

THE EFFECT OF ORIENTATION STRATEGY ON LOGISTICS PERFORMANCE WITH SUPPLY CHAIN INTEGRATION AS A MEDIATION VARIABLE**Ikanita Novirina Sulistyari, Fuad Mas'ud**

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Email: ikanitanovirina@students.undip.ac.id, drfuad062@gmail.com**Abstract**

This study aims to examine how the influence of supply chain orientation on logistics performance through supply chain integration as an intervening variable, a research study was conducted on manufacturing companies engaged in consumer goods processing services that use coal transportation services. The research method used in this study is quantitative using data collection techniques, observation, surveys, and primary data analysis. The survey is conducted by giving questionnaires or interviews to respondents to collect data on the variables studied. The research sample was 135 samples as owners or managers of manufacturing companies engaged in consumer goods processing services that use goods transportation services at the port of Central Java. Research analysis tool using AMOS 22.00 software with SEM (Structural Equation Modeling) method. The results showed that there was a significant influence of supply chain orientation on logistics performance with a p value of 0.036 and a CR value of 2.092 (able to receive H1). There is a significant positive influence of supply chain orientation on supply chain integration with a p value of 0.009 and a CR value of 2.625 (acceptable H2). There is a significant influence on supply chain integration on logistics performance with a p-value of 0.015 and a CR value of 2.441 (can accept H3).

Keywords: Supply Chain Orientation; Supply Chain Integration; Logistics Performance.

INTRODUCTION

Ports play an important role in the logistics chain in Indonesia and are vulnerable to dynamism and turmoil in logistics and markets, such as globalization, technological advances, and changing expectations of supply chain players. In Law No. 17 of 2008 concerning shipping, "a port is a place composed of land and/or waters with certain limits to be a place for government activities and economic activities used as a place for ships to dock, dock, get on and off passengers and/or loading and unloading goods equipped with shipping safety facilities and port supporting activities as well as various intra and intermodal transportation transfer points". Almost 95% of goods and services distribution activities are carried out by sea in this case the existence of ports because they are more efficient than transportation by land and air (Mentzer, Stank, & Esper, 2008). This is because it can load goods at large volumes and low costs. Sea

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transportation activities cannot be separated from the characteristics of Indonesia as a maritime country.

There are 6 LPI indicators which are divided into two categories, namely the category of areas for regulations/policies that show the main inputs in the supply chain, which includes customs, infrastructure, and competence/quality of logistics services, and the category of service delivery performance outcomes which include timeliness, international shipments, and tracking and tracing". Indonesia ranks 46th out of 160 countries in the world, while in the scope of the Asian continent, Indonesia occupies the 16th position out of 41 countries in Asia with a score of 3.15. While within the scope of ASEAN countries, Indonesia is in 5th position after Malaysia and Thailand. The following is the logistics performance of the average index in Indonesia.



Figure 1 Logistic Performance Index Indonesia Period 2007 - 2018

Source: World Bank, Logistic Performance Index, 2020

Figure 1 of the chart above shows Indonesia's LPI Trend for the period 2007 to 2018 which experienced an up and down cycle, namely with the achievement of 3.01 in 2007, then decreased by 2.76 in 2010, then increased by 2.94 in 2012, until 2018 the LPI score became 3.15. The highest grading score used is a scale of 5. From the achievement of this figure, it can be said that Indonesia still has poor logistics performance and is a problem in the supply chain that needs to be improved so that it no longer exists. Pala (2014) stated that supply chain problems stretch from upstream to downstream.

Coupled with delays or trucking waiting times in transporting logistics goods by land, and problems in logistics activities the waiting time for trucks in loading and unloading logistics activities is known that in 2021 the total delay in truck waiting time was 93 trucks, an increase in delay in 2022 truck waiting time of 98 trucks. In 2021, the average waiting time was at most 1-3 hours, there were 33 trucks in loading/unloading activities. Then in 2022, the most increase in waiting time is 1-3 hours, and there are 39 trucks.

This of course will have an impact on the performance of logistics delivery and can harm the owner of the goods, including; (a) Financial loss: if the goods delivered are of high value or if the delay results in adverse consequences such as late penalties or lost business opportunities. (b) Operational disruption: If the goods are delivered late, it

may cause operational disruption. For example, if the goods are needed for production, delivery delays can cause the production process to be delayed or even stopped, and (c) Loss of customer trust: This can result in loss of customers and impact the company's reputation.

