

Supply Chain Management in Determining Operational Performance with the Moderation Role of Manager

Yuyus Yudistria and Deddy Rusyandi
STIE EKUITAS, Bandung, West Java, Indonesia

Keywords: SCM, Manager, Performance

Abstract: The shoe industry in the Cibaduyut area is one of the mainstay industries and the backbone for the economy of the Bandung area. Supply Chain Management is important because one of the elements that has a significant role as one of the keys to success plays an important role in the effective utilization of Supply Chain Management and the progress of developing associations with the development of competition. This study aims to determine operational performance and the relationship between Supply Chain Management and the role of Manager. The role of Managers has an important role in Supply Chain Management activities as decision makers and decision makers. Managers in making and making inaccurate decisions will mislead companies in a competitive environment. Based on the sampling method using purposive sampling in this research period, a sample of 146 shoe industry companies in the Cibaduyut area was obtained. The results showed that there was a significant and positive influence between Supply Chain Management on operational performance after being moderated by the manager so that the moderating role of the manager resulted in the integration of Supply Chain Management positively in influencing operational performance.

1 INTRODUCTION

Supply Chain Management is a concern for researchers, the importance of Supply Chain Management is because it is one element that has a significant role as one of the keys to organizational success. Supply Chain Management directly affects the company's performance. The competitive business environment has encouraged companies to emphasize all functions of Supply Chain Management from raw materials, logistics to finished goods, so for the success of organizational performance, Supply Chain Management is needed. (Furqon, C., Manajemen, P. S. and Indonesia, 2014)

The role of Manager plays an important role in the effective utilization of Supply Chain Management and the advancement of the majority of associations with the development of competition. Operational performance depends on an effective supply chain as efficient logistics management contributes to cost reduction. Managers assist in achieving goals for an effective supply chain including decision makers. The role of an effective manager yields many benefits including in making the right decisions and collaborating with stakeholders and business

participants at the operational level. The company's ability to utilize and implement a Supply Chain Management strategy that produces benefits for cost reduction, production slope, flexibility, introduces innovation, strengthens associations and relationships between stakeholders must be included at every level for the achievement of objectives. (Furqon, C., Manajemen, P. S. and Indonesia, 2014).

The role of the manager must be able to apply Supply Chain Management in operational performance by considering the company's goals. So that the role of the manager must be more effective and able to bring about changes in Supply Chain Management, in making effective decisions in Supply Chain Management according to the parameters of the role in the effectiveness of Supply Chain Management. Decision making is found to be harmful and useless for the company like timely decision based on the timely availability of the company. The role of Manager plays an important role in operational performance by sharing the right policies that will help for the right decisions. Research that has been conducted by (Sharif & Irani, 2012) on the value of power carried out by a supply chain manager, proposes an analysis model of the level of supply

chain leadership ability as part of the supply chain manager's responsibility function. (Akdogan & Demirtas, 2014) stated that the supply chain strategy needs to consider the strategy and the contribution of supply chain management cannot be implemented unless it is supported by the managerial team, so that managerial attributes will have an impact on supply chain performance. (Jia, Gong, & Brown, 2018) The combined effect of supply chain leadership and governance mechanisms affects supply chain structure and supply chain learning and MNCs change supply chain structure. And (Jonathan Gosling, Fu Jia, Yu Gong, 2017) conceptually describes how a company that focuses on taking a leadership role initiates and disseminates sustainable practices in the supply chain. According to (Jakhar, 2014) Identify important performance measurement metrics for the supply chain of the textile and apparel industry. (Regina, Suharto, 2013) there is a significant relationship between supply chain to competitiveness, Supply Chain Management to company performance, and Competitive Advantage to company performance. As well as research (J. Rachbini, 2017) In improving the performance of a company, a Supply Chain Management strategy is needed that can be applied through integrated information, company and processes.

This research is important to do to know 1). The influence of supply chain management on operational performance; 2). How is the moderating role of managers in the influence of supply chain management on operational performance?

