

Uncertain Supply Chain Management

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The mediating role of sustainable supply chain management on entrepreneurship strategy, social capital and SMEs' financial and non-financial performance

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ABSTRACT

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Research related to entrepreneurial strategy variables, financial and non-financial performance, social capital and supply chain management in SMEs has not been widely carried out in Indonesia. The purpose of this study is to analyze the relationship between entrepreneurial strategy on financial and non-financial performance, social capital on financial and non-financial performance and sustainable supply chain management on financial and non-financial performance in SMES. The research method is quantitative with the online survey method. The data collection method is by distributing online questionnaires to 690 SMEs owners in Indonesia determined by simple random sampling. The questionnaire is designed using a Likert scale of 7. Data processing used structural equation modeling with SmartPLS 3.0 software tools. The results of data processing show that entrepreneurship strategy (ES) had a positive and significant effect on sustainable supply chain management (SSCM), social capital (SC) had a positive and significant effect on sustainable supply chain management (SSCM), entrepreneurship strategy (ES) had a positive and significant effect on SMEs financial and non-financial performance (SFNFP), social capital (SC) had a positive and significant effect on financial and non-financial performance (SFNFP) and sustainable supply chain management (SSCM) had a positive and significant effect on financial and non-financial SMEs financial performance (SNFFP).

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1. Introduction

In the era of the industrial revolution 4.0, small and medium enterprises (SMEs) are facing different challenges. SMEs need to always be more open, complex and competitive as a result of globalization, both from the inside and the outside of their organizations. Such socio-economic changes create difficulties and problems that must be overcome. To be able to compete with other businesses, this requires them to have a good business strategy (Arijanto et al., 2022). To establish effective and efficient manufacturing processes for goods or services to be made available to consumers, businesses compete in various events. However, the reality is that there are still many businesses that have not been able to handle all of this, so supply chain management is needed to overcome any possible challenges (Zimon et al., 2020). In moving and increasing the country's economic figures, one of which can be done by developing the SMEs' businesses. In the business or entrepreneurship sector, we often encounter competition, even at this time it is growing more and more so that many competitors cannot be avoided, both domestically and abroad. SMEs in Indonesia play a vital role in the national economy. Because the existence of SMEs can open new jobs and help reduce unemployment. In Indonesia there are various kinds of SME sectors, one of which is UKM. Company owners are required to be able to observe and provide calculations to find alternative ways to overcome these problems. The ability or capability of entrepreneurial competence is very beneficial for SMEs entrepreneurs because the

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competencies that exist in the company owner are able to influence the performance of their business. Company owners who have entrepreneurial skills or competencies can determine alternative paths to influence business performance so that they are successful in creating and developing the venture (Wren, 2022). In addition, a strategy is needed in planning the business in the future. Entrepreneurship strategy is a plan regarding all alternative paths that are used as a tool to achieve goals in the future by an organization/company. Entrepreneurs are required to have the skills to continuously strive to improve and seek various strategic options in their management (Zimon et al., 2020). It is hoped that the business being carried out can adjust an environment that is always dynamic so that business performance will improve. They also need venture capital in developing their businesses. Social capital has a big impact on SMEs, and it can create emotional relationships which correlate employees to always strive to achieve goals together. Social capital plays an important role in continuing to develop for the sustainability and development of the business. SMEs can develop their businesses more easily if they have adequate social capital support. These three methods are carried out to increase the production of the business being carried out so that the business can develop as expected. Zimon et al. (2020) argued that one of the external factors in supporting business success is the presence of qualified business performance. Permana et al. (2022) argue that there are several drawbacks to the obstacles that are being faced by SMEs, which include a lack of capital, lack of knowledge in marketing, a high level of competition between entrepreneurs, difficulties in obtaining standard goods, deficiencies in skills and production techniques, and a lack of knowledge in resource management (Setini et al., 2020). So, this can have a negative impact on business performance and business continuity (Swanson et al., 2020).

