

VOCATIONAL AND MANAGERIAL SKILLS TO SUPPORT SME GROWTH IN GREEN LANDSCAPES: A SYSTEMIC APPROACH

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Abstract

Economies in the Tasikmalaya Residences are naturally engaged in a proactive community to shift SMEs' productivity. It is a significant shift from past business culture focused on relatively strategic commodities and markets. An essential cultural factor behind the enterprise shift has been the boosting growth to generate mixed products and more and better vocational and managerial skills. The engineering service was conducted in a multi-functional tools workshop to manufacture the raw agricultural material for the finished food product. The program to increase micro-skills in vocational and managerial quality is conducted. The result is a quality of daily accounts, industrial standards, and modern trade procedures.

Keywords: Green Innovation, Vocational Factors, Appropriate Organization

1. Background

Indonesian economies suffer the de-industrialized pressure to generate more and better job opportunities. The labor supply SME development is a key instrument for economic growth. Labor supply is growing while new Generation Z and millennials, as new demographic bonuses to human resources, have higher quality levels than previous generations. Demographic bonuses represent the foremost opportunity for economic growth for the industrial sector, but also pressure or liability for social unrest if new entrants to the labor opportunity mismatch.

De-industrialization becomes a potential liability for many developing countries, while SME development becomes a key instrument for enterprise creation, digital expansion, and expanding high productivity matters. In common liability to SMEs constraints, we have the report list to significant obstacles: poor incentives, entry barriers, rare market access, rigid regulations, and lousy access to finance. Progressive integration to change constraints to opportunities notably is counter-acted by revolutionary vocational and managerial skills intervention.

Rural systems have already interconnected based on agricultural sources: water, access to market, and public spaces (Rendra and Estananto, 2023). The Engineering Service Community has responded to those opportunities through comprehensible initiative, enhancing targeted services of availability for developing practices in entrepreneurial training. Enterprise development can accelerate efforts through business climate diagnostics in skill requirements analysis. SMEs should be able to adopt similar initiatives to note sets of programs and measures in facilitation for skills upgrading. Identifying SME conditions depends on many SME problems to better respond to objectives, milestones, and targets. Evaluation mechanisms incorporate the allocation of resources by collecting more and better data.

Vocational and managerial skills should be essential to capacity building and strengthening SMEs for sharing experiences and staff training. Key vocational and managerial skill challenges by structuring the opportunities to the related skill that has responded with some significant initiatives. Comprehensible, coherent initiatives to facilitate enterprise creation for economic growth and job creation. Modern management needs SME skills to improve access to finance, coverage, and support of

credit guarantee schemes. Also, SME enhancement facilitates beyond foreign trade procedures to push improvement of skill requirements for stepping up in three points: access to finance, improvement of new ideas, skills development, and trade facilitation.

These initiatives identify SME objectives, targets, milestones, and the establishment of coordination, monitoring, and evaluation mechanisms with participatory approaches to better respond to the emerging market. It considers formulating different SME needs with field evidence for enhancing better diagnoses of the needs and exchanging of good SME practices. A database of good practices could be a vital instrument concerning the starting point—capacity building and strengthening SME dimensions.

Socio-cultural sustainable values create SME dimensions to ensure the conservation of rural communities (Maziliauske, 2024). Literature indicates that contextual reasoning with local stakeholders through indigenous people, education level, resources of rural landscapes, community inclusion, and quality of life can contribute to dominant industrial SME for unique rural empowerment. The SME contributes to competitive and comparative advantages with the authentic product with the local community. Rural SMEs can be viewed as underdeveloped, innovative rural landscapes (Johnston and Prokop, 2021) with poor trust, bad infrastructure, and underdeveloped markets. SMEs may face obstacles in producing and innovating skills to access knowledge and engage the opportunity to a vast market because good scrutiny has been opened up for comprehensive innovation as the performance of rural SMEs.