2 LITERATURE REVIEW

Supply Chain Management (SCM) is a field of study/research that is at the level of effectiveness and efficiency in the flow of goods, information and funding flows that occur together so as to unite Supply Chain Management with various parties involved (Pujawan, I., N., 2010). Supply Chain Management is an activity of processing raw materials into goods in process or semi-finished goods and finished goods then sending these products to consumers through the distribution system. This activity includes the purchasing function that relates between suppliers and distributors. (Heizer, J., dan Render, 2014).

Performance is a description of a level of achievement in the implementation of a program of activities or company policies in realizing the vision and mission of the organization (Moehersono, 2012). (Sedarmayanti, 2017) reveals that a performance is

the result of work that can be achieved by a group or person in an organization that is in accordance with the authority and responsibility of each field in an effort to achieve company goals, which does not violate the law and is in accordance with the law. with morals and ethics. The company's operational performance is something that the company produces within a certain period by referring to predetermined standards. Business performance refers to how much a company is market-oriented and profit-oriented (Schroeder, Roger G, Susan Meyer Goldstein, 2012).

The role of the Manager is a factor that influences the success of the organization in achieving its goals. the role of leadership is a factor that greatly influences the creation of work effectiveness. Even today it can be said that the progress achieved and the setbacks experienced by an agency are largely determined by the role of its leader which can be seen from its leadership style. This shows that leadership has a very important role in achieving the effectiveness of an organization's work. If a leader is able to apply the right leadership and in accordance with the existing situation and conditions, then the employees will be able to work comfortably and with high enthusiasm. Effective leaders are seen from empirical signs such as productive organizations. The productivity of the organization certainly leads to the achievement of the vision and mission of the organization. Effective leaders make organizations run better. According to (Vietzal Rivai, 2013: 164) states that leadership is the ability of a leader to influence others by provoking the growth of positive feelings in the people he leads to achieve the desired goals. Meanwhile, according to George R. Terry (Thoha, 2014: 5) means that the Role of Leadership is an activity to influence people so that they are directed to achieve organizational goals. The role of leadership in running an organization is inseparable from the strategy of long-term goals to be achieved. So that short-term decisions should support the supply chain towards these strategic goals (Pujawan, I., N., 2017:34). Research conducted by (Sharif & Irani, 2012) Analysis of achievement, affiliation and power values reflected by supply chain managers. Propose a post analysis model for supply chain leadership capabilities as a function of supply chain manager responsibilities. (Akdogan & Demirtas, 2014) states that the supply chain strategy must be considered in the overall strategy and also the contribution of supply chain management cannot be realized unless supported by the managerial board. And Shows that managerial attributes have an impact on supply chain performance. (Jia et al., 2018) The combined effect of supply chain leadership and governance mechanisms affect supply chain structure

and supply chain learning and MNCs change supply chain structure. As well (Jonathan Gosling, Fu Jia, Yu Gong, 2017) conceptually describes how focused companies that take leadership roles initiate and disseminate sustainable practices in supply chains Based on several theories and the results of previous research that the Role of Leadership has an influence on the effectiveness of the implementation of Supply Chain Management. This means that the leadership role has an impact on the effectiveness of the implementation of Supply Chain Management.

3 METHODS

This study uses a quantitative descriptive method. The implementation stages include Data Inventory and Initial Information, which is carried out to understand data availability. This is done by digging up various information related to the condition of the study area in Cibaduyut, Bandung City; Literature Review, which is a follow-up to the first stage, especially in relation to the literature on Supply Chain Management, Managers and Operations Performance. Design Research needs, to obtain information that will be used in analyzing aspects of General Information, Aspects related to Supply Chain Management, Managers and Operational Performance in the Cibaduyut Shoes Industry.

This research is cross sectional and qualitative. The analysis was conducted on the shoe industry in Cibaduyut. This study determines the operational performance of a shoe company affected by Supply Chain Management. The shoe company in Cibaduyut as the organizational unit that became the research respondent. The data is collected from managers, Supply Chain Management of shoe companies through a questionnaire. Data were collected from 146 shoe units in Cibaduyut based on convenience sampling technique to determine Operational Performance. With a measurement scale each construct was adopted from previous studies and determined on a 5-point scale.