Any decline in sales could be the result of a lack of ability or knowledge to innovate in making a product that has its own uniqueness that can entice consumers to buy the product (Sulistyo & Ayuni, 2020). This can be seen from the products that are sold between one entrepreneur and another having the same design and not keeping up with the times so that this reduces consumer interest in buying these products and choosing to buy elsewhere so this affects business performance (Troise et al., 2020). Utomo et al. (2019) argue that the small output from the performance of SMEs in Indonesia is due to the lack of weight and credibility of their human resources. That is, entrepreneurial competence has an influence on the output of the performance of SMEs in Indonesia, even though entrepreneurial competence has a positive effect on business performance (Troise et al., 2020). Therefore, the lack of knowledge and the ability of SMEs in managing natural resources, human resources, and technology may create challenges for SMEs. The entrepreneurial strategy has also not been carried out in SMEs since the design of each product has similarities with other entrepreneurs. Meanwhile, Utomo et al. (2019) stated that company strategy influences business performance. To deal with the decline in sales, entrepreneurs should try to find a solution by exchanging information with other entrepreneurs to overcome the problems that occur, but based on information provided by several entrepreneurs to researchers this was not done (Sulistyo & Ayuni, 2020). So, this indicates a lack of application of social capital in SMEs entrepreneurs.

2. Literature Review

2.1 Entrepreneurship Strategy

Dahlmann et al. (2019) emphasized that strategic entrepreneurship is a form of managerial and entrepreneurship. The attractiveness for managers lies in the combination of economics and behaviorism in companies, promising speed, flexibility, and innovation (Cui et al., 2023). Because of this, academics and practitioners argue that strategic entrepreneurship is very important for practitioners and policy makers. Entrepreneurial strategy in small business has been presented on a continuum ranging from conservative to proactively active (Bui et al., 2021). Literature studies on strategic planning and performance show that companies proactively invest in developing strategies and show higher levels of performance than companies that are proactive but do not develop strategies see strategic entrepreneurship as an extension of entrepreneurial strategy making, becoming a strategy model that combines strategy with the ability to make decisions quickly and in uncertainty (Cui et al., 2023). Dahlmann et al. (2019) use the term entrepreneurial strategy which is defined as a number of first decisions, actions and reactions.

2.2 Social Capital

Psychological capital can be considered as a state of positive psychological development of a person (Das et al., 2022). According to Ghorbanzadeh et al. (2023) there are four elements, namely hope, resilience, self-efficacy, and optimism. The four elements have stronger predictive power than each of the individual constructs alone (Drobyazko et al., 2019). Ghorbanzadeh et al. (2023) stated that psychological capital significantly reduces work stress. Psychological resources help to suppress the stress and anxiety created by the demands of the job and thus reduce negatively impacted attitudes (Gans et al., 2021). Employees who have high psychological capital are able to handle stress better (Gans et al., 2021; Gardas et al., 2019). The hypothesis based on this is that psychological capital has a negative relationship with stress. Social capital is recognized as an important resource that creates value and competitive advantage for organizations and individuals. Social capital represents socially organizational features, such as norms, and social trust that facilitate coordination and cooperation for mutual benefit. Social capital is generally conceptualized and measured as a multi-dimensional construct, including structural, relational, and cognitive (Troise et al., 2020; Utomo et al., 2019). Structural social capital is a form of network

between individuals and others inside and outside the organization. Relational social capital can be considered as an intangible asset derived from the respect, trust, obligations, and expectations of members in an organization (Sulistyo et al., 2020); Cognitive social capital is sourced from shared vision, knowledge, and norms among organizational members. An example that has proven to be effective is that cooperation in the workplace causes much less work pressure for employees. Social capital has been shown to reduce unfavorable employee attitudes and behaviors such as stress and the desire to move.

