Information Sharing, Supplier Performance, Supplier Trust on Supplier Synergy

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Abstract: This study aims to determine the effect of Information Sharing Against Supplier Performance The Mediated By Trust Supplier and Supplier Synergy. This research uses quantitative methods. The population in this study consisted of 45 SMEs in Wood Craft in Yogyakarta and South Sumatera, and all 105 SMEs were used as respondents determined by a random sampling method with a saturated census technique. Data analysis techniques using regression analysis and path analysis. Test results and analysis found that (1) Information sharing influences supplier trust (2) Supplier trust influences supplier performance (3) Information sharing influences supplier synergy (4) Supplier synergy influences supplier performance (5) Information sharing influences supplier performance (6) Information sharing has an indirect effect on supplier performance mediated by supplier trusts (7) Information sharing has an indirect effect on supplier performance mediated by synergy supplier.

1 INTRODUCTION

In the 21st century, as it is today, progress in the global sphere is developing more rapidly, one of which is marked by the increasing development of science and technology in all fields. This fact is a positive thing because it makes every individual demanded to be more competitive. With these environmental conditions also affect competition in the business world is becoming increasingly fierce, both competition in small scale business or narrow (regional) coverage to large-scale businesses that have multi-national coverage. Therefore, it is very necessary for every business person (micro or macro) to always be up to date with the times. One of them is by improving and applying science and technology so that business people can continue to maintain or increase the existence of their business.

At this time, there is a change in the paradigm of competition, from the initial competition between companies to competition between networks. The process of creating value for business networks requires support for increasing the efficiency and effectiveness of internal business operations such as Supply Chain Management (SCM). Pujawan and Mahendrawati (2010), explained that the important

role of all parties starting from suppliers, manufacturers, distributors, retailers, and customers in creating cheap, high-quality, and fast products are what later gave birth to a new concept of SCM. Companies that implement SCM well will generate new opportunities so they can reduce costs, improve quality, be responsive to information, and delivery costs.

Perhaps the most important yardstick for determining success suppliers is their performance. Wu et al.., (2010) define supplier performance as how well the supplier supplies the product needed to the buyer as reflected through operational results such as quality, delivery, responsiveness, cost, and technical support. Huang, Yen, and Liu (2014) in Pooe et al., (2015)

Information is very important in any business, and information has been described as the lifeblood in organizations. Information sharing refers to the extent to which companies openly communicate important and sensitive information to their partners (Shou et al., 2012 in Pooe et al.). Information sharing has also been considered an effective predictor of supply chain effectiveness (Zhang & Chen 2013). In that case, a study by Hsu et al. (2008) found that information sharing contributed greatly to improving relations between suppliers by

facilitating efficient coordination and responsiveness as well as the integration of system and information partners.

Supplier trust has been defined by Cavusgil, Deligonul, and Zhang (2004) as the belief held by trading partners about the reliability and integrity of one another. Trust has been defined as an important contributor and facilitator for each transaction that requires the involvement and collaboration of various parties (Cheung et al., 2011 in Pooeet al.., 2015). Supplier trusts have also received the attention of a number of scholars who have extensively investigated their impact and relevance in buyer-supplier relations (Bonte et al., 2008).

Supplier synergy can be defined as coordinating and complementing similar activities carried out by two or more companies, groups, or individuals in a business relationship to produce results of mutual excellence (Osarenkhoe 2010).

Some of the obstacles faced by the creative industries in Indonesia, especially SMEs, are obstacles to their business growth. The main obstacles hampering the development of the creative industry are the minimal utilization of technology, protection of copyrights, access to raw materials, and support from the government that has not been maximized. The craftsmen in SMEs are also not immune to the obstacles experienced by other SME actors. When prior to conducting research, the author first surveyed by interviewing several SME owners. From the results of the interview, one of the problems faced by SMEs there is marketing that is not yet optimal because the craftsmen still do not understand well with marketing online, the craftsmen are also worried about the future sustainability of the craft in SMEs, because the younger generation, most of whom do not want to continue handicraft businesses and prefer to work in the formal sector, and the artisans are also faced with the problem of the difficulty of getting raw materials during certain seasons.

The objectives of this study are: (1) Knowing and analyzing the effect of information sharing on supplier trusts; (2) Knowing and analyzing the influence of supplier trust on supplier performance; (3) Knowing and analyzing the effect of information sharing on supplier synergy;(4) Knowing and analyzing the effect of supplier synergy on supplier performance;(5) Knowing and analyzing the effect of information sharing on supplier performance (6) Knowing and analyzing the effect of information sharing on supplier performance mediated by supplier trusts;(7) Knowing and analyzing the effect

of information sharing on supplier performance mediated by supplier synergy.

