



UNIVERSITAS PERSADA INDONESIA Y.A.I

FAKULTAS EKONOMI DAN BISNIS

Kampus A : Jl. Diponegoro No. 74, Jakarta Pusat 10340, Indonesia

Telp : (021) 3904858, 31936540 Fax : (021) 3150604

Jakarta, 2 Maret 2023

Nomor : 255/D/FEB UPI YAI/III/2023
Lampiran : -
Hal : Surat Tugas Penulisan Jurnal

Kepada Yth :

- **Dr. Ir. Wilhelmus Harry Susilo, MM, IAI**

Dosen Tetap Fakultas Ekonomi & Bisnis UPI Y.A.I

Di –

Tempat

Bersama ini kami menugaskan sebagai Penulis ke - 2 di *International Journal of Education, Business and Economics Research (IJEER)* dengan Judul **“AN AFFECTS THE FINANCIAL PERFORMANCE OF A PRIVATE COMPANY'S BUSINESS IN INDONESIA: A BUSINESS RESEARCH CONCEPT DEVELOPMENT CONDUCT TO THE POSITIONAL ADVANTAGE THEORY (PAT) ”**. Vol. 3, Issue.2, Mar-Apr 2023, pp. 138-144

Diharapkan dapat memberikan laporannya pada kami paling lambat 1(satu) Minggu setelah jurnal tersebut diterbitkan.

Demikian surat tugas ini dibuat untuk dapat dilaksanakan sebagaimana mestinya.

Hormat kami,
Fakultas Ekonomi & Bisnis UPI Y.A.I

Dr. Marhalinda, SE, MM
Dekan

To cite this article: Hetty Ferawaty and Wilhelmus Hary Susilo (2023). An affects the financial performance of a private company's business in Indonesia: A business research concept development conduct to the Positional Advantage Theory (PAT). International Journal of Education, Business and Economics Research (IJEER) 3 (2): 138-144

AN AFFECTS THE FINANCIAL PERFORMANCE OF A PRIVATE COMPANY'S BUSINESS IN INDONESIA: A BUSINESS RESEARCH CONCEPT DEVELOPMENT CONDUCT TO THE POSITIONAL ADVANTAGE THEORY (PAT)

Hetty Ferawaty and Wilhelmus Hary Susilo*

MAGISTER MANAGEMENT Program, FEB University of Persada Indonesia Y.A.I
ORCID:000-0002-6758-1159, SCOPUS ID: 56539508300, WOS ID: HNC-4125-2023

ABSTRACT

The mix or proportion of a company's long-term permanent funding represented by **debt, preferred shares, and equity of common shares**. Later this year after the global pandemic, business models emerged as strategic and organizational concepts to design high-performance business models with the role of holistic models and strategic thinking to design an effective configuration of business model attributes in order to create opportunities for new business models, that business models are rapidly replacing strategy as the most significant source of competitive advantage Moreover, In the development of this research model, it will be carried out with a multiple regression model based on quantitative methods and hopes to produce a basic alternative combination of aspects of capital structure and financial aspects, the highest leadership in the company and business policies that can affect the business performance of national private enterprises within the sustainable improvement.

KEYWORDS: Capital structure, Performance, Private Company.

© The Authors 2023
Published Online: Apr 2023

Published by International Journal of Education, Business and Economics Research (IJEER) (<https://ijeber.com/>) This article is published under the Creative Commons Attribution (CC BY 4.0) license. Anyone may reproduce, distribute, translate and create derivative works of this article (for both commercial and non-commercial purposes), subject to full attribution to the original publication and authors. The full terms of this license may be seen at: <http://creativecommons.org/licenses/by/4.0/legalcode>

INTRODUCTION

The company's strategic actions to create a superior position in the market and achieve better performance by improving the efficiency and effectiveness of supply chain activities and processes in an integrated manner with an act of collaboration and strategic coordination of the company with its suppliers and customers as well as internal and external organizational process management. (Bhutto et al., 2022)By streamlining core business processes within and between companies will be able to generate an advantage over competitors. There is a relationship between company performance and the emergence of electoral bias issues, the failure of mediation routes where SCI affects the company's financial performance, and the lack of comprehensive moderators. (Gill &

Kaur, 2015; Salmi & Hary S, 2022) To develop a more complete understanding of the interconnectedness of SCI corporate performance by considering these other issues conducts to the resource-based view (RBV) and positional advantage theory (PAT) as a more holistic scientific basis for how, and indeed does SCI affect corporate financial performance – a key concern for the three types of private- national company performance (i.e., operational, relational, and strategic performance). (Chang et al., 2016)

