FACTORS AFFECTING OPERATIONAL PERFORMANCE AND HOW IT EFFECT CORPORATE SUSTAINABILITY (FROM THE PERSPECTIVE OF FINTECH P2P LENDING COMPANIES IN INDONESIA)

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Abstract

P2P lending is a direct lending and borrowing service between lenders and borrowers based on information technology platforms. P2P lending fintech companies face various problems related to the quality of business ethics and cyber risk management, which have an impact on operating performance and company sustainability. This study aims to prove empirically whether there is an influence of the business ethics and cyber risk management on operating performance and its implications for the sustainability of P2P lending fintech companies registered and licensed at the OJK. The research data was collected through a questionnaire instrument, which was collected from 104 P2P lending fintech companies registered/licensed at the OJK until the end of December 2021. The data were analyzed using the statistical technique of Structural Equation Modeling (SEM). The results showed that the quality of cyber risk management had a significant positive effect on operating performance. The test results also show that the business ethics and cyber risk management has a significant positive effect on the sustainability of the P2P lending fintech business. However, business ethics has a significant positive effect on operating performance. The findings of this study add to the limitations of the research literature on the elaboration of performance determination and business sustainability in P2P lending fintech.without repeating what has already been done by others.

Keywords: Fintech P2P lending; business ethics; cyber risk management; operating performance; Structural Equation Modeling.

Introduction

The development of the Fintech P2P lending industry has succeeded in attracting public attention, having great potential with comparative advantages. However, this industry also has an antithetical phenomenon, especially related to operational performance in providing quality products/services in facilitating consumer lending and borrowing transactions. According to Liu et al. (2019) the rapid development of P2P lending platforms, coupled with the lack of relevant regulations, as well as a climate of intense competition in acquiring assets and capital, forces P2P lending platforms to provide opportunistic promises of return on investment to attract investors, which means increasing the risk of business failure. As a consequence, many platforms went bankrupt and the owners and executives of some platforms suddenly disappeared when regulators made arrangements. 1,726 out of 4,503 P2P Lending platforms registered in China were lost during the 2016-2019 study sample period. More or less the same data was also submitted by Gu & Lu, (2019) that more than 4000 P2P lending platforms faced daily operational problems so that they went bankrupt at the end of March 2018. Leng(2019) added that according to the latest data from the China Banking and Insurance Regulatory Commission (CBIRC) only 427 existing P2P companies were still operating at the end of October 2019, down from 6,000 in 2015.

The application of ethics is important because P2P business is a business of trust. Platforms as intermediaries use internet structures to facilitate transactions between borrowers and lenders in online markets by collecting, processing, and recommending alternative decisions. Lenders must put their trust not only to the borrower, but also to the intermediary. Therefore, trust in the intermediary is defined as a subjective belief in which the lender believes that the intermediary will institutionalize, enforce rules, procedures, share fair results, be competent, reliable, have integrity, and will provide alternative solutions if it has to deal with the borrower's opportunistic behavior (Chen et al., 2014).

In addition to ethical aspects, P2P Lending platforms must also have risk control capabilities, for example the ability to make accurate assessments, the ability to withstand hacker attacks and protect other technology assets. At the Fintech Summit President Jokowi in 2020 stated that the fast performance of fintech companies was accompanied by increased risks, including risks of cyber crime, misinformation, and error transactions, as well as misuse of personal data. This is becoming increasingly concerning, because regulations on Fintech P2P lending are not as strict as banking regulations.Studi A 2020 World Bank study reports that the fintech industry, especially in developing countries, has a cybersecurity risk level of up to 19%, greater than a similar risk in developed countries which is only 14%. Capability in cyber risk management is a competitive differentiator that influences the viability of P2P platforms in China (Liu et al., 2019)

In the digital industry, according to Galligan, Herrygers & Rau(2015) companies that use online platforms should implement cyber risk management, which is a new era of Enterprise Risk Management (ERM). ERM will inform management about how to mitigate information system risk so as to help consistently in achieving company goals. Based on the reality of business development, capabilities, ethics and risks faced by the P2P business, KPMG (2018) makes the premise that the Indonesian P2P sector is still in its infancy, but the P2P risk becomes a magnet for criminality and dishonorable practices so that it remains a real threat to the P2P business in Indonesia. In line with this premise, this research is one of the efforts to provide an explanation of the main factors that determine the operational performance and sustainability of P2P lending companies in Indonesia.

