The Synthesis of Integrative sustainable capability to Indonesian Sustainable Eco-print Fashion

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Abstract
With a focus on small businesses that are oriented towards sustainable fashion in the Eco-print business, this research focuses on forming a synthesis of integrative sustainable capability variables which are derived from a systematic process through the derivation process of resources based theory and strategic orientation. The synthesis of these theories leads to the construction of a new concept, namely integrative sustainable capability as a competency to integrate environmental and social considerations to strategically acquire, combine and deploy the resources in business operations and cooperation included in knowledge management to generate performance values. The structured idea process method is used to synthesize novelty constructed in the integrative sustainable capability. The integrative sustainable capability is used as a mediator in the relationship between knowledge management capabilities and entrepreneurial performance in the context of eco-print small businesses. The conceptual model was formed by linking these three variables of knowledge management and entrepreneurial performance with integrative sustainable capability as a mediation derived from the synthesis of novelty process in the context of eco-print small business.

Keywords: resources based theory, strategic orientation, integrative sustainable capacity, knowledge management, eco-print

INTRODUCTION
The development of eco-print in Indonesia is experiencing rapid growth. There are more than 1000 members of the Eco-Printer Association in Indonesia. The development of sustainable fashion, especially eco-print in Indonesia, has experienced rapid development as seen from the involvement of small businesses engaged in Eco-print which present their work in exhibitions such as Inacraft which carries its own advantages as an environmentally friendly fashion product choice. This is in line with the Indonesian Government’s Goals for Sustainable
Development, one of which is promoting responsible consumption and production. Eco-print with an Eco-Living production and consumption pattern utilizes nature in production and consumption. The use of natural dyes from nature and fabrics made from natural fibers are used to develop sustainable fashion products. Utilizing the environment as a competitive advantage in obtaining economic benefits (Cancino et al., 2018; Svensson et al., 2010) has become a dynamic issue in the development of sustainable entrepreneurship. Small business practices in Eco-print are a form of implementation of sustainable entrepreneurship. The emphasis of sustainable entrepreneurship is an effort by entrepreneurs to achieve a balance between the environment, social, and profit, and as a catalyst in sustainable economic development through innovative sustainable production and consumption patterns (Kimuli et al., 2021; Ahmad et al., 2020; Schaltegger & Wagner, 2011). Entrepreneurial performance in sustainable entrepreneurship in the triple bottom line theory emphasizes the balance between environmental, social and profit aspects through the realization of eco-living for inclusive developments with profit maximization as one of the indicators (Agarwal et al., 2020; Sarkar & Pansera, 2017).

Bertello et al., (2022) outlined that intensive knowledge and sustainable entrepreneurship can achieve economic, social and environmental goals through institutionalization of entrepreneurship. The focus of studies related to sustainable entrepreneurship is the implementation of entrepreneurship with social and environmental aspects being the central values of its implementation (Volkmann et al., 2021). The sustainability of the entrepreneurial ecosystem shows the importance of exploration regarding interactions in organizational dynamics for the utilization and output of existing resources in the entrepreneurial ecosystem (Bertello et al., 2022; Calic & Mosakowski, 2016; de Lange, 2016). There are limitations and opportunities for avenues of research related to utilization
knowledge-intensive entrepreneurial ecosystems in sustainability entrepreneurial transitions (Bertello et al., 2022). Valencia-Arias et al., (2024) outlined the importance of knowledge absorption capacity in SME performance for innovation and financial performance. Valencia-Arias et al., (2024) also emphasized the importance of future research to expand the implications of knowledge networks on transformative knowledge sharing, learning, and cultural innovation. Organization learning and knowledge sharing are essential components in the knowledge acquisition process to increase the formation of innovation, competitive advantage, and sustainability which is reflected in organizational performance (Arsawan et al., 2022; Gholami et al., 2013; Yang et al., 2013). Knowledge management plays a role as a definitive factor in developing sustainability on the production side and influences the implementation of a circular economy for sustainability and business performance (Agyabeng-Mensah et al., 2021; Martins et al., 2019).