[Kauremaa \(2016\)](#) state that ports logistics performance is considered a consequence of port supply chain integration because they argue that performance measures such as handling achievement based on the amount of cargo throughput alone are not sufficient to represent the achievement of port performance itself. So in this study, coordination between the owner's agent or the owner of goods and the port in determining the trucking services of goods to arrive at the owner's hands is still a high problem because like the research problem explained in Table 1, the data on trucking delays in transporting goods from 2021 to 2022 has increased delays in trucking logistics goods, especially at the port of Central Java, so the focus of this study focuses on Supply chain performance orientation strategy with supply chain integration as a mediating variable.

[Chopra \(2016\)](#) logistics management which later developed into Supply chain management (SCM) is an integrated system that coordinates all processes in the organization/company to prepare and deliver products/goods to consumers ". This process includes: planning input sources (sources, namely raw materials from suppliers), the transformation of raw materials into finished goods (make), transportation, distribution, warehousing (deliver), information systems, and payment of goods, until the goods are consumed by consumers, and finally is the service of returning products/goods (return).

All activities in this logistics system can be carried out by the same or different organizations or companies. Distribution systems and channels at ports, distribution is the activity of moving goods and services from suppliers to end consumers through distribution channels ([Cariou & Notteboom, 2022](#)). The parties that play a role in the port include (a) the Shipper/cargo owner, namely the party who sends goods (goods owner). (b) Freight Forwarder / Shipping agency, which is the party that regulates the delivery of goods until it is received by consumers. (c) Carrier / EMKL, which is the party that transfers goods (transportation) to consumers.

The application of the logistics concept allows more efficient movement (goods and modes of transportation) with a wide choice of transportation modes, travel routes, departure schedules, hubs (distribution centers) traversed, the transfer of goods at terminals (example: ports) from one mode of transportation to another. The goal is to provide raw materials and/or finished goods for consumers with timeliness, the most optimal costs, and maintained delivery quality.

Is the integration of the core business processes of end users through suppliers who provide products, services, and information that add value to consumers and shareholders ([Stock & Lambert, 2001](#)). The integration of business processes that span from suppliers to end consumers greatly impacts the level of consumer satisfaction and the company itself ([Luo, Liu, Zhao, & Flynn, 2023](#)). Supply chain management is a

series of facilities, functions, and activities of companies involved in the manufacture and distribution of goods or services. The series starts with the supplier and ends with the end consumer, it can be known the advantages of the supply chain, namely reducing the inventory of goods in various ways, ensuring the smooth supply of goods, and ensuring quality (Luo et al., 2023). Sweeney (2013) supply chain management in trucking services involves managing and coordinating the entire process involved in shipping goods from in this case the factory/warehouse or port after the goods go down from the ship to the customer through truck delivery services.

Some aspects that need to be considered in supply chain management in trucking services are: (1) Planning: planning the number of trucks needed, optimal routes, and delivery times, and setting schedules to ensure timely delivery. (2) Procurement: find a third party who provides trucks and prepares cooperation contracts. Pick-up: preparing goods for shipment and conducting quality checks. (3) Delivery: deliver goods according to a predetermined schedule, monitor the position of the truck during the trip, and handle problems that occur during delivery. (4) Tracking and surveillance: monitor shipments and ensure goods reach customers on time. (5) Return handling: arranging and handling returns in case of problems or complaints from customers. (6) Return handling: arranging and handling returns in case of problems or complaints from customers.

In addition, supply chain management in trucking services can also pay attention to aspects such as operational costs, risk management, and the use of technology to improve the efficiency and effectiveness of the shipping process. Research Woo (2013) defines the maritime supply chain as a shipping company management system from the supply side to the supply chain that functions to carry out control over the entire chain in the search for the lowest cost and efficiency gains.

In the opinion of (Han Woo et al., 2010), distinguishing supply chain orientation (SCO) from SCM, defines SC as recognition by an organization of the systemic, strategic implications of tactical activities involved in managing various flows in a supply chain" and mentions "actual implementation of SCO in various companies in the supply chain"SCM. Their conceptual model, therefore, identifies SCO as the antecedent of SCM and SCM as an enhancer of a firm's performance.

Then added Woo (2013) research states the concept of SCM with market orientation. Where SCO and SCM act as mediators of market orientation and performance. In many studies, the opinions of customers who use port services are examined, in this case, shipping companies, forwarders, and third-party logistics service providers as well as in certain port customer satisfaction surveys. Interpret the supply chain at the port as a flow. Where the supply chain orientation in question focuses on the flow of goods and materials that pass through the port and is considered the port is one of the members of the ultimate supply chain, not just providing services to service users and then continuing to use land services to deliver goods in the hands of buyers (Woo et al., 2013).

