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Model of Green HRM Practice Implementation in Household Industries Based on Sustainable Local Wisdom: A Study on Cap Tikus Traditional Beverage Business in Talaitad Village, Suluun Tareran District

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ABSTRACT

Environmentally friendly human resource management as part of local business sustainability efforts, especially those that are still traditional and based on community cultural values, has a strategic role. This study addresses the lack of structured Green HRM models within traditional local industries in Indonesia, particularly in household-scale businesses that operate based on cultural heritage and community values. The concept of Green Human Resource Management (Green HRM) is the application of human resource management that is environmentally friendly and can be implemented in the management of household industries that have a small business scale. The production process of Cap Tikus drinks has traditionally not considered the principles of sustainability and environmental friendliness. The purpose of the research is to identify green HRM practices that have been applied in the traditional beverage business, describe challenges in the implementation of green HRM, and formulate a model for implementing green HRM practices based on local wisdom and business sustainability. The results of the study show that the business management of the traditional beverage household industry is still traditional and has not implemented green HRM in business management. The application of the green HRM model is implemented through the practices of Green Recruitment & Selection, Green Training & Development, Green Performance Evaluation, and Green Employee Relations. The positive impact of the implementation is the formation of a working group that is concerned and environmentally friendly, competent and innovative in business management based on local wisdom, environmentally friendly practices, and optimal waste management.

Keywords: Green HRM, Local Wisdom, Sustainability, Eco-Friendly

INTRODUCTION

The issue of climate change and environmental damage has become a global concern that has prompted various sectors, including industry, to adopt a more environmentally friendly approach. One such approach is the implementation of *Green Human Resource Management (Green HRM)*, a human resource management practice that supports environmental conservation through sustainable employee policies and behaviors (Saeed et al., 2019). Green HRM involves integrating sustainability into all aspects of human resource management, from recruitment and training to performance management and employee engagement (Ullah, 2017). Furthermore, Siti Susana argues that the household industry is a home industry because it is in the category of small-scale businesses managed by families or local communities (Siregar & Setiawati, 2025). The characteristics of the household industry include the use of family labor, simple technology, limited capital, and production processes generally carried out at home or in the surrounding environment (Cowan, 2023). Despite the economic significance of household industries in Indonesia, research on the integration of Green HRM practices within

these traditional business contexts remains limited, particularly in sectors deeply rooted in local wisdom and cultural heritage (Seftiani et al., 2025).

In the context of human resource management, greening involves preserving and conserving the natural environment, avoiding or minimizing environmental pollution, and creating places that resemble nature (Ahmad, 2015). Therefore, if an employee acts on these aspects, the employee is considered a green employee (Tang, Ren, Wang, Li, & Zhang, 2023). The green concept in Human Resource Management (HRM) in practice has a positive impact on the sustainability of environmentally friendly businesses (Bombiak & Marciniuk-Kluska, 2018). This is in line with the opinion of Haden and Saeed that, while green human resource management encompasses a wide range of practices such as human resource management, these practices are more advanced because they are more specific about sustainability and waste reduction. Green HRM is a strategic approach in human resource management that integrates environmentally friendly principles into every aspect of work, from recruitment, training, and evaluation to organizational culture development (Mishra, 2017). There is a need to increase environmental awareness among business actors, educate about sustainable production practices, and encourage the adoption of technology or production methods that are more environmentally friendly (Hossain, San, Ling, & Said, 2020). This aligns with the results of Achmad and Rudiatno's research, which shows that businesses that have integrated Green HRM in various aspects of human resource management, including environment-based recruitment, sustainability training, green performance evaluation, and incentive systems for employees who contribute to environmental programs.

