results of the convergent validity test which have an outer loading value below 0.70 will be dropped from the model, then the results of the initial analysis of the outer loading value can be seen as visualized in Table 2 as follows

Table 2 : Convergent Validity Test Results

Variable	Indicator	Outer Loading	
Green Human Capital (X1)	X1.1	0,942	Valid
	X1.2	0,923	Valid
Green Structural Capital (X2)	X2.1	0,946	Valid
	X2.2	0,923	Valid
	X2.3	0,713	Valid
Green Relational Capital (X3)	X3.1	0,933	Valid
	X3.2	0,846	Valid
	X3.3	0,772	Valid
	X3.5	0,922	Valid
Competitive Advantage (Y1)	Y 1.1	0,882	Valid
	Y 1.2	0,88	Valid
	Y1.3	0,859	Valid
Business Sustainability (Y2)	Y2.2	0,943	Valid
	Y2.3	0,835	Valid
	Y2.4	0,932	Valid

Source: Primary data processed, 2021

2.   Discriminant validity
Discriminant validity is a reflexive indicator measurement based on cross loading with its latent variables. Another method is to compare the square root of average variance extracted (AVE) value for each construct, with the correlation between other constructs in the model.
In this regard, it is recommended that the measurement value be greater than 0.50.

Furthermore, the results of the Discriminant validity test can be seen in the visualization of Table 3 as follows :
Table 3 above shows the results of the discriminant validity test where all the values of Average variance extracted (AVE) are more than 0.50. Thus it can be concluded that this measurement meets Convergent Validity requirements based on the value of Average Variance Extracted (AVE).

Table 3. Discriminant validity Test Results

Variable	Average variance extracted (AVE)

Green Human Capital (X1)	0,869
Green Structural Capital (X2)	0,752
Green Relational Capital (X3)	0,758
Competitive Advantage (Y1)	0,763
Business Sustainability (Y2)	0,819

Source: Primary data processed, 2021

3.   Composite Reliability
Testing composite reliability aims to test the validity of the instrument in a research model.

Table 4. Composite Reliability Test Results

Variable	Composite Reliability	
Green Human Capital (X1)	0,930	Reliable
Green Structural Capital (X2)	0,900	Reliable
Green Relational Capital (X3)	0,926	Reliable
Competitive Advantage (Y1)	0,906	Reliable
Business Sustainability (Y2)	0,931	Reliable

Source: Primary data processed, 2021

Based on Table 4 above, it can be explained that the results of the composite reliability test show a satisfactory value, where all latent variables are reliable because all variable values have a composite reliability value ≥ 0.70. In other words, the questionnaire used as an instrument in this study is reliable or consistent. Thus it can be concluded that, all indicators indeed measure their respective constructs.

The results of the composite reliability test can be seen in Table 4 as follows:

4.   Goodness of Fit Model
The results of testing the empirical model of this study can be seen in Figure 2 as follows
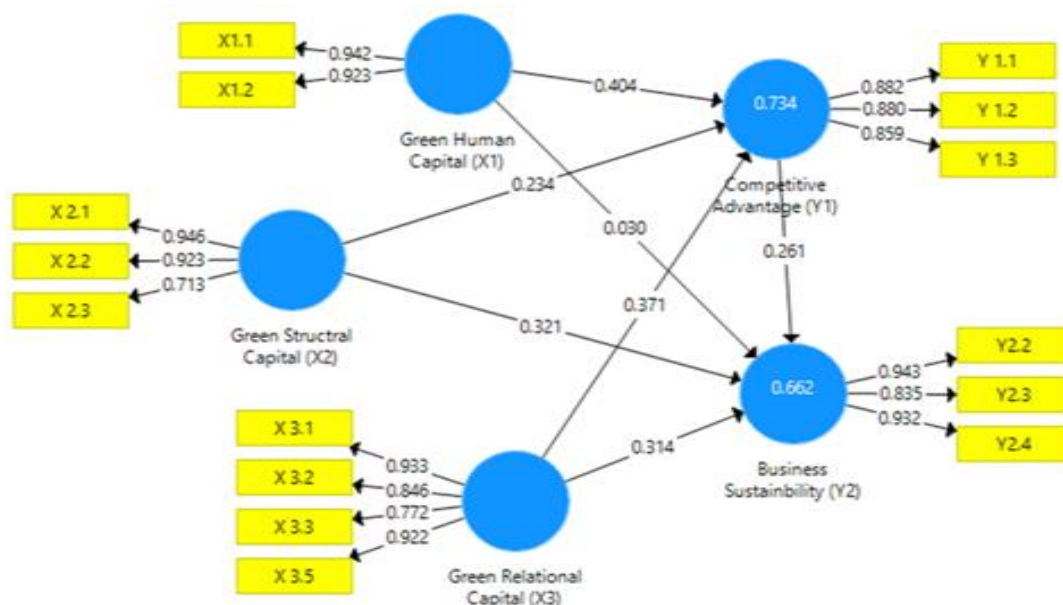

