SOCIAL CAPITAL AND INTERNAL PROCESS PERFORMANCE AS PREDICTORS OF FINANCIAL PERFORMANCE BASED ON RESOURCES BASED VIEW (RBV) THEORY

Gine Das Prena, Udayana University
Ni Luh Putu Wiagustini, Udayana University
Henny Rahyuda, Udayana University
I Wayan Ramantha, Udayana University

ABSTRACT

This study will provide an overview of the characteristics of the resource approach that can contribute to strategic management practices and improve the capabilities and competencies of companies to increase competitive advantage through the utilization of resources, both tangible and intangible. The research method used in this paper is based on a historical approach and literature review from the opinions of experts who discuss the RBV theory in relation to capabilities and competencies in creating superior competitiveness.Social capitaland performance of internal processes is an important company capability in improving company performance. Both are intangible assets which in turn are strategic assets that can affect the company's performance. The view of RBV theory provides knowledge of how important internal resources are in achieving competitive advantage. The RBV approach also emphasizes that companies that have good financial performance can survive in the long term. Therefore, this study focuses on the Resource Based View as a view that affects the existence of social capital and internal process performance as a predictor of a company's financial performance.

Keywords: Financial Performance, Resources Base View, Social Capital, Internal Process Performance

INTRODUCTION

Based on the RBV theory's view of improving financial performance, it is influenced by various internal resources, one of the internal conditions in the form of intangible assets that can affect financial performance is social capital and internal process performance. Social capital is a form of intangible internal strength that can be used to improve the company's financial performance.Social capital is a resource owned by a person or group of people by utilizing a structured network or relationship and there is a mutually recognized relationship between its members (Svendsen et al., 2015). Social capital is formed through investment strategies oriented to group relations that can be used as a source to generate profits.Social capital owned can be in the form of relational strength owned by business managers who are able to provide more value for the existence of financial performance so that it can become a competitive advantage for the company.

The strength of social capital alone is not enough to optimize the financial performance of an organization. One of the strategies used by organizations to achieve competitive advantage is the application of optimizing the performance of internal processes. Internal process performance is one of the management control processes. According to Scheer, (2016), this control process includes the following points: (1) Evaluation, analysis and continuous

Citation Information: Prena, G.D., Wiagustini, N.L.P., Rahyuda, H., Ramantha, I.W. (2021). Social capital and internal process performance as predictors of financial performance based on Resources Based View (RBV) theory. *Journal of Management Information and Decision Sciences, 24*(S1), 1-10.

improvement of business workflows both automatically and manually, (2) Map of the reality process in an issue-oriented manner, tasks and tasks that have been carried out , (3) The result of the control process is the transparency of the process, in terms of structure and for evaluation purposes, (4) The result of the internal process is used as a base point for process optimization. The performance of this internal process includes operations management process,

Social capital and performance of internal processes is an important company capability in improving company performance. Companies can also pay attention to how these two types of intangible assets become strategic assets that can affect the company's performance. The study of the Resource Based View (RBV) approach by utilizing its resource assets and capabilities to be used effectively and efficiently in order to achieve increased financial performance and maintain the company's competitive advantage. The view of RBV theory provides knowledge of how important internal resources are in achieving competitive advantage. The RBV approach also emphasizes that companies that have good financial performance can survive in the long term.

LITERATURE REVIEW

The RBV theory considers the company's internal capabilities as an important factor in managing the company's resources so that the company is able to gain a competitive advantage. Schienstock, (2019) stated that the consequences of management's ability to manage company resources in an integrated manner can increase the company's competitive advantage position. Chua, (2018) states that managerial capability will increase along with the increase in the company's competitive advantage so that it is finally able to improve organizational performance.

The Resource Based View (RBV) *theory*or the resource-based view focuses on an internal-level analysis of the firm's strengths. The theory of the company's resource-based view has been revealed in various studies as a means of explaining competitive advantage which ultimately results in superior performance in the company (Clulow et al., 2017). The resource-based view theory posits the importance of key resources that exhibit certain characteristics enabling firms to execute strategies to meet customer needs, thereby increasing the firm's ability to secure sources of competitive advantage and in turn superior performance in the firm.

