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Improving company competitive advantage through transformational leadership and the Pro-Growth Orgware quality

Suhendri[1+]
Yeni Absah[2]
Elisabet Siahaan[3]
Sirojuzilam[4]

[1,2,3,4]*Faculty of Economics and Business, Universitas Sumatera Utara, Medan, Indonesia.*
[1]*Email: su_hendri@ymail.com*
[2]*Email: yeni.absah@usu.ac.id*
[3]*Email: elisabet@usu.ac.id*
[4]*Email: sirojuzilam@usu.ac.id*

(+ Corresponding author)

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ABSTRACT

This study examines the significance of the Resource-Based Theory in assessing the competitive advantage of a corporation. The purpose of this study is to examine the correlation between transformational leadership and the effectiveness of pro-growth organisational software in affecting this advantage. A total of 433 participants from plantation-holding firms in Indonesia completed a questionnaire. The data analysis in this study utilized the structural equation modelling feature of LISREL 8.8. The findings of the study indicate that the introduction of Pro-Growth Orgware does not have an immediate effect on its quality. However, it was observed that the implementation of transformational leadership practises has a positive influence. Nevertheless, the use of Pro-Growth Orgware significantly enhances the competitive advantage of the organisation. According to the Resource-Based Theory, interactions between value-oriented development and resource augmentation provide the basis for competitive advantage. Understanding the interactions between resources, capabilities, competitive advantage, and profitability crucial for maintaining competitiveness is at the core of this theory. The results highlight Pro-Growth Orgware's dynamic capability, essential for developing new goods and procedures to increase competitive advantage.

Contribution/Originality: This study examines the effectiveness of Pro-Growth Orgware in Indonesian plantation-holding firms and transformational leadership. It exposes the Pro-Growth Orgware quality as a dynamic capability and offers a fresh perspective on how the Resource-Based Theory may be used to gain a competitive advantage.

1. BACKGROUND

According to Yang, Jaafar, Al Mamun, Salameh, and Nawi (2022), a company's competitive advantage is crucial for overcoming its commercial issues. Accordingly, Yuliantari and Pramuki (2022) support the idea that business transformation can enhance corporate performance and gain a competitive edge. Developing a suitable business perspective while assessing the company's position relative to its competitors is necessary to increase its competitive advantage. A proactive mindset and the guts to make difficult choices are the key ingredients for enhancing the company's capabilities. A creative and inventive mindset is also necessary in business because businesses must constantly create new and creative methods to conduct themselves (Paulus & Hermanto, 2022). Business activities, which refer to the direction of the company's business strategy, are directly tied to an organisation's decisions, actions, and behaviour. Therefore, business orientation will continue to affect the company's conduct and develop into a way of thinking to attain a long-term competitive advantage (Ferreira, Coelho, & Moutinho, 2020).

Regarding empirical research, competitive advantage is still an important topic today, for instance, in Indonesia. According to the Institute for Management Development's World Competitive Yearbook 2022 assessment, Indonesia's level of competitiveness dropped from 37 to 44 (IMD). This rating is the lowest in the prior five years. Indonesia's competitive advantage was ranked 43rd in 2018 and 32nd in 2019. In 2020 and 2022, Indonesia's competitiveness dropped to positions 40 and 44, respectively (Ulya & Sukmana, 2022). According to Hidayat (2021), several state-owned companies, including Garuda Indonesia, PLC, Krakatau Steel, PLC, Waskita Karya, PLC, and Angkasa Pura, PLC, are under extreme financial pressure at the same time as the decline in Indonesia's competitive advantage index, which was reported in the headline news of Kontan. Theoretically, a leader's leadership has a big impact on competitive advantage. Given the tremendous changes in the economic environment brought about by globalisation, technological improvements, sociological trends, demography, and organisational legal and ethical concerns, corporate executives need to rethink their current strategy and strategies, according to Odhiambo, Willis, Kinyua, and Muchemi (2022). Companies must transition to knowledge-intensive development. Therefore, transformational leadership plays a crucial role in setting the direction of organisational policies and business processes and effectively and efficiently allocating firm resources (Yin, Li, Sheldon, & Zhao, 2022). Due to their positive effects on individual and organisational performance, transformational leaders substantially impact the company's competitive advantage (Abi & Arief, 2017; Salanova, Rodríguez-Sánchez, & Nielsen, 2022). The literature Siahaan (2017) demonstrating how leadership style affects performance lends support to this assertion. There are, however, gender-based variances. The leadership style will impact employee performance, which is crucial for women.

