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Impact of Growth Plans and Quality Costs on Performance Companies

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Abstract

The objective of this study is to examine the impact of growth plans and quality costs on the performance of companies. The study sample consisted of 30 individuals, specifically managing authorities and ship construction professionals, who were affiliated with several shipyard enterprises in Jakarta. The sampling methodology employed is the census sampling method, which involves the utilization of all members of the population as samples. The major data utilized in this study was collected through the distribution of questionnaires to all participants. The employed methodology for data analysis encompasses descriptive statistical analysis, validity testing, reliability testing, and classical assumption testing. The latter includes normality testing, heteroscedasticity testing, multicollinearity testing, and autocorrelation testing. Additionally, all hypotheses are examined through partial testing, simultaneous testing, and coefficient of determination testing. The findings of this study suggest that the implementation of a growth plan has a statistically significant and favorable impact on enhancing the performance of PT Indonesian Ship Industry (Persero) in Jakarta. Similarly, there exists a positive and statistically significant correlation between the variable of quality cost and the performance of PT. Indonesian Ship Industry (Persero) in Jakarta. This implies that by investing in quality, there is a potential for significant enhancement in firm performance.

Keywords: Growth Strategy; Cost of Quality; Company Performance

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Introduction

The government promotes the utilization of domestic vessels for the transportation of materials across islands, hence generating a growing demand for the shipbuilding industry. In

relation to this matter, it is required that six out of the total 13 domestic commodities be transported only by vessels registered in Indonesia and operated by national firms. There are six distinct categories of commodities, namely rice, fertilizer, cement, timber, containers, general cargo, and primary processed products. According to Presidential Instruction No. 5 of 2005, the transportation of these domestic commodities must be carried out exclusively by vessels registered under the Indonesian flag. This directive aims to foster the growth of the domestic shipping industry by ensuring that it is provided with optimal opportunities for development.

The domestic shipping business exhibits significant growth potential, mostly due to the substantial volume of commodity distribution among islands in Indonesia. However, this potential is hindered by the limited number of ships owned by local shipping companies, which are also very aged. However, it should be noted that the shipbuilding industry in Indonesia now has significant limitations in its ability to construct new vessels of specific types. This is mostly attributed to the constrained availability of operational funding and the reliance on imported components for the manufacturing process. The shipyard industry in Indonesia is currently facing challenges related to its financial performance, since national banks and financing institutions remain hesitant to provide credit disbursements. According to the data presented in Table 1, there has been a notable decline in the financial performance of the organization over the past three years, with a decrease of 44.7%. Simultaneously, there has been an increase in production expenses, which rose by 1.55%. Additionally, the number of clients has experienced a decline of 8.24%. Despite seeing an 8.24% decline in client base, it is perplexing that the cost of production escalated while revenues simultaneously declined. This phenomena holds significant importance and warrants further investigation.1

Table 1. Profit Before Tax, Efficiency and Customers 2020-2022

Year	Change Indicators		
	Profit Before Tax	Cost of Goods Produced	Number of Customers
2020	(550.000.000)	(1.741.000.00)	85
2021	(3.147.000.000)	(1.741.000.00)	78
2022	(1.741.000.000)	(1.741.000.000)	73

Source: Secondary Data

The potential reduction in the company's performance can be attributed to the departure of certain loyal clients from the shipyard in Indonesia, who have started seeking alternative companies across many nations. Measures of performance can be assessed via a customer-centric lens, wherein customers play a pivotal role in contributing to the enhancement of business performance. The measurement of "value" in terms of time, quality, performance, service, and cost is evident in the provision of services to clients (Parapat, 2018). Various metrics can be employed to assess the efficiency of time-related processes, such as the duration from the initial request to the final delivery of goods to the client, the degree of

customer satisfaction with our offerings, the volume of sales generated by newly introduced products, and the quantity of service calls attended to.

The assessment of firm performance is predicated upon financial data. These indicators have traditionally served as a benchmark for assessing the financial health or performance of a corporation. However, it is not uncommon for a company organization that has recently been deemed financially sound to unexpectedly face bankruptcy within a relatively short timeframe. The exclusive reliance on financial measurements for measurement purposes, if implemented, is inadequate in accurately representing the whole business performance of a company (Veronita, 2017). In order to mitigate the occurrence of recurrent errors, it is imperative to establish a minimum threshold or benchmark for performance that must be achieved. While the Minister of Finance has recently incorporated non-financial measures, such as operational and administrative aspects, into performance measures, it is important to note that these measures do not currently offer a comprehensive understanding of accurate performance guidelines. Therefore, it is imperative to conduct a thorough examination of these measures.