There are research development opportunities that need to be explored by Valencia-Arias et al., (2024) regarding the ability of SMEs to increase capacity in applying knowledge for growth and the role of learning practices in innovations and a long-term performance. Wati et al., (2022) showed that knowledge management does not have an influence on organizational performance directly nor does it have an influence on organizational performance through an innovation as a mediation. Mills & Smith (2011) also showed that knowledge management prerequisites such as technology, knowledge, and conversion are not related to performance. Shahzad et al., (2020) outlined that knowledge management and corporate sustainability performance have a direct influence, but green innovation can increase the influence in this relationship and can increase the impact of knowledge management on corporate sustainability performance.

The implication is that although empirically knowledge management is a strategic
way to improve entrepreneurial performance, practically knowledge management does not always have an impact on entrepreneurial performance. Therefore, in several studies it has been suggested that to produce optimal sustainability entrepreneurial performance, knowledge management requires capabilities (Hock-Doepgen et al., 2021; Guo et al., 2021) to collectively comprehend and create changes in knowledge management resources related to sustainable issues to increase the positive impact of knowledge management in the sustainable entrepreneurial performance. For this reason, entrepreneurial practices that emphasize sustainable orientation as a foundation in business operations (Ahmad et al., 2020) require the capability to integrate knowledge management to improve the sustainable entrepreneurial performance.

In other words, knowledge management enables to advance the sustainable entrepreneurial performance with a sustainability orientation through integrative sustainable capability. This is in line with studies conducted by Martins et al., (2019); Bucci & El-Diraby (2018); Chang et al., (2018) that considered knowledge management as a definitive element to consolidate competitive advantage and sustainable development goals. With integrative sustainable capability, the integration of knowledge management in the context of implementing sustainability orientation performs as an archetype for sustainable development to generate the sustainable entrepreneurial performance. Several studies have suggested the importance of integrative capability as a mediator of the influence of knowledge management on entrepreneurial performance which relies on sustainable orientation (Pang et al., 2019; Robinson et al., 2006).

Knowledge management acts as a competency recognition strategy through the capability to integrate sustainability orientation principles and resources in business operations for competitive advantage in the sustainable entrepreneurship (Khizar et al., 2022;
Robinson et al., 2006). If this insight is applied to sustainability-based entrepreneurship such as Eco-Print, it is possible to fundamentally underlie it on integrative sustainable capability (integrative capability based on sustainable orientation) to mediate the relationship between knowledge management and entrepreneurial performance.

CONCEPTUAL DEVELOPMENT

Integrative Sustainable Capacity

Integrative capability is a concept that originates from the Resources Based Theory approach (Peteraf & Barney, 2003; Barney, 1991; Wernerfelt, 1984). According to Peteraf & Barney (2003); Hoopes et al., (2003), Resources Based Theory highlighted an organization's efforts to maintain its position in a competitive environment through different distinctive competencies such as market forces or strategic behavior. Resource-based theory focused on an organization's competitive advantage, emphasizing on utilization of resources and capabilities that can be seen from the similarity of its products, capabilities and substitute products (Peteraf & Bergen, 2003; Barney, 1991; Wernerfelt, 1984). Makadok (2001); Wernerfelt (1984); Porter (1981); Caves (1980) outlined that resources are organizational strengths which include tangible and intangible assets to achieve vision, mission, strategy and goals. Pavlou & El Sawy (2011) in the framework of dynamic capabilities emphasized the importance of a company's ability to integrate resources collectively to make changes from internal and external stimuli.

Resource-based strategy theory in the concept of strategic resources (Widener, 2006; Amit & Schoemaker; 1993) stated that unique resources play a role in an organization's competitive advantage by exploiting strategic resources, one of which is intellectual resources. This links to exploration capabilities in the strategic resources concept to examine the role of tangible and intangible resource attributes in contributing to an organization's competitive
advantage. Barney (1991) in strategic resources classifies strategic resources into intellectual and physical resources where an organization is a collection of resources and capabilities that support the achievement of competitive advantage. The concept of strategic resources requires exploration capabilities in relation to integrative capability as a competency possessed by an organization to strategically acquire, combine and deploy resources to produce positive interactions between resources by modifying and configuring internal and external resources to become company capabilities. (Pang et al., 2019; Helfat & Campo-Rembado, 2016; Wei et al., 2015; Liao et al., 2009). Pang et al., (2019) showed that there are limitations in exploring the relationship between integrative capability and business model innovation.