The capital structure decisions are very important for among companies in an existing theory about the capital structure can partly to explain the existence of a difference in the capital structure decisions of identical to the national private companies.(Peng et al., 2021) To help practitioners and academics understand the role in capital structure decisions, CEOs and their effect on equity versus debt financing, short-term versus long-term debt financing, and the level of debt financing regarding their relation to tax elements. CEOs in national private companies have unique characteristics in leadership style, values, and beliefs. (Mundi and Kaur, 2022)

2. LITERATURE REVIEW AND HYPHOTESIS DEVELOPMENT

Importantly, several studies have found that economic policy uncertainty can affect the real economy further suggesting that monetary policy can immediately react to the recently introduced monetary policy. However, the impact of monetary policy uncertainty on the dynamic adjustment of the entire National company's capital structure.(Hatane, 2015)

Currently, there are major methods for measuring incident methods, recording the certain events in their sequence for the development from event to resolution, especially market reactions to policy announcements, and building an index of policy uncertainty.(Li et al., 2020) The method uses government elections as a proxy for uncertainty, but this index is not continuous due to the time interval of the election. Furthermore, to measure the uncertainty of economic policy based on continuous news coverage. (Jiang et al., 2016)

Theoretical foundations conducts to the resource-based view (RBV) and positional advantage theory (PAT) proposes that firms possess different bundles of resources and the Resource heterogeneity across National- firms implies that some firms are more skilled in accomplishing certain activities, because they possess would very unique and that firms can attempt the superior performance by successfully exploiting their own particular bundles of bundle of resources and skills are valuable, rare, and inimitable, the benefits associated with exploiting heterogeneous resources persist over time and can be transformed into sustainable competitive advantage within the national corporations.(Hary Susilo & Julius, 2019; Kaleka & Morgan, 2017)

Importantly, the competitive advantages associated with a firm's ability to integrate activities and the processes within and across National firms are well established conceptually and process-based resources the entire facilitate information exchange and get the efficient flows of products/services that enable firms to effectively address the changing needs of the supply chain among members. (Hary Susilo & Julius, 2019; Madhok et al., 2010)

The transformational leadership, the team potency, transparent communication (Baird et al., 2020; Islam et al., 2021; Yue et al., 2019) and trust could support the well strategic business improvement to impact the financial performance within the national private companies.

As such, RBV provides a theoretical foundation for the association between SCI as valuable heterogeneous resources and firm performance. Our application of RBV is complemented by PAT that provides the foundation for the proposed costs advantages and superior customer value advantages as a driving source of a firm's positional advantage that can create both lower relative costs and superior customer value positional advantages. (Chang et al., 2016)

Furthermore, the model and hypotheses development base on the cornerstone theory above, as follow figure 1 below (Chatterjee et al., 2021; Lu et al., 2021; Madhok et al., 2010):