The resource-based view focuses on analyzing the various resources owned by the company, stating that differences in company performance can be related to differences in resources and capabilities. Resources can be defined as intangible and tangible factors that the company is able to control (Amit et al., 2013). Intangible resources include capabilities and assets including knowledge, skills, reputation, and managerial abilities (Hall et al., 2017). Clulow, et al., (2017) show the relationship of intangible asset resources (eg client trust, reputation, network, strategy and intellectual property) and capabilities (eg knowledge, organizational culture, skills and experience) as valuable, unique and complex resources with sustainable competitive advantage.

The types of capabilities are divided into (1) Dynamic Capability, which is the ability to find and use company resources, respond quickly to new opportunities and be able to create something new and adapt to the external environment. (2) Absorptive Capability, is the ability related to the process of processing information originating from the external environment and then combined with the ability to integrate that information with available resources in order to provide products that are in accordance with what the market wants.

Capabilities consist of (1) Intentionality, which means the ability of managers to use both tangible and intangible resources to achieve company goals. (2) Reliability, which means the ability of managers to manage the company's operations needed to produce quality products according to market desires (Edelman et al., 2015). Organizational capabilities in addition to

1532-5806-24-S1-108

Citation Information: Prena, G.D., Wiagustini, N.L.P., Rahyuda, H., Ramantha, I.W. (2021). Social capital and internal process performance as predictors of financial performance based on Resources Based View (RBV) theory. *Journal of Management Information and Decision Sciences, 24*(S1), 1-10.

helping managers make the right decisions, also facilitate the formation and integration of networks of cooperation both internally and externally. Capabilities enable companies to effectively solve their main problems (Heuetal et al., 2016).

METHODOLOGY

This study uses a qualitative research design based on a historical approach and literature review from the opinions of experts who discuss the theory of Resources Base View in relation to capabilities and competencies in creating superior competitiveness.

Some of the literature analyzed include:

1. Ahangar, (2018)
2. Anklam, (2016)
3. Edelman, et al., (2015)
4. Evans, (2016)
5. Paldam, et al., (2020)
6. Ramandai, et al., (2019)
7. Lumusu, et al., (2013)
8. Shadig, et al., (2013)
9. Boritz, et al., (2017)
10. Lucas, (2018)
11. Svendsen, (2020)
12. Fukuyama, (2019)
13. Bram, (2018)
14. Aghion, (2018)
15. Weaver, (2018)
16. Spender & Groen, (2016)
17. Utterback,(2013)
18. Woolcock & Narayan, (2017)
19. Liao & Welsch, (2015)
20. Davidson, et al.,(2013)
21. Tsai, (2015)
22. Hit & Hesterly,(2014)
23. Chen, et al., (2015)
24. Aghion, et al., (2016)
25. Edison, et al., (2018)
26. Damanpor, (2014)
27. Cork, (2015)
28. Assad, (2015)

RESULTS AND DISCUSSION

Research Position Mapping

The development of studies on social capital and internal process performance on financial performance is mapped as follows: (Table 1)

Table 1
MAPPING OF POSITIONS PREVIOUS RESEARCH RELATED TO SOCIAL CAPITAL, INTERNAL PROCESS PERFORMANCE AND FINANCIAL PERFORMANCE

No	Research (Year)	Social Capital	Internal Process Performance	Financial Performance
1	Ahangar, (2018)	X		X
2	HI, (2016)	X		X
3	Edelman, et al., (2015)	X		X

Citation Information: Prena, G.D., Wiagustini, N.L.P., Rahyuda, H., Ramantha, I.W. (2021). Social capital and internal process performance as predictors of financial performance based on Resources Based View (RBV) theory. *Journal of Management Information and Decision Sciences, 24*(S1), 1-10.