The integrative capability discussed in this research is the company's ability to strategically acquire, combine, and deploy strategic resources to become value-creating which has an impact on organizational excellence and performance. This study focuses on integrative capability in contextual sustainable orientation through the integration of environmental and societal understanding in strategic resources which are centered on intellectual knowledge resource. The concept of sustainable orientation comes from the concept of strategic orientation (Chandra Balodi, 2014) that strategic orientation plays a role as an originator in organizational practices and decisions through resource allocation (Hakala, 2011; Deshpande et al., 1993; Narver & Slater, 1990). The concept of sustainable orientation is part of a strategic orientation that shows company-level capabilities that lead to characteristics and policies within the scope of the organization (Amankwah-Amoah et al., 2019; Roxas et al., 2017; Cadogan, 2012; Hakala, 2011). Sustainability orientation emerges as a company's ability to dynamically integrate sustainability principles as well as environmental and societal considerations in business operations and company goals (Jin et al., 2019; Claudy et al., 2016; Ahmad et al., 2015). Khizar et al., (2022) on the application of the concept of sustainability
orientation at the individual or organizational level resided in its application in a research context with an emphasis on sustainable orientation as a strategic orientation. The concept of sustainable orientation (Khizar et al., 2022; Sayem 2012) does not only focus on environmental and social issues but focuses on strategic orientation in a comprehensive scope on understanding the framework that involves individual and organizational decisions for sustainable development in the economy, society, and environment.

The synthesis of integrative capability and sustainable orientation leads to the construction of a new concept, namely integrative sustainable capability. Integrative sustainable capability synthesis used a structured idea process which provides a new concept from a process that systematically combines Resources Based theory (Peteraf & Barney, 2003; Barney, 1991; Wernerfelt, 1984) in the concept of strategic resources (Widener, 2006; Amit & Schoemaker; 1993) for exploration capabilities in integrative capabilities with the concept of sustainable orientation in strategic orientation (Chandra Balodi, 2014). This concept is defined as organizational competence to strategically integrate environmental and societal considerations to strategically acquire, combine and deploy resources in business operations and collaboration to achieve competitive advantage that leads to entrepreneurial performance in the context of sustainable entrepreneurship.

With integrative sustainable capability, organizations will have the ability in a dynamic environment to absorb, integrate and reconfigure internal and external business development resources. This is in accordance with dynamic capability theory (Teece, 2018; Battistella et al., 2017; Corallo et al., 2016; Kulins et al., 2016) that dynamic capabilities are a definitive element in driving changes through rational allocation and integration of resources with efforts to identify opportunities and market changes for sustainable value creation. Integrative sustainable capability in this study is in the context of implementing sustainable
entrepreneurship in Eco-print businesses, namely the ability to carry out tasks and activities with coordination and collaboration patterns that involve complex and dynamic interactions between internal and external resources to achieve managerial visions in the form of achieving Triple Bottom Line performances.

The triple bottom line orientation in this study emphasizes sustainable entrepreneurial performance in Eco-print businesses not only on economic and non-economic achievements, but also reflected in the implementation of strategic orientation of Eco-print businesses to contribute to the achievement of sustainable development through a superior performance.

Epistemologically, the concept of Integrative sustainable capability is a synthesis between resources based theory and the concept of strategic orientation which is described in the synthesis framework as follows:
CONCEPTUAL FRAMEWORKS

Hypotheses Formulation

*Knowledge Management and Integrative sustainable capability*

Fig. 2 Conceptual Frameworks
The resource-based view provides an understanding of the organization as a collection of productive resources and capabilities that play a role in increasing positional advantages and organizational performance (Barney, 1991). Knowledge management (Khizar et al., 2022; Robinson et al., 2006) is an essential capability for organizations to integrate competitive advantages for the organization as well as playing a role in developing sustainable orientation by integrating sustainability principles into the formulation of company strategies.

