

The Effect of Supplier Trust and Top Management Involvement on Supply Chain Risk Management through Buyer-Supplier Relationship

Authors : Hotlan Siagian, Han Tae Hee

Abstract : This study aims to examine the effect of supplier trust and top management involvement on the supply chain risk management through buyer-supplier relationship. The population of the research is 44 Korean companies domiciled in East and Central Java of Indonesia. The respondent consists of a top management level from each company. Data collection used a questionnaire designed with five-item Likert scale. Collected data were analyzed using structural equation modeling (SEM) technique with SmartPLS software version 3.0 to examine the hypotheses. The result revealed that supplier trust has an effect on supply chain risk management, top management involvement affects supply chain risk management, supplier trust influences buyer-supplier relationship, top management involvement affects the buyer-supplier relationship, and buyer-supplier relationship affects supply chain risk management. The last finding is that buyer-supplier relationship empirically mediates the effect of supplier trust and top management involvement.

Keywords : buyer supplier relationship, supplier trust, supply chain risk management, top management involvement

Conference Title : ICEM 2018 : International Conference on Economics and Management

Conference Location : Tokyo, Japan

Conference Dates : May 28-29, 2018