

CHAPTER 1

INTRODUCTION

A. Research Background

This study aims to analyze the variables that affect supply chain performance in order to better understand how supply chain performance can affect a company and whether or not IT Skills may impact supply chain performance as a mediating role.

The research problem of this research comes from the research made by Haseeb. et al. (2019) supply chain performance in Indonesia needs to be enhanced by the Indonesian government in order to raise the economic growth of the country. In order to help achieve the goal of enhancing supply chain performance in Indonesia, we first have to understand how supply chain of performance is affected and by what variables.

Growth of an information technology business in a city can have a variety of different effects. Scholars believe that the information technology business can bring about economic opportunities, including employment opportunities, revenues from both the local market and exports, and investments from both the domestic and international markets (Das. 2019).

The term "information technology" is typically employed when referring to an organization's capacity to process data. The proliferation of many kinds of digital technologies has resulted in an increase in the importance of information technology (IT) skills for businesses. This importance is only growing. As a result of shifts in the industry, businesses are becoming more reliant on information technology (IT) in order to achieve and sustain competitiveness, increase efficiency, and thrive in today's dynamic marketplaces. (Chege. 2020)

In previous research of IT Skills literature, previous studies did not link IT Skills with two independent variables namely E-Leadership and Relational skills, and they also did not use IT Skills as a mediating variable but as an independent variable, such as the one made by Chege. et al. (2020) Their research measures the relationship between IT, Innovation, Organization Structure, Business Environment, and Entrepreneur innovativeness towards a Firm's performance.

According to Basheer. et al. (2019) technology has evolved to the point where it is now an integral part of human existence, and the implementation of supply chain technology is now essential for efficient business operations. In addition to the operations of the business, a significant amount of reliance is placed on the functions of the technology in order to provide a dependable intermediate for the transfer of high-quality information

According to Valdez-Juárez. et al. (2020) technological capacity, open innovation capacity, sustainability, or ecological innovation are the four foundations around which innovative business models are built. The ability of a corporation to design and develop new processes and products, improve knowledge and human capital capabilities, and translate knowledge into inputs (products and services) of high added value in order to increase organizational performance is known as technological capacity.

The majority of businesses in a variety of places throughout the world have been fighting to become more inventive and competitive. Many businesses have been pushed to reconsider their business strategies as a result of technological advancements, economic shocks, and adapting towards the demands of supply from the market. (Valdez-Juárez. et al. 2020).

The performance of a supply chain is said to be the result of the methodical, strategic, and effective coordination of traditional business divisions both inside and outside of an organization. It includes the processes and actions involved in transforming unfinished goods and raw materials into finished products (Fatorachian, et al. 2021).

An e-leader is someone who exercises authority through the use of information and communication technologies rather than through direct personal interaction. A significant number of recent publications highlight the significance of virtual team aspects for leadership behaviour. This is in addition to the fact that modern leaders and employees are required to contend with the challenges posed by digital aspects of the workplace (Kraft, et al. 2019).

According to the research made by Ul-Hameed, et al (2019) the role of leadership cannot be neglected. An effective leadership can enhance the supply chain activities in a supply chain company. It has positive effect through transformational leadership and transactional leadership activities. However, supply chain employee's commitment for change is one of the essential elements to enhance the positive effect of leadership on supply chain performance. It is also important to note that this previous research is using the variable of transformative leadership and how it affects Supply Chain Performance rather than using E-Leadership.

Relational skills are a key strategic skill that assists business firms in effectively identifying, accessing, and acquiring technologies, knowledge, and skills that the firm itself cannot genuinely provide. This is accomplished through the use of relationships with other organizations. The capacity to effectively interact with other organizations is another benefit that comes with relational capabilities for businesses. Companies that

successfully develop their relational skills are better equipped to create successful collaborations, which in turn strengthens the position those companies hold in the market. According to the results of the research made by Salisu. et al (2019), the skills of a company to use technology effectively is a strategic skill that greatly boosts a company's success in the rapidly changing and highly competitive market climate of today. According to the statistical findings of this investigation, there is a discernible and favorable influence that relational skills has on performance.

The main objective of this paper is to study the effect of Information Technology (IT) Skills as a mediating role in E-Leadership and Relational Skills as well as how IT Skills as a mediating variable affect Supply Chain Performance.

B. Research Questions

From the title that the author has conveyed, the author tries to identify the following problems:

1. Does IT skills have a significant and positive impact towards supply chain performance?
2. Does IT skills have a significant and positive impact being a mediating role for Relational Skills?
3. Does IT skills have a significant and positive impact being a mediating role for E-Leadership?
4. Does Relational Skills have a significant and Positive affect towards Supply-Chain Performance?
5. Does E-Leadership have a significant and positive affect towards Supply-chain Performance?
6. Does IT Skills have a mediating role in Relational Skills towards supply-chain performance?
7. Does IT Skills have a mediating role in E-Leadership towards supply-chain performance?

C. Research Objective

1. To analyse the affect that IT skills has towards supply chain performance
2. To analyse the affect that IT skills has as a mediating role for Relational skills
3. To Analyse the affect that IT skills has as a mediating role for E-Leadership
4. To Analyse the affect that Relational Skills has towards Supply-Chain Performance
5. To Analyse the affect that E-Leadership has towards Supply-Chain Performance
6. To Analyse the affect when IT Skills is used as a mediating role for relational skills towards supply-chain performance
7. To Analyse the affect when IT Skills is used as a mediating role for E-Leadership towards supply chain-performance

D. Research Benefits

The benefits that this research can bring are:

1.Theoretical Benefits:

- a. This research is intended to inform you about how IT skills impacts supply chain performance.
- b. This research can also be used as reference point for research on IT skills and supply chain performance.
- c. This research is intended to inform the reader about the effects of relational skills that a firm has towards supply-chain performance
- d. This research is intended to inform the reader about the effects of E-Leadership towards supply-chain Performance
- e. This research has a novelty where it focuses on the impact that the variables have on the construction industry sector

2. Practical Benefits:

- a. This research can be utilized to help decision-making, particularly in terms of IT skills and supply chain performance.
- b. This research can be utilized to help make decisions in terms of relational skills and E-Leadership
- c. This research can be utilized to give a deeper understanding of knowledge and experience especially for the researcher, generally for other students it also can be used as reference by other university that is interested in terms of IT Skills and Supply-Chain Performance