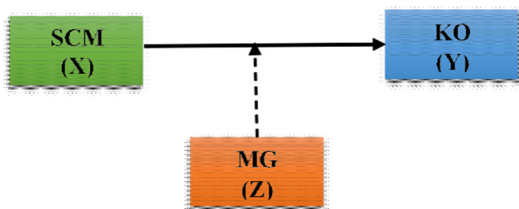


Figure 1: Research Model.

Manager indicator interpersonal roles informational role decision-making; supply chain management indicator Planning, Organizing, Goods, Strategic Partnering; and Operational Performance indicator Cost, Quality, flexibility, Dependability.

The measurement scale of all constructs was adopted from the previous study using 5 scales. The Operational Performance Scale consists of 4 Dimensions with 15 statements. The measurement scale to determine the Manager's Role was adopted from the study consisting of 3 dimensions with 16 statements. Supply Chain Management scale was also adopted from the study consisting of 4 Dimensions with 15 statements. To test the effect of this moderating variable, use Moderated Regression Analysis (MRA). Moderation regression analysis aims to determine whether the moderating variable will strengthen or weaken the relationship between the independent variable and the dependent variable. There are three methods used to test the regression with moderating variables, namely the interaction test, the absolute difference test, and the residual test.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_1 X_2 + e$$

- Description
- Y = Operational Performance
- α = Constanta
- β₁ – β₃ = Regression Coefficient
- X₁ = Supply Chain Management
- X₂ = Role of Manager
- E = Error Term

4 RESULTS AND DISCUSSION

Table 1: The Determination Test (R²) Supply Chain Management.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.814 ^a	.662	.660	5.249

a. Predictors: (Constant), Supply Chain Management

The Determination Test (R²) as shown in table 1, produces the adjusted R² value is 0.660 which means the influence of the independent variable namely supply chain management has an effect on Operational Performance by 66%. The results of R² of 66% indicate that the role of supply chain management is quite strong in influencing operational performance in the Shoe Industry in the Cibaduyut

Region. The company's operational performance in the Cibaduyut Shoes industry increases when they implement supply chain management, where supply chain management integrates manufacturing operational activities ranging from: product development; procurement; planning & control; production; and distributions. By combining these activities, operations can be carried out effectively and efficiently.

The Supply Chain Management makes a dominant contribution to Operational Performance, this shows that Operational Performance depends on the Effectiveness of the Implementation of Supply Chain Management. The high contribution of the Effectiveness of the Implementation of Supply Chain Management to Operational Performance is in accordance with the conditions of the descriptive analysis on the Effectiveness of the Application of Supply Chain Management which, although it is in a fairly good range, the dimensions that make up the Effectiveness of the Implementation of Supply Chain Management are mostly in the category of good enough to good, namely the Planning dimension. with indicators of Level of Planning Clarity, Dimensions of Inventory (Goods) with indicators of Inventory of goods that have not been sold/not yet sold, and dimensions of Organizing (Organizing) with indicators of levels of capital and resources.

The results of this study are in line with the theory presented by Heizer & Render (2004) in (Widyarto, 2012) one of the Supply Chain Management activities includes the purchasing function which is related between suppliers and distributors and will have an impact on company performance. According to (Wibowo, 2016: 67) reveals, performance can be seen as both a process and a result of work, so that it can be said that the effectiveness of the time the work process takes place will determine the output. According to (Moehariono, 2012: 63) Operational performance is related to the use of each resource used by the company, namely how optimal the use is to achieve profits or achieve the vision and mission.