Business ethics is a person's or institution's moral judgment about the right or wrong of a company's business actions. Business ethics are applied to maintain the trust of consumers and other market players in the business carried out by companies (Vadastreanu et al., 2015). Tota & Shehu (2012) states that business ethics is related to good and bad or right and wrong behavior that occurs in a company's business practices. Meanwhile, the cynical opinion stated by Muraille(2019) said that business ethics is just a reactive strategy designed to maintain legitimacy, gather community support, and divert demands for greater responsibility.

Business ethics in this study is measured by an instrument adapted from the AFPI Code of Conduct. The consideration for this adaptation is because ethical practice is unique to each industry and the country that oversees it. Ethics is measured by 3 (three) dimensions as follows:

1. Transparency of products and methods of product and service offerings.
2. Over-borrowing prevention
3. Application of the principle of good faith

Risk management according to Suzan, Mulyani, Sukmadila (2019) is a process of identifying and dealing with risks and is carried out continuously while the company is operating. In the context of information technology, risk management will inform management about how to respond or mitigate the risk of using information systems so as to help achieve company goals (Galligan, Herrygers & Rau, 2015)

Antonucci (2017) argues that cyber risk is actually not new, but cyber threats to organizations are now growing exponentially due to technological advances themselves, greedy, criminal behavior and changes in work practices (such as utilization of big data, remote access, cloud computing, media social, and cellular technology) which impact on the uncertainty of the company's business. Ruan(2017) categorizes cyber risk as an economic loss from cyber incidents, cyber risk management is an extension of information technology security using an economic framework.

Cyber risk is increasing and becoming critical as companies rely more and more on computer networks. Cyber risk can be caused by human error, pranksters, or failures in computer systems, and malicious attacks (cyber attacks) that are intentionally caused by intelligent adversaries. Cyber risk according to Mazzoccoli & Naldi(2020) must be the main concern of digital business platforms because cyber risks disrupt operations, can arise from infrastructure, individuals and the interconnections between them. Cyber Risk Management is measured by instruments adopted from Ryan (2020), (Galligan, Herrygers& Rau(2015) and Radanliev et al., (2020) namely safety, vigilance and resilience factors

Feng et al.(2018) stated that good operational performance reflects the ability to satisfy customers in terms of fast product and service delivery times, high quality products, operational flexibility and no waste/negative excesses from the production process. The company's operational performance (Chavez et al., 2015) is based on choosing the right strategy according to environmental conditions. The company's operational performance is described as the ability of the organization to achieve its goals efficiently and effectively by using available resources.

Liu et al.(2019) describe the operational performance of fintech P2P lending as future business capabilities and potential based on the business efficiency of the platform in guiding lenders to choose good borrowers and make investment decisions. Operational performance in this study was measured using a questionnaire instrument adapted from Chavez et al.(2015) and Wiengarten & Longoni(2015), Babaei & Bamdad(2020), Campbell et al.(2019) and Ma et al.(2020) namely from the aspects of cost, quality, delivery and flexibility of the P2P lending platform.

In the Sustainability Accounting Standard Board (SASB) the term "sustainability" refers to a company's activities in maintaining or increasing its ability to create value in the long term. Sustainability accounting reflects the governance and management of corporate environmental and social impacts arising from the production of goods and services, as well as governance of the environmental and social capital necessary to create long-term value. SASB describes sustainability as attention to environmental, social, and governance aspects (SASB, 2018). Performance refers to tangible or monetary benefits such as return on investment, revenue and profit margins, while sustainability refers to customer satisfaction, growth and other intangible benefits such as innovation performance (Upadhyay & Kumar, 2020).

Corporate sustainability is the evaluation of the adoption of business strategies and activities to meet the current needs of the company and its stakeholders, while protecting, maintaining and enhancing the human and natural resources that will be needed in the future (Rajesh, 2020). Corporate sustainability is a combination of high economic value, social initiatives, and adherence to environmental norms (Gupta et al., 2020). The sustainability of P2P lending companies is measured by dimensions adapted from SASB (2018), Raut et al.(2017), Eikelenboom & de Jong(2019) and Aras et al.(2018) namely Profit, People dan Planet.