There exist numerous methodologies for assessing the efficacy of a corporation or organization. According to Tan Lian Soei (2018), conventional assessments of success typically revolve around financial performance and market share as the primary indicators. In the contemporary era of technological advancements in information and communication, a significant number of individuals engaged in business activities exhibit a tendency to prioritize the pursuit of growth objectives over the attainment of optimal financial performance. The attainment of profits will be realized subsequent to the establishment of a devoted stakeholder community. Accounting experts have long recognized the limitations of using financial measurements to assess corporate performance, as these indicators primarily focus on short-term outcomes and neglect the fundamental idea of sustainability for an organization. The utilization of financial measurements as the primary basis for measurement is an antiquated and conventional approach, limited in its ability to solely pursue objectives related to profitability. The assessment of profitability can be effectively captured through the practice of financial statement engineering in order to obtain a comprehensive understanding. Managers have the ability to strategically manipulate revenues by utilizing a quantifiable metric that aligns with a logical paradigm model (Rakhman & Tan Lian Soei, 2016).

In order to assess the performance of an organisation, it is essential to consider many dimensions or performance measures. This requires the inclusion of external factors as a point of comparison alongside the internal characteristics of the organisation. The notion of a going concern depends on the balance between external and internal forces. The metrics encompassed by this concept consist of 1. The level of customer satisfaction; 2. Customer loyalty; 3. Employee retention; 4. Low costs; 5. Cost control (Santy, 2018). Therefore, in the context of global competition, the company will be able to maintain its competitive advantage.

It is well known that companies with unfavourable health indicators have the ability to sustain and potentially expand their operations. According to Norton and Kaplan (2016), it is crucial to consider non-financial factors when assessing the performance of companies.

An overemphasis on financial measures of corporate performance often excludes other equally important measures. For example, measuring customer satisfaction and the process of adapting to change, so a balance between financial and non-financial performance measures is needed in performance measurement. An important aspect of measuring business performance is the use of financial indicators. The financial performance of the company is used by management as a basis for making decisions and evaluating the performance of the company. The balance between financial and non-financial performance measurements can help the company to know and evaluate its overall performance (Nawangsasi, 2017).

In order to support the performance of the internal process, the aim is to monitor the production process, where the main indicator desired for each customer is punctuality, while the management indicator is cost efficiency. Basically. The shipyard industry in the last three years has incurred a lot of quality costs, with different stages, starting from the planning, the production process and after the delivery of goods to the buyer, for this can be seen in Table 1, in the table there is an increase in quality costs every year. The cost of quality is very necessary in the shipping industry because it is an investment. Feigenbaum in Radella (2021) said that with quality costs, it can conservatively improve the company's performance by 10%. Sower, (2017) said that the existence of planning costs that function as preventive costs will protect products from risks that will occur during production and post-production processes. The successful implementation of the plan will have a broad impact on the financial performance of the company, as well as on non-financial performance such as customer satisfaction and customer commitment to continue cooperative relationships and even more potential customers interested in purchasing the products produced. Public policy in the area of information is needed to reduce the risk of inaccurate market information, as the role of government in the market is not only to support trade but also to provide more efficient information.

Table 2. Quality Fees for 2020, 2021, and 2022

Year	Types of Quality Charges				Total
	Supervision	Overhead Addition	Guarantee Maintenance	Contingencies	
2020	224.420.000	92.805.430	145.500	204.579.310	521.950.240
2021	224.420.000	913.488.090	2.253.500	75.961.235	1.645.108.825
2022	649.775.000	200.505.224	3.186.500	193.291.345	1.046.758.069

Source: Primary Data

In general, corporate growth strategies can be divided into three main categories (Parapat, 2018). The first is the M&A (Mergers & Acquisitions) strategy. The second is the

organic growth strategy through market share development. The third is the organic growth strategy through portfolio development (both market portfolio and product portfolio). Specifically, growth strategies are included in a company's master strategy. The master strategy is designed to guide an organisation to achieve its strategic objectives while fulfilling its mission. Research findings from (Anwar, 2019; Usman, 2017) show that growth strategy has a negative effect on firm performance while quality cost has a significant effect on firm performance.