According to [Suo \(2005\)](#) Supply chain integration refers to the extent to which strategic organizations cooperate with supply chain partners and manage intra- and inter-organizational processes to achieve the effective and efficient flow of products, services, information, money, and decisions to provide maximum value to customers. Strengthened by the opinion [Woo \(2013\)](#) define integration with port supply chains, trucking services, and goods owners as a strategy taken to integrate various functions and organizations in a supply chain to become an integral part of the supply chain and they define its components as information sharing, information, and communication systems, long-term relationships, Value added and intermodal services, as well as supply chain integration practices.

Supply chain integration has been studied in several previous studies and presumably, some statements from previous research results are still used today. The study of [Vural \(2019\)](#) mentions the integration of sea ports/terminals and trucking services in the supply chain and defines the term as the scope of terminal operationalization in establishing systems and processes and performing relevant functions to become an integral part of the supply chain.

Logistics performance refers to the ability of an organization to optimize all processes and activities related to supply chain management, from the procurement of raw materials to the delivery of finished products to end consumers ([Oluwaseyi, Onifade, & Odeyinka, 2017](#)). Logistics performance can be measured by various performance indicators such as cost efficiency, delivery speed, delivery accuracy, responsiveness to customer requests, and so on ([Fawcett & Magnan, 2002](#)). This means that good logistics performance will help organizations achieve their business goals more effectively and efficiently, such as increasing customer satisfaction, reducing operational costs, increasing efficiency, increasing brand reputation, and others. Therefore, it is important for an organization to continuously improve its logistics performance to compete in an increasingly tight market.

Indicators of logistics competence or quality of logistics services show how high the competence or quality of logistics services such as transportation using trucks, expedition or forwarding, and customs brokerage is. The tracking and tracing indicator shows how much ability to track and follow the items in the shipment. Finally, the timeliness indicator shows the frequency or how often the transport can reach the destination (consignee) according to the expected or scheduled time. In [Ojala \(2015\)](#) research, it is also stated that LPI not only provides an assessment index of logistics performance evaluation throughout the world but also a tool for analyzing future logistics performance trends.

The problem identified is the increase in the truck waiting for time delays in loading and unloading logistics goods from 2021 to 2022, which can be seen from the number of trucks experiencing delays which increased from 93 trucks to 98 trucks. In addition, the average waiting time is the most is 1-3 hours, which has increased from 33 trucks in 2021 to 39 trucks in 2022. This issue can impact operational efficiency and on-

time delivery of goods, requiring action to address increased delays in the truck waiting times and improve prolonged waiting times in logistics loading and unloading activities.

The supply chain management system approach affects improving performance, especially in logistics. Then some of the existence in previous studies also examined many variables that have an important influence on logistics performance, such as supply chain orientation and supply chain integration proven to influence logistics performance, but what distinguishes this study from previous studies is with variables (supply chain orientation, supply chain integration and logistics performance that focus trucking services on problem-solving research). So that the concept of a research model was formed to examine the strategy of orientation towards logistics performance with supply chain integration into a mediating variable (Study on owners of manufacturing companies engaged in consumer goods processing services that use logistics services at Central Java ports).

Previous research with the same research object, mostly examined things that affect the operational performance of port logistics, for example, related to operational service activities and the quality of port infrastructure, but did not emphasize the focus of supply chain management on trucking services. The research questions based on the background of the above problems are: (1) How does supply chain orientation affect supply chain performance in manufacturing company owners engaged in consumer goods processing services? (2) How does supply chain orientation affect supply chain integration in manufacturing company owners engaged in consumer goods processing services? (3) How does supply chain integration affect supply chain performance in manufacturing company owners engaged in consumer goods processing services?

This study aims to examine how the influence of supply chain orientation on logistics performance through supply chain integration as an intervening variable, a research study was conducted on manufacturing companies engaged in consumer goods processing services that use coal transportation services.

RESEARCH METHODS

This research uses a quantitative approach, namely research that uses numbers and then analyzed using statistics with AMOS 22 software. This method is considered appropriate to determine the influence between exogenous variables on endogenous (Prof Dr Sugiyono, 2018). Population In the study, certain characteristics can be studied and concluded (P D Sugiyono, 2019). The population of this study is all manufacturing companies involved in the supply chain and using freight forwarding services at the port of Central Java.

The sample is representative of the entire population. The study used purposive sampling techniques, namely there are certain characteristics to be sampled (Prof Dr Sugiyono, 2018). (1) The sample criteria in this study are: Owners of manufacturing companies engaged in consumer goods processing services that use goods transportation services at the port of Central Java. (2) The owner of a manufacturing company engaged in consumer goods processing services that use goods transportation services at the port

of Central Java for more than 1 year. (3) Owners of manufacturing companies that use trucking services appointed by the port of Central Java.

