

THE EFFECT OF GREEN STRATEGIC MANAGEMENT, STRATEGIC FLEXIBILITY, ENTREPRENEURIAL ORIENTATION ON SUSTAINABLE COMPETITIVE ADVANTAGE AND MODERATED DISRUPTIVE TECHNOLOGY IN BOOK PUBLISHERS IN CENTRAL JAVA

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Abstract

Book publishers in Central Java face challenges in achieving sustainable competitive advantage amid intense competition from national competitors like Greenbook.ID, Gramedia, and Erlangga, as well as the prevalence of pirated book sellers disrupting market prices. Drawing from the Strategic Management Process and the Resource-Based View (RBV), this study highlights the importance of green strategic management and strategic flexibility in establishing sustainable competitiveness. Recognizing gaps in empirical findings on these strategies, this research introduces entrepreneurial orientation and disruptive technology as novel elements to enhance the understanding of achieving sustainable advantage. The study examines the effects of green strategic management and strategic flexibility on competitive advantage, with entrepreneurial orientation as a mediator and disruptive technology as a moderator, using a sample of 242 book publishers out of a population of 611 in Central Java. Findings reveal that disruptive technology moderates the impact of green strategic management but not strategic flexibility on entrepreneurial orientation, and both green strategic management and strategic flexibility indirectly influence sustainable competitive advantage through entrepreneurial orientation.

Keywords: Green Strategic Management, Strategic Flexibility, Entrepreneurial Orientation, Disruptive Technology, Sustainable Competitive Advantage.

INTRODUCTION

In the era of globalization, there are more and more large-scale companies in Indonesia. In a competitive business environment, companies must have the ability to differentiate themselves in competition in order to maintain the survival of the company. Based on the phenomenon of globalization, it is important for every company to have a strategic way of thinking, by creating a sustainable competitive advantage (SCA), in order to maintain the survival of the company in global competition.

Sustainable competitive advantage is the direction of the company's strategy which is not only the ultimate goal but also a tool to achieve the main goal, namely company performance that generates relatively high profits. As a process towards organizational goals, this advantage requires management and management commitment in order to always excel in competition. A well-managed sustainable competitive advantage includes management's ability to respond and adapt to change through innovations in products, technologies, systems, and structures, as well as awareness of the importance of environmental management (greening business). Greening business involves the interaction of business and the environment in the use of natural resources at every stage of business activity (Plan-Do-Check-Action), such as production, distribution, marketing and final consumption. This interaction can be a symbiosis that benefits both parties if activities are carried out positively, by not only making the environment a source of exploitation, but also managing the environmental impact of business activities. With a superior and sustainable competitive strategy without overexploitation of natural resources, companies can produce performance that provides added value, because the advantages are difficult to imitate or substitute and are sustainable.

Michael E. Porter in his book "Competitive Advantage" states that achieving competitive advantage requires the right competitive strategy, which is an effort to find a favorable position in an industry. This strategy aims to build a strong position in the face of forces that determine competition in the industry. Competitor analysis aims to develop a profile of the nature and potential success of strategic changes that may be made by each competitor. Based on Krisnanto's research (2017), in the era of globalization, every company needs to have a strategic mindset and create a sustainable competitive advantage (SCA) to maintain its survival in global competition. Therefore, it is necessary to study the application of Green Management Strategy, especially within the scope of Greening Business Management, in relation to achieving sustainable competitive advantage.

The Printing and Publishing Industry is a creative business that includes content creation and publishing such as magazines, tabloids, books, journals, newspapers, and other digital content, including news agency services (Syarif et al, 2015). In addition, this industry includes the issuance of subsectors such as banknotes, stamps, postage stamps, giro blanks, checks, share certificates, bonds, share certificates, and other securities such as passports, airline tickets, and other special documents. Other related businesses include publishing engraving, printing paintings, forms, posters, photographs, postcards, reproductions, and other printed matter including microfilm (Nurjanah, 2013). There are several types of publishing, namely traditional publishing which involves manuscript selection, layout, printing, and distribution such as newspapers, magazines, and brochures, where the publisher is responsible for the content, structure, appearance, and marketing strategy of the book. Another type is Self-publishing, where authors are assisted by publishers to publish their works on a print on demand basis, providing opportunities for novice authors to publish their works without having to go through large publishers, and is considered efficient in production (Suhendra et al, 2020). Self-publishing is also an alternative publishing business that does not require large capital, only courage (Santoso, 2010).