According to some academic sources, transformational leadership emphasises a leader's ability to raise employee morale, motivation, and productivity via various strategies. This type of leadership can promote employee competency by enhancing their knowledge, abilities, and skills, which can boost the company's competitive advantage (Akdere & Egan, 2020). The calibre of the pro-growth organisation within the company has an impact on its competitive advantage as well. The reason is that it might be a way to boost the company's performance. The capacity of a pro-growth organisation to innovate and develop using all of its resource capabilities is correlated with that organisation's quality (Ferdinand & Batu, 2013). They highlighted in their work that the Pro-Growth Organization quality was selected to address the issue of management infrastructure in order to facilitate the introduction of new products to the market. Building a solid platform for new items to join the market is the goal of this capacity increase. According to the Schulze and Brusoni (2022) study, Pro-Growth Orgware's dynamic ability to adapt an organisation's operational processes through comparatively stable activities focused on processing improvement. Dynamic capabilities reorganise a company's base of resources, such as its human capital, organisational setup, or physical assets, to highlight its competitive edge. This element is the dynamic capability for managerial actions, such as searching, feeling, assessing, and discovering market possibilities and new technologies (Ochie, Nyuur, Ludwig, & Cunningham, 2022). The competitive advantage discussed by earlier researchers Krakowski, Luger, and Raisch (2022); Sun, Xu, Yu, and Wang (2022); Velthuis (2022); Yang et al. (2022) and Yuliantari and Pramuki (2022) is still being debated in the literature, particularly in regards to determinant factors like transformational leadership (Alwali & Alwali, 2022; Fan, Feng, Robin, & Huang, 2023). This study attempts to view it differently by using the terminology of the resources-based theory, which highlights resources as a key antecedent to measuring a company's competitive advantage.

2. THEORETICAL BACKGROUND

2.1. Resources-Based Theory (RBT)

This study's RBT idea shows how businesses can improve their competitive advantage by developing organisational resources, such as their leadership style and pro-growth organisational culture (Vasudevan, 2021). As a result, it can guide the business towards long-term survival. Understanding the connection between resources,

capabilities, competitive advantage, and profitability, which can sustain a competitive edge over time, is essential to the RBT strategy (Kozlenkova, Samaha, & Palmatier, 2014).

2.2. Transformational Leadership

Studies by Alwali and Alwali (2022); Fan et al. (2023); Phung, Kim, and Chu (2023); and Yin et al. (2022) have discussed the idea of transformational leadership with a definition of leadership that may establish a favourable work atmosphere full of passion and create high-quality relationships among employees. Leaders serve as an example for their followers. The charisma of transformational leaders can move followers to put the company's interests ahead of their own and can profoundly affect their followers (Marbawi, Lumbanraja, Lubis, & Siahaan, 2018). Four dimensions and 11 indicators developed from the literature are used to measure this construct (Nilwala, Gunawardana, & Fernando, 2017; Saichu, Aree, & Sritoomma, 2019; Sunaengsih et al., 2021). They include the ideal influence dimension, with indicators that inspire pride, foster trust, and grant trust; (ii) the intellectual stimulation dimension, with new ideas, innovative problem-solving, and creative thinking as indicators; (iii) the individual consideration dimension, with indicators designating guiding staff and training staff; and (iv) the inspirational motivation dimension, with indicators of encouraging communication and communicating the advantages of work.

2.3. Quality of Pro-Growth Orgware

The quality of the Pro-Growth Orgware discussed Cahyani, Alwi, and Nara (2022); Ferdinand and Batu (2013); Ochie et al. (2022); Schulze and Brusoni (2022) and Yan, Xiao-Ling, and Bo (2018) is defined as the company's dynamic ability to build, expand, modify, and restructure resources to create a competitive advantage. This construct is measured using four dimensions and nine indicators developed from the literature (Dewi-Izzwi, Zaidatulnisha, Zila, Fazrul-Radzi, & Mohammad-Sofian, 2022; Santa-Maria, Vermeulen, & Baumgartner, 2022; Steininger, Mikalef, Pateli, & Ortiz-de-Guinea, 2022; Teece, 2020). They are (i) the sensing capability dimension, with indicators for environmental monitoring and review of service products; (ii) the learning ability dimension, with indicators of how to acquire knowledge and apply new knowledge; (iii) the coordination capability dimension, with indicators of integration with stakeholders and integration of technology; and (4) the dimension of ability to win the market, with indicators of sustainable business model solutions, stakeholder collaboration, and a culture of sustainability and innovation.