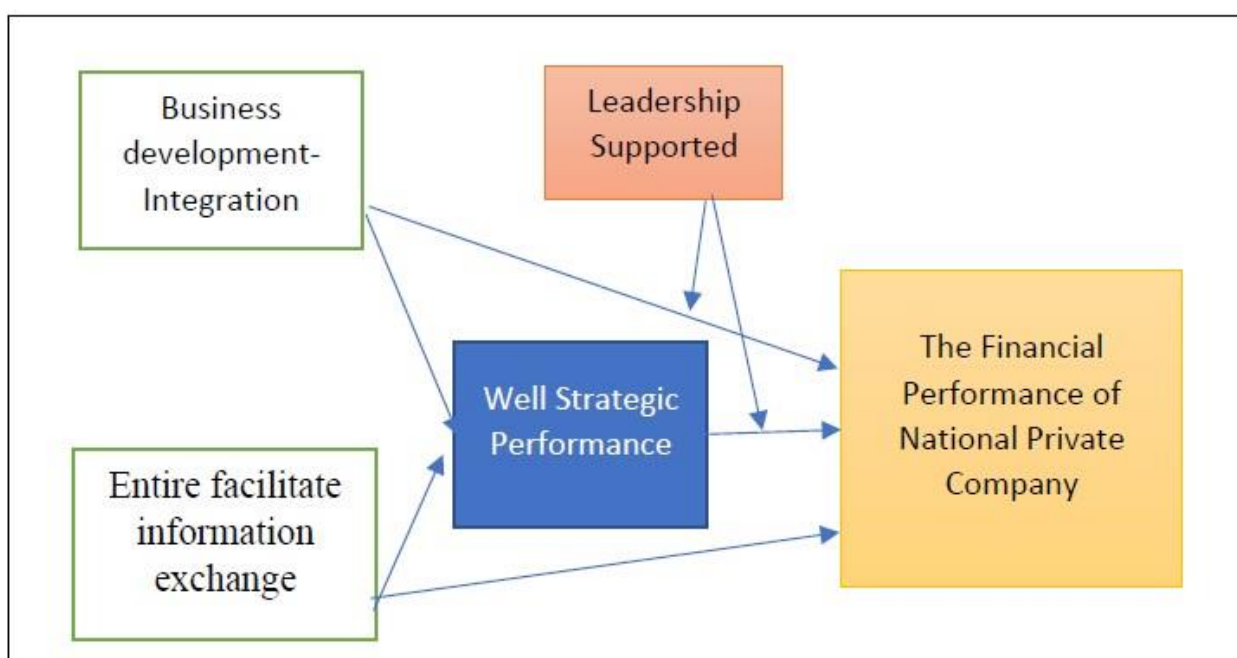


Figure 1. The conceptual model to attempt the Financial Performance within the National private companies

Base on literature review above, the scholars deliver the main hypothesis as below:

H_{a1}: There have a positive and significant factors to improve the financial performance within the national private companies that it conduct the supported by transformational leadership as the moderator variable.

3. RESEARCH METHOD AND RESULT

Population and sample, the population of this study is private National companies that are members of the manufacturing industry in Indonesia. Analysis Technique, to test the fixed effects model panel data conduct within the regression model, in influencing the financial performance of the company using the model formulated. (Gill & Kaur, 2015; Jin et al., 2016; Peng et al., 2021)

Furthermore, this research model recognizes the interdependence of well business strategic improvement and financing performance decisions by including exogenously determined business integration development and perfect informational of econometric models reveals the process of adjusting the company's capital structure to be modeled using interrelated adjustment models multivariate. (Gatward and Sharpe, 1996) (J. F. Hair, Black, Babin, & Anderson, 2010b; J. F. Hair, Jr., Anderson, & R.L., 2010; Kaswengi & Diallo, 2015; Zakarya, Mostefa, Abbes, & Seghir, 2015)(Jeff Boakye et al., 2020)

4. CONCLUSIONS and RESEARCH CONTRIBUTION

Theoretical and managerial implications provide clarity and consensus about the significant positive relationships between discrete dimensions beyond the differences in definitions and operationalizations of among constructs that focuses more on minimizing the potential for tainted results due to consider direct and indirect as well as moderating effects within transformational leadership supported. The possibility that the conflicting findings on the effect of SCI on firm financial performance come from differences in definitions and operationalizations of key constructs and contribute to a firm's bottom line may have been influenced researchers would be well-advised within the well strategic business improving to the sustainable development and increasingly the financials performance. (Ahmed et al., n.d.; Li et al., 2020; Peng et al., 2021; Susilowati & Susilo, 2021)

The scheme of the model to have the theoretical contribution as follow figure 2, as below:

Figure

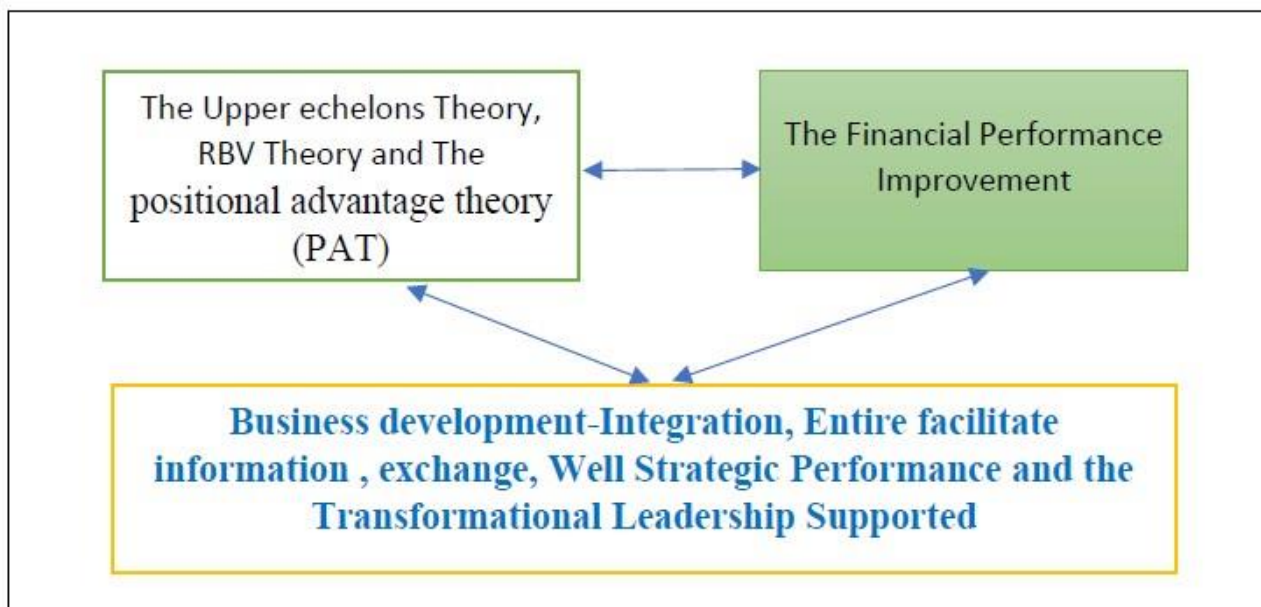


Figure 2. The attempt the Financial Performance within the National private companies and the theoretical contributions

On an important issue of future research is that it shows that to influence the financial performance within the private national companies can have implications for organizational design and policy decision-making of national private companies and enhance an important role in corporate decision-

making and influence the sustainable business development.(Hary Susilo et al., n.d.; Homburg et al., 2020)

Based on a high-dimensional factor model to measure monetary policy uncertainty in a big data environment and dynamic adjustments will be able to reduce at the rate of speed of adjustment of the capital structure of National Private companies to support the well strategic business development to achieve the sustainable business and develop the new market palce. (Aksoy et al., 2020)

Acknowledgement

Thank you so much to the Business-Methods class and the New Expertise and Experience Learning Club, Faculty of Economic and Business, University of Persada Indonesia Y.A.I. To my colleague and students. To in Kind Workshops The NEW- E&EL CLUB LABORATORY FEB UPI Y.A.I team.

Declaration of conflicting interests

The scholar declared no potential conflicts of interest with respect to the investigated, authorship, publication within this manuscript.

ORCID:000-0002-6758-1159, URL: orcid.org/0000-0002-6758-1159. And SCOPUS ID: 56539508300. WOS ID: HNC-4125-2023.

REFERENCES

- Ahmed, F., Manwani, A., Ahmed, S., Zulfikar Ali Bhutto, S., & Bank Limited, A. (n.d.). Merger & acquisition strategy for growth, improved performance and survival in the financial sector. In *Jurnal Perspektif Pembiayaan dan Pembangunan Daerah* (Vol. 5, Issue 4).
- Aksoy, M., Yilmaz, M. K., Tatoglu, E., & Basar, M. (2020). Antecedents of corporate sustainability performance in Turkey: The effects of ownership structure and board attributes on non-financial companies. *Journal of Cleaner Production*, 276. <https://doi.org/10.1016/j.jclepro.2020.124284>
- Baird, N., Martin, L. J., & Benson, A. J. (2020). A dynamic view of coach transformational leadership: How leadership perceptions relate to task cohesion and team potency. *Psychology of Sport and Exercise*, 51. <https://doi.org/10.1016/j.psychsport.2020.101789>
- Bhutto, M. Y., Soomro, Y. A., & Yang, H. (2022). Extending the Theory of Planned Behavior: Predicting Young Consumer Purchase Behavior of Energy-Efficient Appliances (Evidence From Developing Economy). *SAGE Open*, 12(1). <https://doi.org/10.1177/21582440221078289>
- Chang, K., Kang, E., & Li, Y. (2016). Effect of institutional ownership on dividends: An agency-theory-based analysis. *Journal of Business Research*, 69(7), 2551–2559. <https://doi.org/10.1016/j.jbusres.2015.10.088>
- Chatterjee, S., Rana, N. P., Tamilmani, K., & Sharma, A. (2021). The effect of AI-based CRM on organization performance and competitive advantage: An empirical analysis in the B2B context. *Industrial Marketing Management*, 97, 205–219. <https://doi.org/10.1016/j.indmarman.2021.07.013>
- Gill, S., & Kaur, P. (2015). Family Involvement in Business and Financial Performance: A Panel Data Analysis. *Vikalpa*, 40(4), 395–420. <https://doi.org/10.1177/0256090915605756>

