Performance of Business: A Review of The Literature

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ABSTRACT
Business performance, in general, consists of two components: financial performance and non-financial performance, and it is critical to control and combine the two types of performance for start-up development. Financial performance refers to firm performance that can be measured in terms of money value and financial operations, whereas non-financial performance refers to firm performance that cannot be measured in terms of money value, such as brand reputation, customer satisfaction, organizational performance, and innovation activities. The purpose of this study was to determine the variables related to business performance. This research is a literature study, which uses 20 articles as study material. The results of this study indicate the variables related to business performance. This study did not find business performance used as a moderating variable, which can be used as research material in the future.

INTRODUCTION
An industrial society is projected to transition into an entrepreneurial one, with entrepreneurial leadership and direction in emerging economies being key aspects in company success (Cho & Lee, 2018). After Miller (1983), scholars focused on entrepreneurial behavior and how organizations establish the basis of entrepreneurial actions and strategic decisions to achieve high performance (Basco et al., 2020; Wales et al., 2013). Many scholars have shown a link between entrepreneurial orientation and business performance, which suggests that organizations with a more entrepreneurial mindset are more likely to succeed (Kajalo & Lindblom, 2015; Rauch et al., 2009). Similarly, other research imply that organizations having an entrepreneurial attitude are vital for capitalizing on opportunities through their commitment and efforts (Covin & Miller, 2014; Wiklund & Shepherd, 2003).

Prior research has proven the beneficial association between entrepreneurial leadership and business performance since business performance is a result of tactics adopted by leaders (Jansen et al., 2012; Uhl-Bien & Arena, 2018). The implementation of entrepreneurial orientation has influenced by leader (Engelen et al., 2014; Hmieleski et al., 2012). Traditional leadership tactics for improving firm performance have been found to be unsuccessful in today's increasingly competitive and dynamic corporate climate (Leitch & Volery, 2017). According to the previous explanation, the objective of this study is to learn about items linked to business performance in order to gain references for future research.

LITERATURE REVIEW
In general, business performance consists of two components: financial performance and non-financial performance, and it is critical to control and combine the two types of performance for start-up development (Seo & Lee, 2019). Financial performance refers to firm performance that can be measured in terms of money value and financial operations, whereas non-financial performance refers to firm performance that cannot be measured in terms of money value, such as brand reputation, customer satisfaction, organizational performance, and innovation activities (Nguyen et al., 2021). Financial performance is usually connected with a company's short-term survival, but non-financial performance is more likely to be concerned with long-term sustainable growth (Nguyen et al., 2021). Financial performance is, to some extent, more crucial for early-stage start-ups or businesses than non-financial performance (J. H. Choi et al., 2018). Businesses now face new opportunities and problems as a result of social commerce (Chang & Li, 2019). While location-based social commerce (LBS) platforms improve business visibility and reduce information asymmetry, they have also expanded and increased corporate competitiveness (Chang & Li, 2019). To survive and grow in such a highly competitive market, businesses must be able to adapt to their surroundings by developing harmony with the surrounding firms (Chang & Li, 2019).

Raut et al. (2021) identified Organizational practices, lean management practices, supply chain management practices, social practices in supply chain management, environmental practices, and total quality management are the seven factors influencing intentions to adopt Big Data Analytics (BDA) to understand its impact on the overall business performance of the organization. Developing economies, such as India, require BDA acceptance to effectively apply sustainable practices in the manufacturing supply chain (Raut et al., 2021). Lee (2021) found that When an accounting firm engages in work in China and uses e-commerce in operation, and when the salary percentage of senior employees, percentage of management consultants, percentage of certified public accountants (CPA)-qualified employees, professionalism of employees, and concentration of business markets are all higher, the two models of annual revenues and operating profits of management
consulting companies show consistent results. Furthermore, increasing percentages of management consultants and CPA-qualified personnel in the accounting firm can have a favorable impact on the accounting firm's and management consulting company's allied management consulting business performance (Lee, 2021).

Hadi & Baskaran (2021) show the effects of organizational learning culture and digital organizational culture on long-term business performance are both positive and significant, and that digital organizational culture mediates the relationship between organizational learning culture and long-term business performance. Gupta et al. (2021) suggest that Circular economy methods are the most significant for improving manufacturing sustainability performance, followed by cleaner production and Industry 4.0. The top three practices identified for manufacturing organizations aiming to improve sustainability were supply chain traceability/information, reuse and recycling infrastructure, and natural and clean environment, and also the findings provide empirical support for manufacturing organizations adopting circular economy, cleaner production, and Industry 4.0 practices to improve sustainability performance (Gupta et al., 2021).

