

The Resource-Based View in the Asta Brata and Organisational Performance: A Moderating Approach of Adaptability and Innovation

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Authors' contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

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ABSTRACT

This study explores the impact of the Asta Brata leadership style on organisational performance, emphasizing the moderating effects of adaptability and innovation. Asta Brata, rooted in traditional Javanese philosophy, encompasses eight guiding principles that influence leaders' behaviours and

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decision-making processes. Utilising a quantitative approach, data was collected from a diverse range of organisations across various sectors. The findings indicate that the Asta Brata leadership style affects organisational performance in significant and positive way, in other words, this study finds that ethical conduct, courage, and discipline of the leader have significant and positive influence on the organisational performance. Adaptability and innovation also play a positive and significant role on organisational performance of SMEs. This means that if the visionary leadership, emphasis on learning, and competitive intelligence and digital transformation increase, SMEs' financial, operational, and employee performance are also improved. The relationship between Asta Brata leadership style and organisation performance is moderated positively and significantly by adaptability and innovation. It can be concluded that the Asta Brata leadership style has a positive and significant impact on organisational performance, particularly when such adaptability and innovation exist. Furthermore, the analysis reveals that adaptability and innovation serve as critical moderators, amplifying the positive effects of Asta Brata on performance outcomes. This research contributes to leadership theory by demonstrating how cultural leadership frameworks can be instrumental in navigating contemporary business challenges, ultimately providing actionable insights for leaders seeking to improve organisational effectiveness.

Keywords: Asta Brata; leadership; adaptability; innovation, organisational performance; resource-based view.

1. INTRODUCTION

Within an increasingly competitive business nature, one of the critical determinants of organisational success is organisational performance, and such organisational performance tends to be associated with the efficiency and the effectiveness with which an organisation achieves its goals (Griffin et al., 2023, Robbins et al., 2013). Furthermore, the leader of organisations is seen as a fundamental role in order to shape the leadership style in terms of the culture, the direction, and the overall effectiveness and efficiency of his/her organisation (Adnyani et al., 2019, Akbar et al., 2024, 5.Amran et al., 2024, Araujo et al., 2021). Based on the literature, one of many leadership styles is the Asta Brata leadership style. This leadership style mainly derives from the Javanese philosophy, and it focuses on several central principles that affiliate significantly with the adaptability and innovation of the resource-based view perspective (Andoko et al., 2022, Selvarajah et al., 2017). Moreover, literature also indicates that the Asta Brata leadership style offers a unique empirical perspective through which to scrutinise the impact of leadership on organisational performance (Andoko et al., 2022, Prastiwi et al., 2020). The relevance of the Asta Brata leadership style inside the current organisational backgrounds is also underlined by the need for the organisation's leader in order to navigate several issues, including adaptation to changes as well as driving the innovation (Selvarajah et al., 2017) However, this study

finds that there is a lack of empirical examination in discovering the direct impact of Asta Brata leadership style on organisational performance, especially the research context of the adaptability and innovation moderation role on Asta Brata and organisational performance that remains underexplored. This study therefore later proposes that it is crucial to explore the understanding of how adaptability and innovation moderate the relationship between Asta Brata leadership and organisational performance, particularly for both theoretical and practical contributions to the body of literature.

2. MATERIALS AND METHODS

2.1 Asta Brata Leadership Style, Organisational Performance, and Resource-Based View

According to the literature, Asta Brata (AB) is a leadership model that is rooted in Javanese philosophy and is defined as the "eight vows" (Andoko et al., 2022, Selvarajah et al., 2017, Sastrawan, 2020). This model is also based on the belief that a leader should represent qualities inspired by such eight vows, or sometimes called eight divine figures, which are: (a) *Indra Brata*, which symbolises compassion and care; (b) *Bayu Brata*, which represents flexibility and adaptability; (c) *Yama Brata*, which embodies justice and fairness; (d) *Yama Brata*, which represents wisdom and foresight; (e) *Agni Brata*, which signifies determination and courage; (f) *Baruna Brata*, which signifies control and

