

## Stakeholder Management to Improve Business Performance of "Pekarangan Pangan Lestari (P2L)" Programs



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**ABSTRACT:** This study aims to examine the influence of the community on the business performance of P2L program actors and to examine the role of universities and government support as moderators in this relationship. This research is an explanatory research with a quantitative approach. The sample in this study were P2L program actors in Malang Regency. The data collection method used a survey mode by sending questionnaires online through the P2L group member community and collected as many as 62 respondents from 30 members of the P2L group. Data analysis used the SEM-PLS method using the SmarPLS4 program. The research findings show that the community has a significant effect on the business performance of P2L program actors. Universities and government support do not moderate the relationship, instead government support has a direct impact on improving the business performance of P2L program actors. These findings also show that the stakeholders of the P2L program have a very important role, so they must be managed in such a way as to have a bigger and wider impact on the sustainability of the P2L program.

**KEYWORDS:** Business Performance, P2L Program, Stakeholder Management,

### I. INTRODUCTION

Climate change, degradation and land conversion are challenges for the agricultural sector in realizing food sovereignty. The risk of food scarcity has emerged as a disruptive effect of the COVID-19 pandemic and has the potential to cause famine in various places around the world. The world organization for food security (FAO), health and nutrition (WHO) explains that the COVID-19 pandemic has a negative impact on nutritional intake such as cases of malnutrition, stunting, overweight, and anemia in pregnant women (1). Therefore, the establishment of food sovereignty is very meaningful in the era of the COVID-19 pandemic, local disasters and the global problem of climate change. These issues require responsiveness so that food availability can be maintained sustainably. The Government of Indonesia has responded to this problem with a food diversification strategy through the program of utilizing yard land for agriculture which in Indonesia is called "Pekarangan Pangan Lestari (P2L)" program. The P2L program, which was launched in 2011, is an innovative step by the government to develop a food house model built in an area with the principle of utilizing environmentally friendly yards to meet family food and nutrition needs through the provision of various vegetables and fruits and animal protein sources.

The COVID-19 pandemic, climate change and land degradation have become a momentum for P2L program actors to optimize their role in reducing the impact of the COVID-19 pandemic. The main trigger for the emergence of the P2L program is that the community is faced with resource constraints, especially agricultural land. The P2L program is implemented using the approach of sustainable agricultural development, utilization of local resources, community empowerment and market orientation (2). P2L programs are proven to save food consumption expenditures and increase energy and protein consumption (3) increase income (4–6). Performance is a real challenge for small businesses (7). Due to limitations and environmental changes, it is very important for businesses to build networks for maximum resource utilization (8) and successful business operations (9). Sardana (10) explains that limited resources require a collaborative approach to design optimal solutions. Achieving sustainability performance depends on many elements such as exploratory learning and networking (11) especially in times of crisis. There has also not been much research on stakeholder management during the COVID-19 pandemic. Therefore, exploring the antecedents of performance is an important need. This research highlights the role of stakeholder management for business success.

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## II. LITERATURE REVIEW

Stakeholders are defined as 'those groups without whose support a business would cease to exist' or 'any group or individual who can influence or be influenced by the realization of an organization's objectives' (12), stakeholders are actors that influence the achievement of corporate objectives. Many studies on corporate sustainability consider stakeholders as fundamental (13), and the results of empirical studies show that building successful relationships with stakeholders improves corporate sustainability (14). The implication of this research is that corporate sustainability is supported by fulfilling stakeholder needs.

This study considers stakeholder management as a determinant of P2L program actor performance. In the context of sustainability, stakeholder management refers to activities that meet the needs and expectations of stakeholders who provide essential resources and support (15). The influence of stakeholder management on corporate sustainability can be explained by the fact that stakeholders may stop providing necessary resources to the company, if the company fails to meet their needs (15). The P2L program uses the concept at the community level with its traditional knowledge, working together to help each other and collaborate, as well as sharing experiences and technology in meeting primary needs in the form of food. If stakeholders are well managed and work together synergistically, it will foster greater innovation and strength to develop the business. Through cooperation, the P2L program can improve its performance (16,17).