2.4. Competitive Advantage

Competitive advantage is discussed Nguyen, Tran, Nguyen, and Truong (2021); Odhiambo et al. (2022); Sun et al. (2022) and Yang et al. (2022) as a company's ability to increase the value of the company to be superior to its competitors. This construct is measured using three dimensions and ten indicators developed from the literature (Diab, 2014; Hendi, Basri, & Arafah, 2022; Yang et al., 2022). They consist of (i) the responsiveness dimension, with indicators responding to competitive market movements, the ability to identify customer needs, and customer responsiveness. Complaints; (ii) the dimensions of the company's products, with indicators that design unique products, products that are difficult to imitate, products that have advantages, and efforts to change products; (iii) the dimension of exploiting market opportunities, with indicators of exploiting market opportunities, fully exploiting market opportunities, and exploiting more market opportunities than competitors.

3. RESEARCH HYPOTHESES

Studies by Candrawati and Nasution (2019) explain that transformational leaders can promote various sensing capabilities and seize and reconfigure company resources. According to Lopez-Cabrales, Bornay-Barrachina, and Diaz-Fernandez (2017), leaders with transformational behaviour will encourage the process of creating innovation and can create a conducive climate by gathering a variety of innovative employees. Transformational leaders can also

encourage and inspire the behaviours needed to improve the quality of a company's Pro-Growth Orgware. In addition, it elucidates that transformational leadership influences the quality development of Pro-Growth Orgware through the company's dynamic capabilities. Other research Ahmad, Abdulhamid, Wahab, and Nazir (2022) also looked at the link between transformational leadership and the quality of Pro-Growth Orgware. The findings showed that transformational leadership improved the quality of Pro-Growth Orgware by making the company more flexible.

The findings of Sürücü, Maslakci, and Sesen (2022) have proven that transformational leadership influences employee performance positively and significantly in achieving competitive advantage. Due to their behavioural characteristics, leaders can motivate their employees to work better by changing their morals, ideals, and values according to organisational goals (Bayraktar, Karacay, Dastmalchian, & Kabasakal, 2022). Other studies also consistently prove the Influence of transformational leaders (Salanova et al., 2022). Thus, effective transformational leadership can advance organisational knowledge management and innovation approaches to increase competitive advantage (AlOwais, 2019). Transformational leaders also care about and are involved in helping every employee in the process succeed in achieving personal and corporate missions (Triastuti, Nadiroh, & Karnati, 2020). For that, the hypotheses were:

H_1: *Transformational leadership significantly positively affects the quality of Pro-Growth Orgware.*

H_2: *Transformational leadership significantly positively affects competitive advantage.*

Pro-Growth Orgware Quality, as a dynamic capability, can create new products and processes to respond to changing market conditions and achieve the company's competitive advantage (Correia, Dias, & Teixeira, 2020). Identifying the key role of dynamic capabilities in maintaining a competitive advantage is important. In other words, dynamic capabilities affect a company's differentiation orientation by stimulating the development of company-owned resources (Fainshmidt, Wenger, Pezeshkan, & Mallon, 2019). According to Chukwuemeka and Onuoha (2018), there is a relationship between the quality of Pro-Growth Orgware and competitive advantage. This relationship is about how to use various creative and innovative ideas to handle changes in achieving the company's competitive advantage. Bari, Chimhundu, and Chan (2022) added that the quality of Pro-Growth Orgware impacts sustainable competitive advantage by developing the company's dynamic capabilities. Heredia et al. (2022) also explained that creativity, as part of the quality of the Pro-Growth Orgware, is the beginning of an innovation process. However, creativity as a dynamic capability can drive competitive advantage. Thus, the following hypothesis can be proposed:

H_3: *The quality of Pro-Growth Orgware has a significant positive effect on competitive advantage.*