4	Evans, et al., (2016)	X		X
5	Paldam, (2020)	X		X
6	Lucas, (2018)	X		X
7	Svenden, (2020)	X		X
8	Fukuyama, (2019)	X		X
9	Bram, (2018)	X		X
10	Aghion, (2018)	X		X
11	Spender & Groen	X		X
12	Utterback, (2013)	X		X
13	Woolcock & Narayan, (2017)			X
14	Liao & Welsch, (2015)	X		X
15	Davidson, et al., (2013)	X		X
16	Tsai, (2015)	X		X
17	Hit & Hesterly, (2014)	X		X
18	Chen, et al., (2015)	X		X
19	Aghion, et al., (2016)	X		X
20	Edison, (2018)	X		X
21	Damanpor, (2014)	X		X
22	Cork, (2015)	X		X
23	Weaver & Weston, (2015)	X	X	X
24	Ramandai, et al., (2019)		X	X
25	Lumusu, et al., (2013)		X	X
26	Shodig, et al., (2013)		X	X
27	Boritz, et al., (2017)		X	X
28	Asaad, (2015)		X	X

DISCUSSION

This study will provide an overview of the characteristics of the resource approach that can contribute to strategic management practices and improve the capabilities and competencies of companies to increase competitive advantage through the utilization of resources, both tangible and intangible. It is expected that the company can optimize the internal strength of its resources, which in this paper are in the form of the existence of social capital and the performance of internal processes for improving financial performance and achieving the company's competitive advantage.

Studies on Rasources Base View (RBV) Theory have been carried out since the 1960s. The contribution of this theory to the company is a direct strategy on the existence of the company's internal resources that affect the company's performance. Ahanger, (2018) states that the resources referred to in this view concept are the company's internal strengths in the form of tangible and intangible assets (Ramandai, 2019). Company resources are tangible and intangible assets that are tied semi-permanently to the company and are able to provide improvements to the company's financial performance (Utterback, 2013). The development of the RBV concept leads to the perspective of how the existence of internal resources in the form of tangible assets and intangible assets can then improve financial performance and can then become a company strategy to achieve competitive advantage (Boritz, 2017). RBV theory states that sustainable competitive advantage rests on organizational resources that are very valuable, rare, difficult to imitate and non-substitutable (VRIN) as well as intangible assets in the form of social capital and performance of internal processes in organizational settings which are strategies to improve the company's financial performance (Spender & Groen, 2016).

The concept of RBV theory involves the existence of intangible assets as organizational resources that are valuable, unique, rare and difficult to imitate as a strategy for company excellence (Weaver, 2018). Utilization of intangible assets in the form of social capital and internal process performance as an implementation of the RBV view is a strategy that

Citation Information: Prena, G.D., Wiagustini, N.L.P., Rahyuda, H., Ramantha, I.W. (2021). Social capital and internal process performance as predictors of financial performance based on Resources Based View (RBV) theory. *Journal of Management Information and Decision Sciences, 24*(S1), 1-10.

companies can use to improve financial performance in order to achieve competitive advantage (Davidsson et al., 2013).

Good financial performance will be obtained by the company if the entity is able to optimize the unique strengths of its internal company. RBV theory (Resources Base View Theory) considers the company's internal capabilities as an important factor in managing the company's resources so that the company is able to gain a competitive advantage. Social capital is one of the intangible internal factors that can encourage increased financial performance for the achievement of competitive advantage. Ahangar, et al., (2018) suggest that management's ability to manage company resources in an integrated manner can increase the company's competitive advantage position.

Social capital as a form of intangible assets that is important in the company's relationship with the community. Social capital in the entity's relationship with the community involves good will, friendly will, mutual sympathy and adequate cooperation and social relations between individuals and groups of individuals to form a social group. Anklam, (2016) states social capital specifically as social norms and relationships that are inherent in the social structure of society and allow people to coordinate activities and achieve goals. Woolcock & Narayan, (2017) who revealed that social capital is a norm and network that allows people to do things together.