Figure 2. Results of Analysis with PLS
Source: Primary data processed, 2021

a.   Uji Coefficient Determinacy / R Square (R²)
Inner model evaluation is done by looking at the coefficient of determination. The coefficient of determination aims to measure how far the model's ability to explain the variance of the dependent variable. The value of the coefficient of determination is between 0 and 1. The value of the coefficient of

determination (R2) is close to the value of 1. The value of R² explains how much the independent variable hypothesized in the equation is able to explain the dependent variable. the criteria for limiting the value of R² in three classifications, namely the values of R² = 0.67, 0.33, and 0.19 as substantial, moderate, and weak.

Table 5. Value of R Square (R²) from the Research Model

Construct	R Square	R Square Adjusted
Competitive Advantage (Y1)	0,734	0,726
Business Sustainability (Y2)	0,662	0,648

Source: Primary Data Processed (2021)

Table 5 explains the relationship between constructs based on the R-square Adjusted value, it can be explained that the Competitive Advantage (Y1) variable is 0.726 (substantial), this shows that 72.6% of the Competitive Advantage (Y1) variable can be influenced by the Green Human Capital variable (X1), Green Structural Capital (X2), and Green Relational Capital (X3), while the remaining 27.4% is influenced by other variables outside the study. While the relationship between constructs based on the adjusted R-square value can be explained that the Business Sustainability (Y2) variable is 0.648, this indicates that 64.8% of the Business Sustainability (Y2) variables can be influenced by the Green Human Capital (X1), Green Structural variables. Capital (X2), Green Relational Capital (X3), and Competitive Advantage (Y1), while the remaining 35.2% is influenced by other variables outside those studied.

b.   Evaluation of R² Value
To evaluate the R2 value based on the calculation results using the calculate SmartPLS version 3.0 algorithm, the R2 value is 0.951 for the Employee Green Behavior variable, and 0.884 for the Sustainable Corporate Performance variable. The R2 value indicates that the level of determination of the exogenous variables (Green Human Capital (X1), Green Structural Capital (X2), Green Relational Capital (X3)) is high on endogenous. The simultaneous effect of the variables of Green Human Capital (X1), Green Structural Capital (X2), Green Relational Capital (X3), Competitive Advantage (Y1) and Business Sustainability

(Y2) can be done by calculating the f / f statistic using the formula below.

R^2 = 0,734 (Competitive Advantage)

$$F\ count = \frac{\frac{R^2}{(k-1)}}{1 - R^2/(n-k)}$$

$$F count = \frac{\frac{0,734}{(4-1)}}{1 - 0,734/(100-4)}$$

F count = 0,245 / 0,0028
F count = 88,3

The simultaneous significant test results showed that the calculated F value in this study was 88.3 the F table value at alpha 0.05, namely 2.699. This means that f count> f Table (2,699), then together the variables of Green Human Capital (X1), Green Structural Capital (X2), and Green Relational Capital (X3) have an effect on Competitive Advantage (Y1).

R^2 = 0,662 (Business Sustainability)

$$F\ count = \frac{\frac{R^2}{(k-1)}}{1 - R^2/(n-k)}$$

$$F count = \frac{\frac{0,662}{(5-1)}}{1 - 0,662/(100-5)}$$

F count = 0,1655 / 0,003558
F count = 46,52

The results of the significant test simultaneously showed that the calculated F value in this study was 46.52, the F table value at alpha 0.05 was 2.699. This means that f count> f Table (2,699), so together the variables of Green Human Capital (X1), Green Structural Capital (X2), Green Relational Capital (X3), and Competitive Advantage (Y1) have an effect on Business Sustainability (Y2).

c. Overall Structural Model Validation with the Goodness of Fit Index (GoF)

The purpose of conducting the Goodness of Fit Index (GoF) test is to validate the combined performance of the measurement model (outer model) and the structural model (inner model) obtained through the following calculations:

$GoF = \sqrt{AVE \ x \ R^2}$

$GoF = \sqrt{0.7922 \ x \ 0.698}$

$GoF = \sqrt{0.5529}$

$GoF = 0,744$

Note :

AVE = (0,837+0,675+0,653++0,754)/5 = 0,7922

R square = (0,734+ 0,662)/2 = 0,698

The results of the calculation of the Goodness of Fit Index (GoF) show a value of 0.744. According to Ghazali (2016), small GoF = 0.1, medium GoF = 0.25 and large GoF = 0.36. Based on these results, it can be concluded that the combined performance of the measurement model (outer model) and the structural model (inner model) as a whole is good because the value of the Goodness of Fit Index (GoF) is more than 0.36 (large scale GoF).