Rurality comprises a homogeneous group of areas that can become a new industrial base with scale, capacities, amenities, high-cost sensitivity, and more vulnerability (Laurin et al., 2020). SMEs' profitability and sustainability in the rural region depend on internal factors such as the capacity to innovate (specialist village), develop a wide market abroad (unique commodity village), and adapt to new trends (i.e. hijab village). The success of rural SMEs will depend on the ability to respond to the capabilities to the opportunity while the external environment exposes the benefit. The model to promote SMEs through entrepreneurial organization already works properly by incubation centers for nurturing businesses (Hutabarat and Pandin, 2014). SMEs need absorptive factors by the experience and organization in managing innovation.

In discussing the goals of the relationship of society, environment, and business, SMEs rebalance a call to action with the sustainable development goals (Smith et al., 2022). Actionable SMEs have a starting point of innovation in pursuit of the SDGs with a new business paradigm that is crucial for private businesses in accomplishing goal 12 (sustainable production and consumption). SMEs' vision can be interpreted to enhance participation in a decentralized approach for empowering rural stakeholders. Collaboration of different stakeholders will be given the inclusive character of SDG awareness and creation to enrich the agents and impact in achieving sustainable implementation.

SDGs also need the adoption of green-clean energy to show the effects of environmental concerns on green innovation (Polas et al., 2023) for rural green entrepreneurship. It is essential to encourage green entrepreneurial practices among sustainability factors and eco-products. Talking about rural SMEs with environmental performance and green innovation is a relatively new concept. Green issues are seen as communities collaborating to achieve green goals. They must create the leverage (Ghuri et al., 2023) in executing benefits from networking. The leverage in communities can help them differentiate the business niche within a specific commodity (Blanchard, 2020).

Green business process management aims to minimize the negative impact (Sohns et al., 2023) through the process rather than only focusing on the finished products. Business sustainability can be identified by practices of ten manufacturing processes: barriers, pressures, benefits, maturity, green attitude, strategy, governance, modeling optimization, and monitoring. Enhancing the performance implies entrepreneurial marketing processes: reputation, customer-linking, and market innovation (Ho et al., 2022). These efforts can open up the opportunity to shift SMEs from product substances toward an entrepreneurial mindset to achieve a more prosperous future.

2. Methodology

Practitioners in this study used hypotheses with a deduction approach from observation with study questions.

Research Question 1: What are the drivers of vocational and managerial aspects that can innovate the product?

Research Question 2: What are the drivers that can work in the ecosystem to accelerate the path of business success?

Research Question 3: How do the problems of access to finance, innovation, and organization influence business growth?

By finding the study questions, we contribute to addressing many issues of SMEs' rural empowerment.

3. SME Activities & Findings

This research is conducted at Desa (Village) Kawungsari, Kecamatan Salawu, Tasikmalaya, West Java Province, Indonesia.

1. Training for Entrepreneurs and Family Business

Case 1:

The environment and ecosystem in rural areas (palm sugar farmers) still have challenges to the standard of food processing, which depends on the quality and price of the product. The farmers depend on the lifelong learning model from the family business as a primary (traditional) processing style. It has significant implications for a production-based approach to food processing qualification.

Analysis:

The first challenge to entrepreneurial culture is how the learning model can significantly impact products and values. Entrepreneurial culture ensures a system solution of added values that grows to build entrepreneurship promotion. The framework of business promotion must generate various new levels of knowledge for the entrepreneurial continuum to a high level. Training forms a structured education, and then entrepreneurship can grow naturally to bring value added to rural economies and better employability. Entrepreneurs have made substantial progress through top-down business communities or bottom-up industrial networks. Delivery in training is essential given the absence of a new spirit, action, and dream for entrepreneurial establishment. It assesses examples of good practice in entrepreneurial training driven by community and outside rigid education.

The education and training communities help to adopt creativity and innovative dimensions to caring entrepreneurship. The reference point for entrepreneurship is in the progression to search for workable and affordable targets adapted to the good circumstances of rural empowerment. The context for training entrepreneurship remains the lack of

concerted culture and efforts in the community with mentoring services and improved coaching. Education authorities can lead priority actions, which are established frameworks of commissions for entrepreneurial learning.