Green Human Resource Management (Green HRM) is a concept developed from conventional human resource management (HRM) theory, emphasizing sustainability in workforce management (Yong, Yusliza, & Fawehinmi, 2020). Green HRM is a strategic approach in human resource management that integrates environmentally friendly principles into every aspect of work, from recruitment, training, and evaluation to organizational culture development (Roscoe, Subramanian, Jabbour, & Chong, 2019). Efforts are needed to increase environmental awareness for business actors, educate about sustainable production practices, and encourage the adoption of environmentally friendly technology or production methods (Xie, Chen, Tang, Boadu, & Yang, 2023). This aligns with the research findings of Achmad and Rudiatno (2025), which show that businesses that have integrated Green HRM in various aspects of human resource management, including environment-based recruitment, sustainability training, green performance evaluation, and incentive systems for employees who contribute to environmental programs. An empowerment approach is needed that not only focuses on the technical aspects of production but also on behavior change and increasing the capacity of human resources as human capital to manage businesses competitively, which positively impacts industrial business performance (Wisedsin, Jermsittiparsert, Thitrat, & Aunyawong, 2020). This is consistent with Rumerung J et al. (2019), who found that human capital can increase company competitiveness and that increased competitiveness can improve industrial business performance because competitiveness has a positive relationship with business performance.

One of the household industries based on local wisdom is the production of *Cap Tikus* traditional drinks in South Minahasa (Mangar et al., 2024). The process of making *Cap Tikus* is carried out using traditional distillation techniques, utilizing local raw materials such as sap from palm trees, and relying on knowledge and skills inherited from generation to generation (Hai, Rambabu, Al Dhaheri, Kurup, & Banat, 2024). This activity not only has economic value but also strong cultural significance in the social structure of the community (Granovetter, 2018). Refining processes that use firewood as an energy source cause carbon emissions, air pollution, and potential deforestation (Fekadu, Molla, & Hailu, 2024). In addition, waste from distillation has not been properly managed, and some farmers have not established waste

disposal channels for the production of rat-stamped alcoholic beverages. This results in pollution of the surrounding environment, especially soil and water. In terms of human resources, human resource management practices based on the concept of Green HRM—supporting environmental awareness and occupational safety—have not been systematically implemented. This aligns with Faisal S's opinion that green HRM involves various policies, practices, and organizational processes that encourage environmentally friendly methods beneficial to individuals, businesses, and the environment.

The application of *Green Human Resource Management (Green HRM)* presents a strategic solution for traditional household industries, such as the *Cap Tikus* beverage business in Talaitad Village, by not only mitigating environmental impact but also empowering local communities through targeted training and pro-environmental policies. This study uniquely moves beyond the typical corporate focus of Green HRM by integrating local wisdom into its practices, demonstrating how culturally embedded businesses can be transformed to align with sustainability principles without sacrificing traditional values (Alemu & Burrell, 2025). This integration creates a model that is environmentally friendly as well as socially and culturally sustainable, directly applying key Green HRM dimensions—Green Recruitment, Training, Performance Evaluation, and Employee Relations—to address specific operational challenges in the production process.

Despite the cultural and economic importance of such traditional industries, they face critical sustainability challenges due to a lack of structured environmental management, leading to pollution, inefficient resource use, and limited worker awareness (Hariram, Mekha, Suganthan, & Sudhakar, 2023). Therefore, this research aims to identify existing Green HRM practices, analyze challenges and opportunities for their implementation rooted in local wisdom, and ultimately formulate a sustainable Green HRM model tailored to this unique context. The overarching goal is to develop a contextually appropriate framework that harmonizes local wisdom with environmental management requirements to ensure the industry's long-term viability.

METHOD

The research used a qualitative approach with an exploratory descriptive design. This approach was chosen to gain an in-depth understanding of the model for implementing Green Human Resource Management (Green HRM) practices in the household industry based on sustainable local wisdom. Data collection was carried out using triangulation, combining several techniques, namely observation, interviews, and documentation (Sugiono, 2022). Indepth interviews were conducted with business actors, workers, and community leaders to explore Green HRM practices based on local wisdom. Participatory observation involved directly observing the production process, labor management, and environmentally friendly practices applied. Documentation included collecting data from related documents such as business profiles, customary regulations, and photos of production activities.

