http://ejournal.seaninstitute.or.id/index.php/Ekonomi
Jurnal Ekonomi, Volume 12, No 04 2023
ISSN: 2301-6280 (print) ISSN: 2721-9879 (online)

THE INFLUENCE OF STRATEGIC MANAGEMENT ON FINANCIAL PERFORMANCE IN MANUFACTURING COMPANIES (JAVA REGION)

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ARTICLE INFO

Keywords:
Manufacturing Manufacturing Companies, Strategy Management, Financial Performance

ABSTRACT

Study This is done to know if application of strategic management is influential and significant to performance finances in the company manufacturing, and to know which variable has the most dominant influence on performance in the company manufacturing (Java Region). Population study This is a manufacturing company that uses the purposive sampling method, and those that comply can receive as many as 30 samples. Data used with primary data via the Stock Exchange Indonesian for implementation of strategy management and performance of company finance for the connection between variables, a statistical test was carried out using linear regression with SPSS stone tools. Research results show that application of strategic management against performance company finance manufacture including in category medium Statistical test results found that there is a positive and significant connection between application strategic management and performance company finance manufacturing. As for the variables that have the most dominant influence on the performance of companies manufacturing in Indonesia, profitability Research results This should become input for holder interest in increasing competence perpetrator business in face competition effort.

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1. INTRODUCTION

This company faces turbulence that will influence to future success. Market turbulence and uncertainty around the world result in strong competition, change in management manufacturing, development in technology manufacturing, change in the environment, rapid progress in technology information, development in new processes and materials, developments in economics, summary cycle life products, and progress in physical and biological knowledge (Dangayach and Deshmukh, 2017). Every company will easily obtain the desired resource whenever and wherever it is available. On development, furthermore, the company will have to compete in global competition with its own superiority. Superiority can be created through efficiency, quality, innovation, or a response to measurable consumers in company finance.

With the more awake performance of company finances, competition, business, and market conditions becoming increasingly dynamic, many micro-enterprises in Indonesia and other countries are developing efforts to understand how micro-enterprises can maintain or increase marketing and performance finance. For the company to compete, some expert management strategies and policies have influenced the practice management strategy for the company. Study this aim to measure how much strong influence practice management has on performance, from strategic to performance finance in manufacturing companies.

Based on the background of the previous problems, the researchers formulated the problems in this study, namely; Do applicability Strategic management has a significant and influential effect on the company's financial performance in manufacturing. Which variable has the most dominant influence on the performance of manufacturing companies in Java. Study this aim to measure how much strong influence practice management has on performance, from strategic to performance finance in manufacturing companies.

Based on the formulation problem described above, the study's objectives are as follows; For example, is application strategy management influential and significant to the performance of a company's finance and manufacturing. For each variable, which one has the most dominant effect? to a performance company manufacturing in Java. Benefit from studying This is as follows; For companies, research This expectation can become base in determine strategic management. For academics, research This can become a material reference. For study, the following is related to strategy and performance management finance; For researchers, research This will add insight and knowledge by connecting existing theory with phenomena and empirical experiences, all at once applying acquired knowledge in the study program of accounting inside practice and theory. For researchers: Next, research This is Beneficial As Information And Comparison For The Researcher Next.

Literature Review

Management Strategy

Management Strategy Terry in Nisak (2017) says that management *is a distinct process consisting of planning, organizing, actuating, and controlling, performed to determine and accomplish stated objectives by the use of human beings and other resources* ". Management is a special process that consists of planning, organizing, actuating, and controlling. To reach goals that have been set, use source power, people and resources from other sources. Added according to Manulang (Atik & Ratminto, 2012), management is defined as something arts and sciences planning, organizing, directing, drafting, and supervising than a source of power to reach goals that have been set first ".

According to Thomas Wheelen (2010) in his book, "strategic management is a series of managerial and various decisive activity success company for a long period of time." activity, including strategy formulation and planning, strategy implementation and implementation, and evaluation ". In line with theory from Henry Fayol (Safroni, 2012), functions management covers planning, organizing, commanding, coordinating, and *controlling*. Whereas, according to Fred R. David (2011), strategic management can be defined as the art and knowledge of formulating, implementing, and evaluating decisions across functional boundaries to help an organization reach its goal ". As required by definition, management is strategic and focused on business to integrate management, marketing, finance and accounting, production, research and development, and systems information computer for organizational success. Strategic management objectives are to exploit as well as create various opportunities, new and different, for tomorrow.

