

Determinants of green organizational identity and its impact on green competitive strategy

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ABSTRACT

This study aims to examine the effect of green intellectual capital and organizational environmental management on green organizational identity and its impact on the green competitive strategy. In this study, green intellectual capital is represented by green human capital, green structural capital, and green relational capital. Meanwhile, the organization's environmental management is represented by an environmental-oriented organizational culture, environmental-oriented leadership, and environmental-oriented capabilities. This study applies a survey that is distributed to 170 respondents who have managerial positions. The sample selection for functional is that respondents have influence and experience in the organization where the respondent works. The number of questionnaires that were successfully returned from the respondents was 146 pieces. From the results of hypothesis testing, it is known that green human capital and environmentally oriented culture have a significant positive effect on green organizational identity. Meanwhile, green structural capital, green relational capital, environmentally oriented leadership, and environmentally oriented abilities do not affect green organizational identity. Green structural capital and green relational capital have a significant positive effect on the green competitive strategy. In contrast, green human capital, environmentally oriented culture, environmental-oriented leadership, and environmental-oriented abilities, green organizational identity do not affect the green competitive strategy.

Introduction

The increasing industrial development in the world has caused environmental damage due to overexploitation of natural resources (Guthrie & Parker, 1989). As a result, there is a decrease in environmental quality, resulting in global warming, ozone depletion reports, water pollution, acid rain, and desertification (Bozec & Bozec, 2007). These environmental problems are caused mostly by industrial companies and individual companies (Demsetz & Lehn, 1985). The impact of environmental conventions has changed the context of business competition around the world (Basuki, 2012). Many companies assume that environmental management is important but is not an effective investment.

However, the studies conducted state that pollution occurs due to inefficient use of resources, and companies that are trying to carry out environmental management or green innovation can have a major advantage that results in these companies enjoying higher benefits from green products and helps them to improve their green image, and to gain a competitive advantage (Jensen & Meckling, 1976). Thus, environmental management becomes an important area of management in the 21st century (Pulic, 2000a) if companies want to have sustainability and be able to compete in the future.

The development of environmental problems during the last few years forced environmental protection rules to be applied, and consumer environmentalism was carried out to overcome serious environmental pollution from industrial activities. The application of the environmental damage prevention approach aims to protect environmental sustainability and improve business models and environmental management to promote green

innovation. Stakeholders who care about these conditions, such as consumers and employees, have the right to remind the company's environmental performance and should not hesitate to take action against the company if the company is not environmentally responsible. This change is marked by increasing the importance of environmental management today, especially in organizations or companies. To overcome this, there is an effective environmental management consisting of elements that cover all aspects of an organization's operations (Saleh et al., 2009). Therefore, environmental management concepts such as green design, green marketing, green products, and green production are currently being developed to answer the challenges of the popularity of environmentalism. However, according to Saleh et al. (2009), environmental management turns out to be more important in the organization itself and will become an important part of managing the company's business.

Furthermore, the attitude of the company in dealing with environmental problems can also depend on the organizational identity of the company itself, which is considered a collective identity (Murale & Ashrafali, 2010). Organizational identity is a motivator in influencing the actions of the parties involved in the organization, or it can be an actual phenomenon (Muhammad & Ismail, 2009). Concern for the environment becomes an integral component of organizational identity as environmental problems become more difficult to avoid (Razafindrambinina & Kariodimedjo, 2011). Environmental issues can be considered as an integral part of organizational identity on the basis of an internal economic focus or a broader focus on corporate social responsibility (Berzkalne & Zelgalve, 2014). Therefore, organizational identity plays an important role for companies in dealing with environmental problems; of course, each company has its own organizational identity.

Organizational identity is an interpretation scheme that states that organizational members jointly create to give meaning to their actions, choices, and behavior (Jensen & Meckling, 1976). This study uses a green organizational identity in accordance with research conducted by (Fama, 1980), which plays the role of interpretive schemes for environmental problems. Environmental organizational culture is embedded in an organization that provides symbolic material that can be interpreted and interpreted according to environmental problems in the organization. Companies that are successful and keep running are companies that can secure resources and develop competencies in providing challenges to environmental problems (Murale & Ashrafali, 2010). The creation, transfer, and application of knowledge enable companies to offer green products and green services that have high added value, which in turn will increase market value.

This is closely related to the company's competitive advantage, which cannot be separated from the influence of employee excellence as reflected by intellectual capital. Companies that actively encourage environmental management and green innovation can not only minimize production waste and increase productivity but also charge relatively high prices for green products, improve company image, and gain competitive advantage in accordance with the trend of consumer environmentalism awareness and strict international regulations on environmental protection (Razafindrambinina & Kariodimedjo, 2011). Although many previous studies have reviewed intellectual capital, there are still few studies that have reviewed intellectual capital related to environmental management and green competitive strategy.