Novianty et al.(2018) stated that organizational performance depends on the accuracy of decision making. Decision making is inseparable from the role of managers as individuals who have ethical or unethical behavior. Weber (2020) automation in decision making can have socio-ethical and legal impacts .Ethics becomes a value dimension in an automated platform to help make appropriate and safe decisions.Operational decisions based on AI need to consider ethical aspects to be more accurate, and reliable in various situations. (Luxton, 2014). AI models and algorithms have been widely adopted in various decision scenario. A solid and proper AI governance framework in accordance with human ethics and values can increase public trust in AI technology and system output (Wu et al., 2020).

Operational risk management is an analytical technique that focuses on risk assessment and identification, evaluation, and control processes by integrating operational procedures and processes that influence and contribute to the implementation of accounting information systems (Suzan et al., 2019). Enterprise risk management is implemented as a strategy to achieve the mission, goals and operational needs of the organization (COSO, 2017). Liu et al.(2019) stated that risk control capabilities (ability to accurately assess and screen borrowers) are determined by AI algorithms which are a competitive differentiator in P2P lending business operations.

Managers become role models for company members in adopting ethics in the form of moral characteristics needed to implement business sustainability as part of daily practice. ElGammal et al.(2018) by conducting a survey of MSMEs in Lebanon and Egypt found that ethics can influence corporate sustainability which is a function of corporate social responsibility. Research by Vadastreanu et al.(2015) concluded that company awareness of the importance of implementing business ethics is an important foundation for the company's existence, success, growth and long-term development. Risk control capabilities in the P2P lending platform are a competitive differentiator for fintech companies (Munir et al., 2020). Risk management by the platform is very effective at reducing operational risk and determining the survival rate of Chinese P2P platforms (Liu et al., 2019). In the banking industry, Djebali & Zaghdoudi(2020) found that unmanaged risk is the main factor disrupting bank stability and sustainability.

Risk management practices support organizations to achieve positive financial performance (Singh & Hong, 2020). Risk management affects organizational sustainability through three dimensions: social, economic and environmental (Durst & Zieba, 2020). Research by Durst et al.(2019) found empirical facts that Knowledge Risk Management (KRM) improves organizational performance. Galligan, et al., (2019) states that an entity that can identify, assess and mitigate cyber risk will have an impact on the entity's ability to achieve its strategy and business objectives in a sustainable manner.

Ferdowsian(2016) through case studies proves that when ethics and excellence are not properly planned, integrated, in business operations across corporate functions, it will lead to serious incidents, bankruptcy and fundamental rule violations. Tasmin et al.(2020) states that risk management is a prerequisite for achieving sustainable competitive advantage through increasing business operational capabilities according to global standards. Enterprises Risk Management (ERM) plays an important role in sustainable organizational development through identification, measurement and management of risks including operational related risks. ERM ensures organizational sustainability and increases business efficiency and economic growth as well as increases investor confidence.

Based on the above, the theoretical framework of this study is:

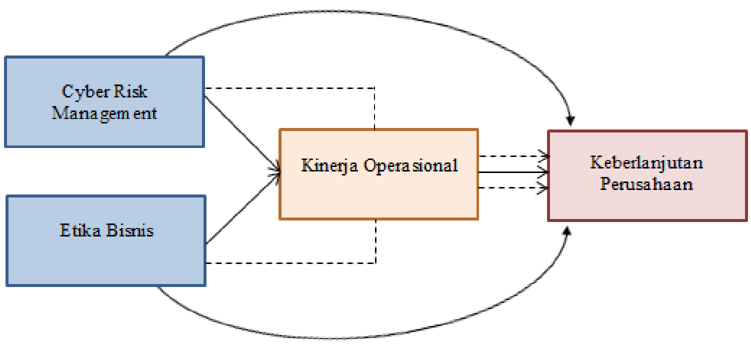

Figure 1. Business Ethics, Cyber Risk Management on Operational Performance and Company Sustainability

Based on the explanation above, the research hypothesis is as follows:
Hypothesis 1: Business Ethics positively and significantly effects operasional performance.
Hypothesis 2: Cyber risk management positively and significantly effect operasional performance.
Hypothesis 3: Business Ethics positively and significantly effects company sustainability.
Hypothesis 4: Cyber risk management positively and significantly effect company sustainability.
Hypothesis 5: Business Ethics positively and significantly effects company sustainability through operasional performance.
Hypothesis 6: Cyber risk management positively and significantly effects company sustainability through operasional performance.

