
THE GOOD CORPORATE GOVERNANCE TO ACHIEVE THE FINANCIAL PERFORMANCE IN THE FMCG FIRMS: A MANAGEMENT RESEARCH CONCEPT

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ABSTRACT

The good corporate governance could improve to the integration strategic to reach the financial performance in the FMCG venture in Indonesia on the global pandemic and an emerging market. The long-run FMCG- firms with the superior financial performance and it was be sustainable interconnection with some stakeholders. An inquiry would be confirming the firm with good corporate governance factors within confirming factor analysis. The result in these confirmed factors analysis could contributes the best loading factors.

KEYWORDS: Good Corporate Governance, the financial performance, FMCG Firms.

1. INTRODUCTION

The fast moving consumer goods were have some collapse within the global pandemic situation and the in emerging market the corporate governance need a good to attempt the firm performance for pursue competitive advantage on the strategic management (Asare, Abdolmohammadi, & Hunton, 2011; Ebrahim & Fattah, 2015; Habib & Jiang, 2015; KALIANARAN & URBAN, 1992; Matei & Drumasu, 2015; Peter, Tamyko, & Daniel, 2017).

Hence, the corporate governance factor should focus on comprise; newest- technology, founding family members, foreign members on the board and independent audit quality to pursue the FMCG-firms financial performance that impacting on organizations (Asare et al., 2011; Avlonitis & Gounaris, 1997; Christopher, 2010; Swani & Milne, 2017).

Recently, within the FMCG- firm in Jakarta on long-run business development should increasing the financial performance and reporting best quality on financial to attempt the public trusted (Caruana, 2016; Habib & Jiang, 2015; Jiang, Jiang, Cai, & Liu, 2015; Palmer & Huo, 2013; Qu, Pinsonneault, Tomiuk, Wang, & Liu, 2015; Weathers, Sharma, & Wood, 2007; Zondag & Brink, 2015). Moreover, the financial reporting quality achievement could leads within model corporate governance within the well- strategy to entire the FMCG-firms (Brenes, Montoya, & Ciravegna, 2013; Caruana, 2016; Cho, 2011; Ebrahim & Fattah, 2015; Hau, Evangelista, & Thuy, 2013; Liu, Li, & Xue, 2011). The among FMCG- firms within more sophistication management and owners could engage with the foreigner

affiliations on high quality auditing firms would increase in financial performance and anticipated the focus- strategic change (Ávila, Rocha, & Silva, 2015; Neu & Brown, 2005; Renton, Daellenbach, Davenport, & Richard, 2015; Scholes, Wright, Westhead, & Bruining, 2010; Yang, 2012; Zhang, Zhong, Wen, & Jiang, 2014; Zondag & Brink, 2015)

2. Literature Review

The antecedents of good corporate governance could leads the related to the firms ownership and board composition for pursue financial reporting within an emerging- markets within the global pandemic and owner strategic orientations. (Du & Sim, 2016; Ebrahim & Fattah, 2015; Graça, Barry, & Doney, 2016; Lazzeretti & Capone, 2016; Lebedev, 2015; Liu et al., 2011)

Nevertheless, the institutional-strategic orientations, an internationalization with strategies with hi-technology firms also the global mind- set would improvement the best quality within auditing (Acar & ÖZŞAHİN, 2017; Augusto Felício, Caldeirinha, & Ribeiro-Navarrete, 2015; Deutscher, Zapkau, Schwens, Baum, & Kabst, 2016; C.-M. Lau, 2011; C. M. Lau & Bruton, 2011; Liu et al., 2011; Taylor & Jack, 2012).

The venture performance, business growth and organizational development also strategic management accounting could affect from the well strategic management process for the long-run enterprises that it could rooting from the Agency theory. (Cuganesan, Dunford, & Palmer, 2012; Mihret, 2014; Olsen, 2004; Witek-Crabb, 2014)

2.1.The Research- Frame

The latent construct of exogenous construct as the factors (CEO-, non-executive directors, founding family members, foreign members on the board, board size, governmental ownership, institutional ownership) and endogenous construct (the corporate governance) that should be review conducted with market- emerging within the global pandemic in among FMCG-firms. (Lisic, Silveri, Song, & Wang, 2015) (Asare et al., 2011; Christopher, 2010; Habib & Jiang, 2015).

The SEM such as; the measurement model in this study, with the 1st the confirmatory factors analysis (CFA) as follow figure 1, below, (Lisic et al., 2015; Mihret, 2014):