According to Hansen (2014), quality can be defined as the extent or degree of excellence, where it is viewed as a comparative assessment of performance. It is imperative that managers have the ability to effectively monitor their organisation's progress in achieving its quality improvement goals and maintaining optimal levels of quality. The measurement and reporting of quality performance plays a crucial role in quality reporting, particularly in the context of using a quality costing system. According to Zulian Yamit (2012), the cost of quality refers to the costs that are either already incurred or have the potential to be incurred as a result of substandard products or inadequate quality. The above description makes it clear that the costs associated with substandard quality, both current and anticipated, are related to the processes of planning, detection, correction and mitigation of damage.

Performance is a measure of an individual's ability to produce desired outcomes in the context of employment. According to Tan Lian (2018), the concept of performance may be defined as a multifaceted construct encompassing three key aspects. Firstly, performance refers to the process or manner in which an activity is executed. Secondly, it denotes a noteworthy action or accomplishment. Lastly, it encompasses the execution of a theatrical production or any other type of entertainment. corporation performance refers to the outcomes achieved by a corporation during a specific time frame, measured against predetermined benchmarks. The evaluation of corporate performance entails the quantifiable assessment of its empirical state using a range of mutually accepted metrics. In order to determine the level of performance attained, a performance assessment is conducted. The term "assessment" is frequently associated with the concept of evaluation. The concept of company performance refers to the outcomes achieved by a corporation during a specific time frame, as measured against a predetermined benchmark. The concept of company performance appraisal, as described by Kaplan and Norton (1996), refers to the systematic evaluation of a company's operational capabilities in accordance with predetermined criteria.

The growth strategy entails a strategic approach that prioritizes the achievement of sales targets, market oversight, and enhancement of product quality. According to Veronita (2017), firms typically employ diverse strategies, which are heavily influenced by their respective capabilities and the possibilities they encounter. Typically, corporations encounter robust competition within the market, and each company demonstrates distinct competencies that vary between organizations. The adopted plan will offer broad alternatives for corporate

management and provide guidance on how to respond and conduct oneself in response to environmental changes. According to Rakhman (2016), the operationalization of growth strategies can be challenging due to the lack of support from reliable strategic functions, such as finance and production units. According to Parengkuan (2017), the implementation of a growth plan has been found to be beneficial in enhancing strategic functions, addressing deficiencies, and restructuring management processes to improve overall corporate performance. It may be inferred that the choice of strategy employed by each corporation is contingent upon the proficiency of the strategy functions within the organization in executing it.

The cost of quality, in essence, refers to the allocation of expenses that can facilitate transformation and enhancement. The implementation of organizational planning has the potential to mitigate assessment costs and failure costs, while simultaneously enhancing overall quality. According to Sower (2017), it is argued that quality costs exclusively pertain to preventive expenses and do not serve as determinants of a company's performance. Ningtyas (2018) conducted a study that empirically examined the correlation between the allocation of quality costs and the performance of businesses. Quality costs refer to the expenditures incurred in various activities aimed at mitigating the deterioration in the quality of goods and services during the production process. The quality costs encompass various components, namely assessment costs, internal failure costs, and external failure costs. Assessment costs pertain to the expenses associated with measuring, evaluating, and auditing goods or services to ascertain that they meet the desired quality standards. Internal failure costs refer to the supplementary production costs incurred to rectify quality discrepancies that do not align with customer requirements. Lastly, external failure costs encompass the expenses incurred as a result of product damage during transportation and upon reaching consumers (Ningtyas, 2018). In addition to costs associated with product or service quality, some costs are not directly related to quality. According to Tandiontong (2018), these costs emerge from unforeseen circumstances, whether originating within or externally. According to Flanagan (2007), unexpected expenditures arise internally from various sources such as administrative activities, information systems, marketing, development engineering, production, purchasing, and operational expenses. The presence of non-quality costs, which can manifest through various customer service issues such as product returns, customer complaints, product warranties, technical service faults, and service time delays, is crucial for ensuring long-term performance. Without these costs, there is no assurance of achieving sustained effectiveness. Opportunity quality costs are intricately linked to the management of capital expenses since they stem from the potential foregone sales volume and earnings resulting from enhanced operational efficiency (Tandiontong, 2018).

The performance of a corporation is contingent upon the implementation of a Growth Strategy, which encompasses many competency strategies that may vary across different

companies (Mustikowati, 2019). According to Novianto (2019), the utilization of growth strategies facilitates the execution of the financial management function's outcomes. According to Mubarok (2019), the implementation of product and technology expansion strategies is associated with a significant increase in profitability. According to Anwar (2019), the growth strategy does not have a significant role in determining company performance. Moreover, Abernathy and Rosenbloom (2016) assert that the effectiveness of growth strategies in driving strategic change is contingent upon the presence of incentives, enhanced knowledge, and skill.