Today's business environment is characterized by high uncertainty, constant change, intensification of competition, and variety of forms, which requires companies to have a competitive advantage and the ability to respond to trends and movements of competitors (Lamine and Abdelkadeur, 2020). Competitive advantage is a unique advantage that distinguishes a business from similar competitors, so that it can become a tool to win the competition (Permana et al., 2021). Based on observations of problems and data from IKAPI, entrepreneurial behavior is an important factor in achieving sustainable competitive advantage. Book publishing industry players in Central Java must have dynamic capabilities and strategies that can capture opportunities and renew the market. Entrepreneurial orientation is the tendency of entrepreneurs to engage in innovation, risk-taking, and proactive search for opportunities to drive business success (Li et al., 2022).

This study found a research gap related to the inconsistency of the influence of Green Strategic Management (GSM) and Strategic Flexibility on sustainable competitive advantage. Some studies such as Siswoyo et al. (2020) and Kusuma et al. (2022) show a positive effect of GSM on sustainable competitive advantage, in contrast to Hasan et al. (2020) and Asadi et al. (2020) which states that GSM has no positive impact. In addition, research by Lamine and Abdelkadeur (2020), AlHalaseh and Ayoub (2021), Permana et al. (2021), Hossain (2020), and Kannan and Nair (2020) support the positive effect of strategic flexibility, while research by Sarwoto (2015) and Li et al. (2018) show the opposite result. The novelty in this study lies in the addition of the concepts of Entrepreneurial Orientation and Disruptive Technology as strategic approaches to achieving sustainable competitive advantage. These two concepts are expected to be able to answer the existing research gap, as well as consider different phenomena and research settings. The focus of the research on book publishers in Central Java was taken because no previous research has highlighted sustainable competitive advantage strategies in the industry.

METHODS

This study uses the causal explanatory method, which is to explain the causal relationship (cause and effect) and test the effect of exogenous variables on endogenous variables. In this study, the causal explanatory method aims to explain the causal relationship and test the effect of Green Strategic Management variables, Strategic Flexibility, Entrepreneurial Orientation and Disruptive Technology on sustainable competitive advantage variables. The data analysis approach uses quantitative research, namely using data analysis to test predetermined hypotheses. The initial stage of this research is to determine the research problem, whether Green Strategic Management, Strategic Flexibility, Entrepreneurial Orientation has a direct or indirect effect on sustainable competitive advantage, whether the role of Disruptive Technology as a moderator can strengthen the influence of Green Strategic Management and Strategic Flexibility, on Entrepreneurial Orientation. The next stage compiles relevant theories and empirical findings, formulates hypotheses, designs causal relationships between variables, determines samples, develops research instruments, collects, checks and codes data, tests data quality, tests instrument quality, conducts statistical data analysis to test the truth of the hypothesis, discusses the results of data analysis, and draws conclusions.

RESULTS

This study involved 242 respondents, all of whom were book publishing companies in Central Java. Based on the results of filling out the questionnaire by respondents, the following is a description of the characteristics of respondents in terms of gender and length of service.

Table 1: Respondent Characteristics

Characteristics	Category	Total (n)	Percentage (%)
Gender	Male	204	84%
	Female	38	16%
Length of service (years)	< 10	0	0%
	10-20	41	17%
	20-30	77	32%
	> 30	124	51%

Based on table 1 above, it can be seen that respondents based on Domicile, are dominated by respondents in all sub-districts in Berau Regency, namely 13 sub-districts. In filling out the questionnaire, most of them filled out berada pada Kecamatan Gunung Tabur dan Sambaliung mengisi masing-masing sebanyak 35 responden dengan jumlah persentase 14% dan paling sedikit ada berada pada Kecamatan Kelay sebanyak 8 dengan presentase 3%.