d. Uji Predictive Relevance (Q^2)

The purpose of conducting predictive relevance (Q2) testing is to validate the model. The results of the calculation of Q2 are as follows:

$Q2 = 1 - (1 - R1^2) (1 - R2^2)$

$Q2 = 1 - (1 - 0,734) (1 - 0,662)$

$Q2 = 1 - (0,266)(0,338)$

$Q2 = 0,91$

Based on the results of the predictive relevance (Q2) above, it shows a value of 0.91. In this research model, endogenous latent variables have a predictive relevance (Q2) value greater than 0 (zero) so that the exogenous latent variables as explanatory variables are able to predict the endogenous variables, namely employee performance, or in other words prove that this model is considered to have predictive relevance good

4.1.2. Test Structural Model Testing (Inner model)

Hypothesis testing between constructs was carried out using the bootstrap resampling method. The results of hypothesis testing using SmartPLS 3.2.8 software can be seen in Table 6 as follows :

Table 6. Path Coefficient values, t-Statistics, and P-Values

Relations Between Constructs	Original Sample (O)	T Statistics (|O/STDEV|)	P Values	
Direct Influence				
Green Human Capital (X1) -> Competitive Advantage (Y1)	0,404	141,327	<0,000	Positive and Significant
Green Structural Capital (X2) -> Competitive Advantage (Y1)	0,234	8,2	0,015	Positive and Significant
Green Relational Capital (X3) -> Competitive Advantage (Y1)	0,371	11,304	0,008	Positive and Significant
Competitive Advantage (Y1) -> Business Sustainability (Y2)	0,261	72,54	<0,000	Positive and Significant
Green Human Capital (X1) -> Business Sustainability (Y2)	0,03	0,895	0,465	Positive and Not Significant
Green Structural Capital (X2) -> Business Sustainability (Y2)	0,321	4,848	0,04	Positive and Significant
Green Relational Capital (X3) -> Business Sustainability (Y2)	0,314	10,352	0,009	Positive and Significant
Indirect Influence				
Green Human Capital (X1) -> Competitive Advantage (Y1) -> Business Sustainability (Y2)	0,105	50,043	<0,000	Positive and Significant

Relations Between Constructs	Original Sample (O)	T Statistics (|O/STDEV|)	P Values	
Green Structural Capital (X2) -> Competitive Advantage (Y1) -> Business Sustainability (Y2)	0,061	13,852	0,005	Positive and Significant
Green Relational Capital (X3) -> Competitive Advantage (Y1) -> Business Sustainability (Y2)	0,097	31,088	0,001	Positive and Significant
Total Effect				
Green Human Capital (X1) -> Business Sustainability (Y2)	0,136	4,257	0,051	Positive and Not Significant
Green Structural Capital (X2) -> Business Sustainability (Y2)	0,382	5,411	0,032	Positive and Significant
Green Relational Capital (X3) -> Business Sustainability (Y2)	0,411	12,283	0,007	Positive and Significant

Source: Primary Data Processed (2021)

4.2.   Discussion
1.   The effect of Green Human Capital on Competitive Advantage
The research results prove that Green Human Capital has a significant effect on Competitive Advantage. This is in line with research by Qurota & Muafi (2020) which proves that green human capital has an effect on Competitive Advantage. An indicator of Green Human Capital that has a big influence is employee concern for environmental protection. This indicates that in conducting business, employees have knowledge and concern for environmental protection

2.   The effect of Green Structural Capital on Competitive Advantage
The research results prove that Green Structural Capital has a significant effect on Competitive Advantage. This is in line with research Chaudhry (2016) shows that Green Structural Capital has an effect on Competitive Advantage in manufacturing. The Green Structural Capital indicator that has the greatest influence is Company have innovations related to environmental protection. This means that SMEs already have concerns related to environmental concerns and continue to make innovations related to business processes and products related to environmental conservation.

3.   The effect of Green Relational Capital on Competitive Advantage
The research results prove that Green Relational Capital has a significant effect on Competitive Advantage. This is in line with Chen's (2008) research proves that the effect

of Green Relational Capital on competitive advantage of SMEs. The Green Relational Capital indicator that has the greatest influence is Products offered by the company are environmentally friendly. This suggests that the SMEs that are researched are doing business consistently to produce and offer environmentally friendly products to society.

4.   The effect of Competitive Advantage on Business Sustainability
The research results prove that Competitive Advantage has a significant effect on Business Sustainability. This is in line with the research of Chaudhry, et.al (2016) which states that there is an effect of Competitive Advantage on Business Sustainability. The Competitive Advantage indicator that has the greatest influence is Cost leadership. This suggests that most of the SMEs studied carried out the Costs leadership strategy, namely by making production costs efficient.