H_1: Growth strategy affects company performance.

The Cost of Quality has been identified as a key factor in determining company performance (Parengkuan, 2017; Sower et al., 2017). Tandiontong et al. (2018) established a correlation between business success and three distinct categories of quality expenses, specifically Opportunity Quality Cost, Investment Quality Cost, and Non-Quality Cost. According to Ningtyas (2018), the implementation of cost of quality has the potential to enhance firm performance by a cautious estimate of 10%. According to Handayani (2020), planning costs primarily serve as preventive measures aimed at mitigating potential risks. The concept of quality cost refers to a constituent that generates contributions in the form of monetary value (Flanagan, 2007). According to Gantino and Erwin (2018), the implementation of quality costs has the potential to yield cost reductions ranging from 5% to 40%. Additionally, the adoption of quality costs can lead to enhanced performance by mitigating the occurrence of damaged items. The evaluation of a firm's work capacity, based on quality criteria, is referred to as company performance (Kaplan & Norton, 2016; Lingle & Schiemann, 2016).

H_2: Cost of Quality has a significant and positive effect on financial performance.

Research Design and Method

The present study falls within the category of quantitative research. The study sample consisted of 30 individuals, including managing authorities and ship construction professionals, who were affiliated with several shipyard enterprises in Jakarta. Due to the limited size of the population, which consists of fewer than 100 individuals, the entire population is employed as a sample, resulting in a 100% sample. The research utilizes primary data as its source of information. Primary data sources are acquired by administering surveys to individuals who possess expertise in the subject of building and ship docking, such as responders or management officials. In this study, a Likert scale consisting of five alternative replies was employed to measure each variable indicator. The scale included the following

options: "Strongly agree" (scored as 5), "Agree" (scored 4), "Disagree" (scored 3), "Disagree" (scored 2), and "Strongly disagree" (scored 1). The acquired data will undergo analysis through multiple phases of testing. The initial phase involves performing a descriptive analysis. The second phase involves conducting a research data instrument test, which includes assessments of validity and reliability. The third stage of the analysis involves doing the classical assumption test, which encompasses various tests like the normalcy test, multicollinearity test, autocorrelation test, and heteroscedasticity test. The fourth stage of this study involves the testing of all hypotheses put out. These hypotheses will be subjected to partial tests, simultaneous tests, and coefficient of determination tests to establish their validity.

Table 3. Operational Variable

Variable	Code	Indicator	Reference
Strategy Growth	X1.1	Product Growth	(Rakhman, 2016; Tan Li an Soei, 2018)
	X1.2	Market Share	
	X1.3	Product Quality Improvement	
Quality Cost	X2.1	Cost of prevention cost for prevention	(Nawangsasi, 2017; Radella et al., 2021)
	X2.2	Cost of appraisal	
	X2.3	Internal Failure	
Performance Company	Y1.1	Commitment customers make to continue Continuing relations with the company	(Mustikowati & Tysari, 2019; Parengkuan, 2017)
	Y1.2	Return on Investment	
	Y1.3	Internal Process	

Results and Discussion

Statistical Result

The participants in this study consisted of managing authorities and ship construction specialists employed by various shipyard enterprises in Jakarta. The respondent's demographic information, including gender, age level, and education level, has been identified and may be found in Table 4, as derived from the completed questionnaire.

Table 4. Demographic Data

Variable	Measurement	Frequency	Percentage
Gender	Man	19	63,33
	Woman	11	36,67
Age	25-30	9	30
	31-35	21	70
Education Level	S1	27	90
	S2	3	10

Table 4 illustrates the gender distribution of the respondents, revealing that the majority, comprising 63.33% or 19 individuals, identified as male. Conversely, the remaining 36.67% or 11 respondents identified as female. The characteristics of respondents are categorized into two groups based on their age. Out of the total of 30 respondents, it was found

that 30% (9 respondents) were employees aged between 25 and 30 years, while the remaining 70% (21 respondents) were employees aged between 31 and 35 years. The attributes about the educational background of the respondents can be categorized into two distinct groups: those holding a bachelor's degree (S1), comprising 27 individuals (90%), and those possessing a master's degree (S2), accounting for 10 individuals (10%). This data suggests that the majority of graduates are employed as managing officials at PT. Industri Kapal Indonesia (Persero) Jakarta possesses a bachelor's degree, accounting for 90 percent. This finding implies the role of a managing official at PT. Industri Kapal Indonesia (Persero) is a professional position that necessitates a higher level of education.

