THE ALTERNATIVE BUSINESS PSYCHOLOGY APPLICATION IN GREEN INDUSTRY PROGRAM TOWARDS THE COMPETITIVENESS OF ASEAN ECONOMIC COMMUNITY 2016

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ABSTRACT

Penetrating the era of the ASEAN Economic Community, the requisite of national business environment to prevail the competition was more exorbitant and formidable. A corporation could implement a program of Green Industry from the government to improve the effectiveness and efficiency. In enhancing the efficiency of Green Industry implementation, a corporate attempted to apply the theories in business psychology as an alternative of intervention. The objective of this study was to give the alternative intervention to the manufacturing business in implementing the Green Industry program. This study used the literature study as a method and limited the scope to develop the organization using the theory of business psychology as the intervention. The change management as part of the business psychology is the result of study after comparing the theories in the literature study method.

Keywords: business psychology, green industry program, effectiveness, efficiency, competitiveness, change management, ASEAN Economic Community

INTRODUCTION

The year of 2016 has been declared as the initiation of ASEAN Economic Community (AEC) era as an entity of realization of the ultimate goal of economic integration in the Southeast Asia. In this era, free trade influences of both goods and services among ASEAN countries. The incursion of the workforce transpires autonomously in addition to the commerce. The stringent competition is inevitable. In addition to limited natural resources, the human resources required should be aligned towards the level of expertise and capability in order to meet the quality standards and several requirements to outplay a global business competition. Moreover, AEC will be fully integrated into the global economy. By the integration, all ASEAN countries behoove an equitable economy and notable insignificant great distance between one and the other countries in terms of economy.

Encountering the proposition that Indonesia as a part of ASEAN, it should favorably prepare in order not to trail in the competition. Various efforts to improve competitiveness in the business should be undergone intensively. Endeavors must be projected in order to be the best at the ASEAN level instead of nationwide. Because of myriad cooperation format among ASEAN countries including in achieving the level of economic fairness, it should be considered a contribution to the supply network to develop a package of technical assistance to less developed ASEAN countries. These factors of the condition of a company should not only be on the level of business survival but more in surplus, since they have provided assistance to the other party. The aid will help to create a fair climate competition, in addition to the policies of the authorities so that entrepreneurs can undertake business comfortably.
Facilitating the distribution of aid is certainly required a firm cooperation among ASEAN countries. The configurations are (1) Human resource development and capacity building; (2) Recognition of professional qualifications; (3) Imminent consultation to the macroeconomic and financial policies; (4) Step by step in trade financing; (5) Improving the infrastructure; (6) The development of electronic transactions through e-ASEAN; (7) Integrating the industry throughout the region to promote local resources; (8) Increasing the involvement of the private sector to build the ASEAN Economic Community (AEC).

Based on the cooperation, external trade for ASEAN, and the demand for an ASEAN community play a prominent role. Hence, we should be recognized the main characteristics of the ASEAN Economic Community (AEC), namely the single market and production base, the competitive economic area, the region of equitable economic development, the replete integrated are in the global economy.

These characteristics are bond to each other sturdily. By incorporating the required elements of each characteristic, we have to be appropriately ensured the consistency and coherence of the elements and implementation. It should also reckon the importance of mutual coordination among the relevant stakeholders (Seputar Pengertian, 2014). Considering the various factors, a corporation could employ the attendants from various countries in the ASEAN area. A corporation considers the possibility in maintaining the quality of labor’s existence to remain at the level expected. Taking into consideration of these factors, employers obviously commence considering the effectiveness and efficiency of operating a business. One of the most influenced factors in evolving the effectiveness is the qualification improvement and labor skills. Meanwhile, a highly influential factor in increasing efficiency is the dexterity of the process, especially on the business in the field of manufacturing and partly extraction.

Representing of the Indonesian government, Ministry of Industry has supported the efforts to increase the effectiveness and efficiency of the program by the convening of the Green Industry Award. The program is launched as that the government aware the construction industry has a positive impact on the micro and macro scale to the economy. The positive impact of micro scale is depicted from the results indicated the industrial development of the share of GDP, export share, and job creation. While the positive impact of the macro scale is the acceleration of physical growth and the creation of employment opportunities. This award is rewarded to an industrial company that has contributed to the country’s economy, benefiting the community, and participating in preserving the function of the environment through efficient resource utilization and application of environmentally friendly production processes. The award is intended to motivate companies to improve their industrial efforts towards the environment-friendly industry.