Determination of a minimum sample of 5-10 multiplied by the number of indicators in the study, the SEM method should also use a sample of 100-200 respondents (Ghozali (2016) From the description above, the sample is (27 indicators x 5) = 135 respondents who own manufacturing companies engaged in consumer goods processing services.

In this study, the collection was carried out by distributing questionnaires to respondents, the questionnaires distributed were various statements related to the variables studied. In measuring the attitudes, perceptions, and opinions of respondents, researchers use a scale of 1 to 5 (Prof Dr Sugiyono, 2018). With the following information.

RESULTS AND DISCUSSION

A. Confirmatory Factor Analysis (CFA) CFA Variable Supply Chain Orientation

The figure below describes the results of the Confirmatory Factor Analysis (CFA) test of the Supply Chain Orientation variable. As follows.

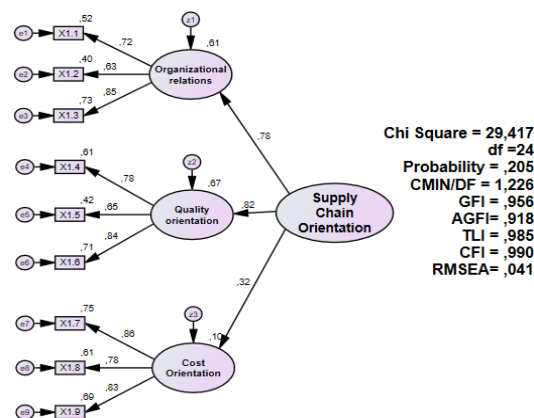


Figure 2 Supply Chain Orientation Variable CFA Test

The results of the analysis of the Supply Chain Orientation variable CFA test on the model feasibility test are presented below.

Table 1
Feasibility Test of Supply Chain Orientation Model

<i>The goodness of fit index</i>	<i>Cut off value</i>	<i>Hasil Analisis</i>	<i>Keterangan</i>
Chi-Square	< 5,991 (df:24, α:0,05)	29,417	Appropriate
CMIN/DF	< 2,00	1,226	Appropriate
Probability	> 0,05	0,205	Appropriate
GFI	> 0,90	0,956	Appropriate
AGFI	> 0,90	0,918	Appropriate
TAG	> 0,95	0,985	Appropriate
CFI	> 0,95	0,990	Appropriate
RMSEA	< 0,08	0,041	Appropriate

1. Value Loading variable factor Supply Chain Orientation

On Organizational Relationship Dimension:

X1.1 = 0.722 Supply Chain Orientation + 0.23

X1.2 = 0.630 Supply Chain Orientation + 0.32

X1.3 = 0.852 Supply Chain Orientation + 0.15

On Quality Orientation Dimension:

X1.4 = 0.780 Supply Chain Orientation + 0.19

X1.5 = 0.647 Supply Chain Orientation + 0.27

X1.6 = 0.844 Supply Chain Orientation + 0.17

On Cost Orientation Dimension:

X1.7 = 0.863 Supply Chain Orientation + 0.16

X1.8 = 0.781 Supply Chain Orientation + 0.17

X1.9 = 0.828 Onboarding Supply Chain +0.18

The model describes the relationship between the forming indicators of the supply chain orientation variable, an increase in variables by 1 unit, then followed by an increase in indicators from the organizational relationship dimension; X1.1 (Trucking service management in the supply chain is coordinative) is 0.722, indicator X1.2 (Mutual benefit between parties in the supply chain) is 0.630 and indicator X1.3 (Trust in trucking service providers in the supply chain) is 0.852.

Dimension Orientation on quality; in indicator X2.4 (Level of supply chain reliability in meeting customer needs) of 0.780, indicator X2.5 (Responsiveness in responding to customer demand) of 0.647, and indicator X2.6 (Efficiency of the supply chain in optimizing the use of resources to produce quality services) of 0.844. Cost Orientation Dimension; in indicator X2.7 (Competitive and efficient transportation costs) of 0.863, indicator X2.8 (Risk management in the supply chain) of 0.781, and indicator X2.9 (Operational efficiency of the company) of 0.828.

2. Variable dimensions Supply Chain Orientation

Table 2
Dimesi Value of Supply Chain Orientation variable

	Estimates
Organizational Relations <---	,784
Orientation on quality <--- Supply Chain Orientation	,821
Cost Orientation <---	,316

In Table 2, it is known from the three dimensions that have the highest value or provide the largest contribution, quality orientation, which means that orientation to the quality of trucking services can affect customer perceptions of the quality of services provided by trucking companies. By prioritizing the quality of trucking services in terms of reliability, responsiveness, and quality efficiency.

