Print ISSN: 1738-3110 / Online ISSN 2093-7717
JDS website: http://www.jds.or.kr/
http://dx.doi.org/10.15722/jds.22.03.202403.59

National Food Distribution and Business Performance of Large State Plantations in Indonesia

Moehamad Irwan MAULANA[1], Sucherly SUCHERLY[2], Kurniawan SAEFULLAH[3], Martha Fani CAHYANDITO[4]

Received: July 20, 2023. Revised: September 05, 2023. Accepted: November 05, 2023.

Abstract

Purpose: This study aimed to develop a strategic business conceptual model for large state plantations in West Java Province and Banten Province, Indonesia. The model was built through causal relationships and interrelationships between marketing strategies and business strategies that affect business performance on large state plantations. The plantation sector provides the largest contribution to gross domestic product and is an important part of national food distribution efforts. **Research design, data, and methodology:** This study used a literature review adapted from Pret and Logan (2019), which followed the guidelines of Tranfield et al. (2003), derived from the Scopus website with Q1/Q2 quartiles and inclusion/exclusion criteria published from 2012 to 2021. **Results:** Based on a systematic literature review approach, we constructed the strategic business conceptual model for large state plantations based on a combination of four causal and interrelationship variables that affect business performance, namely, industry attractiveness, unique capabilities, innovation management, and collaboration strategy. **Conclusions:** This research explains the relationship between industry attractiveness variables and unique capability as independent variables that can affect business performance through collaboration strategy and innovation management as intervening variables in the plantation sector, especially large state plantations, which have not been found in previous studies.

Keywords: Marketing strategy, Business strategy, Business performance, Distribution, Large state plantations

JEL Classification Code : L11, L21, M31, N55, O30

1. Introduction

Indonesia is a lower middle-income country and the largest economy in Southeast Asia. Rapid economic growth over the past ten years, coupled with significant government investments in social development, transformed the lives of millions of people and allowed the country to halve the number of undernourished people by 2015. Although the country continues to make considerable progress towards Zero Hunger, it still faces challenges in terms of limited food access, malnutrition, gender inequality, climate change and vulnerability to natural hazards. The COVID-19 pandemic has further exacerbated these challenges, and reversed years of progress in reducing poverty and food insecurity (Wood Food Programme, 2024).

1 First Author and Corresponding Author. Doctoral student, Faculty of Economics and Business, Universitas Padjadjaran, Indonesia. Email: moehamad20001@mail.unpad.ac.id
2 Second Author. Professor, Faculty of Economics and Business, Universitas Padjadjaran, Indonesia. Email: sucherly@yahoo.com
3 Third Author. Doctor, Faculty of Economics and Business, Universitas Padjadjaran, Indonesia.
Email: kurniawan.saefullah@mail.unpad.ac.id
4 Fourth Author. Professor, Faculty of Economics and Business, Universitas Padjadjaran, Indonesia.
Email: cahyandito@yahoo.com

Heeding the UN Food and Agriculture Organization's warnings of an "imminent" global food crisis during the COVID-19 pandemic (and in response to pandemic-induced food supply disruptions and shortages in Indonesia), President of Republic Indonesia initiated his food estate program in 2020, tasking the Ministry of Public Works and Public Housing, the Ministry of Agriculture, and the Ministry of Defense to manage it. Due to its perceived importance, the central government designated the program a "national strategic project" for 2020-24. The program aimed to enhance domestic food security by reducing Indonesia's dependence on rice imports, improving the country's food distribution system by creating rice centres (outside of the major rice-producing region of Java), and increasing domestic food production (Asia Pacific Foundation of Canada, 2023).

Regarding the distribution of agricultural products and frequent price fluctuations, the Minister of Agriculture provides a permanent solution to secure food in the Special Capital Region of Jakarta. Food needs are supplied and distributed from 10 districts in three nearby provinces. The majority is supplied and distributed from eight districts in West Java Province and Banten Province, which are adjacent provinces. Meanwhile, the GRDP of the agriculture, forestry, and fisheries business fields of West Java Province and Banten Province is the second highest in Indonesia (BPS-Statistics Indonesia, 2022).

Total gross domestic product (GDP) and output in many business fields have decreased, the agriculture, forestry, and fisheries business field has actually increased. GDP growth over the past 5 years (2017–2021) shows an increasing trend, but in 2020, there was a decline compared to 2019 as a result of the responses to the COVID-19 pandemic. Only three business sectors showed an increase, namely, agriculture, forestry, and fisheries; communication and information; and health services and social activities. The plantation sector is the largest contributor to the agriculture, forestry, and fisheries sector (BPS-Statistics Indonesia, 2022).

State-owned plantations, commonly referred to as large state plantations, are widely spread from Aceh to Maluku, each of which has a performance record. According to Best (2013), performance calculations can be done based on financial calculations. The financial performance of large state plantations on Java Island tends to be loss making. Sales in West Java Province and Banten Province were higher than in Central Java Province, but those areas' financial performance has shown a loss for the last 5 years (2017–2021), namely (Rp. Million), -83,596; 1,842,626; -458,142; -530,887; and -482,746. The profitable financial performance in 2018 was not due to operational performance but other income, namely, the increase in asset value, the difference of which was recognized as income (Holding Nusantara Plantation, 2017-2021).

The annual financial performance of large state plantations on Java Island in 2017–2021 thus was negative, but this contradicts the distribution of total GRDP for the agriculture, forestry, and fisheries business field during 2017–2021, which was dominated by Java, based on data from the BPS-Statistics Indonesia in 2022.

The described condition shows an interesting phenomenon wherein the majority of food needs for Jakarta Special Capital Reginal Province are supplied and distributed from West Java Province and Banten Province while business performance on large state plantations in West Java Province and Banten Province showed a loss, which means that they were unable to take advantage of existing opportunities. This results in high demands to improve business performance on large state plantations in West Java Province and Banten Province. According to Hitt et al. (2017), the strategic management process is a series of commitments, decisions, and actions needed by companies to achieve strategic competitiveness and obtain above-average rates of return. We developed a strategic business conceptual model of large state plantations in West Java Province and Banten Province, Indonesia, which was also a research agenda. The model was built through causal relationships and linkages between marketing strategies and business strategies that affect business performance on large state plantations.

2. Literature Review

2.1. Business Performance

In research from Firman et al. (2020), company performance is basically an achievement made by a business organization that can be seen from the results. Performance is the result of work that can be completed by a person or group of people in an organization while adhering to their respective authorities and responsibilities, in order to realize the objectives of the organization concerned.

