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Business Strategy of Indonesia Logistics Company

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Abstract:
Background*: The purpose of the research is to determine the influence of corporate governance, ownership structure to Corporate Social Responsibility (CSR) forbusinessstrategyoflogistics company onIndonesiaStockExchangeperiod2014-2018.Pressure from stakeholders on CSR implementation while shareholders want thefirm performance increase so it's need business strategy.*
Materials and Methods*: This research uses quantitative methods and data analysis used descriptive statistics and inferential statistics path analysis with applicate the Partial Least Square (PLS). The population in this research is company logistics listed on the stock exchange in 2014-2018 total of 26 companies.*
Results*: The result of the research shows, there is no direct effect of corporategovernance on CSR, there is a negative direct effect of ownership structureonCSR, there isno straight influencetocorporate governancein businessstrategy,there is a positive direct effect of ownerships structureon business strategy, andthereis no direct effectof CSR onbusiness strategy.*
Conclusion: *The key findings, stating that the owners of shares of the institutional need to be changed the orientation of CSR that CSR can increase the value of the stock so that the CSR can be increased and institutional ownership always keep an eye on management as well as directly involved in the strategic decisions of the company so that the company can achieve the goals that have been set previously.*
Key Word*: Corporate Governance; Ownership Structure; Corporate Social Responsibility; Business Strategy; Indonesia Stock Exchange*

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I. Introduction

The logistics services sector has a vital role in supporting development through connectivity in distributing goods and services from producers to consumers as well as the movement of people from one place to another. Therefore, the logistics sector is growing due to meet increasing needs. The good condition of the logistics sector has encouraged the formation of companies engaged in providing logistics services. The company was founded to increase the prosperity of its shareholders. Business strategy is affected by Corporate Social Responsibility (CSR). Corporate Social Responsibility is a commitment of business community to act ethically, operate legally, and contribute to improving the quality of life of employees and their families, local community, society, and environment. Companies are required not only to prioritize profits for the company but also to be able to have a positive impact on the wider community and not to harm the environment.

The implementation of CSR is also related to the company's business strategy. This is because there are global competition and pressure from stakeholders in the implementation of CSR where companies are required to care more about the environment while the stakeholders want the company's performance to increase so that a business strategy is needed to deal with such conditions. Thus, the existence of this conflict is interesting to investigate further whether the implementation of CSR can affect the choice of business strategy so that the company's performance is maintained.In addition, business strategy can be influenced by corporate governance and the ownership structure of a company. Corporate governance is a set of rules that define the relationship among shareholders, managers, creditors, government, employees, and other parties, both internal and external, in respect to their rights and responsibilities to improve business success and corporate accountability in order to create shareholder value in the long term while taking into account the interests of other stakeholders, based on laws and regulations and ethical values.

Elements in corporate governance include the board of directors and the board of commissioners. If the board of directors has a stronger position than the board of commissioners, then the board of directors can carry out policies that can harm minority shareholders, while the commissioners do not have strong control in supervising the actions of the directors. On the other hand, if the board of commissioners has a strong position compared to the board of directors, then the board of commissioners can intervene against the board of directors so it can harm the interests of minority shareholders. The existence of independent commissioners is crucial for minority shareholders so that the interests of both majority and minority shareholders can be accommodated in any collegial decision-making. The ownership structure is the distribution of the company's share ownership. Most corporate ownership in Indonesia is owned by institutions. The ownership of the institution has good supervision of the board of directors in carrying out company operations. Therefore, the ownership of the institution will be involved in determining the business strategy that will be implemented by management to gain profits.

Some problems in the logistics sector in Indonesia at this time are: (1) the competitiveness of Indonesia's logistics sector is still low compared to ASEAN countries, (2) the selection of an inappropriate business strategy, (3) there are global demands on the environment and CSR obligations, and (4) CSR is only to fulfill statutory obligations. Therefore, the company will try to get the maximum profit so that these benefits can be enjoyed by shareholders through the dividends given. However, companies are required not only to prioritize profits for the company but also to have a positive impact on the wider community and not to harm the environment. This concept is commonly called as CSR.

In general, the research results [1] show that companies must implement a product development strategy to achieve the target and expand in the logistics industry in Indonesia through empirical studies conducted on logistics companies in Indonesia. [2]took the initiative to propose an implementation strategy of Enterprise Content Management (ECM) on research in the field of the corporate business strategy of maritime logistics services so that it has good corporate governance and standardized documents according to the needs of each management system. Another feasibility study by [3] is to evaluate gaps in the go-to-market blueprint of logistics business and recommend innovative promotion strategies that are not easy to imitate. The result of other research in Indonesia, [4], illustrates a direct relationship between strategic agility and competitive strategy on the performance of logistics companies. However, when a competitive strategy is used as a moderator, strategic agility shows a negative effect.