The initial step in examining this research data is conducting descriptive statistical analysis. Descriptive statistics are employed to determine the mean, standard deviation, maximum, and lowest values of the growth plan variable, quality cost variable, and corporate performance variable. Table 5 displays the outcomes of the descriptive statistical analysis.

Table 5. Descriptive Statistics

Variable	Mean	Std. Deviation	N
Company Performance	4.2006	0.9102	30
Growth Strategy	3.8900	0.8772	30
Quality Cost	4.2683	0.9738	30

Source: SPSS V 22.0 Data Processing Results

According to the data presented in Table 5, the mean value of firm performance is 4.2006, accompanied by a standard deviation of 0.9102. Similarly, the average values for growth strategy and quality costs are 3.8900 and 4.2683, respectively, with corresponding standard deviations of 0.8772 and 0.9738. The findings presented in this study demonstrate the performance of the company, suggesting that there is no significant deviation observed in the variable data. This conclusion is drawn based on the observation that the mean value exceeds the standard deviation value. The present analysis demonstrates the commendable performance of PT. Indonesian Ship Industry (Persero) Jakarta.

The last phase involves conducting a research data instrument test, which encompasses assessments of both validity and reliability. A validity test, sometimes referred to as a validity assessment, is a method employed to evaluate the extent to which a questionnaire possesses validity. The assessment of validity is conducted by examining the correlation between the scores of individual items and the overall scores of each variable, utilizing the Pearson correlation coefficient. To determine the reliability of the test results, it is often accepted that an Alpha Cronbach score of 0.06 or higher is indicative of reliability. Statement items are considered legitimate when the significance level is less than 0.05. The test results have been displayed in Table 6.

Table 6. Validity and Reliability Test Results

Variable	Instrument	Corrected Item Total Correlation	Cronbach's Alpha	Info
Growth Strategy	X1	0.879	0.813	Valid & reliable
Quality Cost	X2	0.785	0.847	Valid & reliable
Company Performance	Y	0.753	0.824	Valid & reliable

Source: SPSS V 22.0 Data Processing Results

The findings of the analysis presented in Table 6 indicate that all correlation coefficients exceed the threshold of 0.30, which is considered critical. Therefore, it can be concluded that the used model is deemed legitimate for the purpose of development. Based on the findings of the reliability tests, wherein the alpha coefficient value exceeds 0.60, it is evident that all variables employed as instruments in the study exhibit a satisfactory level of reliability. Consequently, these variables can be deemed suitable for the purpose of data collection.

The third stage of the analysis involves conducting the classical assumption test, which encompasses tests for normality, heteroscedasticity, multicollinearity, and autocorrelation. The purpose of the normality test is to assess whether the confounding or residual variables in the regression model have a normal distribution. One effective approach involves utilizing the normal Q plot, which facilitates the comparison of the cumulative distribution of the normal distribution. When the residual data has a normal distribution, the line representing the actual data will align with the diagonal line.