Company performance reflects the ratios used to evaluate strategies by comparing company performance from various periods, comparing company performance with competitor performance, and comparing company performance with industry averages. Some of the financial ratios used include return on investment (ROI), return on equity (ROE), profit margin, market share, debt to equity, earnings per share, sales growth, and asset growth (David, 2011).

Best (2013) argued that it is not objective to calculate company performance only by using financial calculations, such as sales, revenue, net income, return on sales, return on assets, and assets as a percentage of sales. According to Kaplan and Norton (1998), execution performance is measured through financial aspects, customer aspects, internal business processes, and learning and growth aspects, known as the Balanced Scorecard (BSC). Although the original BSC structure mostly relied on the financial point of view to measure the company's success, it also included three other perspectives: customers, internal business processes, and learning and growth (Kaplan, 2009).

In this study, business performance refers to Kaplan and Norton (1998) and Kaplan (2009) using four dimensions: (1) financial aspects, (2) customer aspects, (3) internal business processes, and (4) learning and growth.

2.2. Theories Relating to Business Performance

Business performance can be measured through marketing performance (Hubbard et al., 2011). Companies use business strategies to develop competitive advantages that can contribute to a successful position in the market (Hitt et al., 2017). This concept suggests that marketing and business strategies will strive to achieve positive business performance.

Marketing strategy according to Kotler (1997) is the way in which the marketing function organizes its activities to achieve profitable sales growth at the level of the marketing mix. In the latest developments, Kotler et al. (2022) revealed that today's market is very different from the conditions even 10 years ago, with new marketing behaviors and opportunities and challenges that continue to grow.

Ukaj et al. (2020) in their research stated that managers need to realize the company's "opportunities" and "risks" in the market in a timely manner, and they must continuously evaluate the level and impact of competitive activities. Marketing strategy should be the basis for determining the market position and position of the company. E-business has a future in the market. Indeed, the current market is characterized by the presence of e-commerce, including online shopping to meet the demand of customers who may prefer that to shopping physically (offline shopping). This also stimulates manufacturers to accelerate product distribution and open business opportunities as distributors/ wholesalers and logistics businesses (delivery services) for product distribution, so innovation and collaboration are needed to generate business synergies. Kotler et al. (2022, p. 69) stated, "Innovation in marketing is critical." This statement emphasizes the importance of innovation in marketing.

The process of identifying the market and customer needs for a product is crucial so that the product can be accepted by the market and meet the needs of its customers through product distribution. For this reason, companies need to look at industry attractiveness to assess the extent of a product's market power, the level of competition, and the market access for consumers (Best, 2013) so that companies are able to make the right products and distribute products properly.

Business strategy is an organizational activity to position a business to be more competitive than its competitors in similar industries (Hubbard et al., 2011). The essence of strategy is opportunity divided by capacity; an opportunity has no value unless the company has the capacity (i.e., resources) to take advantage of the opportunity (Wheelen et al., 2018). Resources and capabilities must be continuously strengthened and maintained to bolster their competitive strength and may need to be expanded and deepened so that companies can position themselves to pursue emerging market opportunities (Thompson et al., 2018).

Business strategy also includes competitive strategy and cooperation strategy. As the external environment changes and becomes more uncertain, some companies simultaneously compete and cooperate with their competitors. Companies can cooperate to achieve efficiency in some areas, but at the same time, companies also try to differentiate themselves for competitive purposes (Wheelen et al., 2018). This illustrates the need to implement a collaboration strategy in relation to business strategy.

From the theoretical review above, the management theoretical framework underlying this research included marketing strategy theory and business strategy theory. The derivatives of marketing strategy theory are categorized into variables of industry attractiveness and innovation management, and the derivatives of business strategy are categorized into variables of unique capability and collaboration strategy while business performance is derived from both theories (marketing strategy and business strategy).

2.2.1. Industry Attractiveness

According to Wheelen et al. (2018), an industry is defined as a set of businesses that provide comparable goods or services to meet market demand. The sales size and profit potential of a particular market segment form the attractiveness of the industry. Sukoroto et al. (2020) in their research said that market attractiveness can also be described as industry attractiveness. Market attractiveness describes how difficult or easy it is for a company to compete in the market and win market share.

Walker and Mullins (2013), the factors that measure market attractiveness, namely, customer behavior and needs, market size, market growth rate, and macro trends including demographic, sociocultural, economic, political/legal, technological, and natural. Gleißner et al. (2013) measured market attractiveness with dimensions consisting of market growth, customers, market potential, competition, price, barriers, and similarity. According to Best (2013), attractiveness assessment is an assessment of market demand, competition intensity, and market access.

Based on the synthesis of several concepts about industry attractiveness, in this study, we referred to Best (2013) to develop the definition of industry attractiveness. So, the construct of industrial attractiveness is a set of measures of industrial conditions and potential using the following dimensions: (1) market demand, (2) competitive intensity, and (3) market access.

2.2.2. Unique Capability

A company's strengths and characteristics are shaped by its resources. According to David (2011), in order for a company's resources to become valuable, they must be rare, hard to imitate, and not easily substitutable.

Based on the resource-based view (RBV), according to Pearce and Robinson (2015), basically each company is not the same because it has a unique set of resources, namely, tangible assets, intangible assets, and organizational capabilities to maximize the benefits of these assets. Tangible assets are the assets that can be easily identified, which can be found in the company's balance sheet. Intangible assets are other company assets that are difficult to touch and also difficult to see but are important for generating competitive advantage. Finally, organizational capability is the set of capabilities in combining assets, human resources, and processes to convert inputs into outputs.

Based on the synthesis of several concepts about unique capability, in this study, we defined unique capability via reference to Pearce and Robinson (2015) and Hitt et al. (2017): Unique capability is a set of unique resources using tangible assets, intangible assets, and organizational capability.

2.2.3. Innovation Management

Scholten and Scholten (2012), innovation management refers to the activities of planning, implementing, regulating, and controlling systematic organizational innovation activities with the aim of realizing innovative ideas efficiently and effectively. Tidd and Bessant (2013) argued that innovation begins with the ability to see the relationship in turning opportunities into excellence. Bassiti and Ajhoun (2013) , innovation is a series of processes that are carried out and started by receiving ideas from employees, which are then evaluated to formulate ideas that have great potential to add value to the organization.