B. CFA Variable Supply Chain Integration

The figure below describes the results of the Confirmatory Factor Analysis (CFA) test of the Supply Chain Integration variable. As follows

The Effect of Orientation Strategy on Logistics Performance with Supply Chain Integration as a Mediation Variable

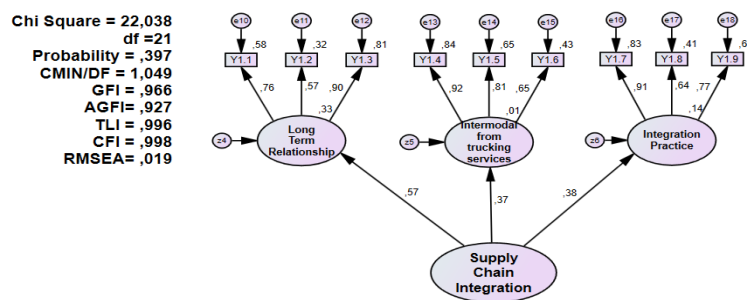


Figure 3 Supply Chain Integration Variable CFA Test

The results of the CFA test analysis of the Supply Chain Integration variable in the model feasibility test are presented below.

Table 3 Feasibility Test of Supply Chain Integration Model

The goodness of fit	Cut off value	Hasil Analisis	Keterangan
Chi-Square	< 5,991 (df:21, α:0,05)	22,038	Appropriate
CMIN/DF	< 2,00	1,049	Appropriate
Probability	> 0,05	0,397	Appropriate
GFI	> 0,90	0,966	Appropriate
AGFI	> 0,90	0,927	Appropriate
TAG	> 0,95	0,996	Appropriate
CFI	> 0,95	0,998	Appropriate
RMSEA	< 0,08	0,019	Appropriate

1. Loading value of variable factors Supply Chain Integration

On the Long-Term Relationship Dimension:

- X1.1 = 0.763 Supply Chain Integration + 0.15
- X1.2 = 0.566 Supply Chain Integration + 0.19
- X1.3 = 0.900 Supply Chain Integration + 0.06

On the Intermodal Dimension of trucking services:

- X1.4 = 0.919 Supply Chain Integration + 0.08
- X1.5 = 0.805 Supply Chain Integration + 0.18
- X1.6 = 0.652 Supply Chain Integration + 0.29

On the Integration Practice Dimension:

- X1.7 = 0.911 Supply Chain Integration + 0.06
- X1.8 = 0.640 Supply Chain Integration + 0.18
- X1.9 = 0.773 Supply Chain Integration + 0.15

The model illustrates the relationship between the forming indicators of the Supply Chain Integration variable, an increase in variables by 1 unit, then followed by an increase in indicators from the long-term relationship dimension; indicator Y1.1 (Trust on the part of the trucker in fulfilling its obligations & behaving ethically in business relationships) of 0.763, indicator Y1.2 (Strong commitment of the trucking service to maintain long-term relationships) of 0.566 and indicator Y1.3 (Strong communication of trucking services maintaining long-term relationships in the supply chain) of 0.900.

Intermodal dimensions of trucking services; on indicator Y1.4 (Clarity of estimated delivery time) of 0.919, indicator Y1.5 (Reliability of shipping costs) of 0.805, and indicator Y1.6 (Delivery Security) of 0.652. Dimensions of Integration Practices; in indicator Y1.7 (Integrated information system to manage shipments and coordination between business partners) of 0.911, indicator Y1.8 (Use of the latest

technology in the process of shipping goods) of 0.640, and indicator Y1.9 (Percentage of shipping errors from trucking services is very low) of 0.773.

2. Variable Dimensions of Supply Chain Integration

Table 4
Supply Chain Integration variable Dimesi Value

		Estimates
Long Term Relationship	<---	,570
Intermodal From trucking services	<---	,367
Integration Practice	<---	,380

Of the three dimensions that have the highest value or provide the greatest contribution, long-term relationships which means Long-term relationships in supply chain integration occur when two or more parties agree to work together for a long period, usually in more than one year. In this relationship, there is a strong commitment between goods owners and trucking services in transporting logistics goods to improve supply chain efficiency and performance.

