

## BUSINESS SUSTAINABILITY ANALYSIS USING TRIPLE BOTTOM LINE IN MALANG FURNITURE BUSINESS

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### ABSTRACT

Research related to furniture MSMEs in Malang needs to be carried out for several reasons to preserve culture: One of the unique and valuable forms of expression of culture is furniture crafts. Research related to sustainability in this industry will be very useful for preserving existing culture and traditions and can help the local government to maintain the existence of culture in the Malang area, increasing economic value. This research uses a qualitative approach. The results of the research are as follows: 1) That the Basuki Lacasa Art Gallery is a furniture industry that focuses on foreign buyers (export) so that it prioritizes quality, cultural characteristics of the archipelago, especially Singosari, handmade products so they have a character that is not the same as other products, or limited edition. Therefore, this product is rated higher than similar products and gets more appreciation from foreign buyers so that they can provide wages to their employees appropriately according to their work and have a partner company with similar, smaller companies to jointly develop the furniture business, 2) Basuki Lacasa Art Gallery is a furniture industry that treats employees financially and encourages workers to be creative and work optimally, collaborates with similar smaller businesses and ensures that customers (Buyers) get products that are safe, legal and limited. edition. 3) Sustainable perspective, of course the use of legal partners will give the owner a sense of comfort and can ensure the sustainability of raw materials that meet the criteria and can maintain the quality of the product itself, which in the end buyers can easily repurchase if the product meets the requirements. Their expectations and desires are that this company can also process waste wood chips through partners which are processed into products which are then resold by Basuki Lacasa Art Galeri.

**Keywords:** Sustainability, Mebel, TBL, Malang

### INTRODUCTION

In the last few decades the term sustainability has often been mentioned, basically this term started with Malhus in 1798 who was worried about the availability of land in England due to the rapid population explosion. After the next century and a half there was a publication with the title The Limit to Growth (Meadows, D.H., et al., 1972) which concludes that the availability of natural resources will limit economic growth. With the limited availability of natural resources, the flow of goods and services produced from these sources will not be able to be carried out continuously (on a sustainable basis).

Sustainability is very necessary for every business, because business actors can increase profitability, have better market opportunities, increase access to funding and can create jobs. Sustainability Business Model (SBM) must develop structural capabilities and internal culture to achieve sustainability at the company level and collaborate with stakeholders (Stubbs, W., & Cocklin, C. 2008). This collaboration certainly requires intermediaries / liaisons who can bridge between business actors and related parties so that they can work together for a longer period of time and gain mutual benefits.

MSMEs have been chosen by the majority of Indonesian people to get out of social problems. The huge contribution of MSMEs in economic development needs to be supported with more attention to developing and maintaining the existence of MSMEs. (Ambarwati L., Zuraida. 2020). Triple Bottom Line (TBL) was first introduced by Elkington in 1994. In his book entitled *Cannibals with Forks*, Elkington explained TBL as economic prosperity, environmental quality, and social justice (Elkington, 1998 p.ix). The implementation of TBL means that organizations/companies prioritize stakeholders which

are summarized into three important parts, namely profit, community sustainability (people) and the environment (planet) (Felisia, Limijaya, 2014)

Greater Malang is divided into Malang City, Malang Regency and Batu City, where each of these regions has advantages in the field of natural tourism and creative tourism, this cannot be separated from the influence of the establishment of large and small kingdoms such as the Singasari Kingdom, Kanjuruan Kingdom and Sengguruh Kingdom. This kingdom has contributed to the establishment of many creative tourism destinations in Malang, one of which is the Basuki Lacasa Art Gallery in Singosari, this company is engaged in making furniture, where according to initial research it was found that the products produced, the carvings on each product they produce have a cultural theme of the kingdom. Singosari. Research related to sustainability (Alfatikha and Munawwir, 2021) shows that business actors need social media accounts as well as capital access to banking, having partnerships (paguyuban) (Deviana, 2018). Use of renewable resources and energy, reducing environmental impacts, water pollution and cooperation (Baumgartner and Ebner, 2010)

Based on initial research in the field, it was found that various problems occurred with this product, this happened because the market share targeted by Basuci Lacasa was middle and upper class, so their products, from materials to manufacture, were made using the Handmade system and did not use technology in their manufacture. However, this will certainly increase product costs and sales value. The Covid-19 pandemic is a heavy blow to this industry, because there is a policy of limiting interactions and closing channels for exports, even though on the other hand, more of their consumers come from abroad, which results in no sales. and the entrepreneur continued to pay employees, who at that time numbered 40 people. Until now, in 2024, even though the pandemic has ended and internal exhibitions such as Inacraf in Jakarta have still not been able to boost sales, so it is necessary to study more deeply what problems are happening regarding how this industry can be sustainable in the future.