4. METHOD

A questionnaire served as the research's main tool. Data were gathered using Google Forms and provided to "PTPN III", PLC's management as Company Holding. Division Heads, General Managers, Managers, and Directors comprised the Board of Directors level (BOD-1) of corporate management, which served as the research population. There were 615 employees in 14 holding units for the frame sample. Purposive sampling was used in the sampling procedure. The Slovin method calculations, a 95% significance level, and a proportional representation ratio for each office were used to establish the minimal sample. The sample calculation method, in the meantime, initially calculated the number of samples from 615 populations with an error of 0.05 using the formula:

$$n=N/(1+Ne^2)$$

n = number of samples, N = number of populations, and e = margin of error/error tolerance

The minimum number of samples required can then be calculated using the above formula: n = 615 / 1 + (615 x 0.05 x 0.05) = 236. Thus, this study should proportionally involve at least 236 respondents representing each office.

There are two instrument test approaches to testing a research instrument, i.e., validity and reliability tests. Statistical validity testing used the Structural Equation Modeling (SEM) approach. According to Hair, Hult, Ringle, and Sarstedt (2014), the results of instrument testing for each indicator have a minimum value of standard factor loading ≥ 0.50. Meanwhile, reliability testing employed the Construct Reliability (CR) and Variance Extracted (VE)

measures. A variable has a good level of reliability if the CR value is ≥ 0.70 and the VE value is ≥ 0.50 (Ghozali, 2014). Then, data analysis utilised an inferential statistical approach by analysing sample data whose results were applied to the population with a 95% confidence level and a 5% error tolerance.

5. DISCUSSION

5.1. The Goodness of Fit Model

The approach used was the goodness-of-fit index. The aim was to analyse the level of unidimensionality of the various dimensions and indicators forming exogenous and endogenous latent variables tested by confirmatory factor analysis techniques. The test results revealed that NFI, NNFI, CFI, IFI, RFI, GFI, and AGFI values was ≥ 0.90. Furthermore, the p-value = 1.000 ≥ 0.05, meaning the model was very good. Meanwhile, the RMSEA value = 0.000 ≤ 0.08 and the SRMR value = 0.021 ≤ 0.05 prove that the model was fit with the data used.

Table 1. Results of research model fit-test.

No	Fitness criteria	Cut-off values	Model estimation results	Model conclusions
1	Chi-square	p-value ≥ 0.5	1.000	Good fit
2	RMSEA: Root mean square error of approximation	RMSEA ≤ 0.08	0.000	Good fit
3	NFI: Normed fit index	NFI ≥ 0.90	1.00	Good fit
4	NNFI: Non-normed fit index	NNFI ≥ 0.90	1.00	Good fit
5	CFI: Comparative fit index	CFI ≥ 0.90	1.00	Good fit
6	IFI: Incremental fit index	IFI ≥ 0.90	1.00	Good fit
7	RFI: Relative fit index	RFI ≥ 0.90	1.00	Good fit
8	SRMR: Standardized root mean square residual	SRMR ≤ 0.05	0.021	Good fit
9	GFI: Goodness of fit index	GFI ≥ 0.90	1.00	Good fit
10	AGFI: Adjusted goodness of fit index	AGFI ≥ 0.90	1.00	Good fit

Source: Results of data processing (2023).

Table 1 presents the fitness criteria used to evaluate the model, their respective cut-off values, estimation results, and conclusions. The Chi-square value indicates a very good fit with a p-value of 1.000, which meets the recommended threshold of ≥ 0.5. RMSEA is 0.000, well below the recommended maximum of 0.08, suggesting a good fit. Similarly, the NFI, NNFI, CFI, IFI, and RFI all have values of 1.00, exceeding the recommended threshold of ≥ 0.90, indicating a very good fit for each. The SRMR is 0.021, below the recommended maximum of 0.05, further confirming the very good fit of the model. Lastly, both the GFI and the AGFI have values of 1.00, surpassing the recommended threshold of ≥ 0.90, denoting a very good fit.

5.2. Transformational Leadership

Testing the measurement model in this study employed a two-level test called a two-level confirmatory factor analysis approach (CFA-2nd). The aim was to test the validity and reliability of the instrument for each dimension of the variables and each indicator for its dimensions. The transformational leadership construct was measured using four dimensions and 11 indicators. After taking the first part of the CFA-2nd test for each dimension (see Table 2), the individual consideration dimension (ICD) explained transformational leadership better than the other three dimensions put together.