C. Endogenous Variables of Logistics Performance

In the figure below, the results of the Confirmatory Factor Analysis (CFA) test of the Logistics Performance variable are explained. As follows

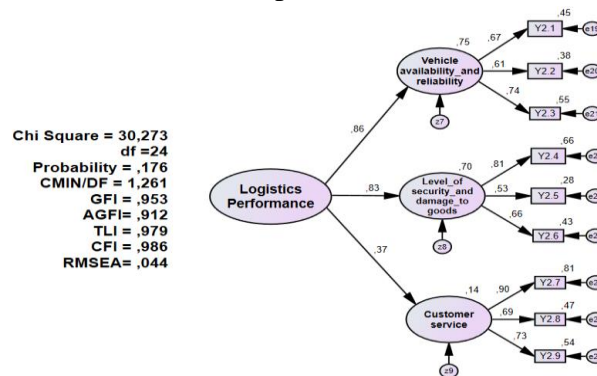


Figure 4 Logistics Performance Variable CFA Test

The results of the CFA test analysis of the Logistics Performance variable on the model feasibility test are presented below.

Table 5
Feasibility Test of Logistics Performance Model

The goodness of fit	Cut off value	Hasil Analisis	Keterangan
Chi-Square	< 5,991 (df:24, α:0,05)	30,273	Appropriate
CMIN/DF	< 2,00	1,261	Appropriate
Probability	> 0,05	0,176	Appropriate
GFI	> 0,90	0,953	Appropriate
AGFI	> 0,90	0,912	Appropriate
TAG	> 0,95	0,979	Appropriate
CFI	> 0,95	0,986	Appropriate
RMSEA	< 0,08	0,044	Appropriate

**1. Value Loading variable factors Logistics Performance
On Dimensions of Vehicle Availability and Reliability:**

$$Y2.1 = 0.674 \text{ Logistics Performance} + 0.18$$

$$Y2.2 = 0.613 \text{ Logistics Performance} + 0.17$$

$$Y2.3 = 0.743 \text{ Logistics Performance} + 0.15$$

On Dimensions Level of safety and damage to goods:

$$Y2.4 = 0.809 \text{ Logistics Performance} + 0.13$$

$$Y2.5 = 0.528 \text{ Logistics Performance} + 0.21$$

$$Y2.6 = 0.655 \text{ Logistics Performance} + 0.18$$

On Customer Service Dimension:

$$Y2.7 = 0.901 \text{ Logistics Performance} + 0.07$$

$$Y2.8 = 0.689 \text{ Logistics Performance} + 0.17$$

$$Y2.9 = 0.734 \text{ Logistics Performance} + 0.17$$

The model illustrates the relationship between the forming indicators of the Logistics Performance variable, an increase in variables by 1 unit, then followed by an increase in indicators from the dimensions of vehicle availability and reliability; indicator Y2.1 (Vehicles equipped with safety equipment and other supporting devices) of 0.674, indicator Y2.2 (Percentage of vehicles damaged) of 0.613 and indicator Y2.3 (Number of available spare vehicles) of 0.743.

Dimensions The level of security and damage to the goods; in indicator Y2.4 (Delivery safety rate) of 0.809, indicator Y2.5 (Percentage Rate of damaged or lost goods) of 0.528, and indicator Y2.6 (Percentage of compensation claims) of 0.655. Customer service dimension; on indicator Y2.7 (Delivery accuracy) of 0.901, indicator Y2.8 (Customer service responsiveness) of 0.689, and indicator Y2.9 (Ability to provide accurate information) of 0.734.

2. Variable Dimensions of Logistics Performance

**Table 6
Dimesi Value of Logistics Performance variables**

		Estimates
Availability and reliability	<---	.864
Customer service	<---	.373
Level of Security & Damage_Goods	<---	.835

Of the three dimensions that have the highest value or provide the largest contribution, availability, and reliability, which means that availability and reliability are also important in trucking services or shipping goods using trucks. In trucking services, availability refers to the trucking service company's ability to provide the required truck at the time desired by the customer, while reliability refers to the trucking service company's ability to provide consistent and reliable freight forwarding services.

D. Test Goodness of Fit Full Model

Test In the picture below, the full feasibility test of the research model is presented. Analysis using the SEM method with the help tool AMOS 24.00, the following analysis results are presented below.

