

Determinants Increasing Supervisory Effectiveness in Implementing Supply Chain Management and Cooperative Oversight Techniques

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Abstract— The research objective is to identify the determinants of increasing the effectiveness of intern supervisors in implementing Cooperative supply chain and supervision techniques. Research methods, data collection techniques: interviews, questionnaires and observations. Data Analysis, qualitative data is transformed into quantitative data in the form of scale. Each variable is made into five categories based on a Likert scale. The average score scale used is a scale of five namely Strongly Disagree value weighting 1, Disagree weighting value 2, Enough weighting value 3, Agree weighting value 4, Strongly agree weighting value 5. Cooperative supervisor (Y) as a dependent variable: implementation of effective supervision supply chain management (Y1) and effective supervision techniques (Y2), while the independent variables: intern factors (F1) and extern factors (F2) of the cooperative's intern supervisors. Data were analyzed with the Structural Equation Model to find intern and extern factors of cooperative supervisors as a determinant of supervisor effectiveness. The finding of the research is the effectiveness of the cooperative's intern supervisors is determined by intern factors and the cooperative supervisor's extern factors, so that in the future it is necessary to carry out these factors.

Keywords—management oversight, Supply chain management techniques, Intern factors, Extern factors, effectiveness, intern supervisors.

1. Introduction

The annual member meeting (RAT) is held to account for the supply chain management of the cooperative and the implementation of the Cooperative Revenue and Expenditure Budget (APBK) to its members, as well as measuring the

performance of the supply chain management regarding the development of the remaining results of operations, assets, equity, development and activeness of members, and others. Cooperative supervisors must actively encourage, educate and motivate supply chain management to carry out RATs, if they do not implement supervisory RATs, their functions, professional expertise, work experience, and independence as well as supply chain management and supervision techniques will be questioned. Supervisors should be able to anticipate mistakes, fraud, and abuse in the cooperative well in advance before all that happens. The supervisor of cooperatives must guarantee to implement reasonable decisions, the implementation of the APBK, the organizational RAT and to account for the results of supervision in the RAT [1].

Intern supervisors play a strategic role in maintaining the survival of cooperatives, improving the quality of cooperatives. Intern supervisors make efforts to encourage improved governance, quality cooperatives, cooperatives continue to grow, and exist. Thus the Cooperative is expected to be the cornerstone of the Indonesian economy, the cooperative as a pillar, the main buffer / backbone of the economy [2]. Cooperatives are considered by the government as a tool for the development of the country's economy, especially in reducing poverty in rural areas and able to break the unequal distribution of income between rural and urban areas [3].

The reality is that until 2017 the governance of cooperatives has weakened, inactive cooperatives

by 20.23 percent, cooperatives not assessed by Diskop, Small and Medium Enterprises and Trade in Badung Regency by 48.32 percent, and cooperatives disbanded by 15 cooperatives including many categories. Dissolution is done because the responsibility of the supply chain management in the RAT is unclear, the supply chain management is on the run, avoiding responsibility. The intern supervisor does not clearly play the supervisory function as an audit function, a consultation function and a supply chain management function. Intern supervisors as one of the institutional elements in cooperatives, supervisors have a strategic role in maintaining and also encouraging the realization of cooperative goals. For this reason, efforts to increase the determinants are needed to encourage intern supervisors in implementing Cooperative supply chain management and supervision techniques to realize conditions in accordance with applicable regulations and cooperative reform.

Departing from this, it is necessary to examine the determinants of increasing the effectiveness of intern supervisors in implementing Cooperative supply chain management and supervision techniques, therefore the research problem formulation: the determining factors increase the effectiveness of intern supervisors in implementing Cooperative supply chain management and supervision techniques. Research objective: to identify the determinants of increasing the effectiveness of intern supervisors in implementing Cooperative supply chain management and supervision techniques.

2. Research Methods

Data collection techniques used: interviews, questionnaires and observations. Data Analysis, qualitative data is transformed into quantitative data in the form of scale. Each variable is made into five categories based on a Likert scale. The average score scale used in