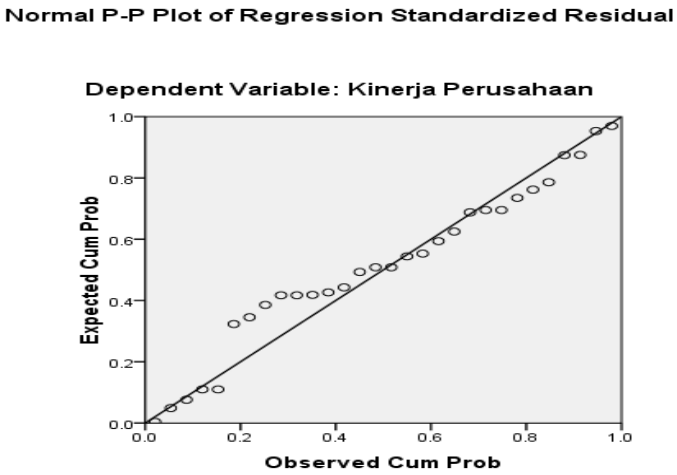

Figure 1. Normal P-P Plot of Regression Standardized Residual

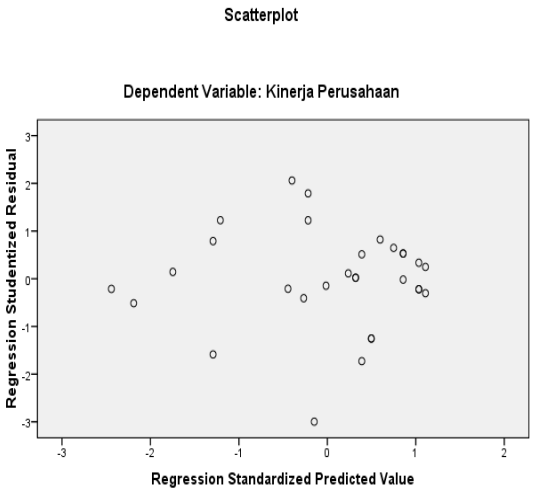

Figure 2. Grafik Scatterplot

Based on an examination of the normal probability-probability (P-P) plot, it can be inferred that the graph has a distribution pattern that closely approximates normality. Based on the visual analysis of the provided image, it is evident that the data points are scattered near the diagonal line, exhibiting a pattern that can be characterized as approximately normally distributed. Consequently, it is reasonable to assert that the regression model employed in this study is appropriate. Based on the observations depicted in Figure 2, it is evident that no discernible pattern emerges, as the data points are dispersed both above and below the zero mark on the Y axis. Consequently, it can be inferred that the presence of heteroscedasticity is absent.

The purpose of conducting a multicollinearity test is to ascertain the presence of a relationship among the independent variables, specifically whether each dependent variable can be accounted for by other independent variables. To assess the presence of collinearity in this study, the variance inflation factor (VIF) value can be examined. A VIF score exceeding 10 signifies a substantial presence of collinearity. In the event of multicollinearity symptoms, a recommended approach to enhance the model is to exclude variables from the regression model.

Table 7. Multicollinearity Test Results

Variable	Collinearity Statistics Tolerance	VIF
Growth Strategy	0.895	1.117
Quality Cost	0.895	1.117

Source: SPSS V 22.0 Data Processing Results

The findings presented in Table 7 indicate that the Variance Inflation Factor (VIF) values do not above the threshold of 5. Therefore, it can be inferred that the regression model

employed does not exhibit any issues related to multicollinearity. Moreover, the autocorrelation test is designed to examine the presence of a departure from the fundamental assumption of autocorrelation, which refers to the connection between residuals of a single observation and residuals of additional observations inside the regression model. An effective regression model is one that exhibits no autocorrelation. The identification of autocorrelation can be achieved by employing the Durbin-Watson test (DW Test). Table 8 displays the Durbin-Watson value obtained from the statistical analysis conducted in this study.

Table 8. Durbin-WatsonTest scores

Model	Durbin-Watson
1	2.093[a]

Source: SPSS V 22.0 Data Processing Results

The Durbin-Watson score of 2.093 obtained from the autocorrelation test findings in Table 8 indicates that the processed data is devoid of autocorrelation. Once the classical assumption tests have been conducted and the overall findings indicate that the regression model satisfies the classical assumptions, the last step involves assessing and interpreting the multiple regression model. The purpose of the multiple linear regression analysis is to examine the impact of the independent variables, specifically the growth plan variable and the quality cost variable, on the dependent variable, which is the company performance. This relationship can be visually shown in Table 9.

Table 9. Multiple Regression Analysis Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.575	.638		.901	.369
Growth Strategy	.377	.154	.364	2.448	.016
Quality Cost	.531	.140	.567	3.793	.000

Source: SPSS V 22.0 Data Processing Results

From table 9 we get the multiple regression equation as follows:

$$Y = 0.575 + 0.377X1 + 0.531X2 + e$$

The multiple linear regression equation provides a detailed explanation of the constant term, which has a value of 0.575. The findings indicate that when the dependent variable remains a positive constant, it is anticipated that there will be a 0.575 increase in corporate performance, even in the absence of any growth in quality costs and execution of growth initiatives. The regression coefficient for the growth strategy variable (X1) is estimated to be 0.377. The regression coefficient associated with the growth strategy variable (X1)

quantifies the extent to which this variable influences company performance. Specifically, an increase of one unit in the X1 variable is predicted to result in a 0.377 unit increase in company performance, assuming that all other dependent variables remain constant. The regression coefficient for X2, which represents quality cost, is determined to be 0.531. The regression coefficient for quality costs provides insight into the extent to which the quality cost variable (X2) impacts company performance. Specifically, it suggests that a one-unit increase in the quality cost variable is associated with a predicted increase of 0.531 units in company performance, assuming that other dependent variables remain constant.

