The relation of Indonesia’s strategic industry principles and Supply Chain Operations Reference (SCOR) Performance Attribute

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Abstract. Article 33 of the 1945 Constitution clearly states that all vital factors of production, called strategic industries, are controlled by the state and to be used for the prosperity of Indonesian people. This article implies that the strategic industries supply chain should be managed accordingly. The fourth amendment of the 1945 Constitution offers a macro framework as principles to conduct the supply chain. They are Togetherness, Efficiency of justice, Continuity, Environmental perspective and Self-Sufficiency. Furthermore, the framework can be used to build performance measurement indicators for the supply chain. Currently the method that is widely used to measure supply chain performance is the Supply Chain Operation Reference (SCOR). This study studied the relations of the strategic industries principle and performance indicators within the SCOR. Twelve professionals and researchers are interviewed as respondents to investigate those relations. More than 90% respondents agreed that; (1) the principle of togetherness is strongly related to Reliability, Responsiveness and Agility; (2) Efficiency of justice is strongly related to Responsiveness; (3) Continuity is strongly related to Agility; (4) Environmental Perspective is strongly related to Green Supply Chain, and; (5) Self-Sufficiency is strongly related to Responsiveness. Therefore, SCOR performance measurement attribute is related with the strategic industries principles.

Keywords: SCOR, Supply Chain, Performance Measurement, The 1945 Constitution of the Republic of Indonesia

1. Introduction
Indonesia is a unitary state, in form of Republic and based on law. One aspect that is given legal supervision is Indonesia's economic system. The Indonesian economic system is economic democracy which stated in Article 33 of the 1945 Constitution. The article clearly states that all factors of production that have an important role in community life in the territory of the Republic of Indonesia controlled by the state and used for the prosperity of the Indonesian people. The effort to interpret Article 33 of the 1945 Constitution was carried out to study the Constitutional Court's ruling in relation to the Judicial Review Act No. 7/2004, Law No. 22/2001, and Law No. 20/2002. Furthermore, the factors of production as referred to in Article 33 of the 1945 Constitution cannot be left on the market mechanism. The government must keep the market efficient and provide benefits for the Indonesian people. One of the effort is through pricing policies [1].

Earth, water, and all the wealth in it is controlled by the State and used to the greatest extent for the prosperity of the people, and the national economy is organized based on economic democracy. Article
33 of the 1945 Constitution also has principles that must be considered in carrying out economic democracy. These principles are of togetherness, efficiency, justice, sustainability, environmental insight, independence. The following is an explanation of these principles: 1) The principle of togetherness is the process of activities or performance of business people and consumers who together in the welfare of both, where people who run business sell products and consumers buy them to meet their needs. 2) Fair Licensing is the consumer has the right to get products those sold by businesses without any social and economic conditions and differences. 3) Continuity is the process of continuing relations between business people and consumers to meet the needs and welfare of the lives of both parties. 4) Environmental insight is the production process carried out by business people in utilizing natural resources and economic resources without causing damage to the environment, 5) Self-reliance is that business people themselves carry out their own strategies in product development to obtain maximum profit.

The business entities owned by Indonesian government is called Badan Usaha Milik Negara (BUMN). The companies ought to create value for the welfare of people's lives. Nonetheless, BUMNs are poorly performed and considered lacking in service. For example, company such as PT. PLN (Persero) is obligated to spread electricity for the people, but in fact they experienced network trouble which led reduction to the value perceived by the people. To solve the problem, the supply chain management should be placed under the microscope. The supply chain of production factors that control the livelihood of many people from upstream to downstream needs to be managed for the greatest prosperity of the people. Supply Chain Management (SCM) is all activities involved in selecting suppliers, procuring, and all other logistics activities. This includes coordination and collaboration with partner networks such as suppliers, agents, third parties and consumers [2]. To improve its performance, management should assign parameters and indicators to measure it. In general, supply chain measurement can be categorized into two activities, namely (1) supply chain and metric measurement, and (2) supply chain performance improvement. organizations need to develop a supply chain performance measurement system that is strong but still flexible to anticipate changes [3]. Performance measurement is classified into four, namely (1) financial costs, (2) quality, (3) time, and (4) flexibility. It is not recommended to use all the measurements it offers but to choose the most important measurement for the organization [4].