The appraisal refers to the Green Industry Award criteria and assessment mechanism as inscribed in the assessment guidelines. These guidelines are functioning as a reference for all stakeholders concerned so as to have the same understanding of the terms, procedures, and criteria for assessment. Therefore, the assessment process can be performed in a consistent, transparent, accountable, fair, and accountable. A periodic evaluation of the guidelines is conducted for assessment considering various factors and issues related to strategic industrial sectors so that the assessment criteria can be applied by the conditions of the industry.

The green industry is defined as the industry in the production process prioritizing the efficiency and effectiveness in the use of resources in a sustainable manner so as to be able to harmonize industrial development with the preservation of the environment and can benefit society. This means that the green industry is an approach that is oriented towards improving efficiency through the act of sparing in the use of materials, water and energy, alternative energy, the use of materials that are safe to humans and the environment, and the use of low-carbon technologies with the goal of improving productivity and waste minimization. It emphasizes the business approach in
order to provide increased economic and environmental efficiency. Development of green industry is also one effort to support the Indonesian Government's commitment to reducing greenhouse gas emissions, as stated by the President at a meeting on climate change in Copenhagen in 2009. It has stated that Indonesia is determined to reduce greenhouse gas emissions by 26% by 2020, and this figure is targeted to be achieved in 2019. This commitment certainly requires effort and thorough action including that of the industrial sector which is one of the contributors to carbon emissions.

For this reason, the Ministry of Industry of the Republic of Indonesia makes efforts for the development of green industries, among others through the Green Industry Award. Green Industry Award is an award appreciated to the industry, among others that have performed efforts to preserve the use of natural resources and renewable energy, which is implemented through the various stages of selection and verification based on a scoring system that will be evaluated regularly. In order to ensure the assessment process is a systematic, consistent and accountable, it needs a guideline describing the conditions, procedures, and assessment criteria for this award.

The assessment criteria are divided into the major industry, medium industry, and small industry. For major industries, a judgment refers to (a) Production process that includes the program of production efficiency, the use of material inputs, energy, water, process technology, human resources, and the working environment in the production process; (b) Waste management performance/emission that encompasses the program of CO2 emission reduction, environmental quality standard fulfillment, and waste management facilities/emissions; (c) The company's management that involves the certification, corporate social responsibility, awards, and employee health.

The discrepancy in the medium industry is attributed slightly in carbon emissions reduction program as point b. The significant differences exist in small-scale industries, namely (a) Production process that includes the program of production efficiency, the use of material inputs, energy, water, technology and human resources processes. (b) Environmental management and safety that covering waste and work environment. (c) The Company's management that covers the certification, corporate social responsibility and awards.

The process technology and human resources on these criteria also incorporate elements of efficiency and human resource management. There is a clause on assessment guidelines that incorporate reuse, reduce, recycle (3R) on the process technology, while the human resource includes elements of human resource management to improve the efficiency of production processes. In large and medium scale industries, the method chosen is generally in human resource management that is the process of production capacity building in order to increase the production efficiency and a number of human resources that already possess a certificate of competence. While on a small scale industry, it is mentioned that the method selected is the manufacturing of human resources capacity building program (Ministry of Industry of the Republic of Indonesia, 2015).

Based on the criteria required, the author intends to facilitate the achievement by adding the psychology of business applications on every company that has environmental aspects in the production process. This article focuses on the scope of research in the manufacturing industry, which contribution to the national economy that is respectable and has significant environmental aspects and denotative effect on the quality of life of the wider community and the preservation of natural resources are increasingly limited in number. Referring to the implementation of the requirements of the green industry to obtain the award has the considerable burden. Taking into account the necessity to increase the effectiveness and efficiency of production, the author is solicited to give an organizational approach as an alternative to the expected increase. This approach is the application of psychology in the corporate's business.