The second site that will be used as a research site is Mebel Karya (Kalimosodo) which is located in Polehan, Blimbing District, Malang City. Apart from making its own work, this industry also operates in the field of finishing furniture products and other business furniture. This industry does not have a character like Basuki Lacasa by targeting all levels of society in their marketing system so that the products produced are more affordable. These two businesses (Basuki Lacasa and Mebel Karya) are well-known furniture businesses in Malang Regency and Malang City, they are also working partners in various exhibitions and product manufacture, where sometimes Basuki Lacasa makes the product while Mebel Karya is the final finishing department. Both are unique places for research because they have the same character and have different market shares, so how do they implement and implement strategies so that their business remains sustainable.

Research related to furniture MSMEs in Malang needs to be carried out for several reasons to preserve culture: One of the forms of expression of unique and valuable culture is furniture crafts. Research related to sustainability in this industry will be very useful for preserving existing culture and traditions and can help the local government to maintain the existence of culture in the Malang Region. Increasing economic value: Culture-based furniture has great economic potential. Research on furniture can help increase the economic value of furniture products and the furniture industry as a whole, and can increase competitiveness: Research on culture-based furniture can help increase the competitiveness of the industry, because with the increasing number of articles and writings related to the industry, it will The more the media or other people understand and understand the cultural meaning of a product, the more competitiveness will increase. Based on initial research and several views above, the focus of this research is Sustainability Business in Typical Malang Furniture Products

## LITERATURE REVIEW

Sustainability in a business context refers to a form of accountability in making strategic decisions. The strategy formed in business is how the business can develop, be accountable and generate profits. Crane and Matten in Wheelen (2010) define sustainability as a term that shows the scope of economic, social and environmental problems to operate over a long period of time. The concept of sustainability is an interesting issue because a business or organization must continue to operate in market conditions with increasingly high financial costs but are inversely proportional to market demand (Abdi, et al., 2022). According to Khulman (2010), the concept of sustainability originally started from a forestry science approach. Sustainability comes from the German word "nachhaltigkeit" which means efforts to preserve natural resources for the benefit of the future. Osborne (2000; 51) defines business sustainability as a way in an organization that has a specific goal to carry out business continuity by improving services. "To improve service, companies can respond to criticism/suggestions and make service improvements."

Meanwhile, according to Savit, et al in Cambrafierro (2011) said that business sustainability is one way for companies to gain benefits for stakeholders by paying attention to environmental impacts and improving relationships with people who play important roles such as customers and suppliers. Another definition according to Wagner and Svensson (2014) defines business sustainability in the context of company efforts to reduce the impact on problems related to ecological problems. Agustina, et al (2022) also stated that business sustainability is a business that can continue to exist over time, is able to maintain organizational values or has a strong organizational culture, and achieves stable company profits that can even continue to increase.

## METHODS

This research uses qualitative research methods, namely research that aims to understand and interpret an event in a particular situation from the researcher's own perspective. The researcher himself carried out direct observations and collected data. Moleong (2019) stated that qualitative research is research that aims to understand the phenomena experienced by research subjects holistically and by means of descriptions in the form of words and language in a natural context. According to Leksono (2020) Qualitative research is: " "Non-statistical and non-mathematical research procedures that produce descriptive explanations in the form of written or spoken words about certain phenomenon objects involving subjects/actors according to a non-positivistic paradigm setting." According to Leksono (2020), data is: "sensuous and non-sensuous facts that contain certain values (economic values). Even though the data contains value and can be captured sensoryly, it has not received any touch of interpretation or giving it a specific meaning. "The data collected in this research is the result of activities directly related to the implementation of the research, namely Basuki Lacasa and Mebel Karya (Kalimosodo), as well as data that supports the answer to the focus of the problem that has been determined. Data analysis using triangulation, according to Leksono (2020), defines "triangulation as a method of testing credibility known in qualitative research, namely through tracking the truth of data and information" is one of the approaches used by researchers to explore and carry out qualitative data processing techniques. The triangulation technique can be thought of as a technique for checking the validity of data by comparing interview results with the research object.