The results of measuring the instrument's validity in the first stage were seen in the value of the factor loading dimension [IID; ISD; ICD; and IMD], with [0.97, 0.92, 0.98, and 0.97]. In the second stage, it can be seen from the factor loading values for each indicator [TL1, TL2, TL3, TL4; TL5; TL6; TL7; TL8; TL9; TL10; TL11], with [0.82; 0.85; 0.79; 0.87; 0.87; 0.87; 0.87; 0.86; 0.74; 0.87; and 0.84], indicating a standard value of factor loading ≥ 0.50 for each indicator. It indicates that all dimensions and indicators were stated to have good validity. The measurements

then showed that the CR and VE values for the variables and their dimensions were [IID: 0.89; 0.73], [ISD: 0.86; 0.82], [ICD: 0.85; 0.80], and [IMD: 0.85; 0.73]. These values were higher than the critical values of CR ≥ 0.70 and VE ≥ 0.50, which means that all dimensions were considered reliable.

Table 2. Transformational leadership construct.

No	Construct	*SFL ≥ 0.5	*CR ≥ 0.7	*VE ≥ 0.5	Results
First order CFA					
Transformational leadership (TL)			0.97	0.93	Good reliability
1	IID	0.97	0.89	0.73	Good validity
2	ISD	0.92	0.86	0.82	Good validity
3	ICD	0.98	0.85	0.80	Good validity
4	IMD	0.97	0.85	0.73	Good validity
Second order CFA					
The ideal influence dimension (IID)			0.89	0.73	Good reliability
1	TL1	0.82	N/A	N/A	Good validity
2	TL2	0.85	N/A	N/A	Good validity
3	TL3	0.79	N/A	N/A	Good validity
Intellectual stimulation dimensions (ISD)			0.86	0.82	Good reliability
4	TL4	0.87	N/A	N/A	Good validity
5	TL5	0.87	N/A	N/A	Good validity
6	TL6	0.87	N/A	N/A	Good validity
Individual consideration dimension (ICD)			0.85	0.80	Good reliability
7	TL7	0.87	N/A	N/A	Good validity
8	TL8	0.86	N/A	N/A	Good validity
9	TL9	0.74	N/A	N/A	Good validity
Inspirational motivation dimension (IMD)			0.85	0.73	Good reliability
10	TL10	0.87	N/A	N/A	Good validity
11	TL11	0.84	N/A	N/A	Good validity

Note: *SFL: Standardized factor loading; *CR: Construct reliability; *VE: Variance extracted., CFA: Confirmatory factor analysis, TL1-11: Transformation leadership indicators.
Source: Data processing results (2023).

Table 3. The construct of pro-growth orgware quality.

No	Construct	*SFL ≥ 0.5	*CR ≥ 0.7	*VE ≥ 0.5	Results
First order CFA					
Business process quality			0.98	0.96	Good reliability
1	SCD	0.93	0.83	0.71	Good validity
2	LAD	0.97	0.87	0.77	Good validity
3	ICCD	1.02	0.76	0.62	Good validity
4	DCCM	1.00	0.84	0.81	Good validity
Second order CFA					
Sensing capability dimension (SCD)			0.83	0.71	Good reliability
1	PGO1	0.81	N/A	N/A	Good validity
2	PGO2	0.87	N/A	N/A	Good validity
Learning ability dimension (LAD)			0.87	0.77	Good reliability
3	PGO3	0.88	N/A	N/A	Good validity
4	PGO4	0.88	N/A	N/A	Good validity
Integration and coordination capability dimension (ICCD)			0.76	0.62	Good reliability
5	PGO5	0.80	N/A	N/A	Good validity
6	PGO6	0.77	N/A	N/A	Good validity
Dimension of Capability to capture the market (DCCM)			0.84	0.81	Good reliability
7	PGO7	0.85	N/A	N/A	Good validity
8	PGO8	0.84	N/A	N/A	Good validity
9	PGO9	0.87	N/A	N/A	Good validity

Note: *SFL: Standardized factor loading; *CR: Construct reliability; *VE: Variance extracted. CFA: Confirmatory factor analysis, PGO1-9: Pro-Growth Orgware indicators.
Source: Results of data processing (2023).

5.3. Quality of Pro-Growth Orgware

With the use of nine indicators and four dimensions, the quality of Pro-Growth Orgware was assessed. Table 3 shows the results of the first phase CFA-2nd tests for each dimension. The integration and coordination ability dimension (ICCD) best explained the Pro-Growth Orgware quality variable compared to the other two dimensions.

