

# Factors Affecting the Achievement of Company Goals by Maximising Company Profits through Internal and External Factors

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**Abstract.** In the current era of globalisation, the development of a company is increasingly sophisticated and rapid. With the increasing number of companies, it will complicate opportunities for companies. In this case the company must innovate to face its competitors. This study aims to examine the factors that influence the achievement of company goals by maximising company profits through internal and external factors. This research is literature research, and the data used is secondary data from various literatures. Qualitative descriptive method is used to assess the data obtained. The results showed that company performance is influenced by external factors, because external factors themselves can be used as opportunities or threats, namely the involvement of government agencies and institutions that facilitate the entire process starting from raw materials, production processes and marketing processes to media devices to improve company performance. This is because the participation of related parties can encourage entrepreneurs to be creative. Thus, business people can make superior and quality products.

**Keywords:** Company, External, Internal, Profit

## 1. Introduction

In the current era of globalisation, the development of a company is increasingly sophisticated and rapid. With the increasing number of companies, it will complicate opportunities for companies. In this case the company must innovate to face its competitors [1]. Competition in the business world is increasingly making companies face unfavourable situations. In this condition, the company must formulate ideas for the future and create a good view of consumers towards the company [2]. In its goal, the company not only obtains maximum profit, but in this case the company must also maximise its company value. The company's long-term goal is to maximise profits [3]. Components of financial statements to help represent the ability of earnings to assess investment risk [4]. In profit growth expressed in percentage seen from the increase or decrease per year [5]. The effect on earnings quality affects company size. Profit is very important information for potential investors in making investment decisions in a company [4]. Judging from the tendency, various investors also see management performance, because in this case it is an action that makes profits better.

In the development of business now requires many companies to create advantages owned by the company. Company resources must also be used effectively and efficiently in carrying out business activities. In this case the company must tend to show good performance. As for knowing the good performance of the company is to see the profit. From the profit figure, it can be seen whether the company can manage resources optimally [6]. From the financial statements users can make decisions to invest. From the purpose of financial statements to provide information about the company's cash flow performance and financial position. Management makes an intervention in preparing reports for external parties called earnings management. The instability of earnings achievements from one period to the next is caused by a decrease in company quality caused by a decrease in company performance [7] [8] [9]. Financial statements are prepared to provide information related to financial position, changes in company finances and financial performance. Maximising company profits is the goal of the company [10]. The role of investors in making investment decisions can be seen from the company's value. Companies that grow positively make the company the target of investors [11]. Companies that manage their



own capital effectively and efficiently can increase company profits [12]. In corporate finance, the company has a goal to maximise profits, use assets and resources, and be stable in its finances. Maximising company profits can improve the company better. Meanwhile, in this case it can also increase good prospects in the company. Internal factors can be seen from the aspects of human resources, financial aspects, technical and operational aspects and market and marketing aspects. While external factors can be seen from the aspects of government policy, social and economic aspects, aspects of the role of related institutions [13]. From the description above, the researcher is interested in examining the factors that influence the achievement of company goals by maximising company profits through internal and external factors.

## **2. Method**

This research on factors that influence the achievement of company goals by maximising company profits through internal and external factors uses secondary data from various literatures and previous articles. The collected data was analysed using a qualitative descriptive approach with the steps of data reduction, data display, verification, and conclusion.

## **3. Result and Discussion**

### **3.1 Internal Factors**

Being the basis for building goals and strategies to create strengths and overcome organisational weaknesses is the definition of internal factors. Internal factors themselves consist of human resources, technical, financial, marketing, and operational aspects [14] [15] [16].

#### **a. Human resources aspect**

This aspect is one of the most important factors in doing a business. In the absence of this aspect, the company does not run and does not achieve its goals properly. This aspect includes employees, workforce, and human potential that can move an organisation to build its existence. This aspect can also be referred to as assets and functions in business organisations as intangible capital that can represent the real potential to realise the existence of the organisation [17] [18]. This statement is supported by [19] research, that human resource factors affect company performance.

#### **b. Financial Aspects**

The financial aspect is an aspect related to the company's capital and income. Because financial aspects can determine the sustainability of the company. The financial perspective refers to how well and correctly funds are managed individually and collectively, to achieve the best results. The profits received are used in financing the company and using the profits to develop its business. This aspect also involves the transfer process such as institutions, markets and investment. In its analysis, this aspect can answer several questions on how the capital is prepared to run the company profitably. A business is considered financially viable when the company's financial resources are able to generate profitable returns based on logical assumptions. Therefore, the availability of financing is needed to improve company performance.