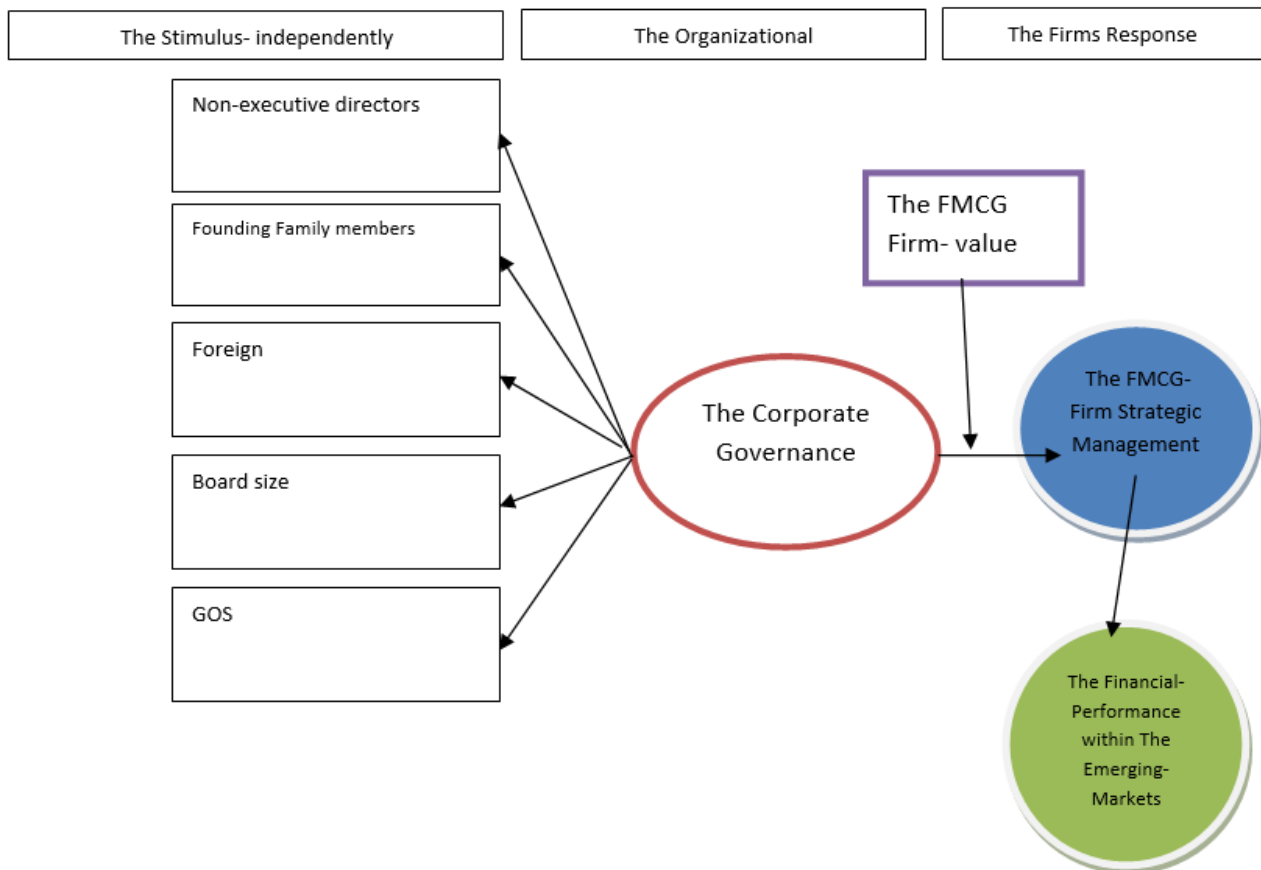


Figure 1. The Research model to achieve financial performance on FMCG Firms

3. Methods

This study utilizes of the method in this investigated was conducted within the quantitative approach and design for this research would be use the survey design and the confirmed strategy that it conducts to the structural equation model in the multivariate data process analysis. (Augusty, 2014b; Her, Shin, & Pae, 2018; Mihret, 2014)

The Measurement entire latent-variables and data analysis

The instrument of the among latent variables was conduct with self-administered questionnaire that uses the rating scale in emerging- markets base research in financial performance in the FMCG enterprises in Jakarta (Sekaran U and Bougie R (2016) (Krush, Agnihotri, Trainor, & Nowlin, 2013; Schubring, Lorscheid, Meyer, & Ringle, 2016).

Moreover, the distributed with the independently cross-sectional collected method and conducted with

the rating scale as the ratio data scale (0 to 10 very agree).(Khaq, 2020; H. a. B. Susilo, 2019; W. H. Susilo, 2020b) Therefore, The confirmed strategy approach conducted with the SEM in process among variables (W. H. Susilo, 2020b)(Hair, Black, Babin and Anderson, 2010)(Augusty, 2014a).

Indeed, the measurement model equations from the management science- research model as follow in table 1 below (W. H. Susilo, 2020a):

Table 1. The SEM- Measurement Model Equations conduct with the Confirmatory Model Analysis 1St (CFA)

No	Measurement Model Equations	Remark
1	$NED = \lambda x2\xi + \delta2$	Non-Executive Directors
2	$FFM = \lambda x3\xi + \delta3$	Faunding Family Memebrs
3	$FO = \lambda x4\xi + \delta4$	Foreign
4	$BZ = \lambda x5\xi + \delta5$	Board Size
5	$GOS = \lambda x6\xi + \delta6$	Governmental Ownership

4. CONCLUSIONS

The inquiry to pursue and increase the good corporate governance in many industries that conducted within emerging- markets management research in FMCG-firm performance and corporate reputations could be achieved with well participated from the heterogeneous Retail-industries (Castro, López, & Sáez, 2006; Habib & Jiang, 2015; Inglis, Morley, & Sammut, 2006; Khaq, 2020; Matei & Drumasu, 2015). The results from this analysis could have contribution to the body of knowledge of the resource- Advantage theory and the Agency theory for the environment- competitions also to the managerial implication for practice in heterogeneous entire the FMCG-firms.

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