

ASSISTING THE IMPLEMENTATION OF THE LEAN WASTE SYSTEM THROUGH THE LOGISTICS SERVICE INDUSTRY

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Abstract- Business strategy is indispensable to company become more active and sensitive for future threats. For external factor, environmental uncertainty need to be considered for improving their strategy and from internal factor is performance. This research will discuss the linkage among business strategy with uncertainty and performance in the field of freight forwarder Indonesia and logistic by financial and non-financial. The required data are questionnaire survey and using the data from some companies to analyze with approach of porter strategy (Russell T. Westcott et al. n.d.), before testing analysis, factor score of questioner will be calculated first with regresion after that, ANOVA result will be checked whether linkaged or not. Methods: The data sources in this study used primary and secondary data, which were then tested for validity and reliability, then a linear regression test was carried out to find out whether the value was significant or influential, whether there was a correlation or not, and ANOVA results were produced to determine whether there was a relationship or not. The results of the research number of respondents in this study were 100 respondents. Most of the the relationship between business strategy and environmental uncertainty (0.000), business strategy and financial performance (0.000), the relationship between environmental uncertainty and financial performance (0.000) and environmental uncertainty and non-financial performance (0.013).so that it can be concluded that there is a the significance value obtained is below 0.05 so that it is said to be valid, has influence and Ho is rejected which shows that there is a relationship between each variable.

Keywords: *Business Strategy, Performance, uncertainty, Freight Forwarding, Linkage*

1. INTRODUCTION

The influence of business strategy on organizational performance is quite significant . believes that high performance is explained by the strength of the company's resources not by its market position but by planning a strategy. explained that performance measurement is defined as a process of measuring the efficiency and effectiveness of an action qualitatively (Kadarova and Demecko 2016). It will be easier to carry out assessments and evaluations when the performance data presented has been made in qualitative form because qualitative data assessments are definite and measurable. From performance measurements, partial support found a direct relationship between environmental uncertainty, both financial and non-financial performance

In the midst of the progress of the globalization era in the world, especially in Indonesia, data shows that cumulatively, Indonesia's export value from January to September 2017 reached US\$123.36 billion or increased. So that it can be seen from the increase in the value of exports or imports, several sectors that are related to the logistics sector can be identified, the dominant company is a business in the field of shipping and freight forwarding which totals 81.88% of the total logistics industry in Indonesia.

According to the Decree of the Minister of Transportation Number 10 of 1988 concerning Freight Forwarding Service Companies which is defined as a business aimed at representing the interests of the owner of the goods to take care of all activities necessary for the implementation of sending and receiving goods through land, sea and air transportation which can include activities of receiving, storing, sorting, packing, marking, measuring, weighing, managing document completion, issuing transport documents, calculating transportation costs, claiming, insurance for the delivery of goods as well as settlement of invoices and other costs related to the delivery of these goods up to receipt of

goods by those entitled to receive them (Kusmayadi and Vikaliana 2021).

However, in reality, the current performance of the National Logistics System is still not optimal, due to the high cost of national logistics which reaches 27% (twenty seven percent) of the Gross Domestic Product (GDP) and the inadequate quality of service.

So that observations can be made to look for the relationship between uncertainty, performance and business strategy in a company both financially and non-financially where it can be known which factors are very influential in a company, which according to previous researchers, it is important that this research model is developed in developing countries with different cultures in each country (Jusoh and Parnell 2008). Fever is an increase in body temperature above normal (Herry Christian Palit, Tessa Vanina Soetanto, and Hermin Novianti 2003). When rectally $> 38^{\circ}\text{C}$ (100.4°F), when measured orally $> 37.8^{\circ}\text{C}$, and when measured via the axilla $> 37.2^{\circ}\text{C}$ (99°F). In principle, fever can be beneficial and can also be detrimental. At a certain level, fever is part of the body's defenses which is beneficial because it arises and persists as a response to an illness. However, a body temperature that is too high will also be harmful to the body.(Chipwaza et al. 2014)

A. Business Strategy

Strategy is a comprehensive master plan to achieve corporate goals and missions . the success of an organization depends entirely on the makers and the coordination between these units

Business strategy is a company's way of achieving competitive advantage Business strategy, according to is an instrument of competition in a competitive market.

B. Management Strategy

According to, (Pombal et al. 2019) "Strategic management can be defined as the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives." Can be interpreted as the art and science of the formulation, application, and evaluation of various decisions that enable companies to achieve their goals (Chen 2017).