According to the OECD and Eurostat (2018), innovation is the application of new or significantly improved products (goods or services) or processes, new marketing methods, or new organizational methods in business practices, workplace organization, or external relations. Atalay et al. (2013) stated that the concept of innovation is based on four types of innovation from the OECD and Eurostat, namely, organizational innovation, marketing innovation, product innovation, and process innovation. The same indicators were used by Kafetzopoulos and Psomas (2015) who suggested that innovation capabilities could be measured by the same four dimensions.

Based on the synthesis of several concepts about innovation and innovation management, in this study, we defined innovation management by referring to the OECD and Eurostat (2018) definition used in previous studies by Atalay et al. (2013) and Kafetzopoulos and Psomas (2015). Thus, innovation management is the process of developing innovation in the company using dimensions product innovation, process innovation, marketing innovation, and organizational innovation.

2.2.4. Collaboration Strategy

Cravens and Piercy (2013) stated that collaboration is an activity in working with other parties (stakeholders), which is both a vertical (i.e., relations with suppliers and customers) and horizontal relationship (i.e., lateral and internal partnerships). Hoffmann (2007) revealed that strategic collaboration is derived from business strategy and determines the overall goals of business unit alliances (e.g., developing new technologies or entering new markets) and the configuration of portfolio business alliances. It is possible to identify development paths within a homogeneous portfolio (i.e., the same sector) created by a for-profit company based on the strategies used by the company in dealing with a complex environment. This portfolio includes supplier partnerships, complementary partnerships, customer partnerships, and competitor partnerships.

Based on the synthesis of several concepts regarding collaboration strategy, in this study, we defined collaboration strategy based on the work of Hoffmann (2007). Thus, collaboration strategy is a business strategy to determine all business unit alliance goals and configure portfolio business alliances using the dimensions collaboration with suppliers, collaboration with complementary partners, collaboration with customers, and collaboration with competitors.

3. Research Methods and Materials

Although it continues to be fragmented and interdisciplinary, knowledge production in the field of business research is accelerating quickly. This makes it challenging to stay on the cutting edge of research, to remain current with best practices, and to evaluate the body of evidence in a given field of business research. Because of this, conducting a literature review as a research approach is more important than ever. Traditional literature evaluations frequently lack rigor and completeness and are carried out haphazardly rather than in accordance with a predetermined process. Therefore, conducting a literature review is often the start of any new research project and is a relevant research method on its own.

A literature review can be described as a more or less systematic way of collecting and synthesizing previous research (Baumeister and Leary, 1997; Tranfield et al., 2003). A well-conducted literature review can create a firm platform for advancing theory development, practice, or policy (Webster and Watson, 2002). A literature review, in principle, may answer research topics with a power inaccessible to any one study by synthesizing data and viewpoints from a collection of studies. A review can also help provide structure and order in fields or areas where the research is disparate and interdisciplinary. Furthermore, a literature review is an effective method of synthesizing study findings to present evidence at a meta-level and to identify areas where additional research is needed, which is an important component in developing theoretical frameworks and conceptual models (Tranfield et al., 2003).

Systematic review is at the center of pragmatic management research, which seeks to benefit both academic and practitioner populations. A review of the literature is an essential component of every research undertaking. The literature-review process is also an important tool in management research because it is utilized to manage the diversity of information for a given academic enquiry (Tranfield et al., 2003).

This study employed a systematic literature review (SLR) approach adapted from Pret and Cogan (2019), which followed the guidelines of Tranfield et al. (2003). We performed the steps in Figure 1 to systematically analyze the previous research by looking for interrelationships among variables derived from theories and research articles that evaluate business performance sourced from Scopus-indexed journals, using inclusion/exclusion criteria.

STEP 1

Set research objectives:
Identify previous research by looking for interrelationship among variables derived from theories and research articles that evaluate business performance

Define conceptual boundaries:
Define business performance and variables from theories relating to business performance

STEP 2

Apply inclusion criteria:

Search limit:	Search terms:	Period:
Scopus-indexed journals; Q1 and Q2; open-access journals; journals with high percentile of results on the subjects of management, business, and accounting (miscellaneous)	influence on business performance	2012–2021

Apply exclusion criteria:
- does not include study literature review articles
- does not include qualitative articles
- does not include articles that are not in English
- does not include moderating variable
- does not include nonsignificant findings

Validating search research:
Conduct an independent search of the literature that influences business performance using Scopus in journals with high percentile of results on the subjects of management, business, and accounting (miscellaneous) and compare the findings with theories relating to business performance

STEP 3

Coding: Article A	Coding: Article B	Coding: Article -n

Validating search research:
Cross-checking coding results
Revisiting articles for recoding

Source: Adapted from Pret and Cogan (2019)

Figure 1: Systematic Literature Review (SLR) in This Study

Figure 1 shows the SLR that we carried out as follows:

Step 1

1. Determining research objectives, which we discussed in Section 1, namely, business performance. From this, we sought journals in the areas of business, management, and accounting (miscellaneous).
2. Conducting the literature review in which we defined business performance and variables related to business performance synthesized from several theories and then determined constructs, dimensions, and indicators.

Step 2

1. Applying inclusion criteria. We searched for articles directly using Scopus, which is an open-access journal, quartile 1 (Q1) and quartile 2 (Q2), and uses high-percentile journals on the subjects of business, management, and accounting (miscellaneous). We used a search theme "influence on business performance" and reviewed the literature for the last 10 years (2012–2021).
2. Applying exclusion criteria, which are exceptions that are not included in the terms and conditions, namely, the following:
   - Nonempirical
     By integrating findings and perspectives from many empirical findings, literature reviews can answer research questions with strengths that a single study lacks (Snyder, 2019).
   - Nonquantitative
     The approach to sample characteristics in a systematic literature review is to use quantitative articles (Snyder, 2019).

- Non-English
  This criterion was necessary due to language limitations in reading and understanding languages other than English and very few published articles.
- Nonmediating
  Mediation analysis is one of the most straightforward approaches to examine the individual and holistic relationships among research study variables (Cohen, 1988; Hair et al., 2013).
- Nonsignificant findings
  Focuses on previous research that examines direct relationships and provides strong evidence in terms of the relationship or influence under study. The approach to example collaboration in a systematic literature review is to use evidence of influence (Snyder, 2019).

3. Validation of search results, in which we selected articles and ensured they were relevant to the research objectives and applied theories that affect business performance so that articles we found matched the specified criteria.