In this case, strategic industries supply chain performance should consider the principles of economic democracy. Such efforts are highly challenging due its level of abstraction. The development of supply chain performance measurement, in the context of article 33 of the 1945 Constitution, has never been done before. Supply chain performance measurement methods development studies has been carried out by many researchers. A framework or new steps in measuring the performance of a company are obtained. By utilizing the capabilities of the Multi-Regional Input-Output framework to deal with the complex and global nature of supply chains, current work presents a robust environmental sustainability performance measurement model supported by several different methods [4]. A case study analysis uses a Supply Chain Operational Reference (SCOR) combined with a Balance Score Card (BSC). The aim is to propose a SCM performance measurement framework for small and medium enterprises using qualitative and quantitative approaches. The study produced an integrated supply chain measurement framework to evaluate and plan activities within Small and Medium Enterprises (SMEs). The resulting framework includes measurements that are tangible and intangible. Included in tangible measurements are: cost, time, capacity, productivity and utility. While intangible measurements include effectiveness, reliability, availability and flexibility[5].

However, none of the supply chain performance development was deduced from the principles of economic democracy as the constitution mandate. Moreover, does the principles even relate to supply chain performance measurement? This research objective is to provide relationship between the principles of economic democracy and supply chain measurement. Supply Chain Operational Reference (SCOR) performance attributes are used to investigate that relations.
2. Methods
This is a qualitative research but use quantitative analysis for several data in the form of observations or data. Research locations are strategic companies in Indonesia. This research begins with interviews with professors from the Faculty of Law of a distinguish university in Indonesia. The interview intended was to have deep understanding regarding the principles of economic democracy stated in Article 33 of the 1945 Constitution. Hypothesis or opinion that is still a temporary answer, then the truth will be proven empirically / real. For this reason, researchers conduct data collection. Data collection is carried out on certain populations that have been determined by researchers. In this study, researchers used sample data obtained from the population.

The sampling technique used by researchers is nonprobability sampling. This technique is a sampling technique that does not provide equal opportunities / opportunities for each element or member of the population to be selected as a sample. The sample technique used by researchers to select samples specifically and are part of nonprobability sampling is quota sampling and sampling purpose. Quota sampling is a technique for determining a sample of a population that has certain characteristics to the amount (quota) that the researcher wants. So in this study, researchers determined 12 members of the sample to be used. The sample in this study is the principle used in the search for a relationship between Article 33 of the 1945 Constitution and the principles of Supply Chain Management Performance Measurement. The number of sample members that are most appropriate to be used in the study is depending on the level of accuracy or error desired. The smaller the error rate, the greater the number of sample members used as data sources. A decent sample size in a simple study, namely the number of members as many as 10 samples[6]. So with the number of members of 10 samples, this research can be said to be feasible.

Sampling purpose is a sample determination technique with certain considerations. Researchers in this study have established a classification that is suitable to be used as a sample, namely the principles contained in Article 33 of the 1945 Constitution concerning economic democracy and developing principles in Supply Chain Management Performance Measurement. The data collection conducted in this study was observation, interviews, and questionnaires. The data which is a collection of 30 questions data given to 12 experts / samples, with a period of work for 3-4 years or more and understand the Supply Chain Management Performance Measurement.

In the early stages of implementation, the researcher seek additional information through experts in the field of business law before following a questionnaire regarding the relationship between the principles of Article 33 of the 1945 Constitution in the context of Supply Chain Management Performance Measurement. The content of the questionnaire is about the relationship between principles that contains 30 questions that must be filled. Observation is observing the results or responses of the respondents in determining the relationship between the principles of economic democracy in the 1945 Constitution in the context of Supply Chain Management Performance Measurement.