## RESULTS

### Triple Bottom Line Malang Furniture Business Perspective Profit

In the context of the triple bottom line, profit can mean more than just how much money a company makes. Companies must ensure they earn their revenues in an ethical and fair

manner. This includes looking for business partners and vendors who work together philanthropically. It also defines how a company develops its financial operations strategy or plan. For example, profits are also related to a company's responsibility to pay its lenders, creditors, and employees what they are entitled to and having a sense of financial responsibility for these obligations.

Based on research results, the Basuki Lacasa Art Gallery is a furniture industry that focuses on foreign buyers (exports) so that it prioritizes quality, cultural characteristics of the archipelago, especially Singosari, handmade products so they have a character that is not the same as other products, or are limited edition. Therefore, this product is rated higher than similar products and has received more appreciation from overseas Bayers.

Because the quality is guaranteed and the prices are above average, this company is able to pay employees above other companies. As stated by Anugrah (Owner Basuki Lacasa) on June 1 2024 who said that:

*"The company (Basuki Lacasa) has carried out its obligations regarding financial matters, especially employee welfare, paying taxes and others, because this is related to the business activities that I carry out, please note that Basuki Lacasa has often participated in exhibition activities both on a national and international scale. whether it is done personally or on behalf of Malang district..."*

Furthermore, the researcher confirmed a similar question to one of the employees at Basuki Lacasa Art Galery Sugiono who said that:

*"So far we (Basuki Lacasa) have treated our employees properly, especially regarding salaries, where wages will be given to all employees every Saturday according to the work we do from start to finish....."*

Some triple bottom line users might also say that profit refers not only to the profits of a company but also the profits of the people around the company. This specifically refers to the community in which the business operates. This may include: 1) Ensure the company pays local, state, or federal income taxes fairly and on time; 2) Ensure companies foster economic wealth in their communities by shopping locally or leveraging small businesses; 3) Commit to financially investing in the community through partnerships, development, or corporate sponsorship.

Hari Furniture is a partner of Basuki Lacasa where the initial finishing process starts from the charring process, adding strength to the wood to giving the initial color, this is done to establish cooperation between furniture companies, in addition to cutting production costs which require many people to become one with a contract system. . As stated by Mr. Hari as Owner as follows:

*"Basuki Lacasa has been partnering with us for a long time, especially in the initial finishing process, this provides additional work benefits so that employees get more wages from these activities..."*

This model of cooperation is a good investment for the company because by fostering cooperation or partnerships, the work will be more effective and efficient. As stated by Mr. Anugrah that:

*"With this collaboration, work is more effective and efficient, so that the products we produce can be on time according to orders"*

## People

In the context of the triple bottom line, people refers to every individual associated with a company. It ensures workers receive fair wages in a safe environment and encourages professional development, ensuring a diverse range of suppliers is used and prioritizing small businesses or minority owners where necessary, ensuring customers have fair access to products and that their input regarding fairness or safety is taken into consideration.

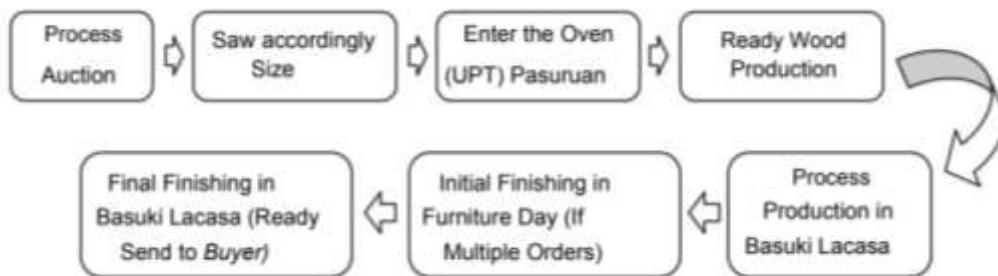
Basuki Lacasa Art Gallery is a furniture industry that treats employees financially and encourages workers to be creative and work optimally, collaborates with similar smaller businesses and ensures that customers (Buyers) get products that are safe, legal and limited. edition as stated by the owner as follows:

*"I think the workers here have received a decent salary. This is proven by the large number of workers who are still loyal here, some have even worked for 20 years, buyers feel the benefits of what we produce, in fact the products we produce really don't we re-produce it and it is second to none"*

Traditionally, a company will prioritize investors or shareholders. The triple bottom line shifts focus to individuals who are potentially not financially invested in the company but are still directly involved with its operations. Now, instead of seeking to create value simply by increasing investor profits, the triple bottom line seeks to create value by encouraging the volunteerism of its employees or the support or success of small supplier businesses

### Planet

The production process at Basuki Lacasa starts from the beginning to the desired product as follows (Figure 1).