discipline; (g) *Candra Brata*, which symbolises calmness and patience; and (h) *Kuwera Brata*, which means prosperity and abundance. In addition, an *Asta Brata* leader also has 3 key vital indicators, which are ethical conduct (EC), courage (C), and discipline (D) (Andoko et al., 2022, Selvarajah et al., 2017, Prastiwi et al., 2020). Subsequently, scholars (Antunes et al., 2017, Paais and Pattiruhu, 2020, Raziq et al., 2024) such as Antunes, Quiró, 2017 explain that organisational performance, or OP, is referred to as an organisation’s efficiency and effectiveness regarding its goals and objectives. OP can also be explained through the assessment of its various indicators, especially: (a) financial performance, or FP, that includes organisation net income, profit margins, sales, and market share; (b) operational performance, or ORP, that covers outputs maximising ability, or productivity rates, and defect rates; and (c) employee performance, or EP, that includes employee satisfaction rate and turnover rate (Amran et al., 2024, Angreyani et al., 2023). Furthermore, the Resource-Based View, or RBV, is a theoretical framework within the management discipline that highlights the organisation’s internal resources and internal capabilities that are applied in order to achieve and to sustain the competitive advantage (Ampauleng et al., 2023, Haeruddin, 2024, Zeng et al., 2023). An organisation that maintains its competitive advantage is referred to as the organisation that is able to maintain its superior position within the market regularly. In other words, such ability is always associated with an organisation’s sustainability level of competitive advantage that primarily focuses on an organisation’s adaptability and innovation

(Akbar et al., 2024, Zeng et al., 2023, Akbar et al., 2023). The adaptability refers to the ability of the organisation to adapt to changes within the market, while innovation refers to the organisation’s commitment to improving its research and development on products, services, etc (Akbar et al., 2024, Zeng et al., 2023). Furthermore, both adaptability and innovation (ADIN) are, eventually, vital for organisations to succeed within an ever-changing business setting through several dimensions: (a) visionary leadership (VL), which guides a leader to create a culture and value for organisation’s flexibility and responsiveness to the changes (Haeruddin et al., 2024) (b) emphasis on learning (EL), which is one of many organisation culture elements that encourages continuous learning and development through acquiring a new skill and/or knowledge for employee (Haeruddin et al., 2024, Geibel et al., 2022) and (c) competitive intelligence and digital transformation (CIDT), which is one of market awareness factors that helps organisation to monitor the competitors and industry trends that later assists organisation to anticipate any change proactively and to embrace digital tools and platforms fosters a more agile organisational structure (Gupta et al., 2024, Paesano, 2023).

2.2 Research Framework and Hypothesis

2.2.1 Research hypothesis

In line with the Fig. 1, this study proposes several hypotheses, which are displayed in the Table 1.

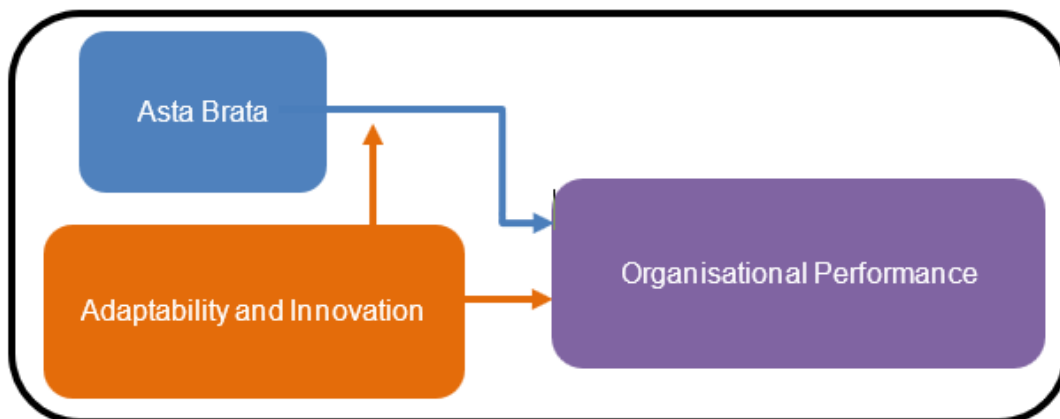


Fig. 1. Conceptual Framework
(Data Generated, 2024)

Table 1. Research Hypothesis

Hypothesis	
H1	AB significantly and positively affects OP
H2	ADIN significantly and positively affects OP
H3	ADIN significantly and positively moderates the relationship between AB and OP

(Data Generated, 2024)

Moreover, the quantitative research method is applied in this study through a research questionnaire that is distributed for primary data collection purposes, as recommended by Sekaran and Bougie, 2016. As for secondary data collection, this study aims to investigate particular published reports that are relevant to the research variable of this study. Additionally, this study targets active and officially registered small and medium-sized enterprises (SMEs) that are located in Makassar, Indonesia. According to the report of Mustafa, 2023 in 2023, there are over 210,000 SMEs that are still active and over 400 SMEs that are categorised as clothing SMEs. As Sekaran and Bougie, 2016 suggest that if the population is around 400, then the ideal sample size is 196. Accordingly, this study intends to distribute the research questionnaire to the 196 clothing SMEs in order to acquire complete research data, from May 2024 to November 2024, that are later useful for further statistical measurement, especially for structural equation modelling with a partial least square method.