Intellectual capital helps connect a company and mobilize employees to achieve goals (Bohdanowicz & Urbanek, 2013; Pulic, 2000a; Serenko & Bontis, 2013) because effective environmental management incorporates both direct and indirect knowledge (Jensen & Meckling, 1976). Green intellectual capital plays a major role in the company by focusing on sustainability through the transfer of knowledge in accordance with regulations, technology, and best practices and initiating to achieve sustainability goals that the company believes. (Wang, 2008) describes green intellectual capital as the total wealth stored in the company, which includes intangible assets, knowledge, abilities, and other matters related to environmental protection and green innovation at the individual and organizational levels within the company. This study divides green intellectual capital into three components, namely green human capital, green structural capital, and green relations capital. The same classification is also proposed by (Stewart, 1997), who defines green intellectual capital as the integration of green and environmental knowledge sources as well as the company's ability to increase competitive advantage. (Tan et al., 2007) model is one of many models referred to in other studies.

Environmental management concepts such as green competitive strategy, green intellectual capital, and green organizational identity are currently being developed to answer the challenges of the popularity of environmentalism. However, according to Chen et al. (2022), environmental management is more important in the organization itself and will become an important part of managing the company's business. This is a research gap of this study, so that the objectives to be achieved by this study are divided into several points, namely to find out and analyze 1) Environmentally oriented organizational culture has a significant positive effect on green organizational identity; 2) Environmentally oriented organizational culture has a significant positive effect on the green competitive strategy; 3) Environmentally oriented leadership has a positive effect on green organizational identity; 4) Environmentally oriented leadership has a positive effect on green competitive strategy; 5) Environmentally oriented ability has a significant positive effect on green organizational identity; 6) Environmentally oriented capabilities have a significant positive effect on green competitive strategy; 7) Green organizational identity has a significant positive effect on green competitive strategy; 8) Green human capital has a significant positive effect on the green competitive

strategy; 9) Green structural capital has a significant positive relationship with green competitive strategy; and 10) Green relational capital has a positive significant relationship with the company's competitive advantage.

Literature Review

Organizational identity embedded in organizational culture provides symbolic material that gives meaning to the organization to be interpreted (Stewart, 1997). Therefore, culture is closely related to identity. According to the theory of organizational identity expressed by Xing et al. (2019), organizational identity can help members understand the organization and work better, increase their identification and commitment to organizational goals, and therefore, maintain synchronization with the organization. This study refers to research conducted by Tsai and Wen (2013) and defines environmental organizational culture as a symbolic context of environmental management and environmental protection that can be interpreted in the behavior and understanding of organizational members. Symbols of organizational culture become an important source of material for developing organizational identity so that organizational identity is the result of a reflection of the dynamic process of the organizational culture (Jensen & Meckling, 1976). Therefore, the hypothesis in this study is as follows:

H₁: Environmentally oriented organizational culture has a significant positive effect on green organizational identity.

Edvinsson and Malone (1997) define a company's competitive advantage as a condition in which competitors are unable to replicate the company's competitive strategy. Competitors also cannot get the benefits that the company derives from its competitive strategy tools. Based on previous research, CSR strategies carried out by companies discuss the creation of competitive advantages based on social and environmental leadership (Razafindrambina & Kariodimedjo, 2011). Jensen and Meckling (1976) argue that if a corporate culture has value, is unique, and can be imitated by its members, then the corporate culture can provide a sustainable competitive advantage. Environmentally oriented-organizational culture is a complete organizational identity and is a major element in achieving high environmental performance in companies (Clarke et al., 2010; Martins et al., 2020; Nor & Karem, 2011; Santoso, 2011). Therefore, in view of organizational culture as a strategic tool, companies can gain a competitive advantage from their weaknesses, uniqueness, and organizational culture that can be imitated (Stewart, 1997). Research by Claessens et al. (2000) views companies as pioneers in the area of environmental management who can enjoy their main advantage by gaining a competitive advantage. Therefore, the hypothesis in this study is as follows:

H₂: Environmentally oriented organizational culture has a significant positive effect on the green competitive strategy.

Managers can define their main problems by identifying threats, formulating strategies, communicating with groups, and resolving conflict (Fama & Jensen, 1983). Therefore, organizational identity is shaped by top management's interpretations and beliefs that direct and drive organizational behavior (Jensen & Meckling, 1976). This is inseparable from environmental-oriented leadership. Leadership can be defined as the process by which an individual member of an organization influences the interpretation of events, the choice of goals and strategies, and the motivation of people to achieve goals (Stewart, 1997). Leadership can be viewed as a symbol of organizational identity because it can be used to influence what employees see, feel, and think about the organization (Stewart, 1997). Top management must direct employees to be involved in the company's environmental activities. Therefore, top managers' ecological concerns are closely related to environmental performance (Morck et al., 1988).

Pulic (2000a) defines environmental leadership as a dynamic process in which one individual influences another to contribute to the achievement of environmental management and protection. Corporate leaders create a view that influences their members' values, commitments, and aspirations that they want to achieve in environmental issues that are interpreted within the company (Jensen, 1986; Jensen & Ruback, 1983; Tsai & Wen, 2013). Leaders usually use their interpersonal and communication skills to gain positive relationships with stakeholders (Bozec & Bozec, 2007). Leaders are very important in achieving good outcomes from environmental development because they can increase the environmental vision to become part of the organizational identity and direct the actions of their members (Freeman & Reed, 1983). Thus, this study takes the following hypotheses:

H₃: Environmentally oriented leadership has a positive effect on green organizational identity.