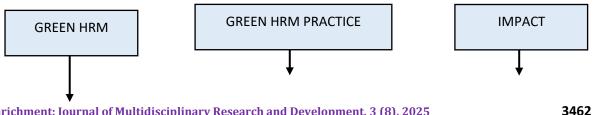
Data analysis was performed qualitatively and descriptively through several stages. First, data reduction filtered the information from interviews, observations, and documentation according to the research focus. Next, data presentation organized the information into narratives, matrices, or diagrams to facilitate easier interpretation. Finally, conclusions and verification involved analyzing patterns of Green HRM implementation based on local wisdom and assessing their implications for business sustainability. The research focuses on two main points: the identification of Green HRM practices applied in the household industry of traditional rat-stamp beverages in Talaitad Village, and the development of a model for sustainable Green HRM practice implementation in the household industry context, grounded in the local wisdom of sustainable traditional rat-stamp drinks.

RESULTS AND DISCUSSION

Challenges in the Implementation of Green HRM Practices. The practice of green HRM has not been properly understood in the management of the household industry based on local wisdom so that the preservation of the environment of the production area and the management of production waste has not been a priority for business sustainability. The first challenge in the implementation of green HRM practices in the household industry of traditional rat stamp beverage production is the limited knowledge of green HRM workers. Workers do not care about the cleanliness of the environment where they are produced and do not have a concept of waste management from refineries so that waste disposal is not well organized and pollutes the surrounding environment. Workers' awareness of the impact of waste on health and the environment is still low due to suboptimal waste management. Workers do not yet have the knowledge and competence in environmentally friendly production processes and correct waste management so that they provide benefits for business sustainability. limited funds and facilities in business management based on environmental friendliness and local wisdom. The second is the limited funds that have an impact on business management that is oriented towards optimal production results without thinking about the health of workers and the potential for work accidents due to not using Personal Protective Equipment (PPE). Concern for a clean, comfortable and green environment in the production area of traditional beverage management is still lacking because it has not been supported by the availability of equipment facilities as needed. The third challenge is the culture of running a business traditionally that is inherited from generation to generation in business groups which is understood as a standard production process because it has produced quality products even though it does not care about the environment and does not understand business sustainability with the concept of green HRM. The leaders of business groups and workers have not made SOPs for the production process and waste management so that the quality of production products is not guaranteed to be the same. Waste disposal has not been managed properly so that the working environment of the production area is less comfortable and clean.

The challenges of the household industry that have not implemented green HRM practices comprehensively can be an obstacle to sustainable business development. Business group leaders and most business actors still manage human resources and their production processes conventionally without considering environmental aspects. This finding is in line with the opinion of Jabbour and Santos who stated that the implementation of Green HRM still faces challenges in the form of lack of organizational knowledge and commitment to environmental issues, especially at the small and medium enterprise level. This condition is an obstacle in business development because it has an impact on low resource use efficiency, suboptimal waste management, and lack of awareness of environmentally friendly principles. Household industry business management based on local wisdom by applying several dimensions of green HRM according to the needs and problems in the business group is a strategic solution for environmentally friendly business sustainability. The findings of Zoogah also emphasize that without the integration of green values in human resource management, it is difficult for organizations to develop employee behaviors that support environmental sustainability.

The Model of Implementing Green HRM Practices is based on Local and Sustainable Wisdom. The model of implementing Green HRM practices based on local wisdom and sustainability for the CapTikus traditional beverage household industry in Talaitad village can be seen in the image below.