Methods

In social research, the object of research will be related to issues, problems, and hypotheses that are scientifically researched. Thus, the research object is specifically a variable that will be studied or measured in a study (Cooper& Schindler, 2014). Based on this understanding, the objects of this research are: (1) Cyber risk management; (2) business ethics; (3) Operational performance; and (4) corporate sustainability. This study used descriptive and causal-explanatory methods with survey media. The data collected in this study consisted of 2 types of data, namely primary data and secondary data. Primary data in this study were collected through questionnaires with closed questions addressed to respondents and open questions through online interview instrument (zoom/video call), to obtain facts and factual information from respondents. Secondary data in this study was collected through documents from AFPI, OJK, Bank Indonesia, information on the websites of fintech P2P lending companies.

The target population in this study are 104 fintech P2P lending companies in Indonesia that have been registered or obtained permits at the OJK. The sample frame is a physical description of all elements or a list of population elements that will be used as the basis for withdrawing or selecting research samples (Cooper & Schindler, 2014). The sample in this study was designed using the non-probability sampling method. To be able to provide a clearer picture of the validity of the statements from the questionnaire used in this study, content validity was used. Content validity is a concept of measuring validity in which an instrument contains adequate and representative questions to measure constructs according to what is required by the researcher.
Instrument reliability or reliability is an indicator of how far the level of consistency of an instrument for one respondent with another respondent. Reliability testing in this study used the construct reliability (CR) and variance extracted (VE) size approaches. The SEM approach requires a construct to have good reliability if the construct reliability (CR) value for each dimension is greater than 0.70 and the variance extracted (VE) value for each dimension is greater than 0.50 (Ghozali & Fuad, 2014).

Data analysis in this study uses descriptive analysis and verification analysis. Descriptive analysis is intended as an explanation in quantitative form for the summary observations of each research variable. The verification analysis in this study used the SEM analysis technique by testing the measurement model and testing the structural model.

Results and Discussions

The score categorization of respondents' answers was carried out based on the maximum score range and the minimum score divided by the desired number of categories. The following is the result of calculating the average score, standard deviation and relative frequency of each variable:

Table 1. Research Variable Score Analysis

No	Variable	Real Score	Maks Score	Ave Score	% Real	%GAP	Criteria
1	Business Ethics	6470	6760	4,79	95,71	4,29	Very Good
2	*Cyber Risk Management*	4476	5200	4,30	86,08	13,92	Very Good
3	Operational Performance	2765	4160	3,32	66,47	33,53	Moderate
4	Company Sustainability	2934	4680	3,13	62,69	37,31	Moderate

Source: Data Processing Result (2022)

Subsequent testing of the full structural model estimation analysis aims to provide an overview of the relationship between latent variables with each indicator that describes these latent variables. All indicators have been declared valid and reliable to measure research variables. The full structural model estimation results are described as follows:

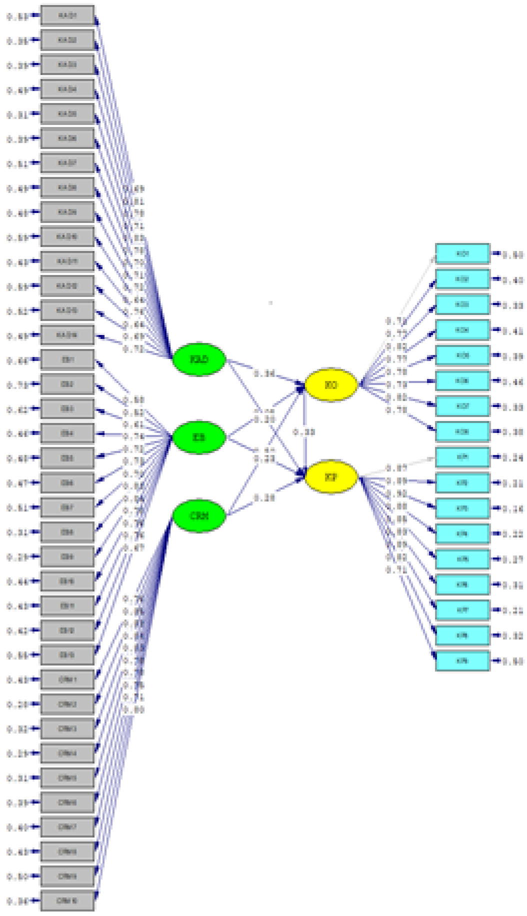

Figure 2. Comprehensive solution structural model diagram
Source: Data Processed (2022)