The results of the validation showed that there were articles that matched the criteria in Step 1 and Step 2, as shown in Table 1.

Table 1: Results of Steps 1 and 2 of Systematic Literature Review (SLR)

Criteria	Results	
	Journals	Articles
Step 1		
Subject: business, management, and accounting (miscellaneous)		
All journals	187	39,576
Step 2		
Open-access journal	38	8,645
Cite score highest quartile: 1st quartile (Q1) and 2nd quartile (Q2)	16	4,516
Journals with the highest percentile of results on the subjects of business, management, and accounting (miscellaneous)	6	3,458
Non-SLR (only article), English	6	2,975
Article terms include “influence on business performance”	6	1,314
Cover period 2012–2021	6	865
Open-access journal articles with highest percentile of results for business, management, and accounting (miscellaneous) with exclusion criteria	6	23

From the final six journals, we applied inclusion and exclusion criteria and validation so that 23 articles were found, as shown in Figure 2.

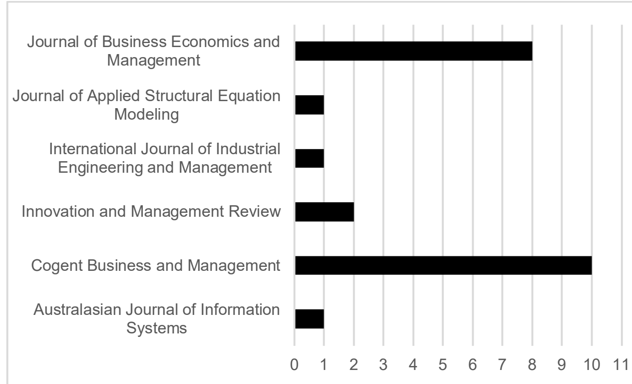

Figure 2: Distribution of Publication Articles per Journal

The distribution of article publications across the years 2012–2021 is shown in Figure 3.

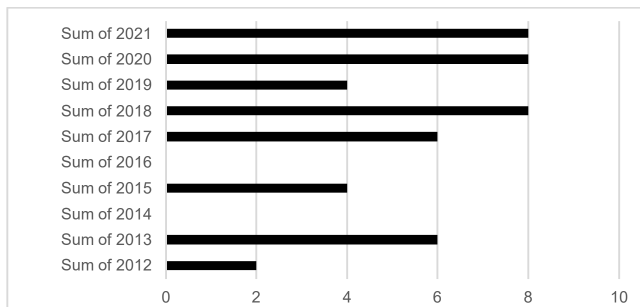

Figure 3: Distribution of Published Articles per Year

Step 3

Finally, in Step 3, we filtered articles from the previous step by analyzing each document’s content based on a predetermined classification scheme or coding based on a combination of four causal and interrelated variables that affect business performance: industry attractiveness, unique capability, innovation management, and collaboration strategy.

For this coding, we first examined the relationship of the variables to business performance. Secondly, we examined the relationship among the variables themselves. Finally, we examined the interrelationships among the variables and business performance.

4. Results and Discussion

From the search for previous research according to the coding carried out in Step 3, we compiled the interrelationship.

4.1. Interrelationship of Industry Attractiveness, Unique Capability, Innovation Management, Collaboration Strategy, and Business Performance

Fernández-Olmos and Díez-Vial (2015), the export channel suitability variable was significantly related to export performance. Udayana et al. (2021) pointed out that integrated marketing communication, customer bonding capabilities, relational capital, and adequate marketing information affected marketing performance.

Aziz and Omar (2013) argued knowledge and common vision (learning orientation) were important factors in improving business performance among small and medium enterprises (SMEs). Gul and Ellahi (2021), investment in data analysis increased bank productivity by 10%. Khan et al. (2021) found there was a positive relationship between entrepreneurial orientation and performance. Owusu (2017) indicated that business intelligence systems had a significant positive effect on learning and growth, internal processes, and bank customer performance.

Xu and Liu (2020) argued that financial performance as strongly related to intellectual capacity; that is, investment in intangible assets embodied in intellectual capacity could systematically contribute to the improvement of corporate profitability and corporate profits over time, and manufacturing companies that were more intensive in terms of intangible assets showed superior financial performance than companies that were less intensive in terms of intangible assets. Jerman and Završnik (2012), the positive impact of marketing communication effectiveness on organizational performance in the case of Slovenian companies.

Maziriri (2020) found green packaging and green advertising had a positive influence on competitive advantage and business performance. Also, Makate et al. (2019), entrepreneurial innovation improved firm performance. Cheun et al. (2012) found that innovation was the most important dimension of organizational culture in terms of organizational performance. Vasconcelos and Oliveria (2018) identified two prominent dimensions of innovation related to firm performance, namely, brand and customer experience, which likely significantly contributed to firm performance.

Makhitha (2019) found that small retailers who shared information with suppliers and engaged in different types of relationships such as long-term relationships, collaborative relationships, and transactional relationships could affect small retailer performance. Golonka and Rzadca (2013), in the global information and communication technologies (ICT) industry, strong alliances could improve performance more than weak alliances.

Su et al. (2020), corporate social responsibility (CSR) practices on business and financial stakeholders (BFS) had a positive effect on a company's financial performance because meeting stakeholder expectations could foster a conducive business environment and help companies achieve excellent financial performance. Bi et al. (2015) found that information technology (IT) integration was positively related to activity integration, wherein IT integration indicated that the company had up-to-date information systems, and activity integration meant that the company actively collaborated with business partners/suppliers.

Based on the theories used, we noted the following:

(1) Udayana et al. (2021) conducted research on three variables (industry attractiveness, unique capability, collaboration strategy).
(2) Other researchers only conducted research on one variable. Fernández-Olmos and Díez-Vial (2015) used the industry attractiveness variable. Aziz and Omar (2013), Gul and Ellahi (2021), Khan et al. (2021), Owusu (2017), Xu and Liu (2020), and Jerman and Završnik (2012) used the unique capability variable. Maziriri (2020), Makate et al. (2019), Cheun et al. (2012), and Vasconcelos and Oliveria (2018) used innovation management variables. Makhitha (2019), Golonka and Rzadca (2013), Su et al. (2020), and Bi et al. (2015) used collaboration strategy variables.

This previous research shows that each variable of marketing strategy and business strategy has an influence on business performance.