Table 2: The Determination Test (R^2) Manager Moderation.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.830 ^a	.689	.682	5.073

a. Predictors: (Constant), Supply Chain

Managemen"Manager, Manager, Supply Chain

Management

The Determination Test (R^2) as shown in table 2, produces the adjusted R^2 value is 0.682, which means the effect of the moderating variable namely Managers in increasing the influence of supply chain management on Operational Performance from 66% to 68.2%. This means that Inner Managers can increase the influence of supply chain management on operational performance. Managers have the main task of ensuring all the needs for production factors are met with the minimum costs incurred without reducing the quality of production, which in turn distributes these products through distribution channels.

The results of this study are in line with the theory presented (Alex S. Nitisebito, 2014: 189) that the role of leadership has a positive influence on other people to make more effort in a number of tasks or change their behavior. And according to (Robbins, 2011) the Role of Leadership also requires an initiative to act which produces a consistent pattern in order to find a solution to a common problem. This indicates that the Informational aspect of the Leadership Role is in good condition, because the Informational dimension of footwear SMIs in the Leadership Role is good. Based on these conditions, it proves that the role of leadership contributes to the Effectiveness of the Implementation of Supply Chain Management, so that the better the role of leadership, the Effectiveness of the Implementation of Supply Chain Management will also be better. Thus, the role of leadership needs to be optimized, especially in the aspect of making or decision-making, with the optimal role of leadership in the aspect of making or decision-making, the leader has the initiative to act which results in a consistent pattern in order to find a solution to a problem, so as to achieve the goal company. With a good leadership role will have an impact on the effectiveness of the implementation of Supply Chain Management.

Table 3: F Statistic Test.

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8082.864	3	2694.288	104.688	.000 ^b
	Residual	3654.550	142	25.736		
	Total	11737.414	145			

a. Dependent Variable: Operational Performance

b. Predictors: (Constant), Supply Chain Management, Manager, Supply Chain Management

Table 3 shows that the significance value of the supply chain management interaction variable with internal managers is 0.035 or smaller than 0.05, and has a fairly high coefficient value, it shows that the role of managers in being able to moderate the influence of supply chain management on operational performance.

Supply Chain Management variable has a very significant influence on Operational Performance in the Footwear Industry. Supply Chain Management contributes to Operational Performance, it shows that Operational Performance on Supply Chain Management. The high contribution of Supply Chain Management to Operational Performance in accordance with these results is supported by statistical testing).

The results of this study are in line with the theory presented by Heizer & Render (2004) in (Widyarto, 2012) that one of the Supply Chain Management activities includes the purchasing function related to suppliers and distributors and will have an impact on company performance. According to (Wibowo, 2016), performance can be seen as both a process and a work result, so it can be said that the effectiveness of the work process time will determine the work (output). According to (Moehariono, 2012) Operational performance is related to the use of every resource used by the company, namely how much is the maximum use to achieve profit or achieve the vision and mission.

Based on these conditions, it proves that Supply Chain Management contributes to Operational Performance, so that the better the Supply Chain Management, the better the Operational Performance. Thus, in improving operational performance, it is necessary to improve Supply Chain Management.

Moderation of the Manager's Role contributes to Supply Chain Management, it shows that Supply

Chain Management depends on the Manager's Role. The small contribution of the Manager's Role to Supply Chain Management. These results are supported by statistical testing.

The results of the study are in line with the theory presented (Alex S. Nitisemito, 2014) The role of the manager has a positive influence on others to do more in numbers or change their behavior. And according to (Robbins, 2011) the role of leadership also requires an initiative to act that produces a consistent pattern in order to find a way to solve a common problem. this has had that the Manager's Role from the Informational aspect was in good condition, the Informational dimension in the footwear in the Manager's role was good.

Based on these conditions, it proves that the Manager's Role contributes to Supply Chain Management, so that the Manager's Role in Supply Chain Management will also get better. Thus, the Manager's role needs to be optimized so that it has an impact on Supply Chain Management and Operational Performance.