In the practices of sustainable entrepreneurship in Eco-print business, knowledge management plays a role in generating innovation to achieve sustainability performances and as an instrument for strategic decision making (Saratchandra & Shrestha 2022; Hock-Doepgen et al., 2021; Abbas et al., 2020). In sustainable entrepreneurship in the Eco-print business, it will be suitable to build Integrative sustainable capability with a solid knowledge management which is reflected in access to knowledge sources and knowledge absorption capacity to encourage innovation and sustainable orientation.

Thus, the first hypothesis proposed is:

H1: Knowledge Management has a positive effect on Integrative sustainable capability.

The mediating effect of Integrative sustainable capability on the relationship of Knowledge Management and Entrepreneurial performance

One of the factors that influences strategic competitive advantage is the ability to respond to customers and competitors as well as business model innovation (Velu, 2016; Bock et al., 2012), therefore integrative capabilities are needed to build distinctive competitive advantages. In the practice of implementing sustainable entrepreneurship which focuses on a sustainable orientation, with the existence of Integrative sustainable capability, entrepreneurial practices can innovatively and responsively transform resources originating
from intellectual resources, namely knowledge management, into comprehensive sets of value-creating competencies.

This study reveals the role of Integrative sustainable capability in mediating knowledge management and entrepreneurial performance which is in line with the findings of Chaurasia et al., (2020) who examined the relationship between knowledge management in producing organizational excellence by responsively responding to issues in the organization. The Integrative sustainable capability concept is the development of a research area related to investigations to reveal the relationship between knowledge management through integrative capability in its interaction with sustainable orientation for superior entrepreneurial performance which can be contextually adapted to Eco-print businesses based on Eco-Living. Therefore, we believe that, between knowledge management and entrepreneurial performance, Integrative sustainable capability can improve knowledge management in creating values more effectively in the form of the performance in entrepreneurial practices. Thus, the second hypothesis proposed is:

H2: Integrative sustainable capability positively mediates the relationship of Knowledge Management and Entrepreneurial performance.

**Integrative sustainable capability and Entrepreneurial Performance**

The Integrative sustainable capability concept also raises the necessity of a natural resource-based view (NRBV) which is aimed at integrating sustainability orientation through competitive advantage reflected in performance (Hart & Dowell, 2011) which is formed from the integration of resources in organizations or entrepreneurial practices. Integrative sustainable capability will build a strong and holistic foundation for the formation of entrepreneurial performance in the context of sustainable entrepreneurship. This argument is
in line with a study by Pang et al., (2019) that integrative capabilities can increase a company's ability to create business model innovations that can improve company performance. Studies by Pang et al., (2019); Wei et al., (2015) highlighted the mechanism of integrative capabilities to improve company performance and showed the interaction between integrative capabilities and business innovation models for organizational performance. This study focuses on integrative capabilities in a sustainable orientation. We consider it important to examine the influence of Integrative sustainable capability on entrepreneurial performance based on the context of implementing sustainable entrepreneurial practices in Eco-print businesses.

Therefore, the third hypothesis proposed is:

H3: Integrative sustainable capability has a positive effect on entrepreneurial performance.

RESULTS AND DISCUSSION

Theoretically, the findings of this research contribute to research limitations and the research gap between knowledge management and entrepreneurial performance in the context of sustainable entrepreneurship. New concept of integrative sustainable capability offered as mediation in relation to knowledge management and entrepreneurial performance in its adaptation to eco-print entrepreneurial practices through a proposed conceptual framework. This study also contributes to the development of science, especially resources based theory and the concept Strategic Orientation through sustainable orientation theoretical background.

CONCLUSIONS

This research proposed a new concept, namely integrative sustainable capability, in illuminating the value obtained from sustainability-oriented knowledge management and its
integration in organizational management for the performance of sustainable entrepreneurial practices such as eco-print. This study reveals a new concept that reveals the integration of the capability knowledge management mechanism paradigm in the context of sustainable orientation in the interplay nexus with entrepreneurial performance. Future Research can be carried out to empirically test the proposed conceptual framework which also answers the need for research development on the role of knowledge management in the context of sustainable orientation for superior company performance (Khizar et al., 2022; Cegarra-Navarro et al., 2019; Albort-Morant et al., 2018).

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