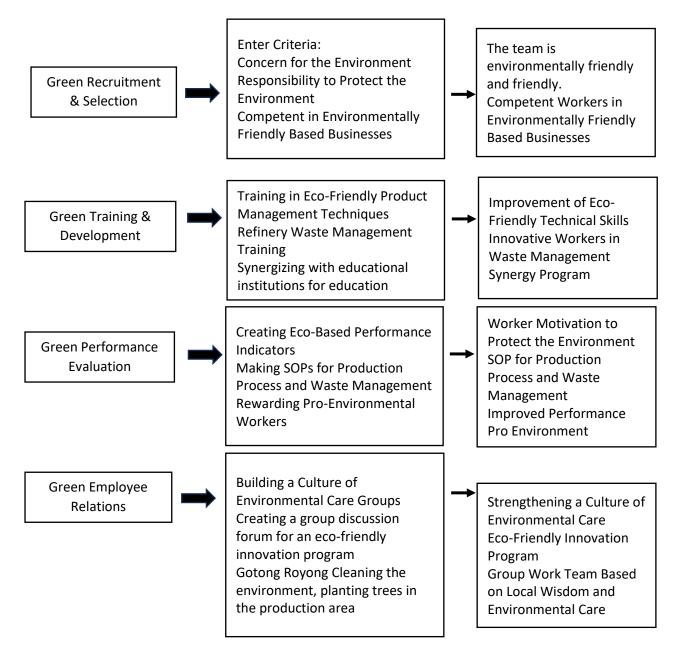


Figure 1. Model of Implementing Green HRM Practices in the Household Industry

Implementation of Green Recruitment & Selection practices

The application of Green Recruitment & Selection practices in the household industry of making traditional Cap Tikus drinks in Talaitad Village is still simple but has led to the principle of sustainability. Recruitment and selection should choose workers who have awareness of the importance of maintaining a clean production environment and understand local wisdom that is the identity of the product. The recruitment process that is traditional by continuing the business in a family manner without selection needs to be improved professionally by implementing the concept of human resource management and green HRM. It is important to consider the criteria of concern for the environment, clean living habits, and concern for the cleanliness of the production area. This is in line with research by Renwick which states that a recruitment process that emphasizes environmental values will create an organizational culture that supports sustainability. In addition, concern for the environment is

also reflected in the participation of prospective workers in community activities, such as mutual cooperation in cleaning village waterways or maintaining gardens around the distillery area. Thus, recruitment takes into account not only technical skills, but also the values of concern for the surrounding environment.

Recruited workers must have a responsibility to protect the environment and understand how to handle refinery waste so as not to pollute the environment. The responsibility of taking care of the environment is considered an important part of work ethics, so prospective workers who lack discipline or lack of concern for cleanliness are usually not retained in the long run. These findings support the view of Jabbour & Santos that labor selection based on environmental commitment contributes to the creation of sustainable production processes. Technical competence is an important consideration in the selection process in an environmentally friendly household industry business. Recruited workers are expected to have the skills to operate distillation equipment efficiently so as not to cause waste of wood fuel. Some experienced workers are even able to modify the distillation method to produce less smoke, thus reducing air pollution. The results of this study are consistent with the findings of Tang et al. (2018) who stated that competent workers in environmentally friendly practices can improve resource use efficiency and support green innovation at the small business level.

Implementation of Green Training & Development

Green Training & Development plays an important role in improving the quality of the workforce in supporting environmentally friendly and sustainable production processes. Training in the household industry of making Cap Tikus in Talaitad Village can be carried out gradually, both formally and informally, with the aim of forming work behaviors that care about the environment and minimize the negative impact of production on the surrounding ecosystem. Training on environmentally friendly product management techniques in the traditional beverage manufacturing business related to efficient distillation techniques, the use of quality raw materials, and the maintenance of the cleanliness of production equipment. The training is carried out in a practical manner (on-the-job training) so that workers understand how to maintain product quality while reducing waste. This is in line with the findings of Zoogah which emphasizes that field-practice-based training is very effective in internalizing eco-friendly behaviors in small industries.

Training on the management of distillation waste is very important because the waste from the Cap Tikus distillation has the potential to pollute the soil and water sources if not handled properly. The workers were given training on how to manage waste by arranging waste disposal and waste shelters. It is necessary to consider waste management innovations that can produce something useful so as to support the principle of zero waste. This training supports the results of Yusliza et al.'s (2019) research which states that waste management training helps small companies reduce environmental impact and create added value from residual production. Household industry businesses can synergize with local universities to provide education about environmentally friendly production processes and fuel energy saving innovations. The role of academics is involved in research and community service activities that can contribute to improving the efficiency of business management and the preservation of the environment where the business is located. This synergy opens up opportunities for knowledge transfer between the academic world and local industry, which according to Renwick is one of the effective ways to build sustainable innovation in Green HRM practices.

Implementation of Green Performance Evaluation

Green Performance Evaluation is one of the important components in the implementation of Green HRM that ensures workers comply with sustainability principles and encourages the creation of a work culture that cares about the environment. Household industrial business

owners can integrate environmental aspects in assessing worker performance, although it is still in a simple and informal form. Performance indicators are based on green by setting simple standards such as keeping production areas clean, saving energy in the refining process, and ensuring residual waste is handled as directed. This indicator is used as a benchmark in assessing whether workers carry out their duties by taking into account the impact on the environment. This is in line with the findings of Jackson who emphasized the importance of integrating environmental indicators in performance evaluation so that workers are encouraged to adopt pro-environmental behaviors consistently.