The ability of a group or group unit to work together and create trust both between members and with outsiders so as to be able to create great power to cooperate in fostering the confidence of external parties (Edelman, 2015). Cooperation and trust can then be a force to facilitate the flow of information that can reduce transaction costs or even eliminate transaction costs. Cooperation networks can also be a social security that can increase individual and group access to resources. Social capital also concerns norms and values that can reduce opportunistic attitudes and free rider behavior. Jones, (2014) revealed that the existence of social capital can reduce opportunistic problems, reduce the possibility of market failure especially in terms of information and possible free rider problems. The existence of social capital will also facilitate collective action. When all group members can work together based on mutual trust which is based on general values that apply so that mutual trust, do not bring each other down, do not oppress each other and other bad attitudes.

The existence of social capital as an intangible asset based on RBV theory can be an important factor for companies (Lucas et al., 2018). The results of the study reveal that social capital is able to influence business growth and business performance (Liao & Welsch, 2015). The combination of work and friendship will affect the overall performance of the organization. Evan, et al., (2016) found that the communication process is an important element for the success of an organization. Social capital includes trust relationships between individuals, which in turn are able to create conditions that support the growth of organizational performance (Aghion et al., 2016).

Social capital as a form of intangible assets is an elaboration of the structural dimensions, relational dimensions and cognitive dimensions (Hauetal, 2016). The social dimension is a pattern of relationships between members of an organization that includes trust and trustworthiness. Trust is an inherent attribute in a relationship. Trustworthiness is an attribute attached to individuals involved in the relationship. The cognitive dimension is a resource that provides shared representation and interpretation, as well as a system of meaning between parties in the organization (Hite & Hesterly, 2014). The relationship between financial performance with friendship and this interdependence relationship will affect the financial performance of the organization and the achievement of the company's competitive advantage. Bram, et al., (2018) stated that the communication process for the implementation of social capital is an important element for the company's financial performance. Social capital includes trust relationships between individuals, which in turn are able to create conditions that support financial performance (Anklam, 2016). Social capital consists of social networks, reciprocity

Citation Information: Prena, G.D., Wiagustini, N.L.P., Rahyuda, H., Ramantha, I.W. (2021). Social capital and internal process performance as predictors of financial performance based on Resources Based View (RBV) theory. *Journal of Management Information and Decision Sciences, 24*(S1), 1-10.

and value to achieve common goals in the form of improving the company's financial performance (Edelman, 2015).

Studies revealing the impact of the existence of social capital on performance have been revealed by several researchers. Edison, et al., (2018) wrote about the positive relationship of social capital on company performance. Lucas, et al., (2018); Pladam, et al., (2020) showed positive and significant results on the relationship of social capital with company performance. Bram, et al., (2018); Evan, (2016) reveal a positive and significant relationship between social capital and company performance. Based on the views of the Resources Base View (RBV) on the existence of social capital as intangible assets, the existence of social capital is one of the internal resources that can support the improvement of financial performance.

Lusardi, (2012) reveals a positive and strong influence between social capital and income which has an effect on financial performance. Huston, (2010) found a social relationship and the quality of institutional performance. Igartua, (2010) also revealed that social capital has a positive influence on the development and growth of financial performance. Mina Baliamoune Lutz, (2015) finds the fact that there is an effect of social capital on performance. Social capital which refers to the existence of institutions, interactions, and rules will shape the quality and quantity of community social interactions (Bisbe, 2014). Research evidence shows that social relationships are very important in the interaction between companies and the community for sustainable prosperity through improving financial performance (Leito, 2018).

According to Glaeser, et al., (2011), social capital as intangible capital will facilitate productive activities which can further improve financial performance. Chua (2012) conducted a study in the development of various basic elements of social capital, such as network relationships, social norms, trust and willingness to reciprocate in order to improve the quality of the company and improve performance as a strategy to achieve competitive advantage. Other research tries to reveal how the conceptual framework of the operationalization of social capital is by establishing various criteria that can be used to measure the condition of corporate social capital in a community group (Tsai).