H1: Participation in P2L groups has a positive impact on improving the business performance of P2L actors

H2: University support strengthens the role of the community in improving the business performance of P2L actors

H3: Government support strengthens the role of the community in improving the business performance of P2L actors

## III. RESEARCH METHODS

This research is an explanatory study using a quantitative approach. The sample of this research is the P2L program group managers/members in Malang District. The choice of sample is based on the following considerations: a) Malang District has been one of the areas designated as a priority area for handling stunting since 2018 with the number of stunting toddlers in Malang District in 2020 at 12.7% above the overall East Java stunting prevalence of 12.4% (6); b) Malang District also has 87 food-insecure villages and 50 stunting villages that must be completed to become independent villages while meeting the goal of reducing the status of vulnerability from 87 villages or 22.3% in 2018 to 15% in 2024 (18). c) Factual conditions show that of the 175 existing P2L program groups, only 85 are currently active, the remaining 90 are inactive so it is not impossible that the goals of reducing stunting, poverty and increasing food security will be difficult to realize given the destructive effects of the COVID-19 pandemic. The data collection method used a survey mode by sending an online questionnaire through the P2L group member community and collected 62 respondents from 30 P2L groups. The measurement scale uses a 7-point Likert scale. Data analysis using the SEM-PLS method using the SmarPLS4 program.

## IV. RESULT AND DISCUSSION

### Results

Table 1 shows that the respondents were 66.1 percent of respondents had an age range of 30-49 years. P2L members under 30 years old are relatively few because in that age range, young families tend to be busy working. From the aspect of education level, 45.2 percent have a high school education and the equivalent, 17.7 percent of respondents with junior high school education and the equivalent and 32.3 percent of respondents who have diploma and undergraduate education. The level of education is a reflection of the respondents' capacity to make strategic decisions and provide P2L group managers/members to utilize their knowledge, skills and experience in developing P2L activities.

**Table 1. Respondent Profile**

No	Respondent Profile	Percentage
1	<b>Age of Respondent</b>	
	< 30 years	11,3
	30-39 years	12,9
	40-49 years	53,2
	50-59 years	21,0
	≥ 60 years	1,6
2	<b>Education</b>	
	Elementary	4,8
	Junior high school	17,7
	Senior high school	45,2
	Diploma-Undergraduate	32,3

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Table 2 illustrates that the majority of respondents are involved in P2L membership between 1-2 years (56.5 percent), followed by 3-4 years at 21 percent. An overview of the length of time in P2L membership shows that the development of membership over the past 4 years has grown significantly, as evidenced by the percentage of business duration up to 4 years reaching 80.7 percent. This means that in the last 4 years P2L has been able to attract public interest and become one of the choices pursued by people in Malang Regency. From the aspect of income per month, the P2L program is able to provide a fairly even income from various income levels with the largest order of income  $\leq 100,000$  25.8 percent,  $> 500,000-1,000,000$  24.2 percent,  $> 100,000-200,000$  21 percent.

**Table 2. P2L Activity Profile**

No	Business Profile	Percentage
1	Membership in P2L Group	
	<1 year	3,2
	1 - 2 years	56,5
	3 - 4 years	21,0
	$\geq 5$ years	19,4
2	Income/month from P2L Program	
	$\leq 100.000$	25,8
	$>100.000 - 250.000$	21,0
	$> 250.000 - 500.000$	16,1
	$> 500.000 - 1000.000$	24,2
	$> 1.000.000$	12,9

Table 3 shows that respondents' assessment of stakeholder management variables averaged between 5 - 5.8 in the 7-point Likert scale rating range.

**Table 3. Descriptive Statistic Analysis**

Variable	Min	Max	Mean	Std. Deviation
Community	3	7	5.789	1.092
Higher Education Support	1	7	5.344	1.429
Government Support	1	7	5.438	1.351
Performance	1	7	5.021	1.418

Furthermore, to test the hypothesis proposed, it is carried out by testing the structural model using the R2 value of each latent variable (19). The R2 value indicates that 57.5 percent of the construct is explained by exogenous variable variance.

**Table 4. Hypothesis Testing Results**

Variable	Original sample	T statistics	P values	Conclusion
CM $\rightarrow$ PF	0.274	2.610	0.009	Supported
HE $\rightarrow$ PF	0.296	1.621	0.105	Not Supported
GS $\rightarrow$ PF	0,384	2.098	0.036	Supported
CM x HE $\rightarrow$ PF	0.258	1.460	0.144	Not Supported
CM x GS $\rightarrow$ PF	-0.005	0.028	0.977	Not Supported

Table 4 presents the results of testing the research hypothesis. The direct effect of community on performance has a p-value of 0.009, which means the decision is to accept the hypothesis, meaning that the community has a significant impact on performance. The better the role of the P2L community can improve performance. Furthermore, the direct effect of the role of higher education on PF has a p-value of 0.105 so that it can be concluded that the hypothesis is rejected. In this case the role of higher education has not had a major impact in improving PF. In the test of the effect of government support on performance, the p-value is 0.036 so it can be concluded that the hypothesis is accepted. Government support provided to P2L program actors can improve performance. In the moderation test of the effect of higher education support in strengthening the community to improve the performance of P2L actors, the p-value is 0.144 so it can be concluded that the hypothesis is rejected. This means that higher education support has not been able to strengthen the community in encouraging an increase in PF. The same results also occur in the moderation test of the effect of government support in strengthening the community to improve the performance of P2L

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actors, the p-value is 0.977, so it can be concluded that the hypothesis is rejected. This means that government support has not been able to strengthen the community in encouraging increased PF. On the contrary, direct government support for P2L program actors is needed to improve their performance.