The purpose of Strategic Management (Pakdil and Kurtulmuşoğlu 2017) is to exploit and create new and different opportunities for the future and explains that the strategic management process consists of three stages, namely, formulating strategies, implementing strategies and evaluating strategies.

C. Type Of Strategy

Types of strategy consist of several viewpoints regarding types of business strategy including,. evaluate organizations with regard to entrepreneurial, technical, and administrative functions; they propose four strategic approaches to account for the combination of functions and activities typically seen at the business level. These generic strategies - prospectors, analyzer, defender, and reactors are described within the framework of environmental uncertainty related to markets, competition, and technology.

The main idea of is that competitive advantage in companies can be created at low cost or differentiation. believes that firms in most cases adopt one of these strategies. However, if a company chooses to implement more than one strategy it defeats the object. This is because cost leadership and differentiation strategies are incompatible, differentiation usually drives up costs.

introduce three paths to market leadership. Instead of a generic strategy, they apply the concept of value principles. To develop strategy, they propose, three value principles should be used: operational excellence, customer intimacy and product leadership.

(Surakarta 2019) with a different view have presented Porter's strategy of competing in eight options, namely low price and low added value; Low price; hybrid; differentiation; focused differentiation; increase in standard price/value; increaseprice / low value; low price/standard, all in watch form. This choice is obtained through a combination of price and added value perceived by customers.

Previous research has been conducted in the hospitality sector by (Auta 2012). This research will be carried out in the logistics field, especially multi-national and national freight forwarding companies

(Pombal et al. 2019).

D. Guidelines For Effective Strategic Management

Failure to follow specific guidelines for practicing strategic management can lead to criticism of the process and create problems for the organization. Strategic management must be a process that makes managers and employees within the organization more familiar with strategic issues and reasonable alternative solutions to solve these various problems.

Strategic management should not become a bureaucratic mechanism to fight for and perpetuate personal interests so that guidelines are needed for effective strategic management, (Rezeanu 2011) including:

- a. More directed to people process rather than paper process.
- b. Become a learning process for all managers and employees.
- c. Tends to use words that are supported by definite numbers.
- d. Simple and non-routine.
- e. Vary tasks, team members, meeting formats, and even planning calendars.
- f. Challenging the assumptions underlying the company's current strategy.
- g. Be open to bad news.
- h. Openness and enthusiasm to seek and learn.
- i. Not a bureaucratic mechanism.
- j. Not being ritualistic or regulated.
- k. Not too formal, predictable, or rigid.
- l. Contains no jargon or arcane language.
- m. Not a formal system to control.
- n. Not neglecting qualitative information.
- o. Not controlled by "techies."
- p. Don't pursue too many strategies at once.
- q. Using the Understanding "good ethics is good business"

E. Benefits From Good Management Strategy

Strategic management makes the organization more proactive than reactive in shaping its future, strategic management makes the organization initiate and influence activities (rather than just responding)(Baskar and Pragadeeswaran 2013)

Historically, the main benefit of strategic management has been to assist organizations in formulating better strategies through the use of a more systematic, logical, and rational approach to strategic choices (Portioli-staudacher, Milano, and Portioli-staudacher 2016) To make a good management strategy, strategic planning is needed where "strategic planning is a learning, helping, educating, and supporting process not just a paper-shuffling activity among top executives."

The most important advantage of strategic management is the following commitment from managers and employees, to become more innovative and creative when they understand and support the company's mission, goals, and strategy (Baker and Trietsch 2018). However, strategic management does not guarantee success if it is not done well. (Achillas et al. 2018) A more important contribution of strategic management is "Communication is a key to successful strategic management".

Profits financially indicate that organizations that use strategic management concepts are more profitable and successful than those that are not (Pakdil and Kurtulmuşoğlu 2017). Companies that use strategic management concepts show significant increases in sales, profits, and productivity than companies that do not use planning activities systematically.

Non-financial advantages besides helping companies avoid financial losses, strategic management offers other advantages, such as awareness of external threats, increased understanding of competitors' strategies, increased production of workers, reduced resistance to change, and a clear understanding of the relationship between performance and wages(Irawan, Nasiatin et al. 2020; Nurhikmat et al. 2022).

F. Strategy Formulation

Strategy formulation (Baskar and Pragadeeswaran 2013) is the initial stage in strategic management, which includes developing a vision and mission, identifying external organizational opportunities and threats, determining internal strengths and weaknesses, setting long-term goals, generating alternative strategies, and selecting specific strategies to achieve goals.

2. METHOD

A. Type of Research

This research is a quantitative research using linear regression test analysis which is used to know which variables have a significant effect on the dependent variable.

