

SYSTEMATIC LITERATURE REVIEW: THE EFFECT OF SUPPLY CHAIN STRATEGY AND HR COMPETENCY ON COMPANY PERFORMANCE THROUGH COMPETITIVE ADVANTAGE AND MARKET ORIENTATION

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Abstract: This study aims to determine and analyze the effect of supply chain strategy and HR competence on company performance through competitive advantage and market orientation as intervening variables. Based on the results of an analysis with a systematic literature review and using the statistical application of VOSviewer, it is known that from several sources, links to international journals can be mapped. The determinant factors are supply chain strategy, HR competence, competitive advantage and market orientation.

Keywords: *Supply chain strategy, employee competence, competitive advantage, market orientation, company performance.*

I. INTRODUCTION

The rapid development of information technology and manufacturing processes has an impact on the shortening of the product life cycle. Every company must strive to be able to increase its productivity, efficiency, fast, easy service and continue to create new innovations in order to gain competitive advantage in the midst of dynamic market competition.

The company's performance is said to be good if the company's management is carried out effectively and efficiently. This means that the company's performance must reflect the achievement of the company's vision and mission, both financially and non-financially measurable performance achievements.

II. LITERATURE AND METHOD

A. Company Performance

Performance as a description of the level of achievement of the implementation of an organization's tasks in an effort to realize the goals, objectives, mission and vision of the organization, (Bastian, 2001).

Measurement of company performance is the company's ability to set standards expected by customers by considering low production and maintenance costs, improving product quality, reducing work-in-process inventory, decreasing material handling costs and delivery deadlines, (Tracey & Vonderembse, 2004).

B. Supply Chain Strategy

The supply chain strategy is directed to be able to integrate the activities of procuring materials and services, converting them into semi-finished goods and final products and sending them to customers effectively and efficiently (Heizer & Render, 2012).

It can be interpreted that goods are produced in the right quantity, at the right time and at the right place with the aim of achieving a minimum holistic cost of the system and achieving the desired level of service (Levi et al, 2000; Rahadi, 2012); Suharto & Devie, 2013).

C. HR Competence

Competition in the industrial world requires companies to continuously improve the capabilities and competencies of their employees. HR competencies can determine the company's ability to achieve company goals, because the competencies possessed by each employee are able to determine the company's success in achieving its vision and mission.

In addition, competency adjustment also refers to the needs of market demands. Some companies focus on empowering human resources by providing training or training. Efforts to improve the ability and quality of employees' work are increasingly important when the demands for job competition and competencies are increasingly fierce, (Halisa, 2020; Forbes et al, 2020; Vinichenko et al, 2018).

D. Competitive Advantage

Organizations that have a competitive advantage generally have reliable sources in order to win the competition (Draft, 2012; Kasmir, 2015). Competitive advantage does not only come from the external environment such as changes in customer demand, changes in prices and changes in technology. But it can also come from the internal structure, namely creativity and innovation (Porter, 2001; Grant, 2004).

Hitt & Black (2012), said that competitive advantage is the company's ability to provide value to customers that exceeds what competitors can provide. Companies will have a competitive advantage when implementing strategies by creating the best value for customers and direct competitors (Kotler & Armstrong, 2018).

E. Market Orientation

Market orientation is the strategic planning of business units to meet market demands by paying attention to all functions in the company that are able to absorb important information

related to matters affecting purchasing, inter-functional and inter-divisional decision-making strategies carrying out marketing activities, (Herman et al, 2018).

The market orientation strategy is part of the joint aspects of marketing that are important in supporting the operations of a business activity, (Anjaningrum & Sidi, 2018; Crick, 2021; Sondra & Widjaja, 2021).

F. Research Design

This study uses quantitative methods with an explanatory research approach. Meanwhile, at the explanation level, this study uses associative research, namely knowing and analyzing the effect of causality between variables.

The researcher uses a systematic literature review analysis to capture the novelty that can be raised from the final results of the study. So, it is hoped that it can provide information to related researchers whether or not there are previous studies that examine this topic.