5.   The effect of Green Human Capital on Business Sustainability
The research results prove that Green Human Capital has not a significant effect on Business Sustainability. This is in line with Muhamad.et.al's (2019) research that states that Green Intellectual Capital, including Green Human Capital, has an effect on business sustainability. The Green Human Capital indicator that has the least influence is There is good competence from employees related to the environment. This shows that in some of the SMEs studied there were still some employees who were still not competent

regarding environmental management in conducting business.

6. The effect of Green Structural Capital on Business Sustainability

The research results prove that Green Structural Capital has a significant effect on Business Sustainability. This is in line with the research of Yusmazida & Muhamad (2019) proving that Green Structural Capital affects Business Sustainability in companies. The Green Structural Capital indicator that has the least effect is the development of competencies related to environmentally friendly services / products in the company. This study states that not all SMEs studied have developed competency in environmentally friendly services / products in SMEs

7. The effect of Green Relational Capital on Business Sustainability

The research results prove that Green Relational Capital has a significant effect on Business Sustainability. This is in line with Omar's research (2019) which states that there is an effect of green intellectual capital including Green Relational Capital on business sustainability in manufacturing companies. The Green Relational Capital indicator that has the least influence is the company maintains and pays attention to the environment around the company. This proves that not all SMEs studied have implemented programs for environmental management around SMEs.

8. The effect of Green Human Capital on Business Sustainability through Competitive Advantage

The research results prove that Green Human Capital has a significant effect on Business Sustainability through the Competitive Advantage. This is in line with the research of Qurota & Muafi (2020) which explains the relationship between Green Human Capital and Competitive Advantage. Chaudhry's research (2016) states that there is a relationship between Competitive Advantage and Business Sustainability. The Business Sustainability indicator that has the greatest influence is Increased Business service user satisfaction. This proves that the SMEs under study focus on increasing customer satisfaction. This is evidenced by the existence of various programs implemented by SMEs for Increased Business service user satisfaction.

9. The effect of Green Structural Capital on Business Sustainability through Competitive Advantage.

The research results prove that Green Structural Capital has a significant effect on Business Sustainability through the Competitive Advantage. This is in line with research conducted by Yusmazida (2019) and Yvonne (2020) proved the influence of Green Structural Capital with Competitive Advantage and Competitive Advantage influence to Business Sustainability (Julio, 2017). The least influential Business Sustainability indicator was Business concerned to Safety & Health. In several SMEs that were studied, programs related to occupational safety and health had not been implemented optimally.

10. The effect of Green Relational Capital on Business Sustainability through Competitive Advantage

The research results prove that Green Relational Capital has a significant effect on Business Sustainability through the Competitive Advantage. This is in line with Chen's research (2016) which states The effect of Green Relational Capital on Competitive Advantage. Research conducted by Julio (2017) proves the influence of Competitive Advantage on Business Sustainability. The Competitive Advantage indicator that has the least effect is Focus. This means that the SMEs studied have not yet implemented a focused strategy. The focused strategy identifies the market segments in which SMEs can compete effectively.

5. Conclusion

This research proved that:

1. Green Human Capital has a positive and significant effect on Competitive Advantage
2. Green Structural Capital has a positive and significant effect on Competitive Advantage
3. Green Relational Capital has a positive and significant effect on Competitive Advantage
4. Competitive Advantage has a positive and significant effect on Business Sustainability
5. Green Human Capital has a positive and not significant effect on Business Sustainability
6. Green Structural Capital has a positive and significant effect on Business

Sustainability
7.   Green Relational Capital has a positive and significant effect on Business Sustainability
8.   Green Human Capital has a positive and significant effect on Business Sustainability through Competitive Advantage
9.   Green Structural Capital has a positive and significant effect on Business Sustainability through Competitive Advantage
10.   Green Relational Capital has a positive and significant effect on Business Sustainability through Competitive Advantage

Suggestions for SMEs:
1.   Green Human Capital: Based on the research results, it is necessary to improve the competence of employees in environmental management in conducting business through training programs related to business management that pay attention to environmental conservation which can be carried out regularly.
2.   Green Structural Capital: Based on the results of research related to Green Structural Capital that needs to be improved is to carry out competency development related to environmentally friendly services / products in SMEs.
3.   Green Relational Capital: Based on the research results, SMEs need to improve environmental management programs around SMEs, for example by carrying out Corporate Social Responsibility activities for the community around SMEs.
4.   Competitive Advantage: Based on the results of the research, SMEs need to improve the focus strategy in order to match market characteristics with the competitive advantage of SMEs to select markets where the focus of SMEs resources tends to lead to the desired sales volume, revenue, and profit.
5.   Business Sustainability: Based on the results of research related to Business Sustainability, SMEs are advised to improve occupational safety and health programs.

Suggestions for further research are expected to further explore other variables that affect Business Sustainability and increase the sample used in the study.

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