Leadership is a dynamic process in which an individual influences other individuals to contribute to the achievement of group tasks (Faccio & Lang, 2002). This influence will be seen as fully legitimized by those who respond to the leadership process (Guthrie & Parker, 1989). Environmental leadership can provide a competitive advantage for a company in two ways: serving demand in the market for environmentally responsible products or

services ahead of its competitors. Second, it results in cost savings that protect energy and materials and reduce waste. Furthermore, environmental-oriented leadership can satisfy the environmentalism of their stakeholders (Guthrie & Parker, 1989). Top managers can increase the motivation to seek organizational changes made to improve environmental performance and to gain commercial and competitive benefits through environmental leadership.

Therefore, environmentally oriented leadership may not only be altruism (selfless activities for welfare, but it can also increase competitive advantage (La Porta et al., 1999). Environmental leadership comes from 4 directions: inspiring a shared environmental vision, utilizing a well-developed approach to environmental management, creating collaboration with stakeholders to solve environmental problems and accomplish environmental objectives, and carrying out the responsibilities of environmental education with the aim of encouraging employees in environmental management initiatives (Morck et al., 1988). Shows that the important role of leadership is to break down organizational barriers to environmental development so that companies can improve their environmental performance. The contribution of leaders is considered important because they are responsible for creating a form of culture for companies to achieve a sustainable competitive advantage (Jensen & Meckling, 1976). This study proposes a hypothesis:

H₄: Environmentally oriented leadership has a positive effect on green competitive strategy.

Environmentally oriented capabilities are company capabilities to integrate, coordinate, build, and reconfigure competencies and resources to suit environmental management and environmental innovation (Razafindrabinina & Kariodimedjo, 2011). Environmentally oriented capabilities result from the utilization of the company's resources and competencies to build a green organizational identity and competitive strategic advantage through green innovation. Companies can control their assets, capabilities, culture, and knowledge to formulate and implement strategies to assist them in maintaining the company's competitive level (Edvinsson & Malone, 1997; Fama & Jensen, 1983). Companies must adopt environmental management to meet consumer environmentalism and environmental regulations (Jensen & Meckling, 1976). From the Resource Based View (RBV) logic, environmental management becomes an important element of corporate strategy and should be considered a unique capability (Kalyta, 2013); (Scott, 2015) (Watts & Zimmerman, 1986). RBV suggests that the company's competitive advantage comes from the company's capabilities and main sources (Edvinsson & Malone, 1997). Research that examines the effect of environmental capabilities on green organizational identity and green competitive strategy, as far as the authors observe, has never been done in previous studies. Environmental capabilities are closely related to green culture and green leadership, so the hypothesis in this study is as follows:

H₅: Environmentally oriented ability has a significant positive effect on green organizational identity.

H₆: Environmentally oriented capabilities have a significant positive effect on green competitive strategy.

A strong cognitive schema and organizational identity can hinder organizational actions and interpretations (Stewart, 1997). The perception of members in an organization towards the identity of the company affects their interpretation of strategic issues because the interpretation of strategic issues will affect the behavior of company members (Berzkalne & Zelgalve, 2014). If things related to the environment affect organizational identity positively, then these things will create an emotional connection in the management of interpretation and will increase the search that is reflected in the behavior of organizational members compared to the avoidance of a threat (Berzkalne & Zelgalve, 2014). In this case, expressing environmental interpretations or proposing a strategic environmental vision and implementing that vision can establish environmental excellence (Jensen & Meckling, 1976; Morck et al., 1988). A unified identity can spur members to seek solutions and create a sense of unity that can become a major driving force for company performance (Santoso, 2011). Organizational identity is a key competency that can lead to competitive advantage through contextualization and giving meaning to new adaptive behavior. By applying the corporate context to behavior, organizational identity reflects non-replicable resources that lead to sustainable excellence. The identity inherent in the cultural system has meaning, so organizational identity can provide a continuous competitive advantage (Pulic, 2000a). Thus, the hypothesis in this study is as follows:

H₇: Green organizational identity has a significant positive effect on green competitive strategy.

Pulic (2000b) and Zehri et al. (2012) argue that green intellectual capital has a significant influence on the company's competitive advantage. This dispels the previous belief that environmental protection hinders the economic development of a company. The idea of getting the commitment of every individual in an organization is similar to that of green human capital, which has a positive influence on competitive advantage (Kalyta, 2013; Morck et al., 1988; Randa & Solon, 2012; Stewart, 1997). Bornemann (1999) proves that green innovation (products and processes) has a positive effect on processes and competitive advantage. As Chen et al. (2022) argue, green organizational identity is very helpful for organizations to propose environmental strategies and shape environmental cognition. Green cognitions and values are deeply embedded in meaningful cultural systems and become organizational heterogeneity and sticky resources, which are valuable and rare and cannot be completely imitated and replaced.

Adopting green innovation can increase product heterogeneity so that companies can develop new markets and set prices higher than the market average. As a result, firms enjoy increasing competitive advantage and their position as continuous market leaders (Kalyta, 2013; Nor & Karem, 2011). Thus, the hypothesis in this study is as follows:

H₈: Green human capital has a significant positive effect on the green competitive strategy.