In addition, the SLR approach is very helpful for researchers to obtain information on what determinants are relevant and can affect the company's performance variables.

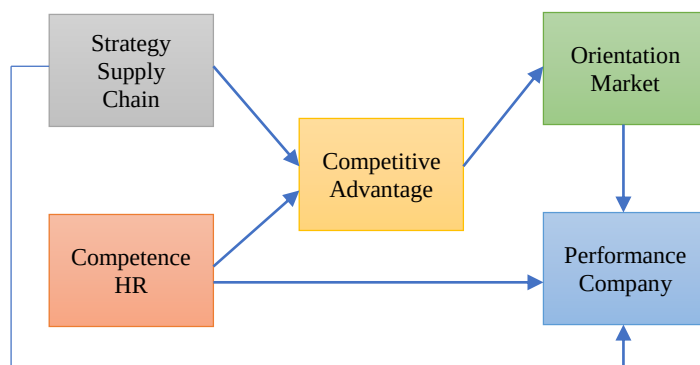


Figure 1.
Research design

III. RESULT AND DISCUSSION

The following presents the results of a systematic literature review from several international journal sources such as the Scopus journal link using as many as 1,000 research journal titles that are relevant to research issues regarding the determinant factors that affect company performance.

Based on a literature search with the help of the VOSviewer statistical application and using several keywords, the results are as presented below.

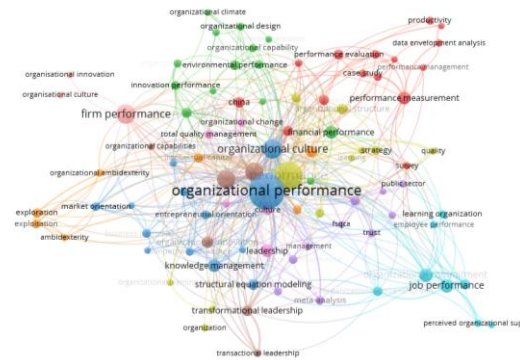


Figure 2a.
SLR analysis on Scopus links

Based on Figure 2a above, it can be explained that this is the result of processing literature data using the VOSviewer software by entering as many as 1,000 journal titles. Furthermore, there are various kinds of issues that can be used to explain the variation in their influence on the company's performance variables, as presented below.

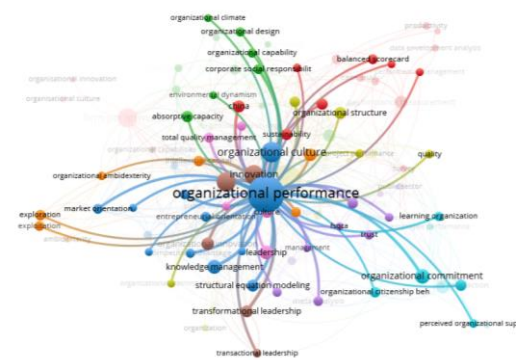


Figure 2b.
SLR analysis on Scopus links

Measurement of company performance variables can use the balanced scorecard method, which is one method of measuring company performance that uses financial and non-financial measurements in its measurement. Not many, but there are some researchers who use this method in measuring company performance, as presented below.



Figure 2c.
SLR analysis on Scopus links

There are several determinant factors that are suspected to be strong in explaining the variation of their influence on the company's performance variables in the midst of international market competition, one of which is the supply chain management variable.

Supply chain strategy variables with competitive, partnership, responsive and sustainable dimensions are considered to be able to influence the company's performance variables. There have been several researchers who have connected the causal effect of these two variables, as presented below.



Figure 2d.
SLR analysis on Scopus links

Another variable that can explain the variation in its influence is the competence of human resources, namely employee performance variables with the dimensions of knowledge, skill and attitude which are thought to affect the company's performance variables, as presented below.