In general, regulators and stakeholders should be aware of the potential impact of engaging in CSR reporting [5]. The result of research [6] shows that the implementation of the CSR approach on business method own a certain and significant influence. This is constant to outcome of the study by [7] showing the corporate governance with board effectiveness mechanisms affects CSR. According to [8]–[10], CSR affects financial performance and firm value in developing countries such as Saudi Arabia and Kuwait. Their study also shows that CSR disclosure has a significant positive relationship with firm size and profitability, and a negative marginal relationship with government ownership. In Malaysia, [11] their research using a concept known as the CSR Pyramid explains that CSR is basically demonstrated by four dimensions: economic, legal, ethical and philanthropic in their respective order of importance. Meanwhile, in Indonesia, research [12] shows that the quality of CSR must work hard to meet the expectations of stakeholders. However, research [13] in Jordan shows findings of a lower level of CSR awareness across investors and market participants which supports the argument about differences in market perceptions of CSR.

In general, this study [14] states that the internal corporate governance mechanism is related to the relationship with corporate involvement in the corporate environment. He [15] also contributes to the literature by providing empirical evidence from developing countries on the impact of corporate governance actions and practices on corporate performance. Findings [16], [17] in the logistics sector show that the quality of public governance and corporate governance is a significant mediator in improving the performance of the logistics sector. Finally, based on research [18], it explains that to ensure stakeholder trust, companies will strengthen corporate governance mechanisms.

According to some researchers [19], [20] in their finding, it is stated that the mechanism of ownership structure and company performance has a long-term relationship. Finding, conducted by several researchers in Jakarta, Indonesia, describes that integrated ownership of physical assets and intangible resources (ICT) has an impact on the performance of logistics companies [21], [22]. Some other study explains that there is a direct impact of corporate governance on supply chain operational performance in several industrial companies operating in Indonesia [23], [24]. Another study also examines the effect of asset size and ownership structure of several companies in Indonesia. [25], [26]. The other research [27], [28] is about the effect of ownership on the capital structure of companies listed on the Indonesia Stock Exchange (IDX), including Consumer Goods Companies.

II. Literature Review

Business Strategy

According to [29], strategy is a shared means with long-term goals to be achieved. A strategy is a tool of integration and coordination of commitments and actions designed to exploit core competencies and gain excellence in competition. [30]. [31] said that business strategy, also known as competitive strategy, is usually developed at divisional level and emphasizes improvement of the competitive position of a company's products or services in the specific industry or market segment served by the division. Competitive or business strategy, according to (Parnell, 2011), is how business units compete in the industry. To have a competitive excellence, companies must carry out a competitive strategy.

Therefore, from the various opinions of the experts above, it can be said that business strategy is a plan that integrates the main objectives, policies, and courses of action by exploiting core competencies and gaining competitive excellence to increase profits and meet stakeholder needs.

Corporate Social Responsibility

According to [32], Corporate Social Responsibility (CSR) is an attitude of good deeds carried out by companies, as a form of concern for the community. Therefore, talking about CSR is talking about the values and standards that are carried out about corporate operations. Meanwhile, corporate social responsibility is the idea of business interaction with organizational stakeholders for social good while pursuing economic goals. The importance of CSR, among others, is marked by the existence of two laws that explain the obligation to carry out CSR. However, the implementation of CSR is allegedly still showing symptoms of philanthropy-capitalism [32]. Corporate Social Responsibility is corporation's focus in setting aside a portion of its profits to the advantage for humanism necessity and the surrounding in a continuous behavior according to suitable and expert method [33]. CSR implementation is also related to the company's business strategy. This is due to a global competition where companies are required to care more about the environment. In addition, there is pressure from stakeholders in implementing CSR while shareholder owners want increased performance so that a strategy is needed to deal with such conditions [6]. Meanwhile, according to [30], strategy is a tool for integration and coordination of responsibility and acts arranged to abuse main authority and earn ambitious benefit. A strategy is a decision pattern that determines and expresses goals, company policies, and plans to meet stakeholder needs [34].Philanthropy-capitalism is a form of camouflage in the practice of capitalism (current) wrapped in charity with the following characteristics: (1) The CSR management is a foundation formed by a company so that the actual circulation of money that occurs is still in the company; (2) Beneficiaries do not participate in determining program options; (3) the CSR program agenda is determined by the company; (4) Government regulations on CSR based on the company's CSR agenda.

Therefore, based on the description above, it can be concluded that Corporate Social Responsibility (CSR) is a commitment of business community to act ethically, operate legally, and contribute to improving the quality of life of employees and their families, local community, society, and environment.

Corporate Governance

The definition of corporate governance is expressed by [35] said the corporate governance is a method which ruling, managing and overseeing the business control procedures to increase share value, as well as the matter for stockholders, workers, and society around. Meanwhile, according to the Cadbury Report by [31], corporate governance is arrange of regulation that formulates the relationship among stockholders, administrators, creditors, government, employees, and other interested parties both internally and externally. concerning their proper and duties for increasing the success of business and company accountability. The elements of corporate governance include the group of directors and the group of commissioners. The group of directors in Indonesia own a stronger position than the board of commissioners. So, directors can make policies that can harm stakeholders, while commissioners do not have strong control in overseeing the actions of directors [36].

