

Does Organizational Culture Capability and Relationship Building Capability Expediate Supply Chain Operational Performance? Evidence from Indonesia

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Abstract--- The current study considered the effect of organization culture capability and relationship building capability on supply chain operational performance with the mediating role of supply chain technology adoption. This study focused on the Indonesian supply chain companies. Data were collected from the employees of supply chain companies. Questionnaires were distributed with the help of area cluster sampling techniques and 7-point Likert scale was preferred. Total 350 questionnaires were distributed with the help of email. Data were analysed with the help of Partial Least Square (PLS). Results of the study investigated that organization culture capability and relationship building capability both have an important contribution in supply chain operational performance through supply chain technology adoption. Moreover, supply chain technology adoption playing a mediating role. Thus, majorly this study contributed by highlighting the mediating role of supply chain technology adoption.

Keywords: Supply chain, operational performance, technology adoption, organization culture capability, relationship building capability.

1. Introduction

The idea of supply chain management (SCM) begins to rise in the mid of 1960s and first showed up in the literature in 1982, with a dramatic expansion among researchers since 1990s [1, 2].

It has gained a great consideration since 2000s from the academia and specialist's [3]. In the course of the most recent 30 years, the importance of SCM on the firm performance has been demonstrated in literature [4]. In a competitive business condition, firms need to underscore on supply chain

performance (SCP) rather than organizational performance [5]. A few investigations demonstrated that firm should concentrate on SCP since it has a massive direct impact on performance [6, 7].

These days, the SCM turning into a lot of enthusiasm among the organizations. This is on the grounds that the present business patterns are forming worldwide business and giving the chances to firms to getting to be multi-nationals [8] and in this way, increment the unpredictability of the supply chain. SCM depends on the total chain which is important to include all accomplices in the chain to hold the key of competitiveness [9]. In the present decade, the business rivalry will also be on supply chain [10]. Consequently, these days, SCM turns into a well-known management instrument in helping firms to enhance their competitiveness. The idea of SCM has been perceived to be imperative significance for materials and clothing industry [11]. The management can use the elements of SCM to plan, facilitate, and control coordination's learning stream, capital stream, and information stream of the business. It empowers firms to enhanced reaction speed and decreased vulnerability of the supply chain [12]. However, the completion is increasing among firm's day by day. Indonesian companies are also facing the heat of competition. The Indonesian company's performance as compared to the other companies are shown in below graph. It is shown in the Figure 1 that Indonesian supply chain companies performance is low as compared to Vietnam, Thailand, Philippines and Malaysia.