Business Psychology is the study and practice in improving the labor environment. This science is a combination of understanding the science in human behavior studies with experience in
the job environment to achieve effectiveness and sustainability performance of organizations and individuals. This science is an applied science that investigates how to make the relationship between the organization and the people in it take places effectively. This science uses scientific research methods of social science to study people, workplaces, and organizations that aim to link up with a better way the people’s pretension in the organization, even the competitive eagerness. The goal is to create a healthy and productive relationship between the organization and the people in it to achieve mutual and reciprocal benefits.

As an applied science, this purview governs what constitutes effective organizational practices. This science has a reciprocal relationship with the business and draws insights from people with experience of what works in the workplace. This allows psychological research to be applied pragmatically and in an appropriate manner to the situation. It is also possible termed as a kind of cross-conception between the experience from business to psychology and academic knowledge, and the rigor of psychology into the business. The scope of psychology can be applied to almost any issue of people in the working environment. Nevertheless, there remain several domains remain in this science. The domains are the selection and assessment, organizational development, coaching, leadership development, learning and development, talent management, employee engagement, safety and working environment that is user-friendly, performance management and assessment, culture, health and well-being in work, also psychometric tests (The Association for Business Psychology, 2015).

Longman Dictionary of Contemporary English has stated that, “Business is also known as an enterprise, agency or a firm that is an entity involved in the provision of goods and services to consumers”. It is written that businesses are prevalent in capitalist economies, where most of them are privately owned and provide goods and services to customers in exchange for other goods, services, or money. The study closest to business is called management. This study’s objective is to make business operates more efficient and effective. The major factors affecting how a business is usually organized the size and scope of the business firm (including its structure, management, and ownership). They are broadly analyzed in the theory of the firm, the sector and country, Limited Liability Companies (LLC), tax advantages, and also disclosure and compliance requirements.

Atkinson has said (2014) that the study of business is an activity in its own right emerged relatively recently. The terms “manager” and “management” do not appear in the English language until the late 16th century. Chandler in Atkinson (2014) has divided business history into two periods, namely pre-1850 and post-1850. The pre-1850 period, the local and family-owned firms dominated the business environment. With the advent of production lines in the early 1900s, business was characterized by standardization and mass production. While Henry Ford’s Model T car is seen as a major accomplishment of industrialization. Ford also remarked, “why is it every time I ask for a pair of hands; they come with a brain attached?” The output may have increased, but so too did conflict between management and staff. Working conditions were poor and businesses ignored the sociological context of work. The Productivity mattered more than people.

In the 1920s a new influence on business thinking emerged, the Human Relations Movement of behavioral studies. Through the work of psychologists Elton Mayo and Abraham Maslow, businesses began to recognize the value of human relations. Workers were no longer seen as simply “cogs in the machine”, but as individuals with unique needs. Managers still focused on efficiency but realized that workers were more productive when their social and emotional needs were taken care of. For the first time, job design, workplace environments, teamwork, remuneration, and nonfinancial benefits were all considered important to staff motivation. These elements make the business psychology was chosen for the tool of intervention, for the psychology is the science of human (and nonhuman) behavior, cognition, emotion, and motivation. And the science can be subdivided into many different specializations, some of which are concerned primarily with psychological science and application of that science to real-world problems outside of the research setting. One of the
applications of the psychology science is called industrial/organizational (I/O) psychology. It is a smaller, but more rapidly growing psychology subfield that is concerned with the development and application of scientific principles to the workplace (Spector, 2012).

Personally, the author assumes that the I/O psychology as a science has a smaller scope than the business psychology. The business psychology reaches the larger scope to see the business, not only the organization but also the business society that influence the organization, to be more survived in the business interactions. This consideration makes the author chose the business psychology as one of the variables of the study. As it can be seen from Figure 1, the business has many parties that interrelated each other in it.

![Figure 1 Business Scope](courtesy: www.boundless.com)

Figure 1 makes clearer that the business psychology has larger scope than the I/O psychology.