The F test is employed in conducting this concurrent examination, serving as a collective test aimed at ascertaining the performance characteristics of the organization. The F test holds significance when the calculated F value exceeds the critical F value at a confidence level of 95% or when the p-value is less than 0.05. Consequently, the null hypothesis (Ho) is rejected, and the alternative hypothesis (Ha) is accepted. In contrast, when the p-value is greater than 0.05, the null hypothesis (Ho) is accepted, while the alternative hypothesis (Ha) is rejected. The purpose of doing the F test is to examine the collective impact of the independent factors on the dependent variable.

Table 10. Simultaneous Test Results (Test – F)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	13.334	2	6.667	17.126	0.000
Residual	10.511	27	0.389		
Total	23.845	29			

a. Dependent Variable: Company performance
b. Predictors: (Constant), Growth Strategy, Quality Cost
Source: SPSS V 22.0 Data Processing Results

According to the F statistical test presented in Table 10, the computed F value is 17,126, which corresponds to a probability of 0.000. The statistical analysis indicates that the joint influence of the growth strategy variable and quality costs on corporate performance is statistically significant, as evidenced by the likelihood value being less than 0.05.

A partial test is performed to assess the impact of independent variables on the dependent variable by examining the t-value in the coefficient table, which is computed using the SPSS software program. The level of significance employed in this study is 5% or 0.05. The test criteria employed are as follows: if the p-value is less than 0.05, the null hypothesis (H0) is rejected; conversely, if the p-value is more than 0.05, the null hypothesis (H0) is accepted. This assessment is additionally employed to ascertain the extent of impact exerted by the growth strategy and quality costs, as evidenced by the examination of the t value associated with each variable. The results of the t statistical test are presented in Table 11.

Table 11. Partial Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.575	.638		.901	.369
Growth Strategy	.377	.154	.364	2.448	.016
Quality Cost	.531	.140	.567	3.793	.000

a. Dependent Variable: Company performance

Source: SPSS V 22.0 Data Processing Results

Based on the calculated t-value of 2.448, which exceeds the critical t-value of 2.051 from the t-table, the null hypothesis (H0) is rejected in favor of the alternative hypothesis (Ha) at a significance level of 5%. The findings suggest that there is a substantial relationship between the growth strategy variable and the company performance variable. The coefficient value of 0.377 indicates a correlation between the variable and the company performance measure. The coefficient value of 0.377 suggests that the growth strategy variable has a significant impact on changes in the company's performance variable, accounting for around 37.7% of the observed variation. However, it is important to note that the remaining 62.3% of the variation is attributable to other factors not included in the regression model. According to this relationship, it can be inferred that the growth strategy variable exhibits a positive impact on the performance of a firm. This implies that as the effectiveness of the growth strategy improves, there is a corresponding improvement in the company's performance.

Based on the calculated value of t (3.793) being greater than the critical value of t (2.051), the null hypothesis (H0) is accepted and the alternative hypothesis (Ha) is rejected at a significance level of 5%. The analysis indicates that there is a partial significance between the quality cost variable and the company's performance variable. When examining the correlation between the quality cost variable and the company performance variable, it is observed that the coefficient value is 0.531. This suggests that the quality cost variable has the potential to impact changes in the company performance variable by 53.1%. However, it is important to note that the remaining 46.9% of the variation in the company performance variable is influenced by other factors that are not accounted for in the regression model.

Moreover, the coefficient of determination analysis is employed to ascertain the proportion of the collective impact exerted by the independent variables on the dependent variable.

Table 12. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.752	0.569	0.504	.62517	2.098

a. Predictors: (Constant), Growth Strategy, Quality Cost

b. Dependent Variable: Company performance

According to the findings derived from the data analysis presented in table 12, it is evident that growth plans and quality costs have a significant impact on 56.9% of company performance (Y). Consequently, it can be inferred that the remaining 43.1% of company performance is attributable to factors beyond the scope of the research variables employed.