2.2 Sustainable Supply Chain Management

The main goal of sustainable supply chain management is to meet customer demands. In sustainable supply chain management, there are participants from the material procurement cycle, production cycle, and distribution cycle, all of whom have different interests. Because all entities are interconnected, their actions impact one another. For example, all organizations to suppliers must meet consumer needs for environmentally friendly products. These three factors also interact to influence each other's ability to achieve their respective goals. As a result, the issue of sustainable supply chain management is complicated. Few of the many who have examined how sustainable supply chain management activities can improve organizational performance. Implementing sustainable material requirement planning (SMRP) will help ensure long-term benefits for companies, customers, and the environment. The SMRP strategy, on the other hand, can avoid or mitigate environmental damage, optimize social resilience, and encourage economic sustainability. Sustainable supply chain management is a development of MRP, which conceptually and operationally contains interrelations of economic, social and environmental aspects. The concept was later elaborated by the World Commission on Environment and Development. According to Ghorbanzadeh et al. (2023) sustainable supply chain is the integration of economic, social, technological, and environmental aspects towards supply chain sustainability by an organization. Drobyazko et al. (2019) define a sustainable supply chain as a representation of the principles of economic, social, environmental and government policies that are linked to the cycle of consumer fulfillment activities, such as design, procurement, manufacturing, packaging and distribution activities. Ghorbanzadeh et al. (2023) stated that the assessment of sustainability in industry is generally based on four pillars, namely economic, social, environmental, and technological. There are many definitions of Sustainable Supply Chain Management and a comprehensive definition, it is the management of material, information and capital flows which is inter-company collaboration along the supply chain by integrating goals that cover the three dimensions of sustainable development namely economic, environmental and social which are translated from the demands of customers and stakeholders. While the definition from Gardas et al. (2019) and Haudi et al. (2022) is the creation of coordinated supply chains through voluntary integration with economic, social and environmental considerations with key inter-organizational business systems designed to efficiently and effectively manage materials, information and capital flows relating to procurement, production and distribution products or services in order to meet stakeholder requirements and improve profitability, competitiveness, and organizational resilience in the short and long term. Sustainable supply chain management studies can be used to increase the linkages of an industrial system to generate added value from the three aspects of sustainability. The application of SSCM in industry has provided benefits related to the three aspects of sustainability. Ghorbanzadeh et al. (2023) stated several things that show the importance of implementing sustainable supply chain management in business. Each goal from the economic, social and environmental aspects is attempted to be achieved and strived for without adverse effects in other aspects/dimensions so that it can lead to sustainable supply chain management.

3. Method

This research method is quantitative with the online survey method. The data collection method was by distributing online questionnaires to 690 SMEs owners in Indonesia who were determined by simple random sampling. The questionnaire was designed using a Likert scale of 7. Data processing used structural equation modeling partial least squares with SmartPLS 3.0 software tools. The strategy used in this study is an associative strategy. The associative strategy is a research strategy used to determine the relationship between two or more variables. This study aims to provide an explanation of the effect of each variable. The type of data used in this research is primary data and secondary data. Primary data is data that comes from respondents through questionnaires distributed online. There are several stages of testing that will be carried out, namely through the convergent validity test, average variance extracted (AVE), and discriminant validity.

3.1 Convergent Validity Testing

This test shows whether each statement indicator has the same variable dimensions, convergent validity is met if the value of each variable has an AVE of more than 0.50 and the loading factor value for each indicator is greater than 0.50 (Purwanto & Sulaiman, 2023)

3.2 Discriminant validity testing

This test can be seen from the cross-loading value, if the cross-loading value of each variable statement indicator to the variable itself is greater than the correlation value of the statement item to other variables.

3.3 Reliability Testing

This test is to assess the reliability of statement items, this test is to measure the consistency of respondents. This test is carried out by assessing composite reliability, a variable is said to be reliable if the composite reliability value is > 0.70 (Purwanto et al., 2023)

3.4 Hypothesis test

Testing the hypothesis by looking at the variable path coefficient in the inner model, the hypothesis is said to be accepted if the T value is greater than the T Table value or greater than 1.96.

The hypotheses in this study are as follows,

- H1:** Entrepreneurship strategy (ES) has a positive and significant effect on Sustainable Supply Chain Management (SSCM).
- H2:** Social Capital (SC) has a positive and significant effect on Sustainable Supply Chain Management (SSCM).
- H3:** Entrepreneurship strategy (ES) has a positive and significant effect on SMEs Financial and Non-Financial Performance (SFNFP).
- H4:** Social Capital (SC) has a positive and significant effect on Financial and Non-Financial Performance (SFNFP).
- H5:** Sustainable Supply Chain Management (SSCM) has a positive and significant effect on SMEs Financial and Non-Financial Performance (SFNFP).

Based on the theoretical studies and previous research studies, the research model images are arranged in Fig. 1.