Evaluation of the suitability of the model is carried out by comparing the results of the model estimation with the recommended fit index values as presented in the following table:

Table 2.Model Fit Testing

No	Compatibility Criteria	Target Model Fit Rate	Model Estimation Result	Model Fit Rate
1	RMSEA	RMSEA ≤ 0.08	0.072	Good
2	NFI	NFI ≥ 0.90	0.94	Good
3	NNFI	NNFI ≥ 0.90	0.96	Good
4	PNFI	PNFI ≥ 0.90	0.90	Good
5	CFI	CFI ≥ 0.90	0.97	Good
6	IFI	IFI ≥ 0.90	0.97	Good
7	RFI	RFI ≥ 0.90	0.94	Good

Source: Data Processed (2022)

Based on the table above, it can be seen that the results of the overall model fit test have sufficiently met the required fit index rules. According to the research paradigm, there are two structural models tested in this study. The results of statistical tests on the measurement of the structural model in this study are made into a mathematical equation:

$\eta1 = 0.36^* \xi1 + 0.054^* \xi2 + 0.50^* \xi3 + 0.24$

$\eta2 = 0.33^* \eta1 + 0.20^* \xi1 + 0.23^* \xi2 + 0.28^* \xi3 + 0.071$

Information:

$\xi1$ = variable quality of data analytics
$\xi2$ = business ethics variable
$\xi3$ = cyber risk management variable
$\eta1$ = operational performance implementation variable
$\eta2$ = company sustainability variable

γ = path coefficient between exogenous latent variables
β = path coefficient between endogenous latent variables
ζ = error in endogenous latent variables measurement
Path coefficient calculation result can be seen in Figure 3:

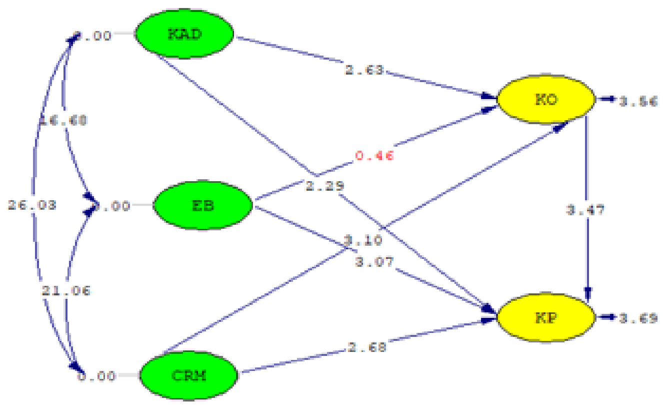

Figure 3. Coefficient Line Calculation Result
(Data Processed Result, 2022)

Table 3. Hypothesis Testing Result Summary

Alternative Hypothesis (Ha)	Line (Correlation)	Value of t Count (≥1,64)	Effect			Hypothesis Conclussion
			Direct	Indirect	Total	
H1	EB --> KO	0,46	0,05	-	0,05	Rejected
H2	CRM-->KO	3,10	0,50	-	0,50	Accepted
H3	EB -->KP	3,07	0,23	-	0,23	Accepted
H4	CRM-->KP	2,68	0,28		0,28	Accepted
H5	KAD-->KO-->KP	2,29	0,20	(0,20 x 0,33) = 0,1595	0,27	Accepted
H6	EB -->KO -->KP	3,07	0,23	(0,23 x 0,33) = 0,264	0,31	Accepted
H7	CRM-->KO-->KP	2,68	0,28	(0,28 x 0,33) = 0,1595	0,37	Accepted

Source: Data Processed (2022)

Based on the hypothesis testing showed that business ethics effects positively, but not significantly to the operational performance of fintech P2P lending company. This is because The reason is that business ethics requires time to see the implications for operational performance so that in the short term it is still limited to the compliance aspect. Based on interviews with several P2P lending fintech management, it is also acknowledged that there are still operational aspects of day-to-day fintech P2P lending that ignore ethical values, especially in terms of billing. Billing to borrowers mostly uses external agencies (not done by company employees). so that ethical aspects are often not controlled by fintech P2P lending. In general, to mitigate this, some P2P fintechs insist on contractual agreements with agencies to continue to prioritize ethics in the billing process. Furthermore, based on interviews, there are also several P2P lending fintech companies that have managerial and ownership affiliations with investors from China, forced to be more pragmatic with aspects of business ethics. Ethical dilemmas, especially the aspects of information disclosure, predatory lending, billing methods and responsibility for platform errors are often emphasized by affiliates as not more important than short-term growth and profit aspects. For this reason, AFPI and OJK supervision needs to be stricter, especially for fintech P2P lending that has affiliations with outside parties.