Ch’ng et al. (2021) revealed each dimension of the sustainable business performance (economic, social and environmental) can be obtained by distinguishing an eco-innovation strategy, whether eco-process, eco-product or eco-organizational innovation. Implementing an eco-organizational management system, such as monitoring their eco-innovation trends, and frequent exchange of experiences and information with employers and among other departments, can considerably improve a technological firm's economic performance (Ch’ng et al., 2021). Anderson et al. (2021) present a new survey methodology that combines data triangulation with dynamic adjustment to arrive at plausible estimates of these performance outcomes, which business data across three emerging markets show that this aggregating, anchoring, and adjusting (AAA) method consistently outperforms the traditional self-reported measure of sales, while the improvement in profits is more nuanced, and offers a "light" version that harnesses AAA gains in estimating sales to priority.

Zhou & Li (2020) show that (1) the exchange of supply chain information has a strong beneficial influence on quality management practices and supplier specific investment; and (2) quality management practices and supplier specific investment have a significant positive impact on both market share performance and innovation performance. Zhou & Li (2020) also found that not only is the coastal Zhejiang province outperforming the seven interior provinces in terms of market share and innovative performance, but also in terms of quality management practice and supplier specific investment. J. Choi et al. (2021) show that Knowledge intensive services (KISs) contribute differently to enterprises at different stages of new product development (NPD) based on performance measures: KISs primarily at the two-end NPD phases aid firms’ managerial decision-making, and KISs at all stages except product deployment aid firms in saving time and money.

Zaborek & Mazur (2019) found there are considerable variances in discovered patterns and effect sizes, indicating that permitting co-creation does produce positive operational and financial outcomes in both service providers and manufacturers. Service firms benefit from dialog with customers, whereas manufacturers benefit from improved interaction and more choice options. Overall, enabling co-creation has a stronger positive impact on service firms than manufacturers in terms of both operational benefits and financial outcomes measured by return on investment (ROI) (Zaborek & Mazur, 2019). Vanino et al. (2019) found there is a positive effect on the employment and turnover growth of participating firms, both in the short and medium term, and when we look at impacts across different types of firms, we find that firms in R&D intensive industries, as well as smaller and less productive firms, have stronger performance impacts. Vanino et al. (2019) also considered finally, focus on the different sources of grants, particularly the evolution in the funding strategy of Innovate United Kingdom (UK).

Sriboonlue (2019) The characteristics of business entrepreneurship of SMEs involving the combination of taking risk and adopting new innovation were studied, and theoretically employs the concept of strategic entrepreneurship awareness discussed in previous studies and literature on its importance in helping firms promote their entrepreneurial capability and business innovation. However, the substantial understanding and evidences of this strategic concept empirically employed in the Thailand context are still limited and Sriboonlue (2019) presents new insights on how Thai SMEs can improve their entrepreneurial approach, viewpoints, and characteristics in order to achieve higher-level performance, more financial return, and newer company innovation.

Ni & Sun (2019) showed that outbound sustainability was shown to be directly related to company success, whilst inbound and internal sustainability were found to be indirectly related to business performance. It was also discovered that customer integration improved the relationship between internal and outbound sustainability. Ni & Sun (2019) suggested that When investigating the link between sustainable supply chain management (SCCM) and business performance, where a supply-side collaborative advantage was necessary but not sufficient, and business performance was achieved only when demand-side value creation was realized, supply-side and demand-side sustainability played distinct roles, and the entire supply chain should be integrated.

Martinez-Martinez et al. (2019) investigate the role of knowledge agents as important enablers in the process of generating and upgrading a firm’s environmental knowledge base, hence improving business performance. The findings emphasize the importance of the relationship between knowledge agents and environmental knowledge for business performance, and they also suggest that the role of knowledge agents is important for the future management of a firm’s environmental knowledge base in the hospitality sector (Martinez-Martinez et al., 2019). According to Lopes Santos et al. (2019), nearly all environmental and social eco-innovation variables were significant in their respective dimensions in developed countries, whereas only two environmental and
social variables were significant in emerging countries, highlighting the more advanced stage of eco-innovation in developed countries. The panel data regression results showed that environmental and social variables were only important for return on sales (ROS) and differed between enterprises in emerging and developed nations (Lopes Santos et al., 2019).

According to Hernandez-Linares et al. (2019), not all entrepreneurial orientation (EO) qualities are equally important for performance, as only proactiveness, competitive aggressiveness, and autonomy were found to be significant. However, (Hernandez-Linares et al., 2019) discover that concern for socioemotional wealth (SEW) preservation influences the EO—performance link, as the SEW measure moderates risk taking favorably and innovativeness negatively. According to Grimaldi et al. (2019), the three most common requirements to a better customer experience and provider operational efficiency are data consistency, data consumption, and data protection, and, surprisingly, data-driven profile is a necessary but not sufficient condition.

According to Fernando et al. (2019), (1) eco-innovations enable better long-term performance; (2) service innovation capability has a partially significant positive mediating effect; (3) service innovation capability ultimately benefits companies by allowing them to differentiate through an emphasis on value creation; and (4) service capability can also be used as a business strategy to create barriers to new entrants. Eco-innovation and service innovation competence are key intangible resources that enable an organization to achieve long-term goals, gain a competitive edge, and sustain its business (Fernando et al., 2019).