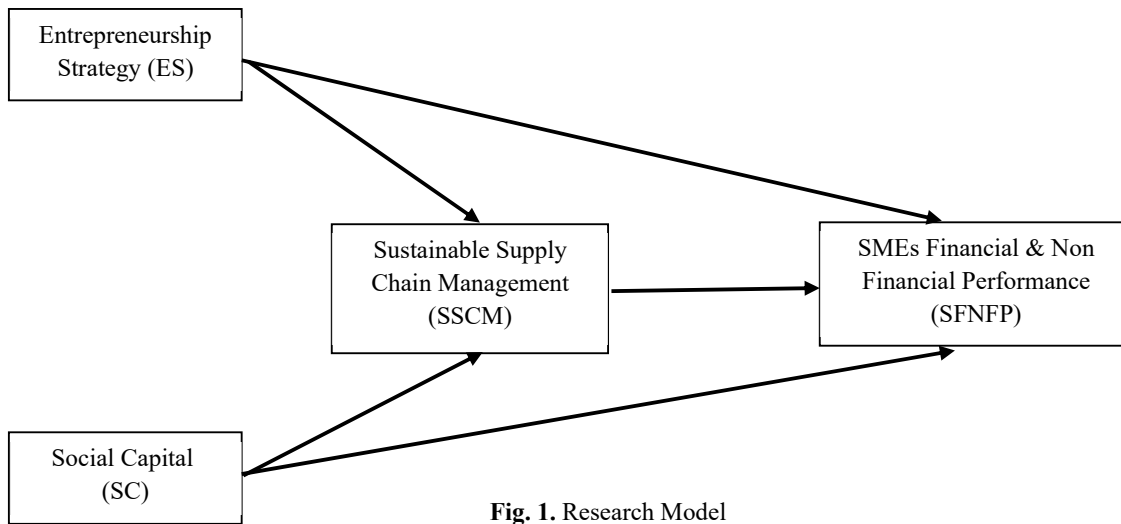


Fig. 1. Research Model

4. Result and Discussion

4.1 Outer Model Test (Validity and Reliability)

The outer model is a specialization of the relationship between indicators and their variables. In the outer model test, there are several types of testing, namely: first, convergence of validity. Convergent validity is by correlating between the magnitude of the value of the indicator from the description and the magnitude of the value of the variable itself. In this measurement based on the factor loading value that is in the outer loading output according to Fig 2. The following is the outer loadings figure:

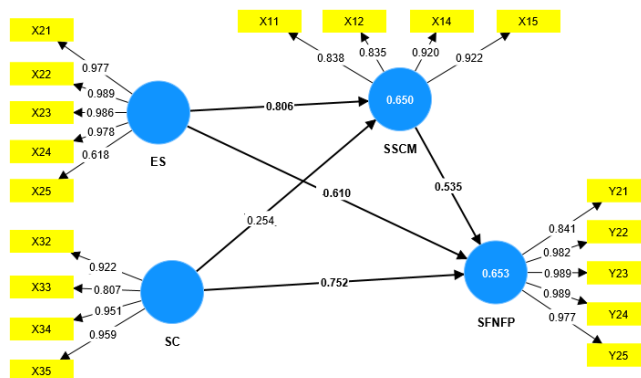


Fig. 2. Loading Factor

The results of the AVE test according to Table 1. for the above variables as a whole show that it has a value above 0.5. This means that the variables above as a whole indicate that they have a good level of validity.

Table 1
Reliability Testing

	Cronbach's Alpha	rho A	Composite Reliability	Average Variance Extracted (AVE)
Entrepreneurship strategy (ES)	0.823	0.803	0.822	0.687
Social Capital (SC)	0.890	0.893	0.815	0.612
Sustainable Supply Chain Management (SSCM)	0.812	0.810	0.803	0.682
Financial and Non-Financial Performance (SFNFP)	0.803	0.834	0.845	0.614

4.2 Inner Model Test

The inner model is a specific description of the ties of each latent variable or structural model. It is also stated with an inner bond that describes the bond for each variable based on the substantive theory of research. Without running out of character it is usually assumed that latent variables and markers or manifest variables are on a scale of zero means and elements of each variant = 1. Therefore, positional parameters can be removed from the model. Tests in the inner model are attempted by looking at the R-Square value which is the model goodness-fit test. The test in the inner model can be seen in the R-Square value in the equation in the latent variable. The value of R₂ describes how much of the exogenous variables in this model can show endogenous variables.