4.2. Interrelationship Among Industry Attractiveness, Unique Capability, Innovation Management, and Collaboration Strategy

Aziz and Omar (2013) found that market orientation, learning orientation, and internet marketing orientation had a direct influence on innovation. Jiang et al. (2021), the more company founders participated in research and development (R&D) activities and the more central they were in the R&D network, the better the company's technological innovation performance was.

Srisathan et al. (2020), organizational sustainability significantly intervened in the interaction of organizational culture and open innovation performance. Their results also showed a significant effect of organizational culture on organizational sustainability wherein cultural characteristics maintained core business competencies in terms of marketing, operations, customer orientation, capital management, and monitoring and evaluation for sustainability. Chu et al. (2014) identified 10 dimensions of typical national innovation-system performance and their relationship with knowledge-management functions.

Udayana et al. (2021) found relational capital, adequate marketing information, and integrated marketing communication were the variables that had the most significant positive effect on customer-bonding capabilities. Bi et al. (2015), IT integration was positively related to activity integration, wherein IT integration in the study meant the company had integrated web applications covering different functional areas and shared databases for various applications, which showed that the company had an up-to-date information system. Activity integration meant the company collaborated actively in forecasting and demand planning with business partners/suppliers.

Based on the theories used, we noted the following:

(1) Udayana et al. (2021) conducted research on two variables (industry attractiveness, unique capability).

(2) Other researchers only conducted research on one variable (industry attractiveness or unique capability) that affects each of the two variables (innovation management and collaboration strategy). Aziz and Omar (2013) used the industry attractiveness variable that affect innovation management. Jiang et al. (2021), Srisathan et al. (2020), and Chu et al. (2014) used unique capability variables that affect innovation management. Bi et al. (2015) used unique capability variables that affect the collaboration strategy.

This previous research shows that marketing strategy and business strategy influence each other.

4.3. Interrelationship of Industry Attractiveness, Unique Capability, Innovation Management, and Collaboration Strategy to Business Performance

Wang et al. (2017), marketing implementation mediated the effect of information-related export promotion programs on export performance. Marketing implementation included an export marketing strategy, which was an innovation, and information-related export promotion programs that included provision of marketing information. Kearney et al. (2013) found that corporate entrepreneurship partially mediated the relationship between dynamism and performance. They described entrepreneurship as enterprise, renewal, innovation, risk-taking, and proactivity; dynamism as continuous perceived instability in the firm's market; and performance as growth and profitability.

Sheikh et al. (2018), the use of e-marketing mediated the relationship between top management support and financial performance. Agyapong et al. (2017) also found that innovation partially mediated the relationship between social capital and performance. Mijatović et al. (2020) revealed that investments in human resources followed by the application of digital technologies allowed for greater flexibility of production systems, thereby increasing the competitiveness and sustainability of manufacturing companies that follow this trend.

Luiz Dos Santos and Vieira Marinho (2018) found a relationship among entrepreneurial orientation, marketing capabilities, and business performance in the Santa Catarina supermarket industry, and this relationship was significant and positive. Udayana et al. (2021), relational capital affected marketing performance through the intervening variable of customer-bonding ability. Bi et al. (2015) argued that information technology (IT) capability development contributed to the performance of fast-growing small and medium enterprises (SMEs) through increased partnership activities among companies. This research also highlighted the role of IT in business-value creation and the ways in which IT is used by fast-growing SMEs to grow core business competencies when partnering activities are the intermediary.

The previous research shows that each variable of marketing strategy and business strategy, namely, innovation management and collaboration strategy, has a mediating/intervening effect on business performance:

(1) Wang et al. (2017) and Kearney et al. (2013) used innovation management with the independent variable of industry attractiveness.

(2) Sheikh et al. (2018), Agyapong et al. (2017), Mijatović et al. (2020), and Luiz Dos Santos and Vieira Marinho (2018) used innovation management with the independent variable of unique capability.

(3) Udayana et al. (2021) used a collaboration strategy with the independent variable of industry attractiveness.

(4) Bi et al. (2015) used a collaboration strategy with the independent variable of unique capability.

Previous research explained the interrelationships among variables were the result of a systematic literature review, the summary of which can be seen in Table 2.

Table 2: Interrelationship of Variables

Researchers	Interrelationships
Fernández-Olmos and Díez-Vial (2015), Udayana et al. (2021)	Effect of industry attractiveness on business performance
Aziz and Omar (2013), Gul and Ellahi (2021), Khan et al. (2021), Owusu (2017), Xu and Liu (2020), Jerman and Završnik (2012), Udayana et al. (2021)	Effect of unique capabilities on business performance
Maziriri (2020), Makate et al. (2019), Cheun et al. (2012), Vasconcelos & Oliveria (2018)	Effect of innovation management on business performance
Makhitha (2019), Golonka and Rzadca (2013), Su et al. (2020), Udayana et al. (2021), Bi et al. (2015)	Effect of collaboration strategy on business performance
Aziz and Omar (2013)	Effect of industry attractiveness on innovation management
Jiang et al. (2021), Srisathan et al. (2020), Chu et al. (2014)	Effect of unique capabilities on innovation management

Researchers	Interrelationships
Udayana et al. (2021)	Effect of industry attractiveness on collaboration strategy
Udayana et al. (2021), Bi et al. (2015)	Effect of unique capabilities on collaboration strategy
Wang et al. (2017), Kearney et al. (2013)	Mediating role of innovation management in the relationship between industry attractiveness and business performance
Sheikh et al. (2018), Agyapong et al. (2017), Luiz Dos Santos and Vieira Marinho (2018)	Mediating role of innovation management in the relationship between unique capabilities and business performance
Udayana et al. (2021)	Mediating role of collaborative strategy in the relationship between industry attractiveness and business performance
Bi et al. (2015)	Mediating role of collaborative strategy in the relationship between unique capability and business performance

Previous research explained the interrelationships of variables, but no research has been found that examined all these variables in one study. Past analyses were generally carried out in the areas of manufacturing, construction, wholesale and retail trade, transportation and warehousing, information and communication, financial and insurance, business, government administration, education, human health and social work, and other services. No research has been found in the plantation industry, especially state-owned plantations.

5. Proposed Model

The absence of research addressing the four interrelated causal variables (industry attractiveness, unique capability, innovation management, collaboration strategy) that affect business performance together in one study and/or previous research in the plantation sector, especially state-owned plantations, may be due to our lack of thoroughness or the inclusion and exclusion criteria we used. However, we argue that research in the plantation sector is urgently needed because plantations play an important role in supplying human food needs. Plantations are the main source of food production for food crops, fruits, vegetables, and other agricultural commodities.