B. Validity test

The validity test was how well a test tool can measure, while reliability refers to the consistency of scores achieved by the same person when tested repeatedly with the same test on different occasions, or with a different set of equivalent items, or under test conditions different.

To calculate the validation of a question item, it can be processed using Microsoft Excel, namely looking for a correlation coefficient. Then the results of the calculation of r are compared to the critical table r with a significance level of 5%. If rcount is greater than rtable then the question item is said to be valid. Furthermore, questions that are not valid, it is decided to be given a decision on improvement or without improvement.

C. Reliability test

In the reliability test, the r value obtained from the calculation results must be compared with the Cronbach's alpha value. If the calculated r value is greater than the Cronbach's alpha value, then the questions in the instrument are said to be reliable and feasible to be instruments in research.

According to, regarding Cronbach's Alpha is a benchmark that is widely used. In general, the number that is approved as the lowest limit is 0,70 although in reality it can be reduced to a value of 0.60 in exploratory research.

Reliability test where from this test, find out how the questions in your questionnaire are interconnected and can be trusted too. to test the reliability using Cronbach's Alpha coefficient where the reliability coefficient is more than or equal to 0,700. After testing the validity and reliability of the pretest test using 30 questionnaires.

In testing the reliability test, it was found that the alpha value with the MINITAB application was 0,9191 which is greater than 0,700 and the test results on each question were to test the validity. is valid and reliable.

3. RESULTS AND DISCUSSION

A. Bivariate Analysis

Bivariate analysis was carried out using a parametric test using the ANOVA test which aims to determine whether there is a mean difference between groups. The results of the statistical test analysis can be seen in the following table:

Table 1. ANOVA Results Between Business Strategy and Environmental Uncertainty

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5,440	1	5,440	46,143	,000 ^b
	Residual	11,553	98	,118		
	Total	16,993	99			

In the ANOVA table above, the sig. is listed at 0.000, it is concluded that the environmental uncertainty variable affects business strategy. So that there is a link between business strategy and environmental

uncertainty .

Table 2. ANOVA Results Between Business Strategy and Financial Performance

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6,150	1	6,150	55,584	,000 ^b
	Residual	10,843	98	,111		
	Total	16,993	99			

In the ANOVA table above, the sig. is listed at 0.000, it is concluded that the financial performance variable influences business strategy. So that there is a link between business strategy and financial performance.

Table 3. ANOVA Results Between Business Strategy and Non-Financial Performance

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5,622	1	6,150	48,460	,000 ^b
	Residual	11,370	98	,111		
	Total	16,993	99			

In the ANOVA table above, the sig. is listed at 0.000, it is concluded that the financial performance variable influences business strategy. So that there is a link between business strategy and non-financial performance.

Table 4. ANOVA Results Between Environmental Uncertainty and Financial Performance

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3,058	1	3,058	25,205	,000 ^b
	Residual	11,891	98	,121		
	Total	16,993	99			

In the ANOVA table above, the sig. is listed at 0.000, it is concluded that the financial performance variable influences business strategy. So that there is a link between business strategy and financial performance.

Table 4. ANOVA Results Between Environmental Uncertainty and Financial Performance

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,911	1	,911	6,362	,013 ^b
	Residual	14,038	98	,143		
	Total	16,993	99			

In the ANOVA table above, the sig. is listed at 0.013, it is concluded that the financial performance

variable influences business strategy which is still below the significance value of 0.05 so that there is a link between environmental uncertainty and non-financial performance.

4. DISCUSSION

From the results obtained through the stages of the research, the analysis of the variables obtained is currently classified on a scale range of 1 – 5, so that 20 scores for each difficulty criterion are as follows:

0% – 19.99% = Very Poor

20% – 39.99% = Not Good

40% – 59.99% = Enough

60% – 79.99% = Good

80% – 100% = Very good

From the measurements, it can be concluded from the R value, which is 0.369 or 36.9% so that the criteria are obtained that are not good, therefore the criteria for getting a good business strategy include:

- a. strategy objective
- b. Formulate business strategy
- c. Execute strategy
- d. Evaluate business strategy

The stages of the strategy carried out include:

- a. Pay attention to the quality of a product
- b. Get to know the target market
- c. Creativity and innovation in a product or in a marketing strategy
- d. Effective promotion through a technology.

5. CONCLUSION

Based on the research results from bivariate analysis in this study, the researchers can conclude that there is the significance value obtained is below 0.05 so that it is said to be valid, has influence and H_0 is rejected which shows that there is a relationship between each variable.

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