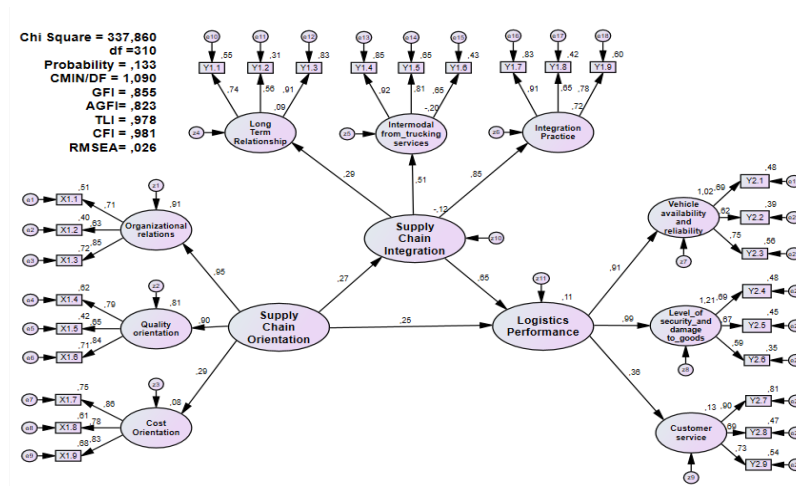


Figure 5 Full Model Research

Test In Figure 6 above, the full model feasibility test is recapitulated in the table described below:

Table 7
Output Analisis Uji Kelayakan Full Model

The goodness of fit	Cut off value	Hasil Analisis	Keterangan
Chi-Square	< 109,773 (df:310, α:0,05)	337,860	Fit
CMIN/DF	< 2,00	1,090	Fit
Probability	> 0,05	0,133	Fit
GFI	> 0,90	0,855	Marginal
AGFI	> 0,90	0,823	Marginal
TAG	> 0,90	0,978	Fit
CFI	> 0,95	0,981	Fit
RMSEA	< 0,08	0,026	Fit

Furthermore, a regression weight full modeling test was carried out to determine the influence between research variables as follows.

Table 8
Regression Weight

		Estimates	SE	CR	P-values
Supply Chain Integration	<--- Supply Chain Orientation	,272	,103	2,625	,009
Logistics Performance	<--- Supply Chain Orientation	,290	,139	2,092	,036
Logistics Performance	<--- Supply Chain Integration	,765	,313	2,441	,015

Source: primary data processing, 2023

Table 8 above will be described below.

- The effect of supply chain orientation on supply chain integration with a significant value (p-value) of $0.009 < 0.05$ with a CR of $2.625 > 1.96$ and showed a positive estimate value of 0.272. This means that supply chain orientation can significantly positively improve supply chain integration.
- The effect of supply chain orientation on logistics performance with a significant value (p-value) of $0.036 < 0.05$ with a CR of $2.092 > 1.96$ and showing a positive

estimate value of 0.290. This means that supply chain orientation can significantly improve logistics performance.

c. The effect of supply chain integration on logistics performance with a significant value (p-value) of $0.015 < 0.05$ with a CR of $2.441 > 1.96$ and showing a positive estimate value of 0.765. This means that supply chain integration can significantly improve logistics performance.

After fulfilling the structural model assumption test, testing of each hypothesis in this study was carried out. The hypothesis will be accepted if the p-value < 0.05 and the critical ratio (CR) value > 1.96 , which shows a significant influence between research variables. The results of the conclusion of the hypothesis can be found below.

Table 9
Research Hypothesis Conclusions

Research Hypothesis	Estimates	CR	P	Conclusion Hypothesis
H1: Supply Chain Orientation has a positive impact on logistics performance.	0.272	2,625	0.009	Acceptable
H2: Supply Chain Orientation has a positive impact on Supply Chain Integration	0.290	2,092	0.036	Acceptable
H3: Supply Chain Integration has a positive impact on logistics performance	0.765	2,441	0.015	Acceptable

E. Supply Chain Orientation has a significant effect on Logistics Performance in manufacturing companies engaged in consumer goods processing services

Supply chain orientation has proven to have a significant effect in improving logistics performance in manufacturing companies engaged in consumer goods processing services that use freight forwarding services at Central Java ports. This means that the level of supply chain orientation in the company has a significant impact on improving logistics performance, especially in goods transportation services from ports to goods owners. A good supply chain orientation includes effective coordination between all parties involved in the supply chain, in this case between customers and trucking service providers (Mentzer et al., 2008) and (Chopra & Meindl, 2016).

A good supply chain orientation can improve logistics performance in terms of trucking with a focus on; (a) better delivery schedule arrangement, because in a good supply chain orientation, all parties coordinate with each other to ensure that delivery times are met on time. This can reduce truck waiting time, thereby speeding up delivery time and reducing operational costs. (b) cost reduction, good coordination in the supply chain can help reduce freight costs by reducing truck waiting time and minimizing trips with trucks that are not full and (c) improved customer service, good supply chain orientation can speed up the delivery of goods to customers, reduce delivery time and increase customer satisfaction.