Therefore, from the description above, it can be synthesized that corporate governance is a set of rules that formulate the relationship among shareholders, managers, creditors, government, employees, and other interested parties both internally and externally.

Ownership Structure

According to [37], the ownership structure is the separation between company owners and company managers. Owners or shareholders are parties who include capital in the company, while managers are those appointed by the owner and given the authority to make decisions in managing the company, with the hope that the manager acts in the interests of the owner. Meanwhile, according to [38], the ownership structure is the distribution of company share ownership in a company. Most company ownership in Indonesia is owned by institutions. Pound [38] says that institutional ownership can control management to pay dividends. This can result in a decrease in CSR implementation because CSR can reduce company profits.

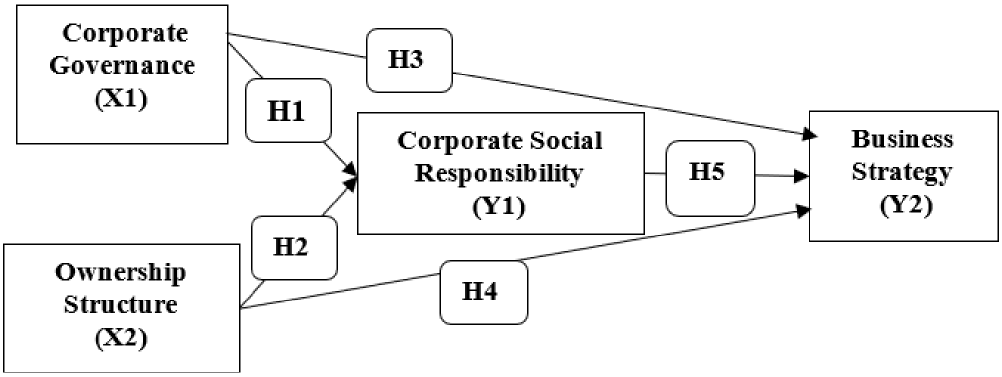
Therefore, based on the opinion of experts, it can be synthesized that the ownership structure is a distribution of the company's share ownership. While institutional ownership is company ownership by institutions, it can be in the form of government institutions, private institutions, domestic or foreign.

Based on literature review and previous research, the following hypothesis can be formulated:
H1. Corporate governance is thought to affect corporate social responsibility

H2. Ownership structure is thought to affect corporate social responsibility
H3. Corporate governance is thought to affect business strategy
H4. Ownership structure is thought to affect business strategy
H5. Corporate social responsibility is thought to affect business strategy

The theoretical framework describes the influence of corporate governance and having procedures to CSR make its impact on business strategy (Figure 1).

Figure no 1 : Theoretical Framework



III. Material and Methods

This research uses quantitative methods and data analysis used descriptive statistics and inferential statistics path analysis. The population in this research is company logistics listed on the stock exchange in 2014-2018 total of 26 companies. The sampling technique in this research is nonprobability sampling, namely purposive sampling with the use of certain criteria in the selection of the study sample. These criteria are; (1) the Company's logistics transport that is listed on the stock exchange in 2014-2018, (2) the Available financial statement data throughout 2014-2018, and (3) the Company is not in-delisting in the period 2014-2018. The total sample of secondary data in the form of financial reports is 80 observations from 16 logistics companies listed on the IDX with an observation period of 5 years (2014-2018) taken by purposive sampling technique. Indonesia Stock Exchange is media for obtaining the secondary data including website of each company sample. The data collection method used in this research is to study the documentation. The documents in this research are financial statements and the annual report of the sample companies.

Path analysis in this research applicate the Partial Least Square (PLS) with help of program smart PLS were used to test the relationship between variables so that obtained a comprehensive picture of the overall model. Use of PLS because it can be used to estimate the path analysis, the distribution of the data should not be normal, and the sample is small. Then to test the significance of the path coefficient t-test was used, and the value of t obtained is compared with the value of t-table. It called significant if t-statistic score is higher than t-table score, on the contrary, the value of t-statistic< t-table not significant.

IV. Result

Descriptive Statistical Analysis Results

The description of the conditions of each research variable is presented in the form of descriptive statistical analysis which includes: lowest score, highest score, mean score, and also standard deviation obtained, data processing using the SPSS 22 and Ms. Excel. The results of calculating descriptive statistics for each indicator in each research variable (Table 1).