In the first stage, the validity of the instrument was tested using the factor loading dimensions [SCD, LAD, ICCD, and DCCM], which came back with values of [0.93; 0.97; 1.02; and 1.00]. In the second stage, the validity of the instrument was tested using the factor loading indicators [PGO1; PGO2; PGO3; PGO4; PGO5 PGO6; PGO7; PGO8; and PGO9], which came back with values of [0.81; 0.87; 0.88; 0.80; 0.77; 0.85; 0.84; 0.87; and 0.90]. In other words, it was claimed that the validity of all the dimensions and indicators was good. Also, the test results showed that all dimensions were reliable because their CR and VE values were higher than the important levels of 0.70 and 0.50 for the variables and their dimensions [SCD: 0.83; 0.71], [LAD: 0.87; 0.77], [ICCD: 0.76; 0.62], and [DCCM: 0.84; 0.81].

5.4. Competitive Advantage

The competitive advantage construct was assessed using ten indicators across four dimensions. The company's product (EPD) dimension was shown to be the most effective in explaining the competitive advantage variable compared to the other two dimensions, according to the findings of the first stage of the CFA-2nd test on each dimension (see Table 4).

Table 4. Competitive advantage construct.

No	Construct	*SFL ≥ 0.5	*CR ≥ 0.7	*VE ≥ 0.5	Results
First order CFA					
The competitive advantage of the company (CA)			0.96	0.88	Good reliability
1	RD	0.79	0.90	0.82	Good validity
2	EPD	0.99	0.80	0.67	Good validity
3	MOED	0.93	0.90	0.74	Good validity
Second order CFA					
Responsiveness dimension (RD)			0.90	0.82	Good reliability
1	CA1	0.89	N/A	N/A	Good validity
2	CA2	0.92	N/A	N/A	Good validity
3	CA3	0.85	N/A	N/A	Good validity
Enterprise product dimensions (EPD)			0.80	0.67	Good reliability
4	CA4	0.81	N/A	N/A	Good validity
5	CA5	0.83	N/A	N/A	Good validity
6	CA6	0.84	N/A	N/A	Good validity
7	CA7	0.80	N/A	N/A	Good validity
Dimensions of market opportunity exploitation (DMOE)			0.90	0.74	Good reliability
8	CA8	0.82	N/A	N/A	Good validity
9	CA9	0.88	N/A	N/A	Good validity
10	CA10	0.88	N/A	N/A	Good validity

Note: *SFL: Standardized factor loading; *CR: Construct reliability; *VE: Variance extracted. CFA: Confirmatory factor analysis, PGO1-9: Pro-Growth Orgware indicators.
Source: Results of data processing (2023).

The validity of the instrument was checked in two stages. The first stage used factor loading dimensions [RD], EPD, and DMOE, which had values of [0.79], 0.99], and 0.93. The second stage used factor loading indicators [CA1, CA2, CA3, CA4, CA5, CA6, CA7, CA8, CA9, and CA10], which had values of [0.89; 0.92; 0.85; 0.81; 0.83; 0.84; 0.80; 0. It means that all dimensions and indicators' validity were deemed high. The test results also showed that the CR and VE values for the variables and dimensions were higher than the critical values of CR 0.70 and VE 0.50. This meant that all dimensions could be trusted.

5.5. Structural Models

Two endogenous latent variable values were discovered while testing the structural model: PGO = 0.86*TL and CA = 0.89*PGO + 0.01*TL. Based on the results of hypothesis testing and the size of the coefficient of Influence shown in the results, it was determined that of the three research hypotheses, two were accepted and one was rejected. Specifically, transformational leadership had no discernible impact on competitive advantage Table 5.

Table 5. Research hypothesis test results.

No	Hypothesis	T-count	T-table	Determinant coefficient	Results
1.	The influence of transformational leadership on the quality of pro-growth Orgware.	20.79	1.64	0.86	Accepted
2.	The influence of transformational leadership on competitive advantage.	0.27	1.64	0.01	Rejected
3.	The effect of pro-growth Orgware quality on competitive advantage.	17.46	1.64	0.89	Accepted

Source: Results of data processing (2023).

The results of testing the structural model are illustrated by the Figure 1.