4.3 Coefficient of Determination (R Square)

The coefficient of determination of the Sustainable Supply Chain Management (SSCM) variable is 0.650, meaning that the Entrepreneurship strategy (ES) and Social Capital (SC) variables contribute 65% while the remaining 35% is the contribution of other variables not discussed in this study. The coefficient of determination of the SMEs Financial and Non-Financial Performance (SFNFP) variable is 0.653, meaning that the Entrepreneurship Strategy (ES), Social Capital (SC) and Sustainable Supply Chain Management (SSCM) variables contribute 65.3% while the remaining 34.75% is the contribution of other variables not discussed in this study.

4.4 Hypothesis testing

The hypothesis testing was carried out to answer the research carried out together with the bootstrap resampling technique. Where in the hypothesis test is done using the t test, when the results obtained $p \leq 0.05$ (Alpha 5%). This means that it can be concluded that the significance is high, and vice versa if the results of $p \geq 0.05$ can be concluded that the significance is low or the effect is negative. The following table of hypothesis testing:

Table 2
Hypothesis Testing

Correlation	P value	Result
Entrepreneurship strategy (ES) on Sustainable Supply Chain Management (SSCM)	0.000	Supported
Social Capital (SC) on Sustainable Supply Chain Management (SSCM)	0.002	Supported
Entrepreneurship strategy (ES) on SMEs Financial and Non-Financial Performance (SFNFP)	0.000	Supported
Social Capital (SC) on Financial and Non-Financial Performance (SFNFP)	0.000	Supported
Sustainable Supply Chain Management (SSCM) on SMEs Financial and Non-Financial Performance (SFNFP)	0.001	Supported

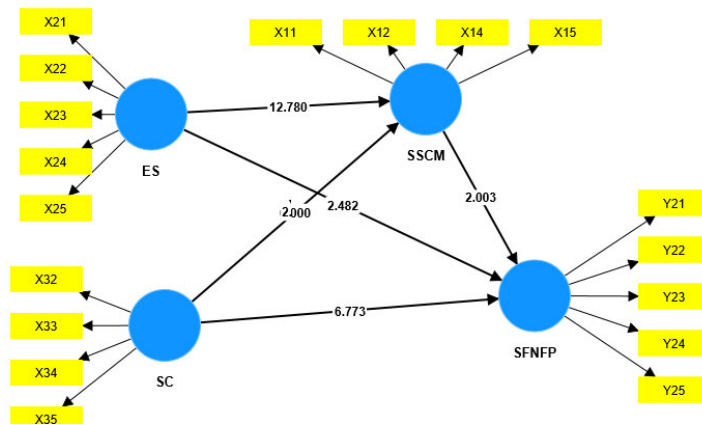


Fig. 3. Hypothesis Testing
Relationship Entrepreneurship strategy (ES) and Sustainable Supply Chain Management (SSCM)

Based on the results of the partial least square structural equation analysis, the p value is $0.000 < 0.050$, so the first hypothesis is confirmed: Entrepreneurship strategy (ES) has a positive and significant effect on Sustainable Supply Chain Management (SSCM). Then the results of the research regarding entrepreneurial strategy found that it has a positive influence on business performance. Changes in the business environment can cause small business owners to continue to adapt and make other strategic moves. A good strategy is a step that can adapt to all forms of changing conditions from the environment around the business to reach and win the market. So, entrepreneurship Strategy has a direct effect on Business Performance. The finding is in line with previous findings by Yusuf and Soediantono (2022) that Entrepreneurship Strategy has a positive influence on business performance. The same thing was conveyed in previous research conducted by Luo et al. (2021) and Mardani et al. (2020). Social capital is generally related to the feeling of trust and comfort in their social environment which includes behavioral values and relationships that can be used by the community to overcome all problems together and achieve goals as expected. So, it is concluded that social capital has a direct effect on business performance. This finding is in line with research conducted by Luo et al. (2021), Rahajeng et al. (2022), Kreiser et al. (2021) and Moktadir et al. (2021).