The results of this study support the research of Román & Munuera(2005) that the ethical behavior of salespeople can reduce the potential for conflict/consumer dissatisfaction and increase employee job satisfaction, but has no direct effect on company performance. The same results were also found in research by Agyabeng-Mensah et al.(2020) using a quantitative research approach through a survey of 200 managers of manufacturing companies in Ghana found that ethics had a positive but insignificant effect on the economic performance of companies. Furthermore, Porcena et al.(2021) by taking a sample of 109 managers from companies listed on the Fortune 500 found similar empirical evidence, namely that internal ethics does not have a significantly positive effect on company performance as a proxy for Return On Investment (ROI).

The results of hypothesis testing indicate that cyber risk management has a significant positive effect on operational performance. Through interviews, P2P fintech companies carry out their general cyber risk management in the form of penetration tests on core business applications that will be released and granted permission by the Financial Services Authority. Furthermore, because P2P lending companies that are in a digital ecosystem are very vulnerable to cyber risk, most companies schedule penetration tests on a regular basis in order to assess the adequacy of cyber risk management to support the smooth operation of the P2P lending fintech platform. Apart from penetration testing, P2P fintech also makes fraud detection system to identify and block suspicious activities and prevent activities that could endanger business operations.

The empirical facts in this study support the conceptual framework proposed by Pandey, Vandana & Madan (2019) that cybersecurity risk management in global supply chains has a major influence on company performance. Based on the literature study, it was concluded that various efforts to manage cyber security risk and anticipate cyber attacks in global SC can improve company performance. In line with that, Liu et al.(2019) found that a P2P lending platform with good risk management in the form of the ability to assess accurately, filter borrowers through the accuracy of AI algorithms has an effect on operational success and is a competitive advantage for the P2P lending business. The results of testing this hypothesis also strengthen the theory put forward by Galligan, Herrygers & Rau(2015) namely by using Enterprise Risk Management as a cyber risk management framework that can provide information to management about how to make decisions to mitigate risks to information systems so as to help achieve the company's operational goals.

The results of hypothesis testing show that business ethics has a significant positive effect on company sustainability. Based on interviews with founders and CEOs of Fintech P2P lending companies that have been registered with the OJK, but then have to return a registration certificate stating that one of the factors is due to being unable to maintain business ethics even though their business can still grow. Fintech companies that do not have governance, behave unethically, especially in the lending process, consumer protection, transparency of costs and interest, so that the method of billing is very vulnerable to media coverage, complaints to AFPI, complaints to the investment alert task force and/or the police which ultimately leads to a reprimand , and sanctions. Negative reputation is a disturbance to the business continuity of fintech companies registered with the OJK, with the heaviest consequence being the obligation to return the company's registration certificate.

The significance of the influence of business ethics on corporate sustainability in this study confirms the findings of ElGammal et al.(2018) by conducting a survey of MSMEs in Lebanon and Egypt found that business ethics has an effect on corporate sustainability which is a function of corporate social responsibility. The same thing was also found by Vadastreanu et al.(2015) that company awareness of the importance of implementing business ethics has major implications for the existence, success, growth, and long-term development of the company. The results of hypothesis testing show that cyber risk management has a positive and significant effect on corporate sustainability. By regulation, the influence of cyber risk management indicates that Fintech P2P lending companies have understood and implemented POJK No 4/POJK.05/2021 Concerning the Implementation of Risk Management in the Use of Information Technology by Non-Bank Financial Services Institutions in the context of cyber risk management with the ultimate goal of business continuity.

The results of this study confirm research by Liu et al.(2019) namely platform risk management is very effective in reducing platform operation risks and determining the survival rate of Chinese P2P platforms. This empirical evidence also supports the statements of Galligan, et al., (2019) for organizations that are able to identify, assess and mitigate cyber risks that can affect an entity's ability to achieve its business strategies and objectives in a sustainable manner. This research also strengthens Durst & Zieba(2020) statement that risk management can affect organizational sustainability in three dimensions, namely anticipation of social, economic and business environmental risks. This empirical evidence also supports the findings of Djebali & Zaghdoudi(2020) namely unmanaged credit risk and liquidity risk are the main factors disrupting the stability and sustainability of a bank's business.