**Figure 1. Production Process at Basuki Lacasa**  
Source: Author Analysis (2024)

Often, companies must be faced with lower cost or more environmentally friendly alternatives. Companies can also choose between less profitable alternatives; for example, logging without permits, which damages the environment and waste disposal which disturbs the surrounding environment, but Basuki Lacasa as a handmade furniture product ensures that the wood they process goes through the UPT Pasuruan Forestry Service (Government Owned Company) and carries out an official auction as stated by Owner on June 10 2024 as follows:

*"Indeed, it seems impossible for us (Basuki Lacasa) to take part in the auction, but we collaborate with the company that wins the auction and then carry out the initial production process in a government-owned company so that it is legal..."*

This was also conveyed by Mr. Sugiono as an employee at Basuki Lacasa Art Gallery who said that:

*"Making purchases legally will give the owner and employees a sense of comfort, where we will be able to work without hiding and can imagine and enjoy this work so that the results obtained are maximized according to the owner's wishes..."*

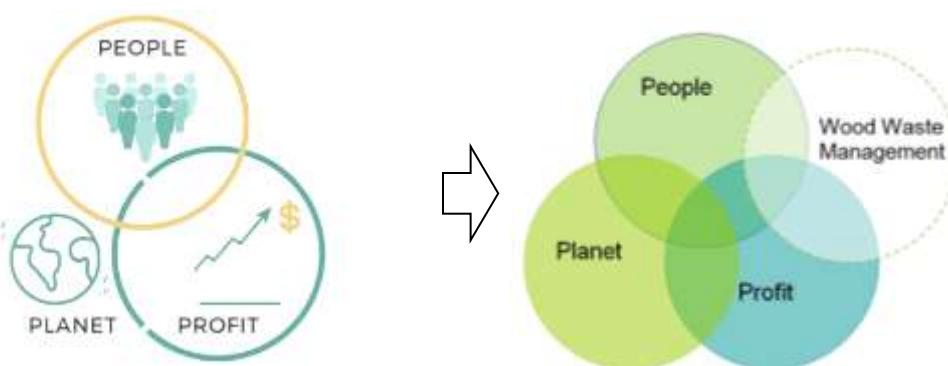
The use of official services (official auctions) by Basuki Lacasa according to researchers is the right step, because apart from the company conducting the auction having a permit, they will also ensure that the product being sold (teak wood) is wood that has guaranteed quality, so that buyers or potential buyers will give more appreciation to this company because it has followed clear and legal procedures.

In a Sustainable perspective, of course using a legal partner will give the owner a sense of comfort and can ensure the sustainability of raw materials that meet the criteria and can maintain the quality of the product itself, which in the end buyers can easily make repeat purchases if the product meets expectations. and their desires.

Furthermore, Basuki Lacasa also involved Hari Furniture to process unused waste products (pieces of wood) to be processed into cutlery, such as wooden plates, spoons, mortars and so on so that there is no industrial waste as stated by Mr. Hari as follows. :

*"We also receive unused wood cuts from Basuki Lacasa for re-production and then we return them there to be sold as finished products"*

Based on the results of this research, the researcher added one important point to the triple bottom line as follows:



**Figure 2. Changes to the Triple Bottom Line (TBL) in Furniture Products**  
 Source: Author Analysis (2024)

## CONCLUSION

Based on the results of the research that has been carried out, it is concluded that the sustainability analysis using the triple bottom line (TBL) in the furniture industry in Malang is as follows: 1) That Basuki Lacasa Art Gallery is a furniture industry that focuses on foreign buyers (export) so that it prioritizes quality, cultural characteristics of the archipelago, especially Singosari, handmade products so they have a character that is not the same as other products, or are limited edition. Therefore, this product is rated higher than similar products and gets more appreciation from foreign buyers so that they can provide wages to their employees according to their work and have a partner company with similar, smaller companies to jointly develop the furniture business; 2) Basuki Lacasa Art Gallery is a furniture industry that treats employees financially and encourages workers to be creative and work optimally, collaborates with similar, smaller businesses and ensures that customers (Buyers) get safe, legal products as well as a limited edition; 3) Sustainable perspective, of course the use of legal partners will give the owner a sense of comfort and can ensure the sustainability of raw materials that meet the criteria and can maintain the quality of the product itself, which in the end buyers can easily repurchase if the product meets the requirements. Their expectations and desires are that this company can also process waste wood chips through partners which are processed into products which are then resold by Basuki Lacasa Art Galeri.

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