Table no 1: Descriptive Statistics of Research Variables

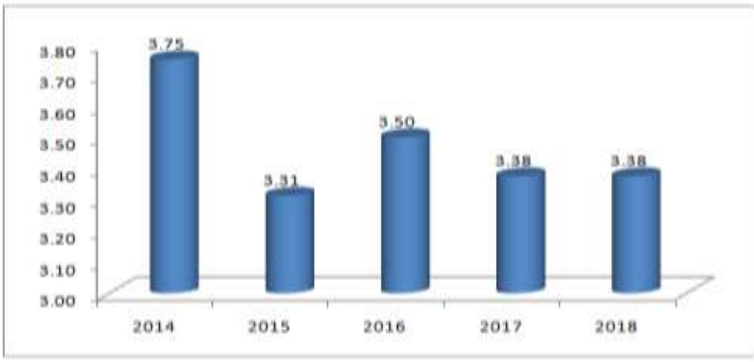
Variable	Minimum	Maximum	Average	Deviation Standard
Corporate Governance:				
-Number of Commissioner	2.00	7.00	3.4625	1.26234
- Independency Commisionair Proportion	0.29	0.67	0.4225	0.09929
-Number of Director	2.00	6.00	4.5500	1.06617
-Ownership Structure	11.10	96.76	63.4101	26.08087

-Corporate Social Responsibility	0.07	0.31	0.1254	0.05382
-Business Strategy	0.00	1.00	0.5000	0.50315

The variable of corporate governance with an indicator of the number of commissioners has a minimum value = 2.00, maximum = 7.00, mean = 3.4625, and standard deviation = 1.26234. An average of 3.4625 indicates a relatively high number of commissioners. Meanwhile, own standard deviation score 1.26234 indicate the deviation of data on the number of commissioners tend to low because the value is lower to mean score.

Growth of average number to board of commissioners shows a tendency to fluctuate as shown in Figure 2. In 2014 = 3.75, 2015 = 3.31, 2016 = 3.50, 2017 = 3.38, and 2018 = 3.38.

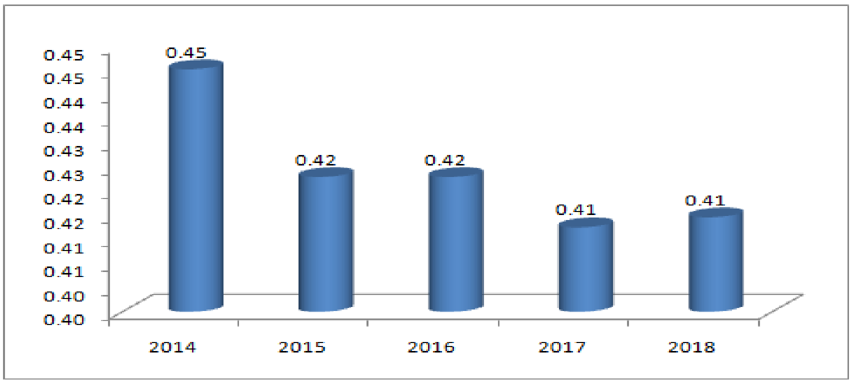
Figure no 2 : Annual Average Number of Commissioners



The corporate governance variable with the indicator for the proportion of independent commissioners has a minimum value = 0.29, maximum = 0.67, mean = 0.4225 and standard deviation = 0.09929. The average part of independent commissioners 0.4225, indicating that proportion of independent commissioners is relatively large and has met the regulations for the proportion of independent commissioners of at least 30%. And the standard deviation score 0.09929 shows tend to lower deviation of the proportion of independent commissioners in the sample companies because the value is smaller than the average value.

The growth of the annual average proportion of independent commissioners shows a downward trend as shown in Figure 3. In 2014 = 0.45. 2015 = 0.42. 2016 = 0.42, 2017 = 0.41 and 2018 = 0.41.

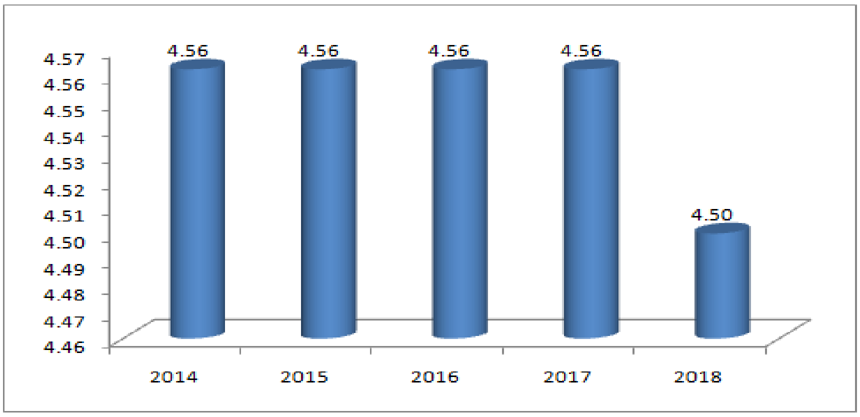
Figure no 3 : Annual Average Proportion of Independent Commissioners



The variable of corporate governance with an indicator of the number of directors has a minimum value = 2.00, maximum = 6.00, average = 4.5500, and standard deviation = 1.06617. An average of 4.5500 indicates that the number of directors is relatively high. Meanwhile, the standard deviation score 1.06617 shows the data deviation in the sample companies is tend to lower because the value is lower than the mean score.