National food distribution is an effort to ensure adequate and sustainable food supplies, and plantations directly contribute to the fulfillment of basic human needs. According to Maslow (1943) in his theory of basic human needs, food fulfillment is a physiological need, which is a need that is directly related to the physical or human body and thus is the most important need. In fact, the fulfillment of food needs is one of the sovereignties of the state because it is directly related to food security, so the state argues that it must regulate national food distribution.

This SLR contains the scope of the study by offering a strategic business conceptual model of large state plantations in West Java Province and Banten Province of Indonesia that builds on a combination of four causal and interrelated variables that affect business performance: industry attractiveness, capability uniqueness, innovation management, and collaboration strategy. Furthermore, the model presents an agenda for future research, as shown in Figure 4.

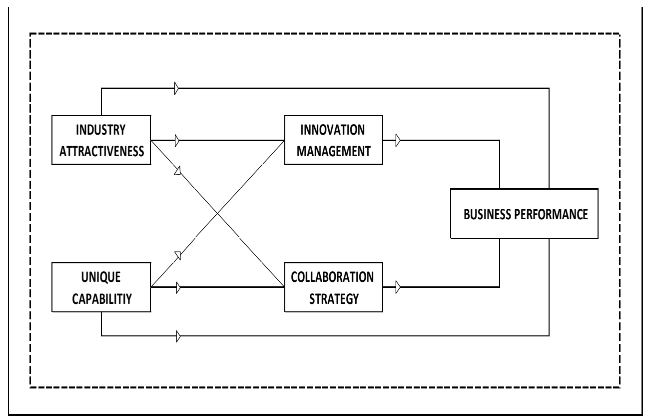

Figure 4: A Strategic Business Conceptual Model

6. Conclusions and Suggestions

Indonesia used to be known as a producer and supplier of spices, until it was eventually controlled by the Dutch government that then regulated the world distribution of spices. The Dutch then shifted their focus to other agricultural products based on plantation companies and regulated production, supply, and distribution. Dutch control ended when Indonesia became independent, and the plantation companies were taken over by the Indonesian government and became state-owned plantations.

The need for food became a national food security program, which is a government work program in the framework of national food distribution. The basic human need for food should be an opportunity for large state-owned plantations to improve business performance.

By reviewing the current relevant literature, we identified theories and previous research findings that provided a conceptual model for the research agenda. The conceptual model combined variables from marketing strategy and business strategy, namely, industry attractiveness, unique capabilities, innovation management, collaboration strategy, and business performance. The variables of industry attractiveness, unique capabilities, innovation management, and collaboration strategy were considered as independent variables that can affect business performance, which we considered as the dependent variable. The variables of innovation management and collaboration strategy can also be intervening variables in the relationship of the influence of industry attractiveness and unique capabilities on business performance.

Per Usman et al. (2022), the ultimate goal of an SLR is to find research gaps as the basis for a further research agenda. From our search for previous articles related to business performance, we found no research that used all of these variables in one study and focused solely on plantations, especially state-owned plantations. This became a research gap, which we then used as a research agenda that was different from previous studies and showed that this research agenda could serve as empirical knowledge about business performance in the plantation sector.

However, our accuracy and results were limited by the research criteria used. Nonetheless, we expect that this research agenda can provide input for the conceptual model of strategic business for all practitioners and management and stakeholders in large state plantations in West Java Province and Banten Province and can be useful for all interested parties to implement and develop strategic management in relation to existing opportunities, specifically with respect to this paper's initial topic of food distribution related to plantation business performance.

Research conducted on business performance in the plantation sector, especially on state-owned plantations, is still very limited. In this SLR, our theoretical basis was marketing strategy and business strategy, so it is still possible that there are different theoretical foundations that affect business performance and that were not included in this research agenda. The initial concept used was the contribution of the plantation sector in agriculture, forestry, and fisheries to the GDP and national food distribution, which was then linked to the business performance of state-owned plantations. We suggest that variables from other theories that influence business performance and are related to food distribution can be alternatives used in the next research agenda in the plantation sector, especially in state-owned plantations.

References

Agyapong, F. O., Agyapong, A., & Poku, K. (2017). Nexus between social capital and performance of micro and small firms in an emerging economy: The mediating role of innovation. *Cogent Business & Management*, *4*(1), 1309784. https://doi.org/10.1080/23311975.2017.1309784

Asia Pacific Foundation of Canada. (2023). Indonesia's Scheme to Ward Off Road Security Crisis Falls Short of Expectation. Accesed Marh 8, 2024. https://www.asiapacific.ca/publication/indonesias-scheme-ward-food-security-crisis-falls-short

Atalay, M., Anafarta, N., & Sarvan, F. (2013). The Relationship between Innovation and Firm Performance: An Empirical Evidence from Turkish Automotive Supplier Industry. *Procedia - Social and Behavioral Sciences*, *75*, 226–235. https://doi.org/10.1016/j.sbspro.2013.04.026

Aziz, N. A., & Omar, N. A. (2013). Exploring The Effect of Internet Marketing Orientation, Learning Orientation and Market Orientation on Innovativeness and Performance: SME (Exporters) Perspectives. *Journal of Business Economics and Management*, *14*(1), S257–S278. https://doi.org/10.3846/16111699.2011.645865

Bassiti, L., & Ajhoun, R. (2013). Toward an Innovation Management Framework: A Life-Cycle Model with an Idea Management Focus. *International Journal of Innovation, Management and Technology*, *4*(6), 551–559. https://doi.org/10.7763/IJIMT.2013.V4.460

Baumeister, R. F., & Leary, M. R. (1997). Writing Narrative Literature Reviews. *Review of General Psychology*, *1*(3), 311–320. https://doi.org/1089-2680/97/S3.00

Best, R. J. (2013). *Market-based management: Strategies for growing customer value and profitability* (6th ed). Pearson.