According to Stoner and Freeman (Safroni, 2012), "management is the process of planning, organizing, leading, and controlling effort member organization and process of using all source Power organization for achieved goal organizations that have set." Robbins & Coulter (2012) stated that management *involves coordinating and overseeing the work activities of others so that their activities are completed efficiently and effectively* ". Management involves coordinating and supervising other people's work so activities are finished with efficient and effective methods." A number of functions of management are discussed above. It can be understood that all management starts with planning (planning), because planning determines what action to take next. After planning comes organizing (organizing). Almost all experts put organizing second after planning. Organizing is distribution work and is closely related to function planning because organizing is also a must.

Furthermore, after applying function planning and organizing, apply function interpreted direction in different words like *actuating, leading*, and *commanding*, but have the same goal that is to direct all employees to want to cooperate and work effectively to reach the objective of the organization. But there is also additional function coordination (coordinating) after the function briefing. Function coordinating: arrange employees so they can each other cooperate so that they are spared from chaos, strife, and emptiness. Furthermore, the final function in the management process is control (controlling). In case This draft management must be designed in a way that is strategic for goals to be achieved. The strategy developed by the company through the management process has the strategic aim of creating superiority competitive advantage (competitive *advantage)* for the company.

Strategic management is a series of decisions and actions that determine a company's long-term management performance. Management strategic covers observation environment, strategy formulation (planning strategic and planning period length), strategy implementation, and evaluation, as well as control. Management strategy emphasizes observation and evaluation of opportunities and threats in the environment, identifying strengths and weaknesses of the company. (Wheelen and Hunger, 2001: 4). In line with John A. Pearce II and Richard B. Robinson (2013), management strategy is a bunch of decisions and productive action formulation (formulation) and implementation (implementation) plans designed to reach the goals company ". Add Rachmat (2014): Management strategic is a series decisions and actions fundamentals created by managers at the top and implemented by all ranks of the organization in order frame reach the goal ". Achievement objective It not only depends on good *planning* and execution, but also on the organization. Robbins and Coulter (Yenny and Nisak, 2019) state: Management *involves coordinating and overseeing the work activities of others so that their activities are completed efficiently and effectively."* Management involves coordinating and supervising activities. Deep strategic management study This is company vision and mission, internal analysis, external analysis, strategy formulation, and strategy implementation.

Financial Performance

Definition of Financial Performance

Financial performance is needed by the company to know and evaluate its level of health based on activities that have been carried out. According to Rudianto (2013), performance finance is defined as results that have been achieved by management companies in operating functions and managing asset companies in a way that is effective during a certain period.". Whereas according to Kariyoto (2017), performance finance is results of activity operations presented to the company in the form of numbers finance. As for Hutabarat (2020), performance finance is something analysis carried out to evaluate something company to see to what extent the company has carried out rules implementation finance in a good and right way.". Based on the meaning above, we can conclude that performance finance is the result of all activities that have been done by the company to manage assets and finances so as to produce achievement finance over a period of time.

Purpose of Financial Performance Measurement

Financial performance done with an objective for seeing achievement in a company during a specific time period. According to Hutabarat (2020), the purpose, performance, and possible finances shown are as follows:

1. Know-level profitability or profitability
2. With this knowledge, the company can demonstrate its ability to generate profits during a specific time period.
3. Know-level liquidity
4. With knowledge matter, this can show ability company to obtain obligation finances are a must quick fulfilled or ability company to fulfill his finances at the time billed.
5. Know-level solvency
6. With knowing matter This can demonstrate the ability of a company to fulfill its obligations with its finances if the company is in liquidation.
7. With knowledge, a company can demonstrate its ability to conduct stable business.

Whereas according to Hery (2016), purpose measurement performance finance is to evaluate efficiency and effectiveness of a company in producing a certain profit and cash position. With measurement performance finance, this can be seen in the prospect growth and development finance company depending on the source of power it has. The company stated that it will succeed if it achieves a certain level of performance. Based on the description above, yes, we concluded that objective measurement of performance finance is for knowing how performance finances something company in one period. Good performance management, employees, and others produce profit for the company.

Ratio Finance

Ratio finance is a tool of analysis used to evaluate performance finance in a company or organization. Ratio finance can describe the circumstances of a finance company as a whole, including the ability of the company to produce profit, manage debt and finance, and see the company's development and growth. According to Kasmir (2018), ratio finance is a comparison between two financial data points or more taken from a report on finance for a company with the method of sharing one number with a number of others ". As for Hery (2016), the ratio finance is the numbers obtained from results comparison between one post in report finance with other posts that have significant relationships. . Meanwhile, according to Fahmi (2018), ratio finance is a study comparison between the amounts contained in the report finance with the considered formula representative for applied ". Based on the description above, we can conclude that ratio finance is an analysis of the comparison between the numbers contained in the report items owning finances and their significant relationship with using the considered formula representative for implementation.