Outer Model Evaluation

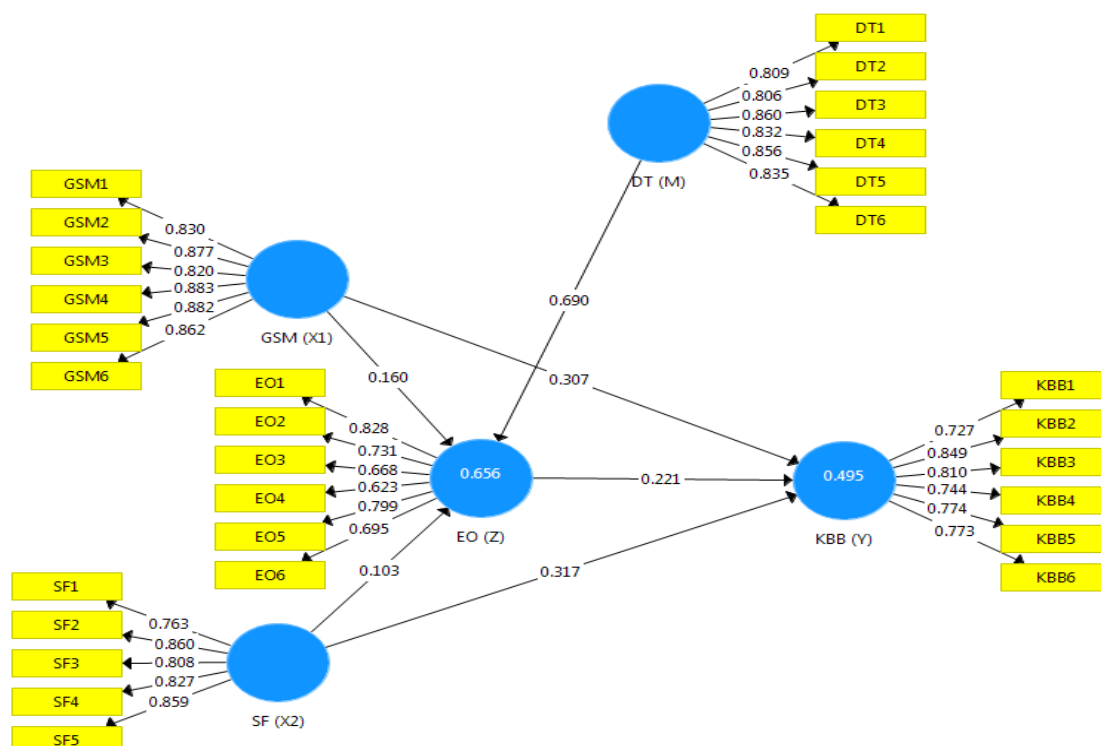


Figure 2: Outer Model Results with Algorithm technique

Based on the *Outer Model* results in the figure above, the following describes the results of testing the convergent validity of this study.

Table 2: Outer Loading Value

Variable	Indicator	Outer Loading
Green Strategic Management	GSM1	0,830
	GSM2	0,877
	GSM3	0,820
	GSM4	0,883
	GSM5	0,882
	GSM6	0,862
Strategic Flexibility	SF1	0,763
	SF2	0,860
	SF3	0,808
	SF4	0,827
	SF5	0,859
Entrepreneurial Orientation	EO1	0,828
	EO2	0,731
	EO3	0,668
	EO4	0,623
	EO5	0,799
	EO6	0,695
Disruptive Technology	DT1	0,809
	DT2	0,806
	DT3	0,860
	DT4	0,832
	DT5	0,856
	DT6	0,835
Sustainable Competitive Advantage	KBB1	0,727
	KBB2	0,849
	KBB3	0,810
	KBB4	0,744
	KBB5	0,774
	KBB6	0,773

Based on the table above, it is known that each indicator of the research variable has many *outer loading* values > 0.7, but the measurement scale loading value of 0.5 to 0.6 is considered sufficient to meet the requirements of *convergent validity*. The data above shows that there are no variable indicators whose *outer loading* value is below 0.5, so all indicators are declared feasible or valid for research use and can be used for further analysis.

Apart from looking at the *loading factor* value of each indicator, convergent validity testing must also be assessed from the AVE (*Average Variance Extracted*) value of each construct, all constructs in the PLS model are declared to have met convergent validity if the AVE value of each construct is > 0.5. The complete AVE value of each construct can be seen in the following table.

Table 2: Average Variance Extracted Value

Variable	<i>AVE</i> (Average Variance Extracted)	Result
Green Strategic Management	0,694	Valid
Strategic Flexibility	0,529	Valid
Entrepreneurial Orientation	0,739	Valid
Disruptive Technology	0,610	Valid
Sustainable Competitive Advantage	0,679	Valid

Based on the table above, each variable in this study shows an AVE (*Average Variance Extrancted*) value of > 0.5. Each variable in this study has an AVE value for the *green strategic management* variable of 0.694, the *strategic flexibility* variable of 0.529, the *entrepreneurial orientation* variable of 0.739, the *disruptive technology* variable of 0.610, and the competitive advantage variable of 0.679. This shows that each variable in this study can be said to be *valid* in terms of discriminant validity.