### DISCUSSION

The findings of this study show that the community has a significant impact on the business performance of P2L program actors. The results of this study are in line with previous findings which explain that programs that utilize limited resources in becoming a practical solution by utilizing minimal resources to solve problems by making low-cost and quality products easily affordable to the community (20,21). The fact that there is no agricultural land can lead to prolonged adverse outcomes. Awareness of this condition is an important point in the P2L program. It is an effective measure to focus on environmental stewardship, idle land utilization, and appropriate management. Previous studies have shown that P2L programs are proven to save food consumption expenditures and lead to increased energy and protein consumption (3) and increase income (4–6). The P2L activities have an impact on meeting nutritional needs in an effort to overcome stunting and overcome food insecure villages. P2L can increase family income from utilizing the yard, with savings in vegetable shopping between IDR 30,000 to IDR 50,000 per week (6). The results of this study indicate that the presence of P2L groups can have a major impact on the economic performance of P2L program actors. The minimal involvement and the many limitations they have are not an obstacle for P2L program actors to produce the products needed according to existing resources and then utilize them to meet household and community needs. Therefore, harder and smarter efforts are needed to expand the program by encouraging as many people as possible to get involved and take advantage of its existence to help improve the economy while increasing food diversity and contributing to environmental health. The next finding explains that there is a direct influence between government support and performance. The ability of P2L program actors to manage businesses requires the collaboration of other parties to be sustainable. Limited resources cannot be overcome if running alone. In addition, change cannot be done alone. Changing the situation must be done together with other stakeholders. Only collaboration allows a community to continue to progress and develop. Collaboration is the key to creative thinking in a situation where limitations and dependencies are very high. Collaboration is essential to achieve the best results when solving complex problems and creating the right environment. The triple helix model that combines academia, community, and government can make a great contribution in providing a model to understand stakeholder management. Stakeholder management in the P2L program supports the establishment of a win-win situation between ecology, knowledge and social, creating synergies between the economy, society, and government that will help communities manage the program effectively.

Stakeholder management is proposed in the P2L program so that aspects of land function and utilization are maintained, aspects of management principles and aspects of community empowerment can also be realized. In the concept of stakeholder management where elements of government, academics, society or communities, unite in coordination and are committed to developing knowledge innovations that have the potential to be capitalized or transformed into P2L program products and services that have economic, social and environmental value. The purpose of the stakeholder management approach in the P2L program is in the context of efforts to strengthen the economic resilience of the community to find a partnership pattern in developing the potential of the area, namely by involving multiple parties who work together in synergy. Through stakeholder management, it is expected to realize the Sustainable Development Goals (SDGs) in achieving accelerated economic development, food and energy security, welfare, and environmental improvement. So it can be concluded that stakeholder management can be the key to the sustainability and sustainability of community development and positive economic, social, environmental changes desired by stakeholders in the P2L program.

### V. CONCLUSIONS

This study examines a model that describes the influence of community, higher education and government support on the performance of P2L program actors. The results of the study show that a higher community role can improve performance. Other findings show that government support has a direct impact on performance. These findings have important implications for program development. The findings of this study contribute to the community to produce new or different products from existing ones to overcome the limited resources they have by utilizing existing resources through the program offered by this government. Each member in the group adopts activities that have been carried out by other community members to innovate according to the availability of the resources they have. P2L program actors also use all available resources to create products that are at an adequate price and how resources are owned even though they are limited by creating unique products. The innovation approach proposed by Carayannis and stakeholder management suggest that in addition to universities, government and civil society, the natural environment is a determinant of sustainable development and provides natural capital (eg resources, plants, animal

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variety, etc.). Stakeholder management represents an appropriate model in the theory and practice offered to the community promotes sustainable development in line with the P2L program initiated by the Indonesian government. This research shows that the role of stakeholders with their respective competencies in the P2L program will help P2L program actors manage and maximize their potential in order to be able to improve performance and sustainability. Another implication is that all stakeholders must make a commitment so that the program can be sustainable and able to be widely implemented so that the impact will be increasingly felt by the whole community.

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