3. RESULTS AND DISCUSSION

3.1 Validity and Reliability Analysis Results

According to the research, which is from Bell and Bryman, 2022 it is implied that a validity test is recommended to be performed to verify the accuracy of the calculated research constructs, particularly in the realm of quantitative research methodology, and to affirm the validity result of the research variable in this study, the r-count score should exceed the r-table score, and conversely. Furthermore, the reliability test is primarily crucial for quantitative research as it supports statistical calculations and measurements, ensuring that research methods and data gathering yield reliable and consistent outcomes (Sekaran and Bougie, 2016). The research by (Sekaran and Bougie, 2016) also emphasises that the overarching standard for validity test outcomes is that if the r-count result surpasses the r-table result, the indicator is regarded as authentic, and conversely. This

refers to the validity and reliability test concerning the collected data.

According to Table 2, the r-count and Cronbach's alpha scores of all variables are higher than r-table scores, leading this study to conclude that all research variables are valid and reliable. This is due to, firstly, the results signifying that (a) visionary leadership, emphasis on learning, competitive intelligence, and digital transformation are the indicators of ADIN; (b) ethical conduct, courage, and discipline are the indicators of Asta Brata; and (c) financial performance, operational performance, and employee performance are the indicators of organisation performance, which are valid and reliable. For example, the r-count scores of ADIN are 0.864, i.e., $0.864 > 0.1402$, and the Cronbach's alpha scores of ADIN are 0.767, or it is higher than 0.6, and therefore, this study denotes that all indicators of ADIN are valid and reliable for research questionnaire purposes and eventually for further statistical analysis.

3.2 Total Effect Test Results

As shown in Table 3 and Fig. 2, all the scores of the three associative analyses (ADIN on OP, AB on OP, and MOD-ADIN between AB and OP) show positive results. For example, the score of original samples of ADIN on OP is 0.767 (positive), AB on OP is 0.182, MOD-ADIN on ADIN and OP is 0.059, and so on. Based on the results in Table 3 and Fig. 2, especially on the original sample scores standpoint, the results indicate that: (a) visionary leadership, emphasis on learning, and competitive intelligence and digital transformation affect organisational performance of 196 culinary SMEs from Makassar in positive way; (b) ethical conduct, courage, and discipline affect positively organisational performance of this study's dependent variable; and (c) visionary leadership, emphasis on learning, and competitive intelligence and digital transformation of this study's unit of analysis have positive impact on the relationship between Asta Brata leadership style and organisational performance. Additionally, for the significance level

Table 2. The results of validity and reliability test

	Cronbach's α	rho_A	r-table	r-count	Results
ADIN	0.767	0.774	0.1402	0.864	Valid and Reliable
AB	0.728	0.752	0.1402	0.843	Valid and Reliable
MOD-ADIN	1.000	1.000	0.1402	1.000	Valid and Reliable
OP	0.736	0.749	0.1402	0.848	Valid and Reliable

(Data Processed, 2024)

Table 3. The results of total effect test

	Original Sample (O)	Sample Mean (M)	Standard Deviation	T Statistics	P Values
ADIN -> OP	0.767	0.765	0.033	22.912	0.000
ASTABRATA -> OP	0.182	0.185	0.042	4.387	0.000
MOD-ADIN -> OP	0.059	0.057	0.021	2.849	0.005

(Data Processed, 2024)

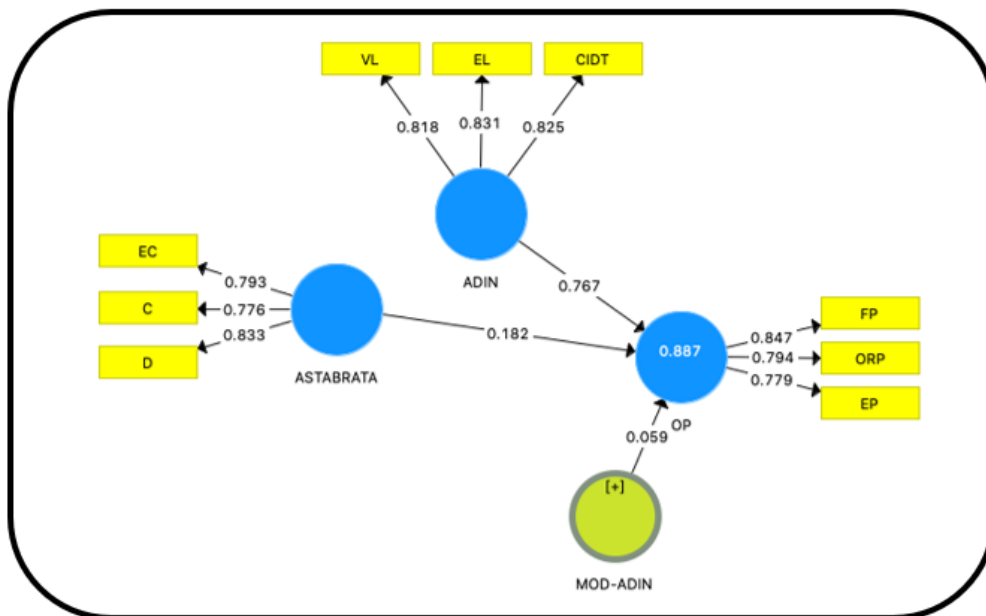


Fig. 2. Total effect test results

(Data Generated, 2024)