DISCUSSION

The empirical findings of this study are the results of an evaluation of the application of the model framework based on the assessment of book publishing businesses in Central Java on all constructs studied. The results show that there are differences in behavior among business actors, which are caused by differences in their individual characteristics. From the internal aspects of the company, book publishing businesses in Central Java have strengths and weaknesses in running a business. Based on empirical findings regarding green strategic management, the majority of business actors have a fairly good understanding of this concept. The focus on green strategic management factors is determined based on the highest validity value, namely GSM2, GSM4, and GSM5:

1. Book publishing companies make efficiency in the production process, which has implications for reducing production costs.
2. Empathy Book publishing companies in Central Java towards the environment are able to grow the company's reputation.
3. Awareness of book publishing companies to minimize production waste provides business opportunities in environmental management.

Empirical findings based on aspects of *strategic flexibility*, the majority of book publishing business actors in Central Java have high *strategic flexibility*. *Strategic flexibility* factors, which are focused based on the highest validity values, are SF2, SF4, and SF5:

1. Book publishing business actors in Central Java are quickly able to introduce new products to the market.
2. Book publishing businesses in Central Java actively innovate products and services that can outperform competitors.

3. To win the competition, book publishing businesses in Central Java always mobilize internal resources (technology, customer service, marketing, sales, product management and finance).

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Empirical findings based on the *entrepreneurial orientation* aspect, the majority of book publishers in Central Java have a high *entrepreneurial orientation*. *Entrepreneurial orientation* factors, which are focused based on the highest validity values, are EO1, EO2, and EO5:

1. Book publishing business actors in Central Java develop pre-existing products into more varied ones.
2. Book publishing business actors in Central Java come up with new ideas to promote their products.
3. Book publishing business actors in Central Java have full authority in managing the business to maximize the company's vision and mission.

CONCLUSIONS

The conclusions obtained from the results of this study are as follows:

1. Green Strategic Management has a positive and significant effect on Entrepreneurial Orientation, this means that the better the Green Strategic Management, the higher the Entrepreneurial Orientation.
2. Green Strategic Management has a positive and significant effect on Sustainable Competitive Advantage, this means that the higher the Green Strategic Management, the higher the Sustainable Competitive Advantage.
3. Strategic Flexibility has a positive and significant effect on Entrepreneurial Orientation, this means that the higher the Strategic Flexibility , the higher the Entrepreneurial Orientation.
4. Strategic Flexibility has a positive and significant effect on Sustainable Competitive Advantage, this means that the higher the Strategic Flexibility , the higher the Sustainable Competitive Advantage.

5. Entrepreneurial Orientation has a positive and significant effect on Sustainable Competitive Advantage, this means that the higher the Entrepreneurial Orientation, the higher the Sustainable Competitive Advantage.
6. Disruptive Technology can moderate the effect of Green Strategic Management on Entrepreneurial Orientation positively. Book publishers who have high Green Strategic Management and high Disruptive Technology tend to have a higher entrepreneurial orientation than book publishers who have high Green Strategic Management but low Disruptive Technology.
7. Disruptive Technology cannot moderate the effect of Strategic Flexibility on Entrepreneurial Orientation. Book publishers who have high Strategic Flexibility and high Disruptive Technology do not always have high entrepreneurial orientation.

The test results show that Green Strategic Management has an indirect effect on Sustainable Competitive Advantage through Entrepreneurial Orientation, which means that the better the implementation of Green Strategic Management, the higher the level of Entrepreneurial Orientation, and this contributes to an increase in Sustainable Competitive Advantage. In addition, Strategic Flexibility also has an indirect effect on Sustainable Competitive Advantage through Entrepreneurial Orientation, where an increase in Strategic Flexibility will increase Entrepreneurial Orientation and ultimately strengthen Sustainable Competitive Advantage. In both models, Entrepreneurial Orientation acts as a mediator in the indirect effect of Green Strategic Management and Strategic Flexibility on Sustainable Competitive Advantage.

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