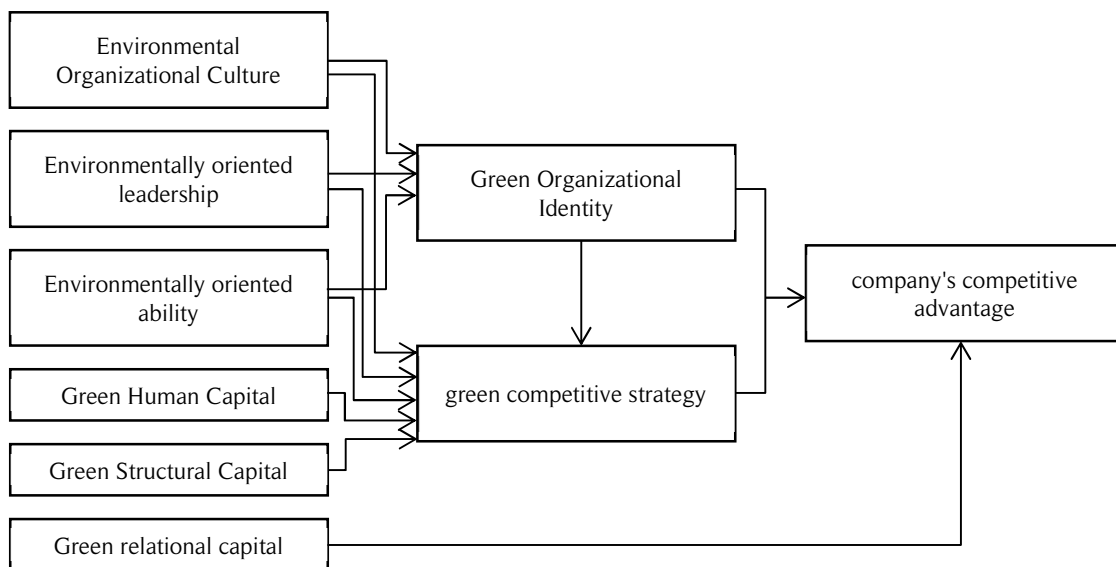
Green structural capital is the specification, strengthening and support of infrastructure for environmental protection and everything related to the environmental management system that can be categorized as green structural capital. Therefore, it can be concluded from the research of Du and Dai (2005) that green structural capital resulted in an increase in economic performance and environmental performance. Investments in green structural capital enable companies to avoid environmental damage and reduce the burden of paying fines. This increases the productivity of the company, develops new markets, improves the company's image and increases the company's competitive advantage (Brooking, 1996).

H₉: Green structural capital has a significant positive relationship with green competitive strategy.

Several previous studies have stated that the company's relational capital has a positive influence on their competitive advantage (Sumedrea, 2013). Based on the popular environmental awareness trend of consumers and strict international regulations on environmental protection, it is emphasized that companies need to actively implement environmental management and green innovation not only to minimize waste generated and increase productivity, but also need to improve company image, improve their production efficiency, developing green products, thus providing a positive impact on the company's competitive advantage (Santoso, 2011). Previous research has discussed relational capital, but there is no research exploring relational capital on green innovation or environmental management. Thus, green relational capital is used to explore the positive influence between relational capital related to green innovation and environmental management on the company's competitive advantage. Therefore, the company's accumulative interactive influence related to company environmental management and green innovation can assist companies in generating a company's competitive advantage. Thus, the hypothesis in this study is as follows:

H₁₀: Green relational capital has a positive significant relationship with the company's competitive advantage.

All hypotheses tested in this research summarized on a research framework or research model as follows:



Methods

Research Sample

This study used a survey using a questionnaire. The questionnaire was distributed to 146 respondents who had managerial positions as a research sample in manufacturing companies listed on the Indonesia Stock Exchange in 2020. The measurement scale in the questionnaire used a Likert scale from 1 to 5 from strongly disagree to strongly agree. Data processing was carried out using the SmartPLS 3.0 tool to determine the outer model and inner research model.

Variable Operations

The dependent variable in this study is the green competitive strategy, while the independent variable in this study is green intellectual capital which is represented by green human capital, green structural capital and green relational capital. Another independent variable is the management of the organization's environment, which is represented by an environmental-oriented organizational culture, environmental-oriented leadership and environmental-oriented capabilities. This study also includes an intervening variable, namely green organizational identity.