Growth of annual average number to directors shows a decline in 2018 as shown in Figure 4. In 2014 = 0.56, 2015 = 0.66, 2016 = 0.66, 2017 = 0, 56, and 2018 = 0.50.

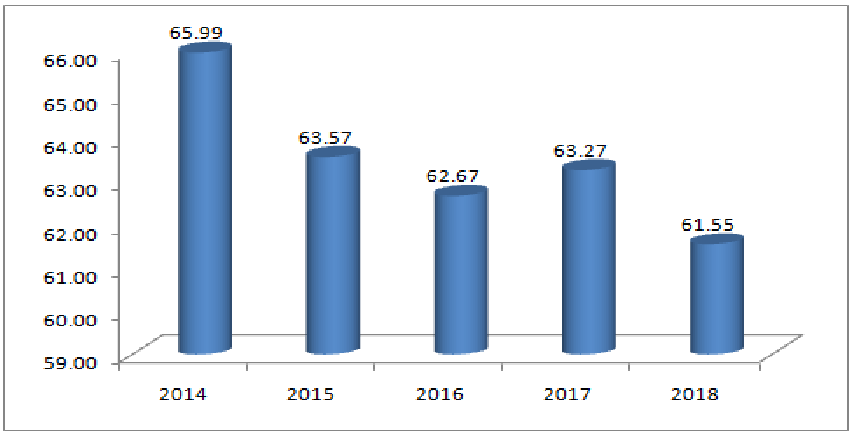
Figure no 4 : Annual Average Number of Directors



The ownership structure variable has a minimum value = 11.10, maximum = 96.76, average = 63.4101 and standard deviation = 26.08087. The average ownership structure is 63.4101, indicating that the ownership structure is relatively large. Meanwhile, the standard deviation score 26.08087 shows tend to low deviation of ownership structure data in the sample companies, because the value is smaller than the average value.

The growth of the annual average ownership structure shows a downward trend as shown in Figure 5. In 2014 = 65.99. Year 2015 = 63.57. 2016 = 62.67, 2017 = 63.27 and 2018 = 61.55.

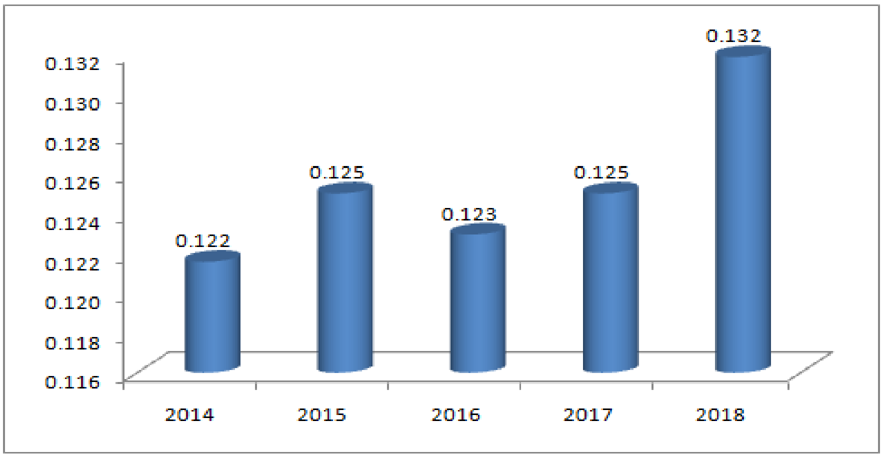
Figure no 5 : Annual Average Corporate Ownership Structure



The corporate social responsibility variable has a minimum value = 0.07, a maximum = 0.31, an average = 0.1254 and a standard deviation = 0.05382. The average corporate social responsibility is 0.1254, indicating that corporate social responsibility is relatively low. Meanwhile, the standard deviation score 0.05382 shows tend to low deviation of data among corporate social responsibility using sample companies, because the value is lower than mean score.

The growth of the annual average corporate social responsibility shows a tendency to fluctuate as shown in Figure 6. In 2014 = 0.122. 2015 = 0.125. 2016 = 0.123, 2017 = 0.125 and 2018 = 0.132.

Figure no 6 : Average Annual Corporate Social Responsibility



There are 40 business strategy variables for strategic cost leadership and 40 for differentiation strategies. Therefore, 50% of each of the observations used a cost leadership strategy and a differentiation strategy.

Statistical Calculation Results Using Path Analysis

The outcome of the tally path coefficient also the t-test in meaning to examine hypothesis of the straight influence of corporate governance in corporate social responsibility (Table 2).

Table no 2 : Path Coefficient and t-statistic Direct Effect of Corporate Governance on Corporate Social Responsibility

Size Sample (n)	Path Coefficient	t-statistic	t-table	
			α= 0.05	α= 0.01
80	0.352	1.004^{ns}	1.664	2.373

^{ns} Path Coeficient Not Significant (t-statistic = 1.004 < t-table1.664 at α = 0.05)

The path coefficient of the direct influence of corporate governance on corporate social responsibility is 0.352. The path coefficient is positive, so it shows that improved corporate governance can lead to an increase in corporate social responsibility. Meanwhile, the t-statistic value obtained is 1.004, while the t-table value for n = 80 at the error rate (α) 5% is 1.664. The value of t-statistic < t table at α = 0.05 (5%) means that Ho is accepted and H1 is rejected. Therefore, it can be concluded that corporate governance does not have a direct effect on corporate social responsibility.