Standard practices is to provide reference and promote entrepreneurial learning, especially the challenge of isolated region. Training must strengthen coaching institutions and links, and teacher networks interested in entrepreneurial topics should be involved and encouraged. Standard practices will ensure the coaching quality of a system promoting entrepreneurial training.



Figure 1. Production Machines

2. Building an Institution and Organizations

Case 2:

Building organization is an institutional block in family-based business in rural regions. Palm sugar farmers divide the business work with family members whose work depends on leisure time rather than schedule. The family manages the business in a subsistence situation and collects the palm sugar material from the forest without any modern plantation strategy.

Analysis:

Enterprises operating in the informal sector, which play the most significant role and contribute significantly to GDP, have a further problem in the business cycle stages (between four months and two years). This evidence implies that the high mortality rate of businesses contributes to low entrepreneur growth and job creation. Most enterprises create low value-added production, focus only on trade and services, and lack the skills and limited power to compete in the real market. These are important to upgrade the business organization to increase efficiency and productivity and anticipate market failures.

In contrast, compared to larger firms, SMEs struggle with specific obstacles to get many resources: credit loans, market frictions, knowledge capacities, and information asymmetries that cannot enable the business environment and hamper growth and productivity. Building organizations can develop well-integrated schemes for action plans, measurable objectives, and targets. Good organization can be simplified to reduce costs by expanding the production network and having a good compliance process.



Figure 2. Finished Product

3. Access to Finance, Innovation, and Skills

Case 3:

Palm sugar Farmers work traditionally with no improvement in upgrading skills. The availability of training for SMEs that produce palm sugar increases internationalization by campaigning organic products. Consistency of quality is still required to sustain the organic certification.

Analysis:

Evidence of skills always hampers tailoring support for the quality of palm sugar. Some key instruments of proper technology can push skill and innovation with the availability of coaching and advisory mentoring services. The innovation can promote SME growth through technology transfers,

coherent and strategic support for upgrading skills, and all improvements. Nevertheless, spirit, commitment, and responsibility are critical to achieving the greater business community. The process needs to assess the relevance of training and focused initiatives in consistently collecting lack, potential, and troubleshooting problems.

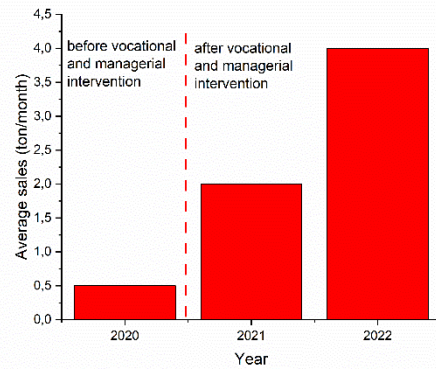


Figure 3 Average sales in 2020, 2021, and 2022

Figure 3 illustrates the difference between average product sales before vocational and managerial intervention was applied and after the implementation. In 2020, the average sales reached 0.5 tons/month; after the implementation, in 2021 it rose to 2 tons/month. One year later, it got 4 tons/month.

Advanced innovation and access to finance have made progress in developing skills and an added-value framework. The value can reinforce collaboration in the business community to take leadership for skill availability and uptake. Businesses must seek to collaborate internationally through many replicated initiatives to build and link. Good practices will celebrate successful development strategy through awareness, understanding, and practical starting steps for providing innovation and financial services. Government, NGOs, larger firms, and associations can achieve and enable the gauging of output and impact for measuring innovation, upgrading skills, and access to finance. Establishing a well-structured ecosystem with stakeholders and civil society in rural landscapes can be prioritized.

4. Conclusion

Palm sugar businesses can enable SMEs to turn the environmental dimension into the opportunity to promote eco-innovation and eco-productivity. It has

developed sustainable SMEs, green development, and cleaner products to enhance green innovation and good practices. It also includes relevant environmental management systems and environmental certification schemes with disseminating standards to benefit from market internationalization. The process will progress well-articulated tools for promoting foreign markets for rural industrial emergence. The product has also broken through indigenous people's signature to foster the most active international market in a wide range of products to exporters.

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