Construct measurement for latent variables in the study are as follows:

Table 1. Construct Measurement for Latent Variables

No.	Variables	Construct Measurement
1.	Green human capital	<ol style="list-style-type: none"> 1. Employees in the company engage in positive productivity and contribute to environmental protection. 2. Company employees have sufficient competence in environmental protection. 3. Company employees provide high quality services and products related to environmental protection. 4. The level of cooperation of the work team related to environmental protection is shown at a high level in the organization. 5. Managers strongly support their employees to achieve their work in accordance with environmental protection. (Kalyta, 2013)
2.	Green Structural Capital	<ol style="list-style-type: none"> 1. The company has a high management system towards environmental protection. 2. The company needs/has formed a committee to advance the main issues of environmental protection. 3. The company has made detailed rules for environmental protection. 4. The company makes considerable investment in environmental protection facilities. 5. The company has a high ratio of employees who understand environmental management to total employees. 6. The overall operation process for environmental protection within the company runs smoothly. 7. The knowledge management system in the company works well for the accumulation and sharing of knowledge about environmental management. (Sumedrea, 2013; Sydler et al., 2013)
3.	Green relational capital	<ol style="list-style-type: none"> 1. Companies design products and services to meet consumer desires for the environment. 2. Consumers are satisfied with the environmental protection carried out by the company. 3. The cooperative relationship on environmental protection of the company with suppliers is stable. 4. The cooperative relationship on environmental protection of the company with its main clients or consumers is stable. 5. The company has a good and stable cooperative relationship on environmental protection activities with its strategic partners. (Edvinsson & Malone, 1997); (Martin et al., 2010)
4.	Green competitive strategy	<ol style="list-style-type: none"> 1. The company has a competitive advantage with low costs on environmental management and green innovation compared to the company's main competitors. 2. The quality of green products or green services that the company offers is better than the green products or green services of the company's competitors. 3. The company has more capability in R&D that supports the environment and green innovation compared to its main competitors. 4. The company is better able to carry out environmental management compared to its main competitors. 5. The company's profitability is in accordance with a better green product or green service. 6. The company's growth in line with green products or green services exceeds its main competitors. 7. The company's main competitors cannot imitate green products or green services easily. (Firer & Williams, 2005)

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|----|-------------------------------------|---|
| 5. | Environmentally Oriented Culture | <ol style="list-style-type: none"> 1. The organization cares about environmental management knowledge and environmental protection. 2. The organization is concerned with the combination of environmental management and environmental protection. 3. The company cares about environmental agreements. 4. The company cares about environmental management change and environmental protection. 5. The company cares about responsiveness to environmental management and environmental protection. 6. The company cares about the vision of environmental management and environmental protection. <p>(Berzkalne & Zelgalve, 2014; Jensen & Meckling, 1976)</p> |
| 6. | Environmentally Oriented Leadership | <ol style="list-style-type: none"> 1. The leadership of the organization inspires the vision of the organization that is propagated as environmentally sustainable, creating or maintaining environmental values throughout the company. 2. Company leaders take advantage of a well-established approach to environmental management that is generally centered around programs tailored to the company's specific business and market. 3. The company leadership creates cooperation with stakeholder organizations to solve environmental problems and to complete environmental objectives. 4. Company leaders can accept responsibility for conducting environmental education with the aim of encouraging employees to initiate environmental management. <p>(Berzkalne & Zelgalve, 2014; Jensen & Meckling, 1976)</p> |
| 7. | Environmentally Oriented Ability | <ol style="list-style-type: none"> 1. Companies are able to integrate, cooperate, build and reconfigure competencies and resources to complete environmental management and environmental innovation very well. 2. Companies are able to integrate, cooperate, build and reconfigure competencies and resources to complete environmental management and environmental innovation is rare in the market. 3. The company is able to integrate, work together, build and reconfigure competencies and resources to complete environmental management and minimal environmental innovation as imitated by its competitors. 4. Companies are able to integrate, work together, build and reconfigure competencies and resources to complete environmental management and environmental innovation is difficult to replace. <p>(Berzkalne & Zelgalve, 2014; Jensen & Meckling, 1976)</p> |
| 8. | Green Organizational Identity | <ol style="list-style-type: none"> 1. The company's top managers, middle managers and employees have a strong sense of the company's history regarding environmental management and environmental protection. 2. The company's top managers, middle managers and employees have a sense of pride in the mission and goals of the company's environment. 3. The company's top managers, middle managers and employees have the feeling that the company carves out a significant position according to environmental management and environmental protection. 4. The company's top managers, middle managers and employees feel that the company has formulated a well-defined set of environmental objectives and missions. 5. The company's top managers, middle managers and employees have extensive knowledge of the traditions and culture of the company's environment. 6. The company's top managers, middle managers and employees have a strong identification with the company's actions in accordance with environmental protection and management. <p>(Berzkalne & Zelgalve, 2014; Jensen & Meckling, 1976)</p> |
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Data Analysis Technique

Data analysis in this study used multiple linear regression to test the effect of the independent variable and the dependent variable, namely by means of linear regression. The regression model in this study uses the following formula:

$$Y1 = a + \beta_1GHC + 2GSC + 3GRC + 4EOC + \beta_5EL + 6EC + \varepsilon$$

$$Y_2 = a + \beta_1 GCH + 2GSC + 3GRC + 4EOC + \beta_5 EL + 6EC + 7GOI + \varepsilon$$

Results and Discussions

The following are descriptive statistics for each latent variable:

1. Variable Construct of Green Human Capital.

Table 2. Descriptive Statistics Variable Construct of Green Human Capital

Mean	Std. Deviation
3.2997	.80196
3.2298	.77895
3.1894	.78998
2.9989	.71789
3.3444	.90974

From the descriptive statistics above, it is known that the highest average is managers who support their employees in achieving their work in accordance with environmental protection. However, this construct also has the highest standard deviation, so there are still respondents who think that in their organization there is still a tendency for managers to support employees to achieve work that is in accordance with environmental protection. It is suspected that environmental protection in the respondent's organization still receives less attention from organizational leaders or managers. This can be seen in the construction of the level of cooperation from the work team related to environmental protection at high levels in the organization is still quite low. It can be said that leadership support in organizations in Indonesia related to environmental awareness is still low.