The outcome of the tally path coefficient also the t-test in meaning to examine hypothesis of the straight influence of ownership format in corporate social responsibility (Table 3).

Table no 3 : Path Coefficient and t-statistic Direct Effect of Ownership Structure on Corporate Social Responsibility

Size Sample (n)	Path Coefficient	t-statistic	t-table	
			α= 0.05	α= 0.01
80	-0.482	6.682**	1.664	2.373

** Path Coeficient Very Significant (t-statistic = 6.682 > t-table 2.373 at α = 0.01)

The coefficient of path the straight influence of possessing format in corporate social responsibility is -0.482. The path coefficient is negative, so it shows that an increase in ownership structure can reduce corporate social responsibility. Meanwhile, the t-statistic value obtained was 6.682, while the t-table value for n = 80 at the 1% error rate (1) was 2.373. The value of t-statistic > t-table at α = 0.01 (1%) means Ho is not accepted and H1 passes as. Therefore, it is summarized that the ownership structure a negative and very significant direct effect on corporate social responsibility.

The outcome of the tally path coefficient also the t-test in meaning to examine hypothesis of the straight influence of corporate governance to business field (Table 4).

Table no 4 : Path Coefficient and t-statistic Direct Effect of Corporate Governance on Business Strategy

Size Sample (n)	**Path Coefficient**	**t-statistic**	**t-table**	
			α= 0.05	**α= 0.01**
80	0.066	0.383^{ns}	1.664	2.373

^{ns} Path Coeficient Not Significant (t-statistic= 0.383 < t-table1.664 at α = 0.05)

From the tally results, the path coefficient of straight influence to corporate governance in business strategy is obtained = 0.066. The path coefficient obtained is positive, indicating that good corporate governance can improve business strategy. The t-statistic value obtained is 0.383, while the t-table value for n = 80 at the error rate (α) = 0.05 (5%) is 1.664. The value of t-statistic <t table at α = 0.05 (5%) means that Ho is accepted and H1 is rejected. Therefore, it can be concluded that corporate governance has no direct effect on business strategy.

The outcome of the tally path coefficient also the t-test in meaning to examine hypothesis of the straight influence of ownership format to business method (Table 5).

Table no 5 : Path Coefficient and t-statistic Direct Effect of Ownership Structure on Business Strategy

Size Sample (n)	**Path Coefficient**	**t-statistic**	**t-table**	
			α= 0.05	**α= 0.01**
80	0.314	2.394**	1.664	2.373

** Path Coefficient Very Significant (t-statistic = 2.394 > t-table2.373 at α = 0.01)

From the tally results, the path coefficient of straight effect of ownership format to business strategy is obtained = 0.314. The path coefficient achieved is positive, indicating that ownership structure can improve business strategy. The t-statistic value achieved 2.394 score, while t-table score for n = 80 on the error rate (α) = 0.01 (1%) was 2.373. The value of t-statistic> t table at α = 0.01 (1%) means that Ho is not accepted and H1 is passed as. Therefore, it is summarized that the ownership format a positive and very significant direct influence on business strategy.

The outcome of the tally path coefficient also the t-test in meaning to examine hypothesis of the straight influence of ownership format to business method (Table 6).

Table no 6 : Path Coefficient and t-statistic Direct Effect of Corporate Social Responsibility on Business Strategy

Size Sample (n)	**Path Coefficient**	**t-statistic**	**t-table**	
			α= 0.05	**α= 0.01**
80	0.093	0.609^{ns}	1.664	2.373

^{ns} Path Coefficient not Significant (t-statistic= 0.609<1.664 at α = 0.05)

From the tally results, the path coefficient of straight effect to corporate social responsibility on business strategy is obtained = 0.093. The path coefficient obtained is positive, indicating a large corporate social responsibility can improve business strategy. The t-statistic value obtained is 0.609, while the t-table value for n = 80 at the error rate (α) = 0.05 (5%) is 1.664. The value of t-statistic <t table at α = 0.05 (5%) whins that Ho is accepted and H1 is rejected. Therefore, it can be concluded that corporate social responsibility has no direct effect on business strategy.

The path coefficient and t-statistic can be seen in the following figure (Figure 7 and Figure 8).