5 CONCLUSIONS

The influence of Supply chain management on operational performance resulted in the value of RSquare (R^2) in the first regression equation of 0.662 so it can be said that the Supply chain management variable on the performance of the operational variable has an effect of 66.2%. These results proves that Supply Chain Management contributes to Operational Performance, so that the better the Effectiveness of the Implementation of Supply Chain Management, the better the Operational Performance. Thus, in improving operational performance, it is necessary to increase Supply Chain Management, especially in the aspect of partnering strategy, in this case, increasing capital, having capital will have an impact on the products produced and will have an impact on operational performance, one of which will be increased product quality.

After the moderating variable (the Manager's Role Variable in the regression equation, the two RSquare (R^2) values increase to 0.689 or 68.9%. Thus, it can be said that the "hypothesis is accepted". moderation) will be able to strengthen or increase the influence of the Supply Chain Management variable on Operational Performance. The leadership role requires the development of methods as a liaison between employees and can increase the productivity of workers in carrying out their main tasks and functions.

REFERENCES

- Akdogan, A. A., & Demirtas, O. (2014). Managerial Role in Strategic Supply Chain Management. *Procedia - Social and Behavioral Sciences*, 150, 1020–1029. <https://doi.org/10.1016/j.sbspro.2014.09.114>
- Alex S. Nitisemito. (2014). *Manajemen Personalia*. Jakarta: Ghalia Indonesia.
- Furqon, C., Manajemen, P. S. and Indonesia, U. P. (2014). Analisis Manajemen Dan Kinerja Rantai Pasokan Agribisnis Buah Stroberi Di Kabupaten Bandung. *Riset Manajemen*, 3(2), 109. <https://doi.org/doi:10.17509/image.v3i2.1119>
- Heizer, J., dan Render, B. (2014). *Manajemen Operasi (Operations Management)* (Ketujuh; Terjemahan Setyoningsih dan Almahdy, ed.). Jakarta: Salemba Empat.
- J. Rachbini, W. (2017). Supply Chain Management dan kinerja perusahaan. *Journal of Business & Banking*, 7(1), 47–56. <https://doi.org/10.14414/jbb.v7i1.1463>
- Jia, F., Gong, Y., & Brown, S. (2018). Multi-tier sustainable supply chain management: The role of supply chain leadership. *International Journal of Production Economics*. <https://doi.org/10.1016/j.ijpe.2018.07.022>
- Jonathan Gosling, Fu Jia, Yu Gong, S. B. (2017). The role of supply chain leadership in the learning of sustainable practice: Toward an integrated framework. *Journal of Cleaner Production*, 140, 239–250. <https://doi.org/10.1016/j.jclepro.2016.09.101>
- Moeheriono. (2012). *Pengukuran Kinerja Berbasis Kompetensi*. Jakarta: PT Raja Grafindo Persada.
- Pujawan, I., N., dan M. (2010). *Supply Chain Management* (Kedua). Surabaya: Guna Widya.
- Regina, Suharto, D. (2013). Analisa Pengaruh Supply Chain Management terhadap Keunggulan Bersaing dan Kinerja Perusahaan. *BUSINESS ACCOUNTING REVIEW*.
- Robbins, P. S. dan M. C. (2011). *Manajemen* (W. H. diterjemahkan oleh Bob Sabran, ed.). Jakarta: Erlangga.
- Schroeder, Roger G, Susan Meyer Goldstein, & M. J. R. (2012). *Operations Management Contemporary Concepts and Cases* (Fifth). New York, NY: Mc Graw-Hill Companies, Inc.
- Sedarmayanti. (2017). *Sumber Daya Manusia dan Produktivitas Kerja* (2nd ed.). Jakarta: Kencana.
- Sharif, A. M., & Irani, Z. (2012). Supply chain leadership. *International Journal of Production Economics*, 140(1), 57–68. <https://doi.org/10.1016/j.ijpe.2012.01.041>
- Wibowo. (2016). *Manajemen Kinerja*. Jakarta: PT Raja Grafindo Persada.
- Widyarto, A. (2012). Peran Supply Chain Management Dalam Sistem. Manajemen Dan Bisnis. *Manajemen Dan Bisnis*, 16(2), 91–98.