3. Research Results and Discussion
Observations were made by distributing questionnaires containing 30 questions of principle relationships that would be given to 12 expert respondents in the field of Supply Chain Management. This study uses SCOR level 2 principle which contains Reliability, Responsiveness, Agility, Cost, Assets, and Green Supply Chain. This principle is carried out on the grounds that the level of performance measurement of a company can be seen from this principle. The following is a description of the principles in Supply Chain Management: (1) Reliability is the level of reliability and consistency of a company to carry out its production process. As well as the ability to provide services in accordance with the promises offered, (2) Responsiveness is the response or alertness of the company in helping customers and providing fast and responsive services, which include: alertness of employees in serving customers, speed of employees in handling transactions, and complaint handling customer or consumer., (3) Agility is how fast the supply chain responds to changes in the environment, customer preferences, competitive forces. This is a measure of how a company adjusts
their supply chain to this change and then how quickly it is able to achieve it, (4) Cost is the amount of costs associated with the process for Planning, Source, Delivery and Return, and is calculated as Sales - Profit - Costs for Serving (eg. marketing, sales, administration), (5) Assets are assets (resources) owned by a business entity that can be measured clearly using a unit of money and its sorting system based on how quickly the changes are converted into cash units, (6) Green Supply Chain is to consider the environmental effects of all products and processes, including environmental influences derived from goods / products and processes ranging from raw materials to finished products, and the final disposal of these products. Here are the respondents with the responses they gave:

**Table 1. The Inter-Principle Relations of Economic Democracy in the Context of Supply Chain**.

| Principles of Economic Democracy of the 1945 Constitution Article 33 | SCOR Principles in Supply Chain Management | Information |
|---------------------------------------------------------------|------------------------------------------|--------------|
| Principles of Togetherness                                    | Reliability                              | 92.8 %       |
|                                                               | Responsiveness                           | 92.9 %       |
|                                                               | Agility                                  | 92.9 %       |
|                                                               | Cost                                     | 57.2 %       |
|                                                               | Assets                                   | 50 %         |
|                                                               | Green SC                                 | 100 %        |
| Efficiency of justice                                         | Reliability                              | 85.7 %       |
|                                                               | Responsiveness                           | 92.6 %       |
|                                                               | Agility                                  | 71.5 %       |
|                                                               | Cost                                     | 85.7 %       |
|                                                               | Assets                                   | 57.2 %       |
|                                                               | Green SC                                 | 85.7 %       |
| Continuity                                                    | Reliability                              | 85.7 %       |
|                                                               | Responsiveness                           | 85.7 %       |
|                                                               | Agility                                  | 92.9 %       |
|                                                               | Cost                                     | 42.9 %       |
|                                                               | Assets                                   | 57.1 %       |
|                                                               | Green SC                                 | 100 %        |
| Environmental Perspective                                     | Reliability                              | 85.8 %       |
|                                                               | Responsiveness                           | 84.3 %       |
|                                                               | Agility                                  | 78.6 %       |
|                                                               | Cost                                     | 50 %         |
|                                                               | Assets                                   | 0 %          |
|                                                               | Green SC                                 | 100 %        |
| Self-Sufficiency                                              | Reliability                              | 50 %         |
|                                                               | Responsiveness                           | 92.8 %       |
|                                                               | Agility                                  | 57.1 %       |
|                                                               | Cost                                     | 0 %          |
|                                                               | Assets                                   | 57.1 %       |
|                                                               | Green SC                                 | 64.4 %       |