#### **c. Technical and Functional Aspects**

According to [20], technical and operational aspects are related to determining the location, production area, setting up manufacturing equipment, and selecting the technology needed by the company. So, before doing business, one must consider this aspect. Therefore, business owners can determine a good and correct company based on technical and operational considerations before starting a business. Because location is important for the sustainability of a company. In addition, [20] state that in general, several things must be achieved in evaluating technical and operational aspects, namely (1) the company determines the right location, be it the location of the factory, warehouse, branch or head office, (2) so that the arrangement can be more effective and efficient, (3) determine the right technology to carry out the production process, (4) know how to determine the best industrial inventory method, and (5) the company determines the quality of work it needs for now and in the future.

#### **d. Market and Marketing Aspects**

The market and marketing aspects are related to the same goal, which is alignment with the wants and needs of consumers. Because the benchmark of a company is customer satisfaction. The place where transactions occur between sellers and buyers is the market [21].

### **3.2 External Factors**

Companies in determining goals, directions and actions can be seen from external factors [22] [23] [24] [25]. External factors are divided into three important areas, namely; distant environment, industrial

environment and operating system. This factor also consists of various government policies ranging from the public sector, social aspects, cultural and economic aspects and other related institutional aspects.

**a. Government Policy Aspects**

Government policy aspects are aspects of improving financial services, improving financial services and services and improving skills and technical aspects of business management.

**b. Social, Cultural, and Economic Aspects**

Social, cultural and economic aspects are a two-sided aspect, because this aspect has a positive side and a negative side. This aspect can affect government authorities and the wider community. The impact experienced by company operations is very different. The positive impact on this aspect is the investment that makes it easier for people to carry out activities. Meanwhile, the negative impacts are changes in demographics, lifestyles, customs and other social structures [20].

**c. Aspects Related to the Role of Institutions**

Aspects related to the role of institutions refer to the fact that companies can use related institutions to facilitate or develop their business. Financial institutions include banks, credit institutions, stock brokers, wealth management, equity, projects, cooperatives, insurance companies, insurance funds, mortgage lenders, and similar businesses [26]. While the external environment consists of social, cultural, competitive and related institutions that affect the company.

**3.3 Influence of External Factors on Internal Factors**

External factors affect the direction and actions of a company [27]. In companies that run a legal system to protect the safety of workers from their production operations [28]. This is in line with the results of [29] research, external factors affect internal factors. Organisational effectiveness can be measured through a combination of external and internal organisational factors [30]. SWOT analysis combines these two factors, external factors in the form of opportunities and threats, and internal factors in the form of strengths and weaknesses. According to [31], increasing business efficiency cannot be separated from the role of government agencies and institutions that provide facilities in the form of equipment or tools for processes related to raw materials, production procedures, and marketing procedures (external). The results of [32] show that external factors consisting of government aspects, socio-cultural and economic aspects, and the role of government agencies affect the achievement of a company.

## **4. Conclusion**

Company performance is influenced by external factors, because external factors themselves can be used as opportunities or threats, namely the involvement of government agencies and institutions that facilitate the entire process starting from raw materials, production processes and marketing processes to media devices to improve company performance. This is because the participation of related parties can encourage entrepreneurs to be creative. Thus, business people can make superior and quality products. However, internal factors do not affect company results. This means that even though a company has good salespeople, loyal customers, skills or knowledge, and a positive image, this does not make the company's performance increase. The rapid development of technology is very influential on the development of a company. Therefore, entrepreneurs are required to keep up with technological developments. The practical implementation of this research is that government agencies and related agencies can pay attention to the business world so that business people can be more creative in running their businesses.

This allows encouraging entrepreneurs to make quality and quality products. Meanwhile, this study also makes theoretical conclusions, namely indications that companies with good internal factors do not necessarily have good business performance. This is due to the role of technology in improving performance efficiency. The company's objectives in business, namely: obtaining profitability, which is the acquisition of profits; liquidity, which is a matter of fulfilling obligations; Efficiency means how productive the company uses assets and resources; and good financial stability. External factors dominate among the things that the company wants to achieve because if the company cannot take the opportunities that exist, these opportunities can become a threat that causes a company not to generate maximum profit.

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