***Types of* Ratio Finance**

In measuring performance, finance can use evaluation ratios. Ratio finance used for see condition company based on comparison numbers on the report finance in something period According to Kasmir (2015a), several ratios in general finance are used to analyze performance in interbank finance, including:

1. Liquidity ratio is a ratio used to assess a company's ability to meet its financial obligations over a short period of time.
2. Ratio Solvency is a ratio used to assess a company's ability to meet its obligations over a given time period.
3. Ratio profitability is a ratio used to measure the level of profits earned by the company from the operation.

Company Performance Measurement

Company performance is level achievement performance measured by the company in the form of results performance (performance *outcomes).* Performance work can be defined as an important meaning, something like a job, rate Required skills, progress, and levels of settlement something job. Performance: Work is performance. The same with *performance,* whether individual, individual, or organization or company. Appropriateness measurement and performance are used depending on the unique situations and circumstances researched. However, literature supports the idea that a big part of the assessment of performance in organizations in general is profitability (financial) and growth. Growth in *turnover, asset growth, and profitability* are general considerations. For count profitability, see Galbraight and Scandell (1983) in Ellitan (2001).

2. METHOD

Research Approach

Study This is a study with a quantitative purpose: to know the connection between two variables or more. With study, this will build a working theory for explaining, predicting, and controlling symptoms. (Russiandi et al., 2014:14). Technique used For collecting data, i.e., with method documentation, the researcher looks for information and learns about various sources of documentation, like books, journals, articles, magazines, the internet, libraries, etc.

Data analysis technique

The data analysis technique used by the author in the study This consists of technique analysis, descriptive qualitative analysis, and technical analysis inductive

1. Analysis: descriptive qualitative
2. Analysis techniques: descriptive and qualitative in the study This is done for the performance finance company manufacturers listed on the Indonesia Stock Exchange for the 2018–2021 period.
3. Analysis Techniques: Comparative
4. The comparison of theories with results analysis of manufacturing companies on the Indonesian Stock Exchange in 2018–2021 was then withdrawn as a conclusion.

3. RESULT AND DISCUSSION

Based on results of research, it was found that degrees of application of strategic management towards performance finances in the company manufacture, including in the category medium. What's necessary to highlight is indicator Strategy Evaluation, where as many as 26.67% are classified as low, which means they have no evaluation strategy or existing policy carried out. This is what is necessary to get attention, especially by the government, in doing coaching business specifically against the perpetrator's effort.

From statistical tests, it is known that there is a positive and significant connection between application strategic management and performance finance, with a coefficient correlation of 56.6%. The result of the study This is in line with a number of studies previously conducted, among them research conducted by Sudarma (2003), who concluded that implementing company planning strategically has a positive more performance; research by Natasya (2013) found that there is an influence between *strategic planning* and performance companies; research by Asmarani (2006) found that the more good strategic planning is made, the more performance companies will also increase; and research by Berliantiningrum (2017) found that institutionalization and system management accounting management are both strategic and influential positives for performance companies. Similarity results study This and a number of other researchers have previously shown that application of strategic management is necessary, especially in management business manufacturing, for performance business. They can increase so that the existence of company manufacture in the era of globalization and high competition This can be maintained.

The variable that has the most dominant influence on the performance of companies manufacturing in Indonesia is profitability. It is known that profitability has the largest beta coefficient, which is 0.559. It means profitability is the most dominant influence on performance finance compared to other variables in research models. Research results This is in line with a previous study that found the most measurable performance in finance is profitability. In connection with the role of companies, enough manufacturing is strategic in the national economy, so efforts to increase competence in business manufacture need to keep going and be improved, especially by the government, which is obliged to give coaching to entrepreneurs through the Ministry of Industry. In the age of globalization, with changing business environments, consumer behavior, and threats from new entrants, strategic management principles must be socialized to the perpetrators' efforts, so that they can increase competence and make the product more competitive.

4. CONCLUSION

Based on the results of this study, it can be simulated that degrees of application management are strategic to performance company finance manufacture including in category medium. There is a positive and significant influence between application strategic management and financial performance in manufacturing companies. Variables that have the most dominant influence on the performance of companies manufacturing in Indonesia are profitability. It is known that profitability has the largest beta coefficient, namely 0.559. It means profitability has the most dominant influence on performance finance compared to other variables in the research model. Research results This is in line with a study previously showing that the most measurable performance in finance is profitability. In accordance with the conclusions obtained, any suggestions can be made and delivered as follows: Suggestions for Companies
It should be the perpetrator's business that can give training about strategy management to increase their competence. Suggestions for Researchers Furthermore Recommended for study, further research, and furthermore can be done for test connection application strategic management in the sector business others.

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