It is known that the results of processing loading factor value data from supply chain orientation indicators consisting of 3 dimensions and 9 indicators are proven to measure the construct, It is known that the value of the indicator that has the highest value is indicator X2.7 (Competitive and efficient transportation costs) of 0.863 which is a dimension of cost orientation and the lowest indicator value of supply chain orientation is indicator X1.2 (Mutual benefit between parties in the

supply chain) of 0.630 which is a dimension of organizational relationships, this means that between parties involved in the supply chain must improve long-term relationships, Parties in the supply chain need to develop sustainable relationships to build mutual trust and mutual benefit.

F. Supply Chain Orientation has a significant effect on Supply Chain Integration in manufacturing companies engaged in consumer goods processing services

Supply Chain Orientation has proven to have a significant positive effect in increasing supply chain integration in manufacturing companies engaged in consumer goods processing services that use goods transportation services at Central Java ports. This means that optimal supply chain orientation conditions in the company will increase supply chain integration, especially between customers and trucking services. Supply chain orientation is very influential on supply chain integration in terms of trucking. Supply chain integration is a concept that describes the interrelationships between various elements in the supply chain, including transportation and distribution (Mentzer et al., 2008) and (Luo et al., 2023).

It is known that the results of processing loading factor value data from supply chain orientation indicators consisting of 3 dimensions and 9 indicators are proven to measure the construct, It is known that the value of the indicator that has the highest value is the Y1.4 indicator (Clarity of estimated delivery time) of 0.919 which is a dimension of Intermodal from trucking services and the lowest indicator value is the Y1.2 indicator (Strong commitment of trucking services to maintain long-term relationships) of 0.566 which is a dimension of long-term relationships, this means that between parties involved in the current supply chain need to increase strong commitments For example, building mutually beneficial relationships, trucking services will be more likely to maintain long-term relationships with other parties in the supply chain if they feel that the relationship is mutually beneficial. Therefore, It is important to build mutually beneficial relationships with truckers, such as by providing attractive contracts and providing incentives for good performance.

G. Supply Chain Integration has a significant positive effect on Logistics Performance in Manufacturing Companies Engaged in Consumer Goods Processing Services

Supply chain integration has proven to have a significant effect in improving logistics performance in manufacturing companies engaged in consumer goods processing services that use freight forwarding services at Central Java ports. The implementation of supply chain integration strategies in companies will have an impact on improving logistics performance. Opinions Luo (2023) and Mentzer (2008) good supply chain integration have a positive impact on logistics performance in terms of trucking, by prioritizing (a) Improving operational efficiency, (b) reduce logistics costs, Supply chain integration can help reduce logistics costs in terms of trucking.

It is known that the results of processing data on the loading factor value of the supply chain orientation indicator consisting of 3 dimensions and 9 indicators that are proven to measure the construct, it is known that the value of the indicator that has the highest value is the Y2.7 indicator (Delivery accuracy) of 0.901, which is the dimension of customer service and the lowest indicator value is the Y2.5 indicator (Percentage rate of damaged or lost goods) of 0.528, which is a dimension of the level of security and damage to goods, it means that between parties involved in the supply chain currently need to improve to reduce the percentage of damaged or lost goods in supply chain performance, several efforts can be done, by (a) improving supervision and control at each stage of the supply chain, This can be done by conducting periodic audits and inspections at each stage of the supply chain to ensure that all processes run properly and following standards. (b) The use of appropriate technology, technologies such as barcodes, RFID, and sensors can help identify products appropriately and monitor their movement through the supply chain. This can help reduce the risk of human error and increase transparency and the latest (c) Improved risk management, good risk management can help identify possible risks in the supply chain and take appropriate precautions to reduce those risks.

CONCLUSION

Supply Chain Orientation has a significant effect on logistics performance with an estimated value of 0.272 and a p-value of 0.009. A good supply chain orientation in manufacturing companies engaged in consumer goods processing services that use freight forwarding services at Central Java ports can directly improve logistics performance.

Supply Chain Orientation has a significant positive effect on supply chain integration with a coefficient value (estimate) of 0.290 and a p-value of 0.036. The good orientation of the supply chain to manufacturing companies engaged in consumer goods processing services that use goods transportation services at the port of Central Java will have a positive impact on increasing supply chain integration of everyone involved in the supply chain.

Supply Chain Integration has a significant positive effect on logistics performance with an estimated coefficient of 0.765 and a p-value of 0.015. Logistics performance in manufacturing companies engaged in consumer goods processing services that use freight forwarding services at Central Java ports can increase if the implementation of supply chain integration has been achieved from every part involved in the supply chain.

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