Improving financial performance is a common thing that is used as a measure of organizational performance which is the result of the influence of a company policy (Weaver et al., 2015). Financial performance is the final process of profit-oriented organizational activities. Financial performance focuses on revenue growth, asset growth and profit growth. Good financial performance based on the views of the Resources Based View (RBV) theory will depend on the utilization of the company's internal resources both related to tangible assets and intangible assets. One form of intangible fixed assets that can be utilized by companies to improve financial performance as a strategy for achieving competitive advantage is the existence of good internal process performance. Good internal process performance is a complementary element of the suitability of an entity. Internal process performance is one of the management control processes. According to Weston, et al., (2018), this control process includes the following: (1) Evaluation, analysis and continuous improvement of business workflows both automatically and manually, (2) Map of the reality process in a task issue-oriented manner and the tasks that have been carried out, (3) The results of the control process are process transparency, in terms of structure and for evaluation purposes, (4) The results of internal processes are used as the basis for process optimization. Internal process performance includes operations management process, customer management process, innovations process and regulatory and social processes. achieving good performance (non-financial and financial), involves the existence of a competitive advantage, so that it can compete in the global market. Competitive advantage can be achieved by involving a good internal process performance strategy which can further improve the company's financial performance. Internal process performance is a control related to the achievement of performance. Entity performance that must be achieved is a requirement for a company to be above the average of its competitors.

Implementation in the application of Resources Based Theory is a view that is oriented

1532-5806-24-S1-108

Citation Information: Prena, G.D., Wiagustini, N.L.P., Rahyuda, H., Ramantha, I.W. (2021). Social capital and internal process performance as predictors of financial performance based on Resources Based View (RBV) theory. *Journal of Management Information and Decision Sciences, 24*(S1), 1-10.

towards the utilization of the company's internal resources. Comprehensive internal process performance measurement includes performance measurement from various aspects (Cardinaels & Veen-Dirks, 2010). Performance measurement must inform the measurement of all aspects so that it becomes a comprehensive performance measurement (Banker et al., 2013). Designing an entity's internal process performance measurement requires an appropriate model. Measurement of internal process performance with the appropriate model will be able to describe the financial performance of the entity. Internal Process Performance is one of the multidimensional controls. Banker, et al., (2014) who said that internal process performance is a comprehensive measurement, because it measures various aspects of internal process performance (Sveiby, 2014). Financial performance is the final process of profit-oriented organizational activities. Financial performance focuses on revenue growth, cost reduction or savings and increased use of assets (Gabby, 2018). Efforts to achieve good performance, the entity must have a competitive advantage, so that it can compete in the global market. Competitive advantage can be achieved by having the right competitive strategy that involves the existence of good internal process performance Efforts to achieve good performance, the entity must have a competitive advantage, so that it can compete in the global market. Competitive advantage can be achieved by having the right competitive strategy that involves the existence of good internal process performance Efforts to achieve good performance, the entity must have a competitive advantage, so that it can compete in the global market. Competitive advantage can be achieved by having the right competitive strategy that involves the existence of good internal process performance. Uzzi, (2017) states that internal process performance is a pattern of decisions related to performance achievement. The performance of internal processes that are multidimensional in nature must be achieved so that the entity can achieve performance above the industry average. According to Resource Based Theory which emphasizes achieving organizational or company performance with performance above the industry average, it is largely determined by the characteristics and internal factors of the company (Burt et al., 2017). Implementation in Resource Based Theory is very dependent on the concept where good financial performance is the impact of the existence of internal process performance as adequate intangible assets.

The company or organization manages the performance of internal processes to deliver the different value propositions of the strategy. Managing the performance of internal processes will then go through four series of processes, namely: identifying opportunities for new goods and services, managing research and development portfolios, designing and developing new goods and services, and bringing new goods and services to customers where the whole process is able to increase profits in order to maximize profits. financial performance (Wong, 2015).

The implementation of internal process performance and the feedback obtained is expected to be used as an assessment material for the relationship between internal process performance appraisal and financial performance. so that the more effective the performance of internal processes, the higher the financial performance (Ramandei et al., 2019). The performance of internal processes is structured to provide confidence in the achievement of organizational performance goals and objectives so that it can be explained that the performance of internal processes has a positive influence on the financial performance of a company (Rai et al., 2018). Internal process performance has a positive and significant effect on performance (Lumusu et al., 2013).

