

ABSTRACT

Supply chain performance is critical to winning the competitive advantage. Nowadays, competition occurs not only between the company and other companies, but between the supply chain of a company with other company's supply chain. Supply chain performance both on supply chain companies make the company able to present a product that is desired or in accordance with the willingness of the final consumer, and can supply goods to market quickly and on time with a competitive price, making it superior to its competitors. The company's strategy to meet the ever-changing market indispensable suppliers that are key to effective supply chain management.

This study indicated to analyze the implementation of quality relationships conducted by PT Jamu Jago, if appropriate and able to improve supply chain performance. Because as a herbal medicine company that has many suppliers, PT Jamu Jago had problems fulfilling contracts and supplies of the raw material supply delay.

From the above problems underlying this research, which is to determine the factors that affect the quality of the relationship to the performance of the company's supply chain. In this study developed a theoretical model to propose five hypotheses to be tested using Structural Equation Model (SEM) using AMOS software. Respondents were used in this study were taken from the suppliers of raw materials PT Jamu Jago totaling 158 respondents.

Results of SEM data processing for the full model has met the criteria for goodness of fit as follows, the value of chi-square = 98.597; Probability = 0.149; GFI = 0.924; AGFI = 0.893; TLI = 0.970; CFI = 0.976; RMSEA = 0.032; CMIN / DF = 1.160. Thus it can be said that this model is feasible to be used. These results indicate that the function and existence of antecedents of the quality of the relationship is to have a high role in determining supply chain performance.

From this research produced the conclusion that based on the analysis of the effect can be demonstrated communication turns out to have a higher impact on supply chain performance improvement compared to the trust.

Keywords: Confidence, Communication, Relationship quality, Supply chain performance