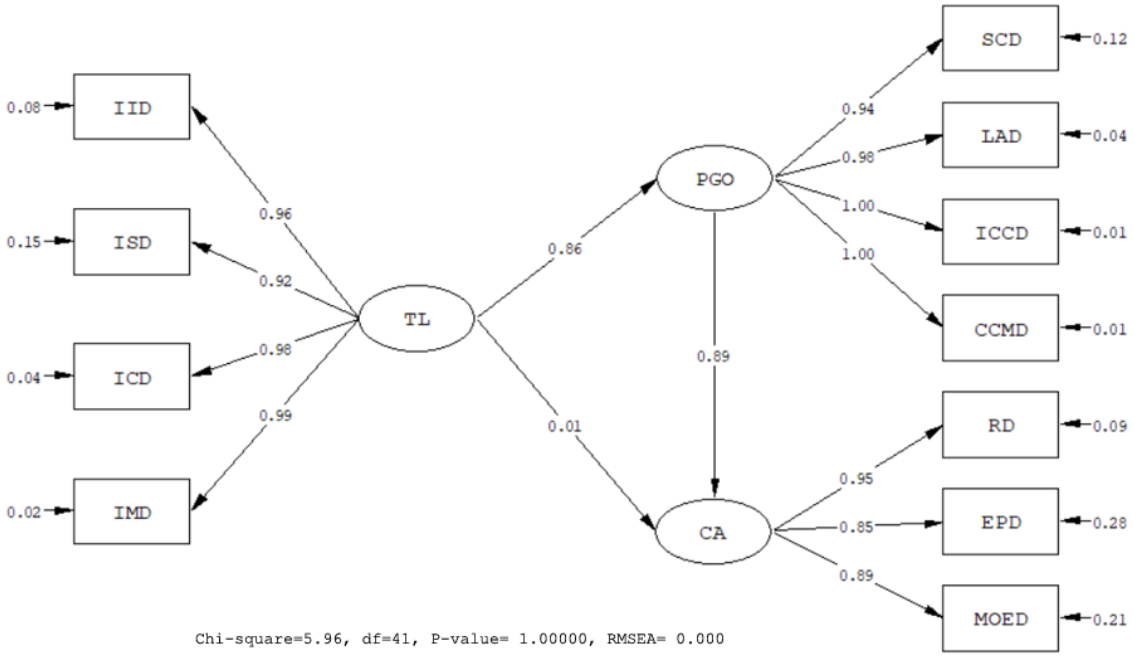

Figure 1. Full model research measurement results.

5.6. Theoretical Implications

Transformational leadership increased the effectiveness of Pro-Growth Orgware. The results of this study can support a study Candrawati and Nasution (2019) that found that transformational leaders might enhance different sensory talents and seize and reorganize corporate resources. According to the study's conclusions, the quality of pro-growth organizational software will rise when it has the backing of transformational leaders. The results of this study also support a study Lopez-Cabrales et al. (2017) that argues that leaders who exhibit transformational behaviour frequently become skilled communicators who engage people's self-concepts in service of the goals of their organizations. Transformational leadership stimulates people's minds, encouraging them to think more deeply, approach challenges from various perspectives, and use generative thought processes. Additionally, if the company's dynamic capabilities can be maximized, the transformational leadership style will boost the quality of Pro-Growth Orgware. The company's limited resources can then be configured using the transformational leadership style.

Unfortunately, the study's findings did not show how transformational leadership can increase a company's competitive advantage. Unlike other research Sürücü et al. (2022), transformational leadership has the potential to dramatically and favorably impact employee performance, gaining a competitive advantage. It can be carried out because, if done consistently, transformational leaders can inspire their workforce to work more effectively by modifying morals, beliefs, and values.

The results of this investigation can further demonstrate the Resource Base Theory's continued applicability. The way in which Pro-Growth Orgware's excellence fueled a rise in the firm's competitive edge serves as evidence. This result supports the claim (Correia et al., 2020) that Pro-Growth Orgware quality is important for businesses to improve their capacity to employ resources to create a competitive advantage. The company's resources and capabilities, or the quality of Pro-Growth Orgware, determine its potential to produce greater value. Pro-Growth Orgware quality is a dynamic capability that enables businesses to develop new goods and procedures to adapt to shifting market circumstances and maintain their competitive advantage.