2 LITERATURE REVIEW

2.1 Information Sharing

It is an exchange of information between companies, consumers, and suppliers, where information must be easily accessed by all parties concerned (Hamid and Ibrahim 2015). Indicator information sharing according to Pooe et al., 2015

- Changes in order
- Inventory level.
- Constraints in business.
- Sharing knowledge.
- Sharing information in business planning
- Latest development products.

2.2 Supplier Trust

Supplier trust is defined as the willingness to take risks and depend on partners to obtain social and economic benefits on both sides of the organization. Indicators for measuring supplier trust are as follows (Pooe et al., 2015)

- Level of trust.
- Employment contract.
- Consensus.
- Trust.
- On-time delivery of goods.
- Quality of goods

2.3 Supplier Synergy

According to Hoegl and Wagner (2005), supplier synergy positively influences the organization's ability to provide quality products for customers. This reflects the importance of work coordination between suppliers to the competitiveness of the company's supply chain. Wu et al. (2010) believe that supplier synergy enables companies to eliminate or reduce problems in the production process. Indicators for measuring supplier synergy are as follows (Pooe215 et al.):

- Relationships are well maintained.
- The efficiency of procurement costs.
- Supplier dependence on our business.
- Suppliers have bargaining power.

2.4 Supplier Performance

Wibowo (2007) revealed that performance could be seen as a process or result of work. Performance is the process of how work takes place to achieve work results. In an organization, there are three types of performance, namely operational performance(administrative performance), and strategic performance. Wu et al. (2010) define supplier performance as how well the supplier is in supplying the products needed to the buyer. Indicators for measuring supplier performance are as follows (Pooe et al., 2015):

- Supply of good quality goods.
- Maximum service.
- Supplier location.
- Competitive prices.
- Delivery on schedule.
- Quality of goods according to order.
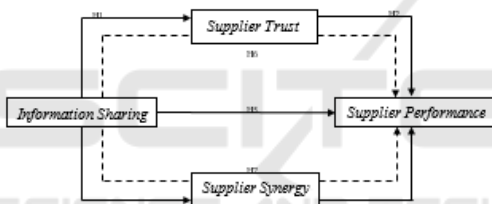
3 CONCEPTUAL FRAMEWORK

Figure 1. Conceptual Framework

4 RESEARCH METHODS

This study uses quantitative methods and uses statistical calculations as the basis of analysis. The population consisted of 105 SMEs in Yogyakarta and South Sumatera. All of the 105 SMEs were included as respondents. Retrieval of data in this study using a questionnaire distributed to 105 SMEs

4.1 Validity and Reliability Testing

To measure the correlation between variables, we use the Bartlett Test of Sphericity. When the result is less than 0.5, this means that the correlation matrix has a significant correlation with several variables. The item validity statement can be seen in Corrected item-total Correlation that, according to Azwar (2012), can be considered as valid when R table> R Count, or at a significance level below 0.05.

According to Ghozali (2006), a constructed variable is considered reliable when the Cronbach alpha level is less than 0.6.

4.2 Data Analysis Techniques

The model or technique of data analysis used in this study is Regression Analysis and Path Analysis. Regression analysis is a powerful statistical method that allows you to examine the relationship between two or more variables of interest. Path Analysis is an extension of the multiple linear regression models. In other words, it is an extension of regression analysis to estimate the relationship quality between predetermined variables on a theoretical basis. What path analysis can do is determine the relationship between three or more variables, and it can't be used to confirm or reject the imaginary causality hypothesis.

5 RESULTS AND DISCUSSION

5.1 Hypothesis 1 Test Results

The results of the first hypothesis testing show that information sharing has a positive and significant effect on supplier trust in SMEs. Evidenced by a coefficient value of 0.892 (positive) with a significance value of t of 0,000 (sig <0.05). The results of this study are in line with research conducted by Pooe et al. (2015). Research by Pooe et al. (2015) shows that information sharing has a positive effect on supplier trust.

5.2 Hypothesis 2 Test Results

The results of the second hypothesis testing show that supplier trust has a positive and significant influence on supplier performance in SMEs. Evidenced by a coefficient value of 0.623 (positive) with a significance value of t of 0,000 (sig <0.05). The results of this study are in line with research conducted by Pooe et al. (2015). Research by Pooe et al. (2015) shows that information sharing has a positive effect on supplier trust.

5.3 Hypothesis 3 Test Results

The results of the third hypothesis test show that information sharing has a positive and significant impact on supplier synergy in SMEs. Evidenced by a coefficient value of 0.431 (positive) with a significance value of t of 0,000 (sig <0.05). The

results of this study are in line with research conducted by Pooe et al. (2015). Research by Pooe et al. (2015) shows that information sharing has a positive effect on supplier synergy.