Considering the requisite of the global business environment in larger scope and in the ASEAN business environment in smaller one, it will be higher than the present in the next five years, so that the objective of this study is to give the alternative intervention to the manufacturing business to gain the competitive advantage. This study limits the scope to the organization itself (i.e. the internal stakeholders) to develop using the theory of business psychology as the intervention. The definitions of organizational development (OD) according to the Organization Development Network is “an effort (1) planned, (2) organization-wide, and (3) managed from the top, to (4) increase organization effectiveness and health through (5) planned interventions in the organizations processes, using behavioral-science knowledge” (Beckhard, 1969).

There is also another definition, namely:

“OD is a field directed at interventions in the processes of human systems (formal and informal groups, organizations, communities, and societies) in order to increase their effectiveness and health using a variety of disciplines, principally applied behavioral sciences. OD requires practitioners to be conscious about the values guiding their practice and focuses on achieving its results through people” (Minors, 1969).

"Organization Development is a body of knowledge and practice that enhances organizational performance and individual development, by increasing alignment among the various systems within the overall system. OD interventions are inclusive methodologies and approaches to strategic planning, organization design, leadership development, change management, performance management, coaching, diversity, team building, and work/life balance” (Minahan, 1969).
In order to improve the effectiveness and their health, human beings use a variety of disciplines, especially the science of applied behavior. It refers to the definition of Minors on organizational development, which is a field that is directed at intervention in the human system (informal or formal groups, organizations, communities, and society). It is also based on the second definition of the development organization, which is a union between knowledge and practices that improve organizational performance and individual development, by improving the alignment between the various systems within the organization as a whole system. As an illustration, the definition of organizational development can be seen in Figure 2.

![Figure 2 Definition of Organizational Development](courtesy: coloringleguy.com/46188-organizational-development)

In developing the organization, must be cognized the team's division in the organization. The teams are originally made up of groups of individuals united by goals and target the same group, and the success rate would determine the level of success of the organization in achieving its goals and targets. MEA may consider the era, and each team consists of more than one nationality, and it unites different cultures, mindsets, and perspectives as a challenge. Noting the existed network structure workflows within the team, it assists the formation of the team's performance. Teams can work optimally at a moderate level centralized network. When centralization is low, the team may not have a sufficient level of coordination in order to achieve effective performance. Conversely, the team's performance will be greatly burdened on a high degree of centralization, (Troster, et al., 2014).

Considering these demands, the role of a leader is pivotal. Hence, it requires a vigorous leadership. Regarding the chosen model, transactional or transformational can be adapted to the circumstances existed. The positions of these two models have positive impacts on business innovation culture. Therefore it is very influential on organizational performance in business (Yildiz, et al., 2014).

Organizational transformation can be motivated by diverse factors, such as the acquisition of a company to another company or a merger between two companies or more. The organization development leads to organizational changes that require certain changes to the organizational management (change management). More specifically, the definition of change management is a structured and systematic process to help the transition of individuals, work teams, and organizations from a condition toward the desired goal. The components that encompassed in change management are (1) Motivating change that is encouraging readiness to change and overcome its rejection; (2) Creating a vision in formulating the direction of change expected; (3) Developing political support by preparing the agent of change, including the informal leader; (4) Managing the transition in
developing activity plan, build commitment, and committee structures; (5) Sustaining momentum by preparing infrastructure changes and building a support system for the agents of change.

Once one of those components is not implemented, then the risk will appear to the success of the change itself, such as (1) Step 1 is not obtained/modest = Status Quo will be maintained at the extreme point. (2) Step 2 is not obtained/modest = Changes occur with no clear direction and confusion. (3) Step 3 is not obtained/modest = There will be sabotage. (4) Step 4 is not obtained/modest = Functions within the organization would be difficult to operate. (5) Step 5 is not obtained/modest = Changes will not reach the expected point.

Thus, any alterations on policy, location, and working-time must be carefully planned, implemented, and monitored properly and carefully (Fajar, 2011). For more details, the change management in the context of the organization and the business can be observed in Figure 3.