5.7. Practical Implications

This study's results demonstrate the significance of transformational leadership's Influence in promoting the enhancement of the pro-growth organizational structure. Management can employ several tactics, including instantly noticing shifting consumer needs, getting to know customers' wants and needs better, identifying precise target markets, and comparing the company's products to those of rivals in related market sectors. When a leader instigates staff pride by sharing information about the company's progress, it exemplifies transformational leadership. Employees should take pride in working for indigenous businesses with operations spread out across Indonesia, such as oil palm plantations, tea plantations, sugar plantations, and others, in this test. The ability of the leader to foster trust among the workforce is another factor. Leaders must be able to put their team members completely in their hands, never point the finger at teammates, work to increase transparency, and uphold employee job happiness. Leaders must also promote the concept of honesty, acknowledge each team member, and demonstrate a feeling of responsibility. Finally, he can raise employee respect and satisfaction, which will motivate them to identify customer needs, build effective stakeholder relationships, effectively manage market demand, utilize customer feedback, perform quality checks on all products, evaluate product suppliers, and research competitors' strategies before comparing their goods to the company's.

However, this study found no evidence of a major impact of the transformational leadership style on the company's competitive advantage. Company leaders can explain why they are ineffective by pushing their staff to innovate to find solutions to issues in response to competitive moves in the market. Determining the issue with the most risk is one tactic that might be used. Leaders always motivate staff to set priorities and carry out plans, inspire creative problem-solving, teach staff how to manage risk, and set objectives rather than directives. To assist the organisation in enhancing its offerings in terms of marketing, products, and services, leaders must be effective mentors and aware of the company's rivals. To maintain a commitment to the company's brand, leaders must also be aware of customer demands and cultivate positive relationships. Additionally, to quickly respond to an increasingly competitive market, CEOs must demonstrate the distinctiveness of the company's products, pay attention to customers, and keep innovating.

Furthermore, the management of the company, which has been working diligently to identify and capture new information and knowledge in order to design company products that are distinctive and different from those of its competitors, could be cited as an explanation for the effect of Pro-Growth Orgware's quality on the company's competitive advantage in this study. In order to create products that are distinctive, different, and have high competitiveness and selling power, company management can use a variety of strategies, including analyzing the advantages and disadvantages of rivals' products, soliciting customer feedback frequently, stimulating and liberating ideas, and encouraging management to adopt fresh viewpoints in order to make discoveries. By encouraging staff to

publish information about their interests, knowledge, skills, experiences, and responsibilities at work, encouraging them to upload content to the company's knowledge repository, and facilitating the delivery of opinions and thoughts through the website or other channels provided by the company, it is possible to improve the quality of Pro-Growth Orgware and give businesses a competitive advantage. The ability of the organization to continually strive to use employee expertise in creating new products or services is another factor of the quality of Pro-Growth Orgware that affects a company's competitive advantage in this research.

6. CONCLUSION

Pro-Growth the quality of Orgware is significantly raised by transformative leadership. The leadership's efforts to inspire employee pride by explaining the company's development into a plantation-holding organization are evident in its activities. Leaders can maintain employee job satisfaction by placing all their trust in their team members, never putting the onus of responsibility on other team members, and seeking to be more transparent. Additionally, leaders must show accountability, acknowledge each team member, and encourage honesty. Interestingly, transformative leadership did not immediately affect the company's competitive edge. Managers are less effective at encouraging staff to solve problems creatively. The approach holds that effective leaders inspire their teams to set priorities, implement plans, think creatively, educate risk management, and provide goals rather than directives. Leaders can contribute to creating more well-known products, services, and marketing by helping identify the company's competitors. Leaders need to be able to recognize customer needs and build relationships with them in order for customers to continue to support the company's brand.

Employees are encouraged to be more receptive to new ideas from outside the firm's internal environment, while management must use caution when implementing innovations from outside the company. The findings of this study can theoretically be used to demonstrate how Resources-Based Theory (RBT) is significantly dependent on the ability of value-oriented development interaction in the development of corporate resources to achieve a firm's competitive advantage. Understanding the connection between resources, capabilities, competitive advantage, and profitability, which can help a company sustain its competitive advantage, is important to the RBT theory approach. The key outcomes of this study can address how the research challenge was formulated. Companies must develop manager capacity to train personnel to grow personally to implement the transformational leadership style. Companies must pay attention to both their internal and external environments to correctly identify new business prospects regarding the quality of Pro-Growth Orgware.

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