Discussion

The Effect of Growth Strategy on Company Performance

The implementation of a growth plan has been found to have a statistically significant and favorable impact on the performance of PT Indonesian Ship Industry, located in Jakarta. This circumstance arises due to empirical evidence indicating that firm management engages in collaborative efforts with multiple shipping companies before docking. This discovery implies that the implementation of a growth plan effectively serves as a controlling mechanism, hence influencing the performance of the organization. Consequently, the adoption of a growth strategy holds significant sway in enhancing business performance. A growth strategy is a strategic approach that emphasizes the achievement of sales targets, market oversight, and enhancement of product quality. Veronita (2017) asserts that firms typically employ diverse tactics, which are heavily contingent upon their respective strengths and encountered possibilities. In the business landscape, firms consistently encounter robust competition within the market, with each entity demonstrating distinct competencies that set them apart from their counterparts. The adopted plan will offer comprehensive alternatives for overseeing the organization and offer guidance on how to respond and conduct oneself in the face of environmental fluctuations.

According to the findings of a study conducted by Wisnubroto and Irawati (2018), the evaluation of a company's performance can be accomplished by considering the four viewpoints outlined in the Balanced Scorecard framework, namely finance, customers, internal business processes, and growth and learning. The findings of this study suggest that there is a significant correlation between suboptimal performance and the internal business process perspective, as well as the learning and growth perspective. In alignment with the findings of Swandy's (2017) study, management must adopt a strategic approach that effectively translates their organizational vision and goal into tangible outcomes. The performance of the consumer perspective, internal business process perspective, and growth and learning perspective are contingent upon the implementation of a growth plan.

The Effect of Cost of Quality on Company Performance

The performance of the PT Indonesian Ship Industry (Persero) in Jakarta is positively and significantly influenced by quality costs. This phenomenon arises due to the company's empirical approach to forecasting maintenance expenses and enhancing quality control measures for ship docking operations. By ensuring satisfactory outcomes from ship delivery

until the expiration of the docking warranty, the company aims to prevent any grievances from ship owners. Consequently, ship owners experience a sense of contentment and are inclined to maintain their affiliation with the Indonesian Ship Industry (Persero) based in Jakarta. These factors imply that the presence of quality costs can potentially enhance firm performance cautiously.

According to the findings of a study conducted by Sower et al. (2017), it is evident that the failure of a company's external costs hurts the maturity of its quality system. According to Flanagan and Tate (2007), quality cost is a cost element that contributes to the overall success of an organization. According to Winarno (2015), the concept of quality pertains to management's perception of the quality of management, which is derived from the harmonious integration of all organizational functions to attain ongoing enhancement. Moreover, Winarno (2015) underscores the significance of integrating functions inside a system to ensure the delivery of high-quality outcomes that ultimately lead to customer satisfaction.

The findings of this study are consistent with the research conducted by Knox (2016), which examines the alterations in the composition of quality expenses within the context of software development. The rise in expenses pertains to the four categories of costs, namely appraisal costs, preventative costs, internal failure costs, and external failure costs. The integration of the quality cost model into the development cost is a crucial aspect, as it has the potential to significantly decrease the overall expenses associated with enhancing the product development process by around 66%. The quality function within the realm of industrial management is anticipated to enhance its quality by effectively allocating resources, to achieve a prompt return on investment performance.

By the findings of a study conducted by He (2018), it is anticipated that quality costs will have a mitigating effect on other expenses. This research spanned four decades and focused on European enterprises, revealing that quality prices can potentially lead to a reduction in other expenses ranging from 5% to 40%. The cost of quality is a significant factor that contributes to the overall performance of a firm. The cost of quality serves as a financial metric that aids management in making informed decisions. The incorporation of quality costs into an organization's operations presents avenues for enhancing performance and optimizing resource allocation. It facilitates proactive measures such as prevention and corrective actions to effectively address any issues that may arise.

Conclusions

Based on the empirical evidence derived from research findings and the rigorous testing of hypotheses, it can be inferred that the implementation of a growth strategy yields a favorable and statistically significant impact on enhancing the performance of the Indonesian Ship Industry (Persero) company located in Jakarta. Similarly, there exists a positive and

statistically significant correlation between the variable of quality cost and the performance of PT. Indonesian Ship Industry (Persero) in Jakarta. This implies that by investing in quality, there is a potential for significant enhancement in firm performance. Concurrently, the analysis demonstrates that the collective influence of all independent factors significantly impacts the performance of PT. Indonesian Ship Industry (Persero) in Jakarta.

Based on the aforementioned findings and conclusions, several recommendations might be proposed, including The corporation aims to optimize its performance by using enhanced growth methods and investing in quality costs. Managers are expected to enhance their professionalism and augment their sense of responsibility to enhance company success. Additional investigation is anticipated to explore additional variables that may impact the performance of companies.

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