![Figure 3 Change Management](courtesy: www.cngglobal.com)

There is also a consideration for the requirements of green industry to comply. Therefore, this study also discusses about the requirements of green industry in general (as the factors of society and government in the external stakeholders) to make the organization of manufacturing businesses easier to win the competition in the era of ASEAN Economic Community, as the suppliers/society/creditors/customers in the external stakeholders or even the competitors. This study will provide the alternative solution or intervention, i.e. the business psychology application as a discourse until now. Considering the business psychology is a relatively new science in the branch of psychological science, this study will also enrich the articles in the area of the science of psychology.

**METHODS**

This study is literature study based. This method is done by comparing data from three variables included in this study. The variables are the criteria of green industries in the guideline requirements, circumstances, and conditions that may occur in the era of the ASEAN Economic Community in 2015 and general theories of business psychology.

Observing from the circumstances is likely to confront, namely a competitive economic region so that each company is required to enhance its competitiveness in order to sustain. An industry that
has environmental aspects can implement green industry to improve competitiveness. Criteria for green industry, in a nutshell, are the effectiveness of the work, which is one of the most important factors, is the labor high level of expertise and skills, and health care and welfare. Another important criterion is the efficiency of the process. Important factors that affect these criteria are the competence of human resources, material and energy savings, and waste minimization. Based on both variables, the authors assert the need to enter the third variable as an intervention that these two variables can influence each other to make a positive profuse impact. These variables are business psychology as a proponent theory to provide an organizational intervention that processes the first two variables transpire quite effectively.

These variables as theories are compared each other. And these variables, the business psychology (the business theories written above are included), the criteria of green industry, and the requisites of the business in the ASEAN region to compete in the era of the ASEAN Economic Community, whose theories are having a large scope. The proper theories will be chosen to support the intervention. While the method is the literature study, so the theories compared have to match each other.

RESULTS AND DISCUSSIONS

Based on the comparison among the three variables, organizational development is required as one of the domains of business psychology to be rehearsed as one alternative to improve the competitiveness of the company's business. This can be seen on the aspects contained in organizational development management, namely innovation, management of structured ideas, creativity, and learning within the organization. These aspects, especially aspects of innovation, will be very beneficial when applied in the process of Reuse, Reduce, and Recycle (3R) on the implementation of process technology in the green industry. It is also meritorious for capacity building of production processes in order to increase production efficiency. Meanwhile, the aspects of the management of structured ideas, creativity, and learning within organizations can increase the comfort level of employees, especially if the company is an organization with a high level of diversity in its employees. It could have been caused by the great variety of citizenship.

This high level of diversity in the nation, which is attributed to the different culture, required being united by a particular system to minimize conflicts. These cultural differences lead to divergence in customs and mindsets, which induce differences in ideas to create innovations in products and services. The assorted ideas should be facilitated properly in order to provoke employee's creativity. Employees will continue to work with novel and succulent idea if they are facilitated with the proper systems in a structured idea management because of the learning culture in the organization. The learning culture can be applied by increasing the frequency of training provision. The creation of this training would meet the criteria for a number of human resources that already have a certificate of competence, especially for certain employees who work in a field that has the quality and environmental aspects of the production process. It is very influential in the factors of production process efficiency and effectiveness.

In addition to the above aspects, there is also aspect of talent management. This aspect corresponds with the implementation of the award criteria to the employee at the Green Industry Award Assessment Guidelines. Employees, who are high achievers, deserve high appreciation as well. Achievement and recognition are two very related to each other, which greatly affects the motivation of individuals, in this case the motivation to work. Motivation gives influence to individual work performance of the individual, even possibly on overall organizational performance.
Another prominent aspect of note is the management of change. Change management is entailed when organizations grew because of their acquisition or merger between two or more organizations. It is possible to ensure in the era of the ASEAN Economic Community, which several companies in Indonesia are an acquisition of some companies from Singapore or merger between companies in Indonesia and Malaysia, due to the simplicity for the existence of policies or new regulations in ASEAN. Interventions can be varied depending on the situation and conditions being experienced by a corporation. An extreme example is the development of a large-scale organization. Organizational development on a large scale is very likely to win the competition in the era of the ASEAN Economic Community in 2015, considering the ease to cooperate with other companies in foreign countries in the ASEAN region. Reality replenished an alternative for every company to alter its organization in terms of diversity.