Bi, R., Davison, R. M., & Smyrnios, K. X. (2015). IT and Fast Growth Small-to-Medium Enterprise Performance: An Empirical Study in Australia. *Australasian Journal of Information Systems*, *19*(0), S247–S266. https://doi.org/10.3127/ajis.v19i0.1012

BPS-Statistics Indonesia. (2022). Quarterly Gross Domestic Product of Indonesia. Gross Domestic Product 2018-2022. https://www.bps.go.id/en/publication/2022/10/10/8cc1ae509d93e0f7a1f8f6d7/quarterly-gross-domestic-product-of-indonesia-2018-2022.html

BPS-Statistics Indoensia. (2021). Gross Regional Domestic of Regencies/Municipalities in Indonesia 2017-2021. https://www.bps.go.id/en/publication/2022/06/07/59cf6a8a96b61d09c6d65260/gross-regional-domestic-product-of-regencies-municipalities-in-indonesia-2017-2021.html

Cheun, S. O., Wong, P. S. P., & Lam, A. L. (2012). An Investigation of The Relationship Between Organizational Culture and The Performance of Construction Organizations. *Journal of Business Economics and Management*, *13*(4), 688–704. https://doi.org/10.3846/16111699.2011.620157

Chu, M.-T., Fardoei, S. R., Fallah, H., Ghazinoory, S., & Aliahmadi, A. (2014). Modeling National Innovation System Enabled by Knowledge Management. *Journal of Business Economics and Management*, *15*(5), 964–977. https://doi.org/10.3846/16111699.2013.764923

Cohen, J. (1988). *Statistical power analysis for the behavioral sciences* (2nd ed). L. Erlbaum Associates.

Cravens, D. W., & Piercy, N. (2013). *Strategic Marketing* (10th ed.). McGraw-Hill Education.

David, F. R. (2011). *Strategic Management: Concepts & Cases* (13th ed.). Pearson.

Fernández-Olmos, M., & Díez-Vial, I. (2015). Intangible Resources, Export Channel and Performance: Is There Any Fit? *Journal of Business Economics and Management*, *16*(5), 1013–1033. https://doi.org/10.3846/16111699.2012.726928

Firman, A., Putra, A. H. P. K., Ilyas, G. B., & Mustapa, Z. (2020).

Relationship of TQM on Managerial Performance: Evidence from Property Sector in Indonesia. *Journal of Distribution Science*, *18*(1), 47–57. https://doi.org/10.15722/JDS.18.1.202001.47

Gleißner, W., Helm, R., & Kreiter, S. (2013). Measurement of competitive advantages and market attractiveness for strategic controlling. *Journal of Management Control*, *24*(1), 53–75. https://doi.org/10.1007/s00187-013-0167-1

Golonka, M., & Rzadca, R. (2013). Does A Connection Exist Among National Culture, Alliance Strategy, and Leading ICT Firms' Performance? *Journal of Business Economics and Management*, *14*(1), S395–S412. https://doi.org/10.3846/16111699.2017.1275283

Gul, R., & Ellahi, N. (2021). The nexus between data analytics and firm performance. *Cogent Business & Management*, *8*(1), 1923360. https://doi.org/10.1080/23311975.2021.1923360

Hair, J. F., Ringle, C. M., & Sarstedt, M. (2013). Partial Least Squares Structural Equation Modeling: Rigorous Applications, Better Results and Higher Acceptance. *Long Range Planning*, *46*(1–2), 1–12. https://doi.org/10.1016/j.lrp.2013.01.001

Hitt, M. A., Ireland, R. D., & Hoskisson, R. E. (2017). *Strategic Management: Competitiveness & Globalization: Concepts and Cases* (12th ed.). Cengage Learning.

Hoffmann, W. H. (2007). Strategies for managing a portfolio of alliances. *Strategic Management Journal*, *28*(8), 827–856. https://doi.org/10.1002/smj.607

Holding Nusantara Plantation. (2017-2021). Annual Report. http://www.ptpn3.co.id/anualreport.php

Hubbard, G., Beamish, P., & Rice. (2011). *Strategic Management: Thinking, Analysis, Action* (4th ed.). Pearson.

Jerman, D., & Završnik, B. (2012). The Model of Marketing Communications Effectiveness: Empirical Evidence from Slovenian Business-to-Business Practice. *Journal of Business Economics and Management*, *13*(4), 705–723. https://doi.org/10.3846/16111699.2011.620163

Jiang, Y., Wang, D., & Zeng, Q. (2021). Can Founders'dual Rolesfacilitate Innovation? – From The Perspective of Founders' R&D Network Characteristics. *Journal of Business Economics and Management*, *22*(5), 1288–1307. https://doi.org/10.3846/jbem.2021.14950

Kafetzopoulos, D., & Psomas, E. (2015). The impact of innovation capability on the performance of manufacturing companies: The Greek case. *Journal of Manufacturing Technology Management*, *26*(1), 104–130. https://doi.org/10.1108/JMTM-12-2012-0117

Kaplan, R. S. (2009). Conceptual Foundations of the Balanced Scorecard. In *Handbooks of Management Accounting Research* (Vol. 3, pp. 1253–1269). Elsevier. https://doi.org/10.1016/S1751-3243(07)03003-9

Kaplan, R. S., & Norton, D. P. (1998). Putting the Balanced Scorecard to Work. In *The Economic Impact of Knowledge* (pp. 315–324). Elsevier. https://doi.org/10.1016/B978-0-7506-7009-8.50023-9

Kearney, C., Hisrich, R. D., & Antoncic, B. (2013). The Mediating Role of Corporate Entrepreneurship for External Environment Effects on Performance. *Journal of Business Economics and Management*, *14*(1), S328–S357. https://doi.org/10.3846/16111699.2012.720592

Khan, M. A., Zubair, S. S., Rathore, K., Ijaz, M., Khalil, S., & Khalil, M. (2021). Impact of Entrepreneurial Orientation Dimensions on Performance of Small Enterprises: Do Entrepreneurial Competencies Matter? *Cogent Business & Management*, *8*(1), 1943241. https://doi.org/10.1080/23311975.2021.1943241

Kotler, P. (1997). *Marketing Management: Analysis, Planning, Implementation, and Control* (9th ed.). Prentice Hall.

Kotler, P., Keller, K. L., & Chernev, A. (2022). *Marketing Management* (16th ed.). Pearson Education.