Relationship between Social Capital (SC) and Sustainable Supply Chain Management (SSCM)

Based on the results of the partial least square structural equation analysis, the p value is $0.002 < 0.050$, so it is concluded that Social Capital (SC) has a positive and significant effect on Sustainable Supply Chain Management (SSCM). According to Narimissa et al. (2020), to create a competitive advantage in the defense industry we need all individual resources that work together to create integrated organizational capabilities. Companies by implementing the Sustainable Supply Chain Management (SSCM) strategy can create competitiveness, produce quality products, improve performance, maximize revenue, optimize costs, provide process accuracy, service time and competitive prices (Nguyen & Ha, 2020). Based on this, the implementation of Sustainable Supply Chain Management (SSCM) will help companies reduce production costs that must be carried out to run a sustainable business. According to Narimissa et al. (2020) and Nguyen et al. (2020), the sustainable supply chain management variable has a high average index value, which means that the sustainable supply chain management variable has a good index. By always maintaining the timeliness of material delivery can improve sustainable supply chain management. So, it will also have an impact on the company's competitive advantage. This can be achieved if the company is able to operate efficiently, with quality, fast, flexible, responsive, and innovative. Paliwal et al. (2020) and Sajjad et al. (2020) show that there are several supply chain management practices that have an impact on an organization's competitive advantage. In increasing competitive advantage, Sustainable Supply Chain Management (SSCM) can be an effective tool for companies. Sustainable Supply Chain Management (SSCM) can be an effective tool for maintaining business prosperity, growth and stability.

Relationship Entrepreneurship strategy (ES) and Sustainable Supply Chain Management (SSCM)

Based on the results of the structural equation partial least squares analysis, the p-value is $0.000 < 0.050$, so it can be concluded that Entrepreneurship strategy (ES) has a positive and significant effect on SMEs Financial and Non-Financial Performance (SFNFP). The study proves that the entrepreneurial orientation carried out by MSME owners influences marketing performance improvement, so that the more precisely the entrepreneurial orientation is determined, the better marketing performance will be. This also agrees with most researchers who find a positive relationship between entrepreneurial orientation and firm performance. Every company needs to have a strategy to achieve its goals of achieving competitive advantage. To achieve these goals, of course, it needs to be supported by good company performance. According to Huang et al. (2021) and Gong et al. (2019) performance is the level of attainment or achievement of a company within a certain period. The performance of a company is very determining the development of a company. Therefore, entrepreneurial competence is needed so that it can improve company performance to become more competitive and superior. Performance itself can be generated from entrepreneurial competence which is considered as a special or individual ability. Entrepreneurial competence is knowledge, attitudes and skills that are connected to one another, which are needed by entrepreneurs to be trained and developed to be able to produce the best performance in managing their business. Entrepreneurial competence is required to run small and new businesses successfully. Entrepreneurial competence can be related to the variables contained in entrepreneurial orientation. Entrepreneurial orientation itself is defined as a process, training and decision-making that guides the creation of new businesses. Entrepreneurial orientation is the main key to the growth and innovation of a business. According to Khan et al. (2021) and Joshi et al. (2022) entrepreneurial orientation is a set of behaviors consisting of risk taking, innovation, proactivity, autonomy and competitive aggressiveness. In improving business performance, an entrepreneur must dare to take a risk with the resources he has. According to Lumpkin and Dess (2001) risk taking is the act of a businessman who dares to take advantage of the resources he owns that are used in running his business even though there is an uncertainty that will be obtained. According to Khan et al. (2021) and Joshi et al. (2022), courage to take risks in competing can support the level of competitiveness of the business sector, so taking risks will encourage a business to work harder so that companies can improve business performance.

Relationship between Social Capital (SC) and Financial and Non-Financial Performance (SFNFP)

Based on the results of the partial least square structural equation analysis, the p value is $0.000 < 0.050$, so it is concluded that Social Capital (SC) has a positive and significant effect on Financial and Non-Financial Performance (SFNFP). According to Das et al. (2022), social capital has a big impact on MSME actors. Social capital can create emotional relationships which correlate employees to always strive to achieve goals together. Social capital has an important role to continue to develop for the sustainability and development of the business. These three methods are carried out in order to increase the production of the business being carried out so that the business can develop as expected. Ghorbanzadeh et al. (2023) stated that one of the external factors in supporting business success is the presence of qualified business performance. Ghorbanzadeh et al. (2023) argue that there are several drawbacks to the obstacles that are being faced by MSMEs, namely the lack of capital, the lack of knowledge in marketing, the high levels of competition between entrepreneurs, difficulty in obtaining standard goods, the deficiencies in production skills and techniques, and the lack of knowledge in resource management. So this can have a negative impact on business performance and business continuity.