The results of hypothesis testing show that business ethics has a positive and significant effect on company sustainability through operational performance. The business ethics contained in the Fintech P2P lending Code of Conduct issued by AFPI are the main differentiators of legal and illegal fintech. Unethical practices in charging more defaulted borrowers many are carried out by illegal fintechs that are not registered with the OJK. Meanwhile, if a legal fintech violates them, they can be subject to operational sanctions by AFPI, thus opening up space for the OJK to revoke the license of the operator.

The findings of this study provide support for Ferdowsian(2016) through the utilization of a case study involving Fortune-500 companies, both those that achieved success by adhering to business ethics and conversely as violators of ethics. The conclusion drawn is that when ethics are to be effective, they should be meticulously planned, seamlessly integrated, diligently examined, and vigorously enforced across all business operations to serve as a competitive advantage. Failure to integrate ethics within a company's operations can lead to significant and costly implications for the company's sustainability.

The results of hypothesis testing indicate that cyber risk management has a positive and significant influence on corporate sustainability through operational performance. Several founders of Peer-to-Peer (P2P) lending platforms in Indonesia have stated that the adoption of digital technology in the fintech P2P lending workflow has led to an increase in cyber security risks, while simultaneously determining the success of digital-based business operations. Cyber risk management is necessary to minimize the potential and impact of cyber attacks on company's operational activities, which in turn can affect the reputation and long-term viability of the business in the future.

Tasmin et al.(2020) assert that risk management is a fundamental prerequisite for achieving competitive operational excellence and business sustainability in a global business environment. Shad et al.(2019) also found that Enterprise Risk Management (ERM) is a crucial factor influencing business performance. ERM plays a pivotal role in the sustainable development of organizations through the identification, measurement, and management of corporate risks, including cyber-related risks. ERM ensures organizational continuity, enhances efficiency and economies of scale, and fosters investor confidence.

Conclusion

The outcomes achieved in the form of operational performance within Fintech Peer-to-Peer (P2P) lending companies constitute a primary determinant of business sustainability. The granting of licenses to Fintech P2P lending companies by the Financial Services Authority (OJK) also considers operational aspects, ethics, risk management adequacy, loan quality, and other related factors. The findings of this research can be summarized as follows:

1. Positive and Significant Impact of Cyber Risk Management on Operational Performance: Cyber risk management significantly and positively influences operational performance. P2P lending companies operating within the digital ecosystem are particularly susceptible to cyber risks. Thus, effective cyber risk management supports the smooth operation of fintech P2P lending platforms.
2. Positive but Insignificant Impact of Business Ethics on Operational Performance: Business ethics exert a positive but not significant influence on the operational performance of fintech P2P lending companies. This is due to the fact that the implications of business ethics take time to manifest. In the short term, they often remain limited to compliance aspects, thus not exerting a significant impact on operational performance.
3. Positive and Significant Impact of Cyber Risk Management on Company Sustainability: Cyber risk management significantly and positively affects company sustainability. Fintech P2P lending companies have embraced and implemented OJK Regulation No. 4/POJK.05/2021 regarding the Implementation of Risk Management in the Use of Information Technology by Non-Bank Financial Institutions, specifically in the context of cyber risk management.
4. Positive and Significant Impact of Business Ethics on Company Sustainability: Business ethics exert a positive and significant influence on company sustainability. If fintech P2P lending companies uphold strong business ethics, they can avoid severe sanctions, such as deregistration.
5. Positive and Significant Impact of Cyber Risk Management on Company Sustainability through Operational Performance: Cyber risk management plays a significant and positive role in ensuring company sustainability through operational performance. Managing cyber risks is essential to minimize the potential and impact of cyberattacks. If potential cyberattack risks are not identified early on, the consequences can adversely affect company operations and, in the long term, harm its reputation and sustainability.
6. Positive and Significant Impact of Business Ethics on Company Sustainability through Operational Performance: Business ethics, as outlined in the Fintech Lending Code of Conduct, differentiates legal and illegal fintech operations. If a legal fintech company violates ethical standards, the Indonesian Fintech Association (AFPI) can issue warnings regarding its operations, potentially leading the OJK to revoke its license over time.

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