2. Variable Construct of Green Structural Capital.

Table 3. Descriptive Statistics Variable Construct of Green Structural Capital

Mean	Std. Deviation
3.2823	.75375
3.1846	.85947
3.0853	.78853
3.1954	.89563
2.9856	.71934
3.0853	.88593
3.0945	.78523

From the descriptive statistics above, the highest construct is that the company has a high management system for environmental protection. This means that actually companies in Indonesia have begun to realize the importance of the company's role in environmental protection. This is also supported by a fairly low standard deviation. However, in practice, environmental protection carried out by companies in Indonesia has not been carried out optimally. An example is construct number 5, namely the company has a fairly low ratio that understands environmental management when compared to total employees. Although the importance of this issue needs attention by non-service companies, there is nothing wrong with service organizations caring about employees' knowledge of environmental protection.

3. Green Relational Capital Construct.

Table 4. Descriptive Statistics Green Relational Capital Construct

Mean	Std. Deviation
3.2375	.90953
3.0957	.61934
3.1238	.69567
3.0954	.68247
3.5829	.69954

From the descriptive statistics above, it shows that green relational capital for companies in Indonesia is generally quite good because all constructs have an average of more than 3. The highest construct is that companies design products and services to meet consumer desires for the environment. The point is that

companies in Indonesia have sufficiently responded to the existence of consumer environmentalism so companies in Indonesia pay attention to the quality of products or services that support environmental friendliness. However, not all companies in Indonesia care about this. This can be seen from the standard deviation, which is quite large when compared to the standard deviation of other constructs. This indicates that there are companies in Indonesia that still pay less attention to the quality of products or services that are environmentally friendly, it is suspected that service companies in Indonesia still consider this to be less important in the implementation of their operations.

4. Environmentally Oriented Cultural Construct.

Table 5. Descriptive Statistics Environmentally Oriented Cultural Construct

Mean	Std. Deviation
3.3798	.9476
3.2980	.87873
3.0986	.78937
3.1098	.83864
3.2876	.71699
3.3998	.82866

From the descriptive statistics above, it can be seen that in general, the organizational environmental culture in Indonesia is quite good, this can be seen from the average of all constructs above 3. Companies in Indonesia are quite good in responding to environmental management and organizational protection and have included both of these things in the vision of the organization either directly or indirectly. Thus, the implementation of environmental management and environmental protection in the organization is deemed necessary and beneficial for the long-term sustainability of the company. However, there are still companies that do not fully care about the environmental culture in their organizations, this can be seen from the fairly large standard deviation of each construct.

5. Environmentally Oriented Leadership Construct.

Table 6. Descriptive Statistics Environmentally Oriented Leadership Construct

Mean	Std. Deviation
3.4789	.79877
3.3873	.91938
3.2879	.91773
3.3392	.80971

From the descriptive statistical table above, it is known that the leadership in the organization in general has been concerned about environmental values, environmental management, environmental cooperation, environmental problems and sees the need for knowledge of environmental management for employees. This can be seen from all the constructs that have an average of above 3. The company leadership considers these things to be an integral part of the organization in the long-term sustainability of the organization. The company's leadership already has the view that the company becomes one unit with the environment. However, not all company leaders in Indonesia have this view. This can be seen from the high standard deviation of all constructs, it is suspected that there are still conservative company leaders who consider the company's involvement in the environment less important.

6. Environmentally Oriented Capabilities Construct.

Table 7. Descriptive Statistics Environmentally Oriented Capabilities Construct

Mean	Std. Deviation
3.3983	.73784
3.2449	.87837
3.0872	.71598
3.1983	.74445

From the descriptive statistics above, companies in general have been quite successful in integrating, cooperating, building and configuring competencies and resources to complete environmental management

and environmental innovation that are different from competitors or what other companies have done. The company has begun to attach importance to the support of the company's resources and competencies in making a long-term environmental strategy for the company's sustainability. However, not all companies implement this strategy, it can be seen that the standard deviation is quite large in all constructs.

7. Construct of Green Organizational Identity

Table 8. Descriptive Statistics Construct of Green Organizational Identity

Mean	Std. Deviation
3.2988	.73783
2.9896	.67874
3.2487	.81887
3.1872	.75897
3.1274	.70833
3.2739	.87298

From the descriptive statistics above, it can be seen that there is an alignment between top managers, middle managers and employees in the organization related to the company's mission and goals on environmental management and environmental protection. However, this is still quite difficult to do because it is suspected that each party has different perceptions and company regulations related to environmental protection and environmental management have not been socialized to employees at all levels of the company or there is no written regulation on environmental protection and environmental management. Likewise, the fairly high standard deviation of all constructs shows that there is still a mismatch in the understanding of environmental management and environmental protection at all levels of the company.