Figure no 7 : Path Coefficient Effect of Corporate Governance and Ownership Structure on Corporate Social Responsibility and Business Strategy

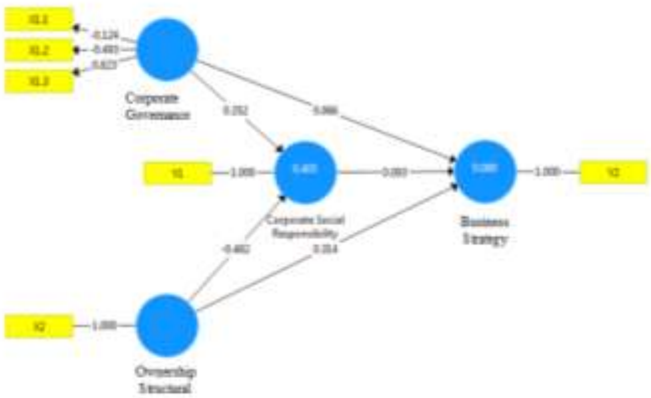
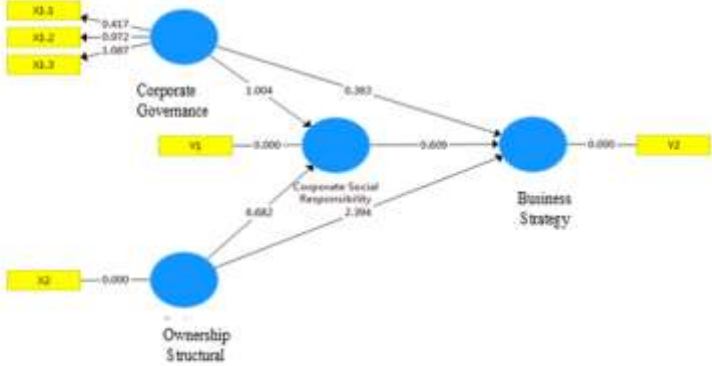


Figure no 8 :T-statistic Effect of Corporate Governance and Ownership Structure on Corporate Social Responsibility dan Business Strategy



V. Discussion

H1: The Effect of Corporate Governance on Corporate Social Responsibility

The t-statistic value obtained is 1.004, while the t-table value is 1.664. The value of t-statistic < t-table, this means that the results in this study empirically prove that corporate governance has no direct influence to corporate social responsibility. Corporate governance is a set of rules that define the relationship among shareholders, managers, creditors, government, employees, and other parties, both internal and external, in respect to their rights and responsibilities to improve business success and corporate accountability. To recognize stockholder profit in extended period of time while still noticing to other stakeholders' gain, according to laws, rules and norm. Companies that have good corporate governance where the board of directors, commissioners, and independent commissioners carry out and supervise CSR activities. However, CSR activities by companies are limited to meeting existing regulations. Therefore, the disclosure of CSR in the annual report is also limited to an obligation regarding CSR reporting. CSR implementation is not carried out to improve company performance while still paying attention to society and the environment.

Regarding to method of business, it is also named a useful business method with sense this method is based on the purpose of management effort. For example, marketing method, producing or operating method, distributing method, managerial method, also method that relevant to financing. Meanwhile, CSR and corporate strategy can also be influenced by corporate governance. This condition certainly does not affect CSR, namely the commitment of the business world to act ethically, operate legally, and contribute to improving the quality of life of employees and their families, local communities, communities, and the environment. Research by [7] shows that board effectiveness affects CSR. Apart from being influenced by corporate governance, CSR and corporate strategy can also be influenced by ownership structures. The outcome of study by [39] that a concentrated ownership structure of financial institutions can hinder CSR reporting and [40], [41] show that corporate governance affects the company's consolidation strategy. Another research by[42] in Saudi Arabia provides important implication for regulator of corporate governance and different interested parties that can be applied to the implementation of CSR. It seems that managers tend to invest more in CSR and are obligated to reduce investments for CSR when corporate governance is more effective [43].

Therefore, the discovery of this research does not suppose the outcome of prior researches because corporate governance was not having direct effect on corporate social responsibility.

H2: The Effect of Ownership Structure on Corporate Social Responsibility

The t-statistic value obtained is 6.682, while the t-table value is 1.664. The value of t-statistic > t-table, this means that the results in this study also resulting empirically prove that ownership structure has no positive influence to corporate social responsibility. The ownership structure is the distribution of company share ownership. The ownership structure in this study uses institutional ownership. The structure of institutional ownership is more concerned with dividend distribution. Meanwhile, CSR uses more cash as an expense and represents a long-term investment expenditure. This of course will reduce profits and ultimately reduce dividends received. This condition will reduce the implementation of CSR, namely the commitment of the business world to act ethically, operate legally, and contribute to improving the quality of life of employees and their families, local communities, communities, and the environment. Apart from being influenced by corporate governance, CSR and corporate strategy can also be influenced by ownership structures. Research by [39] said that a focused possession arrangement of chest institutions can prevent CSR in formatting, as administration wants to reveal less information of CSR because the quantity of stockholders is less stressful. Meanwhile, the finding of another research [44] shows a significant positive relationship among CSR ranks, ownership of institution and foreign investors, and different owners which have different impacts on the involvement of CSR company.