Information:

 X_1 : Supply chain strategy X_2 : HR Competence Z_1 : Competitive advantage Z_2 : Market orientation Y : Company performance

Table 1.
Results of a Systematic Literature Review of
Various International Journal Links

Researcher	Scope	Conclusion
Kalaitzi & Naoum (2022)	Supply chain strategy, competitive advantage and company performance	Partially supply chain strategy can affect the company's competitive advantage and performance
handoko, Rudy, Idris (2015)	Supply chain strategy, competitive advantage and company performance	Supply chain strategy can affect the company's performance through competitive advantage either directly or indirectly
Zhang & Ren (2016)	Supply chain strategy and company performance	Supply chain strategy can affect company performance
Gupta, Dmitry, Tsan (2021)	Supply chain strategy and company performance	Supply chain strategy can affect company performance
Banmauroy, Taweesak, Vienna (2021)	HR competence and competitive advantage	HR competencies can affect competitive advantage
Jalal, Paul, David (2013)	HR competence and competitive advantage	HR competencies can affect competitive advantage
Rua & Catarina (2022)	Competitive advantage and market orientation	Competitive advantage can affect market orientation
Pedro, Gloria, Maria (2017)	Market orientation and company performance	Market orientation can affect company performance
Ejrami, Nader, Sahar (2016)	Competitive advantage and market orientation	Competitive advantage can affect market orientation
Schulze, Janell, Berk (2022)	Market orientation and company performance	Market orientation can affect company performance
Altuntas, Fatih, Hanife (2013)	Market orientation and company performance	Market orientation can affect company performance
Ahmad & Hassan (2022)	HR competencies and company performance	HR competencies can affect company performance
Sun, Mohsin, Asif (2022)	HR competencies and company performance	HR competencies can affect company performance
Liao & Huang (2016)	HR competencies and company performance	HR competencies can affect company performance
Ozgun, Mehves, Selim	HR competencies and company performance	HR competencies can affect company performance

(2022)		
Hashemi, Minoo, Shahla, Behzad (2016)	HR competencies and company performance	HR competencies can affect company performance
Wahyono & Benny (2021)	Market orientation and company performance	Market orientation can affect company performance
Alpkan & Mehmet (2012)	Market orientation and company performance	Market orientation can affect company performance
Natalie & Beverly (2022)	Supply chain strategy and competitive advantage	Supply chain strategy can affect competitive advantage
Marinagi & Panagiotis (2014)	Supply chain strategy and competitive advantage	Supply chain strategy can affect competitive advantage
Kazancoglu, Melisa (2022)	Supply chain strategy and competitive advantage	Supply chain strategy can affect competitive advantage
Othman, Roshayani (2015)	HR competence and competitive advantage	HR competencies can affect competitive advantage
Meutia & Tubagus (2012)	HR competence and competitive advantage	HR competencies can affect competitive advantage
Kumlu (2014)	HR competence and competitive advantage	HR competencies can affect competitive advantage
Zehir & Mahmut (2015)	Competitive advantage and market orientation	Competitive advantage can affect market orientation
Mashahadi & Noor (2016)	Competitive advantage and market orientation	Competitive advantage can affect market orientation
Rahab (2016)	Competitive advantage and market orientation	Competitive advantage can affect market orientation

Based on the results of an analysis with a systematic literature review using several links to international journals, it can be seen that there are several determinant factors that can affect the company's performance variables including the supply chain strategy variable, (Kalaitzi & Naoum, 2022; Handoko, Rudy, Idris, 2015; Zhang & Ren, 2016; and Gupta, Dmitry, Tsan, 2021).

Other variables that can also affect company performance are HR competencies, (Ahmad & Hassan, 2022; Sun, Mohsin, Asif, 2022; Liao & Huang, 2016; Ozgun & Mehves, Selim, 2022; and Hashemy, Minoo, Shahla, and Behzad, 2016).

Then, there are also market orientation variables that can affect the company's performance (Pedro, Gloria, Maria, 2017; Schulze, Janell, Berk, 2022; Altuntas, Fatih, Hanife, 2013; Wahyono & Benny, 2021; and Alpkan & Mehmet, 2012).

IV. CONCLUSION

Based on the results of the analysis with a systematic literature review, it can be seen that there are several determinant factors that can explain the variation of their influence on the company's performance variables, including supply chain strategy variables, HR competence, competitive advantage and market orientation.

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