Competitive advantage is obtained by assets that are intangible and have capabilities that are reflected in superior performance for company owners, while superior financial performance is reflected in financial capabilities such as higher profits, increased sales and market share (Ahangar, 2018; Chen, 2015; Firer, 2015). The results of various previous studies reveal that the Resources Based View is implemented on the utilization of intangible assets as the company's internal strength. Intangible assets such as social capital and internal process performance are strategic factors that affect the effectiveness of the company's financial

Citation Information: Prena, G.D., Wiagustini, N.L.P., Rahyuda, H., Ramantha, I.W. (2021). Social capital and internal process performance as predictors of financial performance based on Resources Based View (RBV) theory. *Journal of Management Information and Decision Sciences, 24*(S1), 1-10.

performance (Anklam, 2016; Damanpor, 2014; Cork, 2015; Shadig, 2013).

CONCLUSIONS AND SUGGESTIONS

Among all the discussions about the resource-based view that have been discussed, there are similarities in research such as that conducted by Evans, (2016); Edelman, (2015); Anklam, (2016), it has been found that intangible assets in the form of social capital and internal process performance are based on the RBV view. is a valuable internal resource, unique and difficult to imitate. The value of intangible assets and capabilities can be adjusted by the company because of the unique combination of the company philosophy, in the utilization of social capital and the performance of internal processes to improve financial performance for the achievement of sustainable or long-term competitive advantage. Utilizing the existence of social capital and the performance of internal processes as part of the strategy so that the company gets a competitive advantage and superior economic performance if the resources meet the VRIS criteria (Barney, 1991). Barney's model shows that resources are Valuable (V), Rare (R), expensive to Imitate (I), and nonsubstituable (S), where resources can be a source of competitive advantage.

Suggestions for future research are: (1) considering the business life cycle and (2) analyzing other elements of intangible assets that are related to the existence of financial performance.

REFERENCE

Addler, P.S., & Kwon, S.W. (2012). Social capital: Prospects for a new concept. *Academy of Management Review, 27*(1), 17-40.

Aghion, P., & Howitt, P. (2016). Endgeneus growth theory mit press. *Administrative Science Quarterly*, 253-275.

Akdere, M. (2005). *Social capital theory and implications for human resource development*.

Agarwal R. (2017). Survival of firms over the product life cycle. *Southern Economic Journal*, 63, 571-584

Ahangar, R.G. (2018). The relationship between intellectual capital and financial performance: An empirical investigation in an Iranian company. *African Journal of Business Management, 5*(1), 88-95.

Amabile, T.M., Conti, R., Coon, H., Lazenby, J., & Herron, M. (1996). Assessing the work environment for creativity. *Academy of Management Journal*, 39,1154-1184

Anklam, H.I. (2016). The relationship between social capital and financial performance: An empirical investigation in an Indian company. *Management Research Center*.

Barney, J.B. (1991). "Firm resources and sustained competitive advantage". *Journal of Management, 17*(1), 99–120.

Barney, J.B. (2001). Resource-based theories of competitive advantage: A ten-year retrospective on the resource-based view. *Journal of Management, 27*(6), 643–650.

Bontis, N. (2001), "Intellectual capital: an exploratory study that develops measures and models". *Management Decision, 36(*2), 63-76.

Bourdieu (1984), "Intellectual capital: An exploratory study of Social capital theory", *Management Decision, 36*(2), 63-76.

Boritz, R.D., & Chang, H. (2017). The balanced scorecard: Judgmental Effects of Performance Measures Linked to Strategy. *The Accounting Review, 79*(1), 1-23

Bram, W. (2018). Achieving success through social capital: Tapping the hidden resources in your personal and business networks. San Francisco: *Jossey-Bass*.

Bustamente, M.A., Ireland, R.D., Camp, S.M., & Sexton, D.L. (2019). Strategic entrepreneurship: Entrepreneurial strategies for wealth creation. *Strategic Management Journal*, *22*(6-7), 479-491.