Therefore, the discovery of this research supposed the outcome of prior researches because possessive structure has a direct influence to company social responsibility.

H3: The Effect of Corporate Governance on Business Strategy

The t-statistic value obtained is 0.383, while the t-table value is 1.664. The value of t-statistic > t-table, this means that the results in this study also empirically prove that corporate governance has nothing a direct influence to business strategy. Corporate governance is a set of rules that define the relationship stockholders, administrators, creditors, government, employees, and also other parties involved, both internal and external concerning their proper and duties for increasing the success of business and company accountability. to recognize stockholder profit in extended period of time while still noticing to other stakeholders' gain, according to laws, rules and norm. Business method is not always influenced by companies with good corporate governance. Large quantities of directors and commissioners and the proportion of independent commissioners do not automatically determine the right business strategy. Likewise in implementing cost leadership strategy. If there is an opportunity to increase revenue, the company will carry out a differentiation strategy. Many other factors affect business strategy, including internal factors such as financial conditions and external factors such as macroeconomic conditions. With this condition, corporate governance does not affect business strategy, namely, a plan that integrates main objectives, policies, and a series of actions by exploiting core competencies and gaining competitive advantage too to increase prof, its and meet stakeholder needs. [41] shows that corporate governance affects the company's consolidation strategy. While in industrial company in the UK, by developing perspective of strategic flexibility, the effect of organizational diversity, ownership structure, and research result [45] show that in line with predictions of the strategic flexibility, companies that survive tend to have higher levels of organizational diversity.

Therefore, the discovery of this research does not suppose the outcome of prior researches because corporate governance has no direct influence to business strategy.

H4: The Effect of Ownership Structure on Business Strategy

The t-statistic value obtained is 0.394, while the t-table value is 2.373. The value of t-statistic > t-table, this means that the results in this study also resulting empirically prove the ownership structure was having a direct influence to business strategy. The ownership is the distribution of company share ownership. The ownership structure in this study uses institutional ownership. Institutional ownership has good oversight of the board of directors in carrying out company operations. In addition, institutional ownership has experience in company management. Institutional ownership also has many voting rights. Therefore, what the directors do is a policy, the institutional ownership will be involved. Likewise in determining the business strategy that will be implemented by management in order to obtain profits. This means that the ownership structure will influence business strategy, namely a plan that integrates main objectives, policies, and a series of actions by exploiting core competencies and gaining competitive advantage increase profits and meet stakeholder needs. [46] shows that ownership structure affects diversification strategies. Another study mentioned that ownership also contributes to complementing the strategy of location [47].

Therefore, the discovery of this research does not suppose the outcome of prior researches because ownership structure has a direct influence to business strategy.

H5: The Effect of Corporate Social Responsibility on Business Strategy

The t-statistic value obtained is 0.6094, while the t-table value is 1.664. The value of t-statistic < t-table, this means that the results in this study also empirically prove that corporate social responsibility does not have a direct effect on business strategy. CSR is the commitment of the business world to act ethically, operate legally, and contribute to improving the quality of life of employees and their families, local communities, communities, and the environment. The perspective of CSR is only limited to fulfilling regulatory obligations and enhancing a temporary image, so CSR is not used for company goals, namely improving sustainable performance. This causes CSR not to be used as part of a business strategy to increase company profits. This condition certainly does not affect business strategy, namely a plan that integrates main objectives, policies, and a series of actions by exploiting core competencies and gaining competitive advantage to increase profits and meet stakeholder needs. According to [6], [48] that the application of CSR strategy has a significant and positive impact to business strategy. Therefore, the discovery of this research does not suppose the outcome of prior researches because corporate social responsibility has no direct impact to business strategy. Another opinion, [49] said that the company's ethic code of CSR has become one of the option strategies for global business to stop common dissatisfaction of the company power. In addition, the concept of CSR is an important reason as a business evolution which has a limited effect on factual changes relating to business model and strategy [50].

Based on the results of the hypothesis test, therefore there is no direct influence of corporate governance on CSR, there is a direct negative effect of ownership structure on CSR, there is no direct influence of corporate governance on business strategy, there is a positive direct effect of ownership structure on business strategy, and there is no direct influence of CSR on business strategy.

VI. Conclusion

Logistics corporates indexed to the stock exchange be able to establish the business strategy CSR then that needs to be done is the implementation of CSR as an integral strategy of the business conducted by the company. Logistics corporate indexed to the stock exchange to implement the business strategy through the structure of the company then needs to be applied is the involvement of the owners of the shares institutional in determining the direction and policies of the company by utilizing the advantages it has.

Owners of shares institutional need to be changed the orientation of CSR that CSR can increase the value of the stock so that the CSR can be increased and institutional ownership always keep an eye on management as well as directly involved in the strategic decisions of the company so that the company can achieve the goals that have been set previously. The implementation of CSR is done thoroughly not only to meet the regulatory and improve the image while but is intended for increasing the achievement of the corporate as well as the aplication of CSR used as one part of the business strategy in achieving the goals of the company.

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