**METHOD**

We proposed systematic literature review as the study methodology employed by previous scholars. (Khairi et al., 2021; Snyder, 2019). We rely on research articles obtained from sciencedirect.com and emerald.com. As objects in this study, 20 articles are used.

**RESULT AND DISCUSSION**

The findings of this study are shown in table 1 below:

<table>
<thead>
<tr>
<th>Author(s) and Year</th>
<th>Variable(s)</th>
<th>Result(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seles et al. (2019)</td>
<td>adoption of environmental practices</td>
<td>adoption of environmental practices have a positive effect on business performance</td>
</tr>
<tr>
<td>Shad et al. (2019)</td>
<td>enterpreise risk management</td>
<td>enterpreise risk management has a positive effect on business performance</td>
</tr>
<tr>
<td>Yeniyurt et al. (2019)</td>
<td>information technology resources, innovativeness, supply chain capabilities</td>
<td>information technology resources, innovativeness, supply chain capabilities related to business performance</td>
</tr>
<tr>
<td>Yuen et al. (2019)</td>
<td>sustainable shipping management</td>
<td>sustainable shipping management has a positive effect on business performance</td>
</tr>
<tr>
<td>Singh et al. (2019)</td>
<td>top management commitment, organizational practices, peer government pressure, green supply chain management, government support</td>
<td>top management commitment, organizational practices, peer government pressure, green supply chain management, and government support have positive effects on business performance</td>
</tr>
<tr>
<td>Wang &amp; Chen (2020)</td>
<td>CEO personality</td>
<td>CEO personality impacts business performance</td>
</tr>
<tr>
<td>Garg et al. (2020)</td>
<td>social media analytic practices</td>
<td>social media analytic practices have a positive effect on business performance</td>
</tr>
<tr>
<td>Guo et al. (2020)</td>
<td>firms’ R&amp;D spending, relationship duration with major clients, relationship duration with major suppliers, relationship with government</td>
<td>firms’ R&amp;D spending, relationship duration with major clients, relationship duration with major suppliers, and relationship with government have positive effects on business performance</td>
</tr>
<tr>
<td>Tajeddini et al. (2020)</td>
<td>entrepreneurial orientation</td>
<td>entrepreneurial orientation has a positive effect on business performance</td>
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<tr>
<td>Zimmermann et al. (2020)</td>
<td>innovation capabilities</td>
<td>innovation capabilities have a positive effect on business performance</td>
</tr>
<tr>
<td>Lima et al. (2021)</td>
<td>asset management</td>
<td>asset management impacts business performance</td>
</tr>
<tr>
<td>Bai et al. (2021)</td>
<td>business relationships</td>
<td>business relationships have a positive effect on business performance</td>
</tr>
<tr>
<td>Guisado-González et al. (2021)</td>
<td>eco-innovation</td>
<td>eco-innovation has a positive effect on business performance</td>
</tr>
<tr>
<td>Kettinger et al. (2021)</td>
<td>information management capabilities</td>
<td>information management capabilities have a positive influence on business performance</td>
</tr>
</tbody>
</table>
Nguyen et al. (2021) | entrepreneurial intention, team creativity, dynamic capabilities, competitive advantage, technological innovation capabilities | entrepreneurial intention has no effect on business performance; team creativity has a positive effect on business performance; dynamic capabilities have a positive effect on business performance; competitive advantage has a positive effect on business performance; technological innovation capabilities have a positive effect on business performance

Nurcahyo et al. (2021) | implementation of the ISO 9001:2015 quality management system, operational performance | implementation of the ISO 9001:2015 quality management system has a positive effect on business performance; operational performance has a positive effect on business performance

Peco-Torres et al. (2021) | simultaneous implementation of revenue management and customer relationship management in the online environment | simultaneous implementation of revenue management and customer relationship management in the online environment has a positive influence on business performance

Ribeiro-Navarrete et al. (2021) | digitalization of knowledge-intensive business services | digitalization of knowledge-intensive business services has a positive effect on business performance

Yu & Chiu (2021) | volume of recyclable waste generated per capita, volume of garbage generated per capita | volume of recyclable waste generated per capita has a positive effect on business performance; volume of garbage generated per capita has a negative effect on business performance

Wang et al (2022) | interpersonal guanxi | interpersonal guanxi has positive effect on business performance

The variables associated with business performance are shown in the results above. Some variables influence business performance, while no variables are influenced by business performance. There is also no research that uses business performance as a moderating variable, according to the findings.

CONCLUSION

This study looks into the factors that influence business performance. All of them have an impact on business performance, and we found no variables that are influenced by business performance. We discovered no studies that use business performance as a moderating variable. Future study should look at this.

REFERENCES


Ni, W., & Sun, H. (2019). The effect of sustainable supply chain management on business performance:

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