Chen, M.C., Cheng, S.J. & Hwang, Y. (2015). "An empirical investigation of the relationship between intellectual capital and firm market value and financial performance". *Journal of Intellectual Capital, 6*(2), 159-176.

Cheng, M.Y., Lin, J.Y., Hsiao, T.Y., & Lin, T.W. (2019). "Invested Resources, Competitive Intellectual Capital and Corporate Performance". *Journal of Intellectual Capital, 11*(4), 433-450

Chua Bowman (2002) How the resource-based and the dynamic capability views of the firm inform corporate-level strategy. *British Journal of Management, 14*(4), 289-303.

Coleman, J.S. (1988). Social capital in the creation of human capital. *American Journal of Sociology,* 94 (supplement), S95-S120.

1532-5806-24-S1-108

Citation Information: Prena, G.D., Wiagustini, N.L.P., Rahyuda, H., Ramantha, I.W. (2021). Social capital and internal process performance as predictors of financial performance based on Resources Based View (RBV) theory. *Journal of Management Information and Decision Sciences, 24*(S1), 1-10.

Cork, P., & Nixson, F. (2015). *Finance and small and medium-sized enterprise development, finance and development research program working paper series,* 14. IDPM: University of Manchester

Creswell, J.W. (2014). Research design approach is qualitative, quantitative, and mixed.

Davis (2010) Historical comparison of resource-based theory and thought within industrial organization economics. *Journal of Management*, *30* (1), 98-119

Evangalista, T., Sandven, R., Sirilli, G., & Smith, K. (1998). Measuring innovation in european industry.

Evans, P.2016, 'Government Action, Social Capital and Development: Reviewing the Evidence on Synergy'. *World development*, *24*(6).

Firer, S., & William, S.M. (2015). "Intellectual capital and traditional measures of corporate performance". *Journal of Intellectual Capital, 4*(3) 348-360.

Fukuyama, F. (2019). "Social capital and the global economy". *Foreign Affairs, 74*(5), 89–97.

Gan, K., & Saleh, Z. (2018). "Intellectual Capital and Corporate Performance of Technology-Intensive Companies: Malaysian Evidence". *Asian Journal of Business and Accounting*, *1*(1), 113-130.

Guilding, E., & Veen-Dirks, P.M.V. (2018). Financial versus non-financial information: The impact of information organization and presentation in an internal process performance. *Accounting, Organizations and Society*, *35*(6), 565-578.

Mahone. J. (2001). A resource-based theory of 'unwinable rents. *Journal of Management*, 6, 651-660

Mint, A. and Ulhoi, SK (2005), "Intellectual capital and financial performance of Indian banks". *Journal of Intellectual Capital, 13*(4), 515-530.

Okello, G., & Ntayi, J. (2017). The relationship between access to finance and growth of SMEs in developing economies: financial literacy as a moderator. *Review of International Business and Strategy.*

Paldam, M., Svendsen, G.T. (2020). 'Missing Social Capital and the Transition in Eastern Europe'. *Journal for Institutional Innovation, Development and Transition,* 5, 21-34

Penrose, E.T. (1958). The theory of the growth of the firm. New York: Wiley. Perrow

Peteraf, M.A. (1993), "The cornerstones of competitive advantage". *Strategic Management Journal, 14*(3), 179–191.

Peteraf, M.A. (1993). The Cornerstones of Competitive Advantage: A Resource-Based View.

Pfeffer, J., & Salancik, G.R. (1978). The external control of organizations: A resource dependence perspective. New York, NY: Harper & Row.

Porter, M. (1980). *Competitive strategy*. New York: Free Press.

Porter, M. (1990). *Why are firms successful Paper presented at the Fundamental Issues in Strategy Conference*, Napa, CA

Porter, M.E. (1985). Technology and competitive advantage. *Journal of Business Strategy, 5*(3), 60–78

Premanatne, I., & Easterby-Smith, M. (2002), "Dynamic capabilities and the role of organizational knowledge: an exploration". *European Journal of Information Systems, 15*(5), 500-510.