- Hary Susilo, W., Herawati, L., & Agus Setyono, J. (n.d.). THE ROLE OF BEST-VALUE COST LEADERSHIP FOR PURSUE MARKET POSITION AND SUPERIOR FINANCIAL PERFORMANCE. <https://doi.org/10.24327/ijrsr.2019.1008.3823>
- Hary Susilo, W., & Julius, Y. (2019). THE COMPETITIVE ADVANTAGE: INSIGHTS FROM PRIVATE UNIVERSITIES. *PEOPLE: International Journal of Social Sciences*, 4(3), 1240–1252. <https://doi.org/10.20319/pijss.2019.43.12401252>
- Hatane, S. E. (2015). Employee Satisfaction and Performance as Intervening Variables of Learning Organization on Financial Performance. *Procedia - Social and Behavioral Sciences*, 211, 619–628. <https://doi.org/10.1016/j.sbspro.2015.11.081>
- Homburg, C., Vomberg, A., & Muehlhaeuser, S. (2020). Design and Governance of Multichannel Sales Systems: Financial Performance Consequences in Business-to-Business Markets. *Journal of Marketing Research*, 57(6), 1113–1134. <https://doi.org/10.1177/0022243720929676>
- Islam, M. N., Furuoka, F., & Idris, A. (2021). Mapping the relationship between transformational leadership, trust in leadership and employee championing behavior during organizational change. *Asia Pacific Management Review*, 26(2), 95–102. <https://doi.org/10.1016/j.apmr.2020.09.002>
- Jeff Boakye, D., Sam Ahinful, G., & Nsor-Ambala, R. (2020). Chief Executive Officer Compensation and Financial Performance: Evidence from the Alternative Investment Market in the UK. *Indian Journal of Corporate Governance*, 13(1), 63–84. <https://doi.org/10.1177/0974686220923805>
- Jiang, L., Jun, M., & Yang, Z. (2016). Customer-perceived value and loyalty: how do key service quality dimensions matter in the context of B2C e-commerce? *Service Business*, 10(2), 301–317. <https://doi.org/10.1007/s11628-015-0269-y>
- Jin, S., Seo, M. G., & Shapiro, D. L. (2016). Do happy leaders lead better? Affective and attitudinal antecedents of transformational leadership. *Leadership Quarterly*, 27(1), 64–84. <https://doi.org/10.1016/j.leaqua.2015.09.002>
- Kaleka, A., & Morgan, N. A. (2017). Which competitive advantage (s)? Competitive advantage-market performance relationships in international markets. *Journal of International Marketing*, 25(4), 25–49. <https://doi.org/10.1509/jim.16.0058>
- Li, K., Musah, M., Kong, Y., Adjei Mensah, I., Antwi, S. K., Bawuah, J., Donkor, M., Coffie, C. P. K., & Andrew Osei, A. (2020). Liquidity and Firms' Financial Performance Nexus: Panel Evidence From Non-Financial Firms Listed on the Ghana Stock Exchange. *SAGE Open*, 10(3). <https://doi.org/10.1177/2158244020950363>
- Lu, Y., Li, G., Luo, Z., Anwar, M., & Zhang, Y. (2021). Does Intellectual Capital Spur Sustainable Competitive Advantage and Sustainable Growth?: A Study of Chinese and Pakistani Firms. *SAGE Open*, 11(1). <https://doi.org/10.1177/2158244021996702>
- Madhok, A., Li, S., & Priem, R. L. (2010). The resource-based view revisited: Comparative firm advantage, willingness-based isolating mechanisms and competitive heterogeneity. *European Management Review*, 7(2), 91–100. <https://doi.org/10.1057/emr.2010.6>
- Peng, H., Zhang, J., Zhong, S., & Li, P. (2021). Corporate governance, technical efficiency and financial performance: Evidence from Chinese listed tourism firms. *Journal of Hospitality and Tourism Management*, 48, 163–173. <https://doi.org/10.1016/j.jhtm.2021.06.005>
- Salmi, K. G., & Hary S, W. (2022). THE BUSINESS RECOVERY AND THE FINANCIAL PERFORMANCE: STUDY ON PRIVATE FMCG IN JAKARTA. *International Journal of Research in Commerce and Management Studies*, 04(01), 01–12. <https://doi.org/10.38193/ijrcms.2022.4101>
- Susilowati, N., & Susilo, W. H. (2021). THE EXTRINSIC JOB MOTIVATION AND THE FINANCIAL PERFORMANCE IN RETAIL NATIONAL CORPORATION. *International*

Journal of Research in Commerce and Management Studies, 03(05).
<https://doi.org/10.38193/ijrcms.2021.3503>

Yue, C. A., Men, L. R., & Ferguson, M. A. (2019). Bridging transformational leadership, transparent communication, and employee openness to change: The mediating role of trust. *Public Relations Review*, 45(3). <https://doi.org/10.1016/j.pubrev.2019.04.012>