Luiz Dos Santos, I., & Vieira Marinho, S. (2018). Relationship between entrepreneurial orientation, marketing capability and business performance in retail supermarkets in Santa Catarina (Brazil). *Innovation & Management Review*, *15*(2), 118–136. https://doi.org/10.1108/INMR-04-2018-008

Makate, C., Makate, M., Siziba, S., & Sadomba, Z. (2019). The impact of innovation on the performance of small-to-medium informal metal-trade enterprises in Zimbabwe. *Cogent Business & Management*, *6*(1), 1625095. https://doi.org/10.1080/23311975.2019.1625095

Makhitha, K. (2019). Supplier relationship marketing practices and small retailer performance in South Africa. *Cogent Business & Management*, *6*(1), 1672490. https://doi.org/10.1080/23311975.2019.1672490

Maslow, A. H. (1943). A Theory of Human Motivation. *Psychological Review*, *50*, 370–396. https://doi.org/10.1037/h0054346

Maziriri, E. T. (2020). Green packaging and green advertising as precursors of competitive advantage and business performance among manufacturing small and medium enterprises in South Africa. *Cogent Business & Management*, *7*(1), 1719586. https://doi.org/10.1080/23311975.2020.1719586

Mijatović, M. D., Uzelac, O., & Stoiljković, A. (2020). *Effects of human resources management on the manufacturing firm performance: Sustainable development approach*. *11*(2).

OECD & Eurostat. (2018). *Oslo Manual 2018: Guidelines for Collecting, Reporting and Using Data on Innovation, 4th Edition*. OECD. https://doi.org/10.1787/9789264304604-en

Owusu, A. (2017). Business intelligence systems and bank performance in Ghana: The balanced scorecard approach. *Cogent Business & Management*, *4*(1), 1364056. https://doi.org/10.1080/23311975.2017.1364056

Pearce, J. A., & Robinson, R. B. (2015). *Strategic Management: Planning for Domestic & Global Competition* (14th ed.). McGraw-Hill Education.

Pret, T., & Cogan, A. (2019). Artisan entrepreneurship: A systematic literature review and research agenda. *International Journal of Entrepreneurial Behavior & Research*, *25*(4), 592–614. https://doi.org/10.1108/IJEBR-03-2018-0178

Scholten, S., & Scholten, U. (2012). Platform-based Innovation Management: Directing External Innovational Efforts in Platform Ecosystems. *Journal of the Knowledge Economy*, *3*(2), 164–184. https://doi.org/10.1007/s13132-011-0072-5

Sheikh, A. A., Rana, N. A., Inam, A., Shahzad, A., & Awan, H. M. (2018). Is e-marketing a source of sustainable business performance? Predicting the role of top management support with various interaction factors. *Cogent Business & Management*, *5*(1), 1516487. https://doi.org/10.1080/23311975.2018.1516487

Snyder, H. (2019). Literature review as a research methodology:

An overview and guidelines. *Journal of Business Research*, *104*, 333–339. https://doi.org/10.1016/j.jbusres.2019.07.039

Srisathan, W. A., Ketkaew, C., & Naruetharadhol, P. (2020). The intervention of organizational sustainability in the effect of organizational culture on open innovation performance: A case of thai and chinese SMEs. *Cogent Business & Management*, *7*(1), 1717408. https://doi.org/10.1080/23311975.2020.1717408

Su, R., Liu, C., & Teng, W. (2020). The Heterogeneous Effects of CSR Dimensions on Financial Performance – A New Approach for CSR Measurement. *Journal of Business Economics and Management*, *21*(4), 987–1009. https://doi.org/10.3846/jbem.2020.12394

Sukoroto, Kharisma, B., & Haryono, S. (2020). Target Market Selection Using MCDM Approach: A Study of Rolling Stock Manufacturer. *Journal of Distribution Science*, *18*(7), 63–72. https://doi.org/10.15722/JDS.18.7.202007.63

Thompson, A. A., Peteraf, M. A., Gamble, J. E., & Strickland III. (2018). *Crafting And Executing Strategy: The Quest For Competitive Advantage: Concepts And Cases* (21st ed.). McGraw-Hill Education.

Tidd, J., & Bessant, J. (2013). *Managing Innovation: Integrating Technological, Market and Organizational Change* (4th ed.). John Wiley & Sons.

Tranfield, D., Denyer, D., & Smart, P. (2003). Towards a Methodology for Developing Evidence-Informed Management Knowledge by Means of Systematic Review. *British Journal of Management*, *14*(3), 207–222. https://doi.org/10.1111/1467-8551.00375

Udayana, I. B. N., Farida, N., Lukitaningsih, A., Tjahjono, H. K., & Nuryakin. (2021). The important role of customer bonding capability to increase marketing performance in small and medium enterprises. *Cogent Business & Management*, *8*(1), 1932239. https://doi.org/10.1080/23311975.2021.1932239

Ukaj, F., Livoreka, R., & Ramaj, V. (2020). The Impact of E-Business on Activity Extension and Business Performance. *Journal of Distribution Science*, *18*(8), 103–112. https://doi.org/10.15722/JDS.18.8.202008.103

Usman, A., Azis, Y., Harsanto, B., & Azis, A. M. (2022). Airport service quality dimension and measurement: A systematic literature review and future research agenda. *International Journal of Quality & Reliability Management*, *39*(10), 2302–2322. https://doi.org/10.1108/IJQRM-07-2021-0198

Vasconcelos, R., & Oliveria, M. (2018). Does innovation make a difference?: An analysis of the performance of micro and small enterprises in the foodservice industry. *Innovation & Management Review*, *15*(2), 137–154. https://doi.org/10.1108/INMR-04-2018-011

Walker, O. C., & Mullins, J. (2013). *Marketing Strategy: A Decision Focused Approach* (8th ed.). McGraw-Hill Education.

Wang, H., Chen, A., & Li, S. (2017). Effect of Export Promotion Programs on Export Performance: Evidence from Manufacturing SMES. *Journal of Business Economics and Management*, *18*(1), 131–145. https://doi.org/10.3846/16111699.2016.1278031

Webster, J., & Watson, R. T. (2002). Analyzing the Past to Prepare for the Future: Writing a Literature Review. *MIS Quarterly*, *26*(2), xiii–xxiii. https://doi.org/10.2307/4132319

Holding Perkebunan Nusantara. (2017-2021). Annual Report. http://www.ptpn3.co.id/anualreport.php

Wheelen, T. L., Hunger, J. D., Hoffman, A. N., & Bamford, C. E. (2018). *Strategic management and business policy: Globalization, innovation, and sustainability* (Fifteenth edition). Pearson.

Xu, J., & Liu, F. (2020). Nexus Between Intellectual Capital and Financial Performance: An Investigation of Chinese Manufacturing Industry. *Journal of Business Economics and Management*, *22*(1), 217–235. https://doi.org/10.3846/jbem.2020.13888