Putnam, R. (1993). *Downside of social capital, The American Prospect, 26*(1), 18-21

Riana (2011), Capability reconfiguration: An analysis of technological change". *Academy of Management , 33*(1), 173–194.

Rumelt, R. (1984). Rewards a strategic theory of the firm. In R. Lamb (Edition). *Competitive Strategic Management*, 556-510. Englewood Cliffs, NJ: Prentice-Hall.

Rumelt, R. (1984). Rewards a strategic theory of the firm. In R. Lamb (Edition). *Competitive Strategic Management*, 556-510. Englewood Cliffs, NJ: Prentice-Hall.

Sabir, M., & Ali-Manik, Q., (2016). Determinants of capital structure-a study of oil and gas sector of Pakistan. *Interdiciplinary Journal of Contemporary Research In Business, 3*(10).

Sabri, M.F., & MacDonald, M. (2010). Savings behavior and financial problems among college students: The role of financial literacy in Malaysia. *Cross-Cultural Communication, 6*(3), 103-110.

Saraceno, E. (2016). Social capital: Evidence, findings, challenges'. *Conference on Human and Social Capital and Economic Growth,* Brussels.

Stametal (2013) Assessing knowledge creation and intellectual capital in banking industry". *Journal of Intellectual Capital*, *13*(1), 84-96

Stephen P.R., & Timothy A.J. (2008). *Organizational Behavior (*Edition 12 Book 1). Translation: Diana Angelica, Ria Cahyani and Abdul Rosyid. Jakarta: Salemba Empat

Stephane Hallegatte.(2018) Economic resilience: Definition and measurement. *Policy Research Working Paper of* 6852.

Stinchcombe, A.L. (2019). Social structure and organizations. *In JG March (Edition), of Organizations*, 142-193. Chicago: Rand-McNally

Stout (1993). "Dynamic capabilities of sustainable performance". *Strategic Management Journal, 29*(15), 319-348

Shodig, T.L., & Ellitan, L. (2013). Internal processes and company operational performance: A review of contingent variable applications in the new era of manufacturing. *Proceedings of the PESAT Jakarta National Seminar*, 217-228

Citation Information: Prena, G.D., Wiagustini, N.L.P., Rahyuda, H., Ramantha, I.W. (2021). Social capital and internal process performance as predictors of financial performance based on Resources Based View (RBV) theory. *Journal of Management Information and Decision Sciences, 24*(S1), 1-10.

Sullivan, P.H., & Harrison, J.k. (2000). Social structure and organizations. *In JG March (Edition), Handbook of Organizations*, 142-193. Chicago: Rand-McNally

Sullivan, P.H. (2000). Value-driven intellectual capital: How to convert intangible corporate assets into market value. New York: *Wiley*.

Sveiby, T.A. (2001). Intellectual capital: The new wealth of organizations. New York: *Doubleday*.

Teece, D.J. (2007). "Explicating dynamic capabilities: the nature and micro-foundations of (sustainable) enterprise performance". *Strategic Management Journal*, *28*(13), 1319-1350

Tsai, S.M., & Ghosal, P.S. (1998). "The effect of knowledge-management capability and dynamic capability on organizational performance". *Journal of Enterprise Information Management, 27*(2), 158-179.

Utterback, V., & Varnie, M. (2013). Creation and implementation of the innovation strategy in the enterprise. *Economics and Management*, 16, 819-826

Weaver, K.W. (2015), "Integrating intellectual capital and knowledge management". *Long Range Planning, 30*(3), 399-405.

Wells, B., & Spinks, N. (1996). Ethics must be communicated from the top down. *Career Development International*, 1(7), 28-33.

Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal*, 5, 171-180

Weston J.F., & Eugene, F.B. (2018). *Fundamentals of Financial Management, Erlangga*: Jakarta.

1532-5806-24-S1-108

Citation Information: Prena, G.D., Wiagustini, N.L.P., Rahyuda, H., Ramantha, I.W. (2021). Social capital and internal process performance as predictors of financial performance based on Resources Based View (RBV) theory. *Journal of Management Information and Decision Sciences, 24*(S1), 1-10.