investigation, scores among all research variables are based on the results of P-value scores. For example, there is a significant effect of ADIN during moderates the relationship between AB and OP. This is because all the P value scores are lower than 0.05. As such, this study implies that (a) there is a positive and significant effect of Asta Brata in affecting the organisation performance; (b) adaptability and innovation significantly and positively affect organisation performance; and (c) there is a positive and significant effect of ADIN in moderating the relationship between Asta Brata leadership style and organisation performance.

4. CONCLUSION AND RECOMMENDATION

As this study intends to contribute both theoretically and managerially in the literature, this study accordingly provides the conclusions and recommendations based on the findings of this study. As for the conclusion, this study implies that:

- a) The Asta Brata leadership style affects organisational performance in significant and positive way, in other words, this study finds that ethical conduct, courage, and

discipline of the leader have significant and positive influence on the organisational performance. It can be concluded that if ethical conduct, courage, and discipline of the leader increase, the organisational performance of investigated SMEs also increases, particularly on SME's financial, operational, and employee performance. Moreover, this study also implies that the Asta Brata leadership style positively influences organisational performance by enhancing various aspects such as teamwork, and decision-making. This approach promotes values such as integrity, collaboration, and resilience, leading to improved employee morale, increased productivity, and a stronger organisational culture. Ultimately, it fosters an environment where individuals are motivated to contribute effectively, driving overall success and sustainable growth. This finding is also similar with the study of Ayu, Wiksuana, 2019 which indicates that Asta Brata plays a significant role on organisation's financial performance on the basis of structure and human capital of organisation.

- b) Adaptability and innovation play a positive and significant role on organisational performance of SMEs. This means that if the visionary leadership, emphasis on learning, and competitive intelligence and digital transformation increase, SMEs' financial, operational, and employee performance are also improved. In other words, when visionary leadership, a focus on continuous learning, and the adoption of competitive intelligence and digital transformation are prioritized, small and medium-sized enterprises (SMEs) experience enhancements in financial success, operational efficiency, and employee productivity. This indicates that fostering innovation within these areas leads to significant improvements in overall organisational performance. This finding is similar with the study of Antunes, Quirós, 2017 which implies that firms that accept innovation are likely to improve their performance, both operationally and financially, whereas innovation on product only provides improvements in the financial performance of organisations.
- c) The relationship between Asta Brata leadership style and organisation performance is moderated positively and

significantly by adaptability and innovation. It can be concluded that the Asta Brata leadership style has a positive and significant impact on organisational performance, particularly when such adaptability and innovation exist. This study then suggests that organisations, which are led by Asta Brata leaders are more likely to perform well once they are adaptable to change and foster an innovative environment. Hence, enriching both adaptability and innovation aspects inside organisation, especially SMEs, are seen to be the prospective triggers to advance organisation's performance outcomes.

Moreover, this study also recommends that the Asta Brata leadership philosophy stands out within the landscape of existing leadership theories by integrating cultural values, ethical leadership, and a strong focus on community. Through the lens of the Resource-Based View, it highlights the importance of leveraging unique organizational resources – cultural, social, and ethical – to enhance performance, adaptability, and innovation. This distinctiveness offers valuable insights for organizations seeking to thrive in a complex and ever-changing environment. For example, this study recommends that:

- (a) Cultural Capital: Asta Brata emphasizes the importance of cultural values as a resource. This cultural capital enhances organizational identity and cohesion, contributing to resilience and adaptability.
- (b) Social Capital: The emphasis on community and relationships fosters trust and collaboration, enhancing organizational performance through improved teamwork and collective innovation.
- (c) Ethical Leadership: Asta Brata's ethical framework serves as a guiding resource, shaping decision-making processes and fostering a culture of integrity.

DISCLAIMER ARTIFICIAL INTELLIGENCE

Author(s) hereby declare that NO generative AI technologies such as Large Language Models (ChatGPT, COPILOT, etc.) and text-to-image generators have been used during the writing or editing of this manuscript.

COMPETING INTERESTS

Authors have declared that they have no known competing financial interests or non-financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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