Relationship between Sustainable Supply Chain Management (SSCM) and Financial and Non-Financial Performance (SFNFP)

Based on the results of the partial least square structural equation analysis, the p value is $0.001 < 0.050$, so it is concluded that Sustainable Supply Chain Management (SSCM) has a positive and significant effect on SMEs Financial and Non-Financial Performance (SFNFP). Based on the research that has been done, most studies argue that supply chain factors and manufacturing industry capabilities are undeniably the main things that play a role in improving performance, although there are still several researchers who differ in opinion from the conclusions from the research results obtained. Gans et al. (2021) stated that MRPB has a significant influence on organizational performance. This can explain that the role of supplier collaboration in providing raw materials and components for industry will impact on their business performance. In addition, companies can contribute to sustainable MRPB initiatives on the supplier side by monitoring and auditing supplier sustainability performance and through training and supporting objectives. supplier sustainability. According to Gardas et al. (2019) and Soemadi, et al. (2022), the success of supply chain management performance is based on indicators contained in the supply chain in the form of collaboration with suppliers, environmental conservation, green product design, logistics optimization and material reuse. In implementing an effective supply chain, companies must make suppliers as part of the company's long-term strategy in meeting consumer needs with a variety of products, high product quality, reduced costs, and speed of market response. Based on this, MRPB increases the opportunity to increase profits by utilizing existing assets. The company's human resources will also become more skilled and technologically literate. Thus, the use of technology can be increasingly applied in the supply chain mechanism.

According to Al-Hawary et al. (2020) and Alzubi et al. (2022), suppliers through a supplier qualification program can improve the ability of focused companies to adopt uncertainty in the customer relationship management process. It has applications in customer complaint management, evaluation of customer satisfaction, determination of customer expectations, frequent interactions with customers to set standards, and consideration of information from customers for business design and planning. Sustainable Supply Chain Management is a development of supply chain management studies by combining it with the concept of sustainability which is also one of the scientific research trends in the supply chain field. According to Mardani et al. (2020) and Moktadir et al. (2021) SSCM is very important to do to expedite the production process and marketing process to meet consumer needs. According to Kshetri et al. (2021), Kreiser et al. (2021) and Luo et al. (2021), in order for supply chain control to be effective, it is necessary to have a smooth flow of information and mutual trust between parts, be it suppliers, companies or consumers. Benefits of SSCM for companies is reducing costs, integrating product flows from suppliers to final consumers and reducing costs. According to Sahoo et al. 2022), Seuring et al. (2022), Stroumpoulis et al. (2022), Shekarian et al. (2022) and Singh et al. (2021), reducing the lead time for proper coordination, systems, data and information in implementing the flow of goods can reduce lead times for procurement, production and distribution.

5. Conclusion

The results of data processing have shown that entrepreneurship strategy (ES) had a positive and significant effect on sustainable supply chain management (SSCM), social capital (SC) had a positive and significant effect on sustainable supply chain management (SSCM), entrepreneurship strategy (ES) had a positive and significant effect on SMEs financial and non-financial performance (SFNFP), social capital (SC) had a positive and significant effect on financial and non-financial performance (SFNFP) and SSCM had a positive and significant effect on financial and non-financial SMEs financial performance (SFNFP). Social capital is generally related to the feeling of trust and comfort in their social environment which includes behavioral values and relationships that can be used by the community to overcome all problems together and achieve goals as expected. So, it is concluded that social capital has a direct effect on business performance. In increasing competitive advantage, SSCM can be an effective tool for companies. SSCM can be an effective tool for maintaining business prosperity, growth and stability. Supply chain management performance is based on indicators contained in the supply chain in the form of collaboration with suppliers, environmental conservation, green product design, logistics optimization and material reuse. In implementing an effective supply chain, companies must make suppliers as part of the company's long-term strategy in

meeting consumer needs with a variety of products, high product quality, reduced costs, and speed of market response. The company's human resources will also become more skilled and technologically literate. Thus, the use of technology can be increasingly applied in the supply chain mechanism. SSCM is very important to expedite the production process and marketing process to meet consumer needs. Benefits of SSCM for companies are reducing costs, integrating product flows from suppliers to final consumers which can reduce the unnecessary expenses, reducing the lead time for proper coordination, systems, data and information in implementing the flow of goods which can reduce lead times for procurement, production and distribution.

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