Management changes are required inasmuch as the changes always occur. Referring to the popular idiom about the change "everything in this life has to change, the constant is the change itself", then the business world, with all its dynamics, must resolve. Business always changes without influenced by any factors, especially in the era of MEA. Therefore, organizations must be prepared for change. Referring to the change management illustrations, the theory of change management as part of the psychological theory of the macro business (the business psychology theory) can be implemented to deal with significant changes in the era of the ASEAN Economic Community. To support the effective implementation of change management, talent management aspects, structured idea management, and learning in organizational theory organizational development can be incorporated into the organizational systems to be implemented, so as to facilitate preparations for the organization to change to be “greener” in operation.

Based on the comparison of three theories, the era of the ASEAN Economic Community should be noticed with the continuous trend of development. Entering the era will encounter many challenges, one of which is the ability to cooperate between countries. In fact, the ASEAN countries are consolidated as a unity economic activity with the impact of multilateral citizens. The corporations in Indonesia have not entered this era yet, with minimum foreign citizens in a company from a variety of companies that exist in Indonesia. Foreign nationals who come from the more developed countries in the ASEAN region (including Singapore) at the Indonesian company can contribute changes to working environment and organizational life. The big difference in mindset and more advanced work culture, it could trigger the Indonesian employees to learn more advanced, if supported by the system and organizational culture that qualified for implementation. This can lead to increasing performance of individuals and the organization significantly and vice versa.

Interaction with international citizens may be easier for multinational companies. However, the issue appeared is related to the foredooming of a private company, or even state-owned enterprises, who are not accustomed to foreign labor. The company's goals and targets are increasingly stringent with respect to an increase in the effectiveness and efficiency of the process, in the context of the research implementation of the green industry. Implementation of this program will not be modest because of the factors that should consider the providence of natural resources as a material and energy for the needs of the production process. Energy recommended must be involving the types of renewable energy. In the era of AEC, the improper implementation to energy sector could emerge since its energy integration. Therefore, as a precaution, we should have been instilling a cultural energy saving. In fact, it is applied to use renewable energy in our company. As mentioned earlier, this green industry program is initiated by the government, and there is an award for the winner. For companies that won the award, of course, it is not only the effectiveness and efficiency of the company that is achieved but also the increase in the corporate image in the eyes of the public, which of course could be a factor in the competitiveness era. In the short term implementation of green industry, the practice of business process changes (Business Process Reengineering/BPR) can be done. However, the factor of human resources is crucial factors that are influenced by many other factors, especially psychological factors in order to improve and maintain its performance.
In facilitating the human factors, a corporation needs to heed highly influential factor for the outstanding performance like work motivation. Implementation of green industry is confronted without the AEC era. It proves that the best corporation in the implementation of this program could pronounce an award from the government. Those criteria envisage strenuous proposition in the implementation. The criteria of the program implementation guidelines require commitment from top management so that it can manage the firm as an organization to be able to achieve a culmination performance both on organizations and individuals. In this part, the business psychology mostly can be implemented as the organizational intervention.

CONCLUSIONS

Green Industry Programme Implementation indicates an improvement of the effectiveness and efficiency of the corporation, even corporate image, in the case of manufacturing industry, which in turn can improve overall company performance. Entering the era of a competitive AEC, it could force the manufacturing industry that own environmental aspects for implementing the green industry. This is analogous criteria of the green industry in terms of human resources that given the era of the AEC can make a company made up of the diverse nationality of the ASEAN Economic. The community is a form of discourse for most corporations in Indonesia. However, those indications must be delved if the company will hold an expansion for the improvement of corporate profits. In the implementation of green industry in the new era, business psychology with the entire scientific branch can be considered as alternative interventions so that implementation can be run more effectively and efficiently.

The emendation in any form often inflicts discomfort. Therefore, the implementation of a new management system in a new era also certainly can cause the nuisance. Implementation of business psychology is demanded preliminary studies to the organization in order to facilitate the transition process albeit deliberate the psychology aspect to the interaction among employees in the organization. Business Psychology is a comprehensive science, encompasses a collection of multiform sciences of industrial and organizational psychology, sciences organizations, individual psychology and social. Hence, it entails more accuracy in studying the science to be implemented in our organization.

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