For business sustainability, it is important to document standard steps in the production process, traditional beverage making, and waste management in the form of simple guidelines that can be conveyed orally to workers. This SOP serves as a guideline for workers so that there is no waste of raw materials, minimizes errors in the production process, minimizes the potential for work accidents and ensures that waste does not pollute the environment. The implementation of SOPs is in accordance with the research of Daily & Huang which states that documented work procedures will strengthen the environmental management system and help improve the consistency of environmentally friendly practices in the workplace.

As a form of appreciation, business owners can provide rewards in the form of non-financial incentives such as praise, additional assignments that are more trusted, or the opportunity to lead the production process for workers who are disciplined in maintaining cleanliness and pro-environment. This award encourages other workers to participate in maintaining the environmental standards that have been set. This is in line with the results of research by Paillé which show that an environmental performance-based reward system can increase worker motivation in supporting the company's sustainability programs.

Implementation of Green Employee Relations Practices

The Green Employee Relations dimension focuses on establishing a harmonious working relationship between business owners and workers by emphasizing the value of caring for the environment as part of the organization's culture. The results of the study show that the application of this dimension to the Cap Tikus business in Talaitad Village is carried out in a participatory manner and based on local wisdom, so that workers feel directly involved in maintaining business sustainability. Business groups must build an environmental group culture based on local wisdom by motivating workers to remind each other in maintaining the cleanliness of the production area and not littering waste. Collective awareness is built through the example of business group leaders who always maintain cleanliness and give direction consistently. This creates a group culture that places environmental concern as a cultural value that is carried out together. This is in line with the opinion of Renwick who stated that a green organizational culture can strengthen employee involvement in sustainability efforts and encourage pro-environmental behavior in the workplace.

Create a group discussion forum to create an environmentally friendly innovation program that can be implemented in sustainable business management. Business groups regularly hold informal meetings with workers to discuss new ideas related to improving production processes, reducing waste, or using more efficient energy. This forum is a means for workers to convey creative ideas, thus encouraging environment-based innovation. This practice is in line with the findings of Jabbour & Santos which affirmed the importance of involving workers in environmental decision-making as it increases the sense of ownership of the green policies implemented. The practice of mutual cooperation activities, which is a local local culture, can build and strengthen the cooperative relationship between workers and the community around the production area. Gotong royong activities to clean the production area and plant trees around the location of the business can be carried out periodically by involving workers and their families as well as residents in the villages where the production is placed.

The benefits of these activities can maintain sustainability and beautify the environment, reduce the risk of pollution and improve workplace comfort. This practice is in line with the values of local wisdom of the Minahasa people who uphold mapalus (mutual cooperation), so that the practice of green HRM is in harmony with local cultural values and is easier to accept.

CONCLUSION

This study concludes that the traditional household industry of Cap Tikus beverage production in Talaitad Village operates without a structured Green Human Resource Management (Green HRM) system, resulting in environmental issues such as pollution and inefficient resource use. The research develops a contextual Green HRM model that integrates four key dimensions—Green Recruitment & Selection, Green Training & Development, Green Performance Evaluation, and Green Employee Relations—with the community's local wisdom. Implementing this model offers a strategic way to align cultural heritage with sustainability, leading to an environmentally conscious workforce, improved waste management, and enhanced business sustainability. This approach reduces environmental harm while empowering the local community through a culture of environmental stewardship grounded in tradition. For future research, it is recommended to empirically test this Green HRM model through action research or pilot projects in Cap Tikus or similar traditional industries to validate its effectiveness. Additionally, employing quantitative or mixed methods could clarify the relationship between specific Green HRM practices and outcomes such as environmental impact, profitability, and employee pro-environmental behavior. Comparative studies across different regions or traditional industries would further reveal the adaptability and scalability of integrating local wisdom into sustainable HRM frameworks in small-scale and informal business settings.

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