5.4 Hypothesis 4 Test Results

The results of the fourth hypothesis testing show that supplier synergy has a positive and significant impact on supplier performance in SMEs. Evidenced by a coefficient value of 0.908 (positive) with a significance value of t of 0,000 (sig <0.05). The results of this study are in line with research conducted by Pooe et al. (2015). Research by Pooe et al. (2015) shows that supplier synergy has a positive influence on supplier performance.

5.5 Hypothesis 5 Test Results

The results of the first hypothesis testing show that information sharing has a positive and significant effect on supplier performance in SMEs. Evidenced by a coefficient value of 0.844 (positive) with a significance value of t of 0.000 (sig <0.05). The results of this study are in line with research conducted by Pooe et al. (2015). Research by Pooe et al. (2015) shows that information sharing has a positive effect on supplier performance.

5.6 Hypothesis 6 Test Results

The analysis model path of phase 1 is to explain the effect of information sharing (X) to the variable supplier trusts (Y) has the following formula:

$$Z = 2,006 + 0.892X1$$

Table 1: Results of Path Analysis for Phase 1

Model	Koefisien Path	T	Sig.t	Sig.5%
Information Sharing	.892	5.095	.000	Signifikan
Dependent Variable: Supplier Trust				
Adjusted R Square : 0.362				

The analysis model path phase 2 is to explain the effect of information sharing (X), supplier trust (Z) on supplier performance has the following formula

$$Y = 0,400X1 + 0,541 X2$$

Table 2: Results of Path Analysis for Phase 2

Model	Koefisien Path	T	Sig.t	Sig.5%
Information Sharing	.461	3.856	.000	Signifikan
Supplier Trust	.429	5.208	.000	Signifikan
Dependent Variable: Supplier Performance				
Adjusted R Square : 0.704				

The overall estimation results of the hypothesis relationship model among the three variables in this study can be presented in the following path diagram.
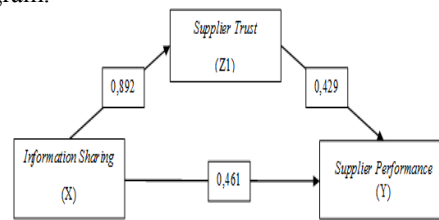

Diagram 1.

5.7 Relationship between Variables

Table 3. Direct Effect, Indirect Effect, and Total Effect of Reward on information sharing are mediated by supplier trust3. Direct

Table 3: Effect, indirect effect, and the total effect

Direct effect	
X → Y	
p1	= 0,461
Indirect effect	
X → Z1 → Y	
p2xp3	= 0,892x0,429
	= 0,382668
Total effect	
Direct effect + Indirect effect	= 0,429 + 0,411212
	= 0,840212

5.8 Hypothesis 7 Test Results

The analysis model Path phase 1 is to explain the effect of information sharing (X) on the variable supplier synergy (Y) has a formula as the following:

$$Z = 5.001 + 0.516.$$

Table 4: Results of Path Analysis for Phase 1

Model	Koefisien Path	T	Sig.t	Sig.5%
Information Sharing	.431	3.949	.000	Signifikan
Dependent Variable: Supplier synergy				
Adjusted R Square : 0.249				

Model analysis path phase 2 to explain the effect of information sharing (X), supplier synergy (Z) on supplier performance has the following formula

$$Y = 0.534X1 + 0.383 X2.$$

Table 5: Results of Path Analysis for Phase 2

Model	Koefisien Path	T	Sig.t	Sig.5%
Information Sharing	.616	4.966	.000	Signifikan
Supplier synergy	.528	3.560	.001	Signifikan
Dependent Variable: Supplier Performance				
Adjusted R Square : 0.626				

The overall estimation results of the hypothesis relationship model among the three variables in this study can be presented in the following path diagram.
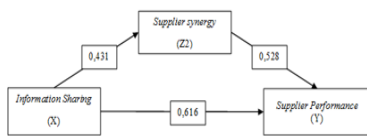

Diagram 2.

5.9 Relationship between Variables

Table 6. Direct Effect, Indirect Effect and Total Effect of Reward on information sharing are mediated by supplier synergy

Table 6: Direct effect, indirect effect, and the total effect

Direct effect	
X → Y	
p1	= 0,616
Indirect effect	
X → Z1 → Y	
p4xp5	= 0,431x0,528
	= 0,227568
Total effect	
Direct effect + Indirect effect	= 0,616 + 0,227568
	= 0,843568

6 CONCLUSION

Based on the results of data analysis and discussion, the following is the conclusion of this research:
- Information sharing has a direct effect on supplier trust.
- Supplier trust has a direct effect on supplier performance
- Information sharing has a direct effect on supplier synergy
- Supplier synergy has a direct effect on supplier performance

- Information sharing has a direct effect on supplier performance
- Information sharing has an indirect effect on supplier performance mediated by supplier trust
- Information sharing affects indirectly to supplier performance mediated by supplier synergy

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