4. Discussion
Determining the relationship between Article 33 of the 1945 Constitution regarding economic democracy towards the Supply Chain Management in the context of Performance Measurement has been determined by 11 respondents who are experts in Supply Chain Management. The following is a relationship that has been determined based on the answers of the respondents: (1) The principle of Mutuality has a relationship with Reliability (92.8%), Responsiveness (92.9%), Agility (92.9%), Cost
(57.2%), Green SC (100%). Explanation of relationship: In this case, the principle of togetherness has a strong relationship with the principles of Supply Chain in the context of Performance Measurement. This is corroborated because the principle of togetherness is a plan or purpose intended for the service of many people or consumers so as to create a good lead relationship from the company to consumers. Supply chain principles will also be achieved if the principle of togetherness is carried out well. Another meaning in question is that every company goal carried out must be based on togetherness in providing services so that consumers will remain confident in the company's performance. In this connection, the principle of Assets is not included in the principle relationship because according to some respondents the asset is an inventory owned by the company so that it is more internal to the company. Respondent argument: Many respondents argue that this principle of togetherness is important in supply chain for performance measurement. Each stakeholder in the supply chain must work together to achieve a high level of performance measurement of the company. Researcher's argument: It is true that the principle of togetherness related to all aspects. All and everything if not done together it will be difficult to get results. The cooperation in question is the cooperation of fellow workers of the company, even companies with consumers who work together on product transactions. (2) Fair Efficiency has a relationship with Reliability (85.7%), Responsiveness (92.6%), Agility (71.5%), Cost (85.7%), Assets (57.2%), Green SC (85.7%). Explanation of relationship: Efficiency in fairness is one of the principles of economic democracy which emphasizes equalization or does not differentiate on one side. The party in question is the consumer or other party concerned in the operation of the company. Whereas for the relationship of fairness efficiency with the supply chain principle of respondents who have filled out the questionnaire, they agree with the relationship between these principles. Relationships are related to all aspects of the supply chain so that it must be done fairly so that disputes do not occur because there are differences in service. Respondent argument: products that have good performance will provide services to all parties in quality that is always consistent at all levels of consumers. Researcher's argument: Justice is a unifying one nation, even beyond that to create peace. Justice in this connection is the service of the company to consumers that is carried out fairly. Services provided do not see the social and economic level of consumers. Companies in Indonesia should be like this. (3) Sustainable Principles have a relationship with Reliability (85.7%), Responsiveness (85.7%), Agility (92.9%), Assets (57.1%), Green SC (100%). Explanation of the relationship: The principle of sustainability is one of the principles of economic democracy which means that everything that is considered good or beneficial must be continued and products that are not reliable will be wasteful in utilizing input, which results in disruption of sustainability. However, the Cost principle in the Supply Chain is not included in this relationship. This is because the cost or price can change at any time depending on the product inventory, therefore it cannot be linked to the principle of sustainability. Respondent argument: For sustainability, it is very necessary to deal with environmental changes. Research argument: In this connection actually interrelated because the nature continues or continues with an unknown time. All kinds of activities carried out by the company where the activity does not harm the company must be continued for the service of the affected community. (4) Environmental insight has a relationship with Reliability (85.8%), Responsiveness (84.3%), Agility (78.6%), Green SC (100%). Explanation of the relationship: Environmental insight is the principle of economic democracy that enters into the environment in which the company is founded. All activities carried out by the company must pay attention to the surrounding ecosystem. There are many advantages if the environment is sustainable and unpolluted, such as the comfort of workers at work and consumers who increasingly believe in the performance of the company that produces healthy and good products. All services to the community are also not free from environmental insight. This is because the concept of reliability must be oriented towards sustainable output so that it must consider aspects of the environment that are beautiful and comfortable. In this connection, the principle of cost does not enter into the relationship because the environment does not have a relationship with price and vice versa. So that the respondent does not agree if the cost has a relationship with the principles of environmentally sound. Respondent argument: Green supply chain is basically the principle of paying attention to environmental
sustainability. Researcher's argument: In this connection, the principle of insight can be a key principle because the company is established. A good environment and a beautiful ecosystem will not cause harm to the company and society. A good environment will bring benefits both in terms of product sales and consumer confidence in the services provided by the company. Therefore, the environment must be maintained and preserved. (5) The Principle of Independence has a relationship with Responsiveness (92.8%), Agility (57.1%), Assets (57.1%). Explanation of relationship: The principle of independence is a way or strategy of the company in orienting the company's performance in order to get the level of trust from consumers. In this connection there are only two supply chain principles related to the principle of independence, namely agility and assets. The purpose of the relationship with agility is that the company has a special strategy and special strength in providing services. Even this method varies in each company. While for the purpose of the relationship with assets, the company has inventory or inventory in the production system, so that the company in its own use of these assets in providing services. This is all done by the company without any external factors interfering in it. Respondent's argument: The greater the value of assets, the easier it will be to establish the principle of independence. Researcher's argument: This relationship can be said to be a relationship that has the least connection. This is because the principle of independence has the intention that all kinds of company activities are carried out by the company internally. The strategic influence used by the company causes this principle to be less related to the supply chain principle.

5. Conclusions
More than 90% respondents agreed that; (1) the principle of togetherness is strongly related to Reliability, Responsiveness and Agility; (2) Efficiency of justice is strongly related to Responsiveness; (3) Continuity is strongly related to Agility; (4) Environmental Perspective is strongly related to Green Supply Chain, and; (5) Self-Sufficiency is strongly related to Responsiveness. Therefore, SCOR performance measurement attribute is related with the strategic industries principles in accordance to Article 33 of the 1945 Constitution. This method can be used by researchers to further development of supply chain performance measurement. This method can be used as a reference for all companies running in Indonesia so that implementing the appropriate service rules stated in Article 33 of the 1945 Constitution on economic democracy.

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