8. Construct green competitive strategy

Table 9. Descriptive Statistics Construct Green Competitive Strategy

Mean	Std. Deviation
3.6394	.91894
3.2937	.83493
2.9887	.56795
3.1938	.80298
3.2487	.75294
2.9722	.59489
2.9387	.58853

Based on the results of the descriptive statistics above, there have been attempts by companies in Indonesia to implement competitive strategies that accommodate customer/consumer environmentalism, but not much has been done in Indonesia. It is suspected that companies in Indonesia are still looking for forms related to green products or green services produced. Another assumption is that companies in Indonesia still do not consider it important that the creation of green products or green services can have an impact on competitive advantage with their competitors because companies are still implementing old strategies in competition in certain industries. This can also be caused, most of the respondents in this study work in the service sector, green competitive strategy in Indonesia is still not considered important in implementing competitive strategy.

Testing of Green Relational Capital, Green Human Capital, Environmentally Oriented Organizational Culture, Green Structural Capital, Environmentally Oriented Leadership and Environmentally Oriented Capabilities towards Green Organizational Identity

The results of the simultaneous test (feasibility of the model) are as follows:

Table 10. The results of the simultaneous test (feasibility of the model)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.846	6	2.372	91.099	.026 ^b
	Residual	.793	140	.026		
	Total	15.184	146			

The simultaneous test shows that together, the independent variables consisting of green human capital, green structural capital, green relational capital, environmental-oriented organizational culture, environmentally-oriented leadership, and environmental-oriented abilities have a significant effect on green organizational identity.

Variable	Coefficient	p Value	Description
X1	.235	.0432	Significant
X2	-.498	.8734	Not significant
X3	.485	.2395	Not significant
X4	.584	.0328	Significant
X5	.099	.4829	Not significant
X6	.583	.0193	Significant

From the table above, it is known that

1. Green human capital has a significant positive effect on green organizational identity. Green organization has a role in the interpretation scheme that is in accordance with environmental problems.
2. Green structural capital does not affect green organizational identity.
3. Green relational capital does not affect green organizational identity.
4. Environmentally oriented organizational culture has a significant positive effect on green organizational identity. This research is in line with Jensen and Meckling (1976) research. This states that environmental organizational culture is a strategy into a new managerial framework from the view of green organizational identity that responds to new trends for sustainable development concerned with environmental protection and economic development.
5. Environmentally oriented leadership does not affect green organizational identity.
6. Environmentally oriented capabilities have a significant positive effect on green organizational identity.

This research is in line with Jensen and Meckling (1976) research. This suggests that environmental organizational culture is a strategy into a new managerial framework from a green organizational identity view that responds to new trends for sustainable development concerned with environmental protection and economic development.

This study refers to the research following Jensen and Meckling (1976), which examines the relationship between environmental organizational culture and environmental leadership on green organizational identity. Meanwhile, environmental capability is a development of Jensen and Meckling research (1976) and is part of Chen et al. (2022) environmental management. As Jensen and Meckling (1976) stated, that the importance of green organizational identity in organizations is an important source for the development of organizational identity and reflects the view that organizations cannot deal with environmental problems for the sake of sustainability in the company's competitive advantage. In this study, the ones that have a significant effect on green organizational identity for organizational environmental management are environmental organizational culture and environmental capability. This shows that the organizational culture, resource capabilities and competencies possessed by the company related to environmental management and environmental protection indicate the identity of the organization in responding to environmental problems.

This research is the development of research by (Shiri et al., 2012), which examines the effect of green human capital, and green structural capital on competitive advantage. Jensen and Meckling (1976) stated that green organizational identity has a significant positive effect on green competitive strategy, so in this study examines the effect of green human capital and green structural capital on green organizational identity.

In this test, of the three components of green intellectual capital, only green human capital has a positive effect on green organizational identity, so companies must invest in green human capital on green organizational identity. Meanwhile, green structural capital and green relational capital do not affect green organizational identity, it is suspected that even though the organization has cared about the commitment of organizational leaders and the organization's concern for employee knowledge in environmental management and environmental protection, it is still not done optimally. This is in line with the company's or organization's response to the existing customer environment, but still considers this not very important. This reflects that organizations in Indonesia are familiar with environmental protection and environmental management but still consider these things as not the company's main priority in the long-term sustainability of the organization. Organizational commitment and not yet concerned about environmental management and protection. Green organizational identity can only be reflected in the ability of employees to have competence in environmental protection, who are productively involved and contribute to environmental protection, and the support of managers or company leaders for employees, both individuals and groups, to work in producing products and services in accordance with environmental protection management.

Green Structural Capital, Environmental Capability, Green Human Capital, Environmental Organizational Culture, Green Organizational Identity, Green Relational Capital, Environmental Leadership, Testing Tests Against green competitive strategy

The results of the simultaneous test (feasibility of the model) are as follows:

Table 11. The results of the simultaneous test (feasibility of the model)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.921	7	1.933	137.938	.041 ^b
	Residual	.298	140	.038		
	Total	14.219	147			

The simultaneous test shows that together the independent variables consisting of green relational capital, green human capital, environmental leadership, green structural capital, environmental organizational culture, environmental capability, green organizational identity have a significant effect on the green competitive strategy.

Variable	Coefficient	p Value	Description
X1	.085	.843	Not significant
X2	.293	.003	Significant
X3	.295	.041	Significant
X4	-.194	.874	Not significant
X5	-.038	.947	Not significant
X6	.148	.752	Not significant
X7	.495	.019	Significant

1. Green human capital does not affect the green competitive strategy.
2. Green structural capital has a significant positive effect on the green competitive strategy.
3. Green relational capital has a significant positive effect on the green competitive strategy.
4. Environmental organizational culture does not affect green competitive strategy
5. Environmental leadership does not affect green competitive strategy.
6. Environmental capability does not affect green competitive strategy
7. Green organizational identity has a significant positive effect on the green competitive strategy.

In accordance with Jensen and Meckling (1976) research, however, green organizational identity is not a mediator between green human capital, green relational capital, green structural capital, environmental leadership, environmental organizational culture, environmental capability, green organizational identity has a significant effect on green competitive strategy. The information in this study can be used as a first step to assess the direction of the company and understanding of environmental management guidelines. To increase environmental knowledge and employee competence, it is important to increase environmental activities (Murale & Ashrafali, 2010; Serenko & Bontis, 2013). Suppose management has chosen sustainability as the area or focus of the company's business. In that case, the company will be able to create a culture that competes with strong values and culture with environmental management and environmental protection. This is not visible in the near term but will have an impact on the company's business in the long term. There are future predictions related to international, regional, and local regulations related to the environment that will be more stringent so companies have implemented or anticipated this. This is in line with the environmentalism of consumers; investors and clients must receive attention from the company. The demand for external environmentalism needs to be responded by companies to improve environmental performance as reflected in environmental activities carried out by companies, and the products or services produced must support environmental sustainability. Thus, it will create a competitive advantage for the company from an environmental perspective that is integrated with the company's competitive advantage and becomes the company's main focus.

On the other hand, lack of senior management support, lack of resources, continuous incompetence of employees, and lack of collaboration between green intellectual capital, environmental management, and green organization identity will fail to achieve the company's environmental goals. From the green intellectual component, it can be seen that the only effect on green organizational identity is green human capital. In contrast, those that affect the green competitive strategy are green structural capital and green relational capital. Meanwhile, the organizational environmental management that has a positive effect is green organization culture and green capability. At the same time, there is no single component of organizational environmental management that affects the green competitive strategy.

Meanwhile, green organizational identity has a positive effect on green competitive strategy. Thus, green organizational identity does not succeed in being a mediator for the relationship between green intellectual capital and green competitive strategy and the relationship between organizational environmental management and green competitive strategy. It is suspected that the application of environmental knowledge from the organizational side, company leaders, and employees is not carried out in service companies because most of the respondents in this study work in the service sector. The existence of a significant positive influence in this study provides the potential that service companies have implemented the application of environmental knowledge, environmental protection, and environmental management.

Intangible assets become very important for the company. The positive influence of green human capital on green organizational identity, green structural capital, and green relational capital on the green competitive strategy is the main element in the development of the company's sustainability. It can be concluded that the larger the company emphasizes social and environmental responsibility, the more the company will invest in green intellectual capital so that the company can implement a long-term sustainability strategy that helps the company's business.

The results of this study prove that the application of environmental knowledge, environmental management, and environmental protection by organizations or company leaders is still considered not a priority in the company's business. It is suspected that developing countries such as Indonesia still do not care to put these factors into the company's mission and goals. Likewise, the company's external parties, such as investors and clients, still have not implemented environmentalism, which forces companies to have environmental protection and environmental management. Although Indonesia already has regulations such as the Limited Liability Company Law (UU PT) No. 40/2007 PP No. 47/2012 concerning Social and Environmental Responsibility, it does not make these regulations the company's main concern. This is even more so for service companies that feel that they do not have a negative impact on the environment because there is no waste produced like manufacturing companies, so it seems as if environmental problems are not the responsibility of companies in the service sector. Thus, the implementation of environmental care in service organizations is getting further.

Conclusion

Green human capital and environmental-oriented culture have a significant positive effect on green organizational identity. Meanwhile, green structural capital, green relational capital, environmentally oriented leadership, and environmentally oriented abilities do not affect green organizational identity. Green structural capital and green relational capital have a significant positive effect on the green competitive strategy. In contrast, green human capital, environmentally oriented culture, environmental-oriented leadership, and environmental-oriented abilities, green organizational identity do not affect the green competitive strategy.

Companies must improve green human capital, environmentally oriented culture, environmental-oriented leadership, and environmental-oriented abilities. On the other side, green organizational identity does not affect the green competitive strategy to improve their green innovation performance.

Research on this topic is rarely done, and to the best of the author's knowledge, it has never been done before in Indonesia. Therefore, this study only uses a small sample and does not classify respondents who work in service and non-service companies.

Using respondents at the manager level who actually work in companies that generate waste in their operations, such as manufacturing companies, hotels, and hospitals. Using a larger sample of respondents. It is suggested for further research to add other variables not included in this research, such as environmental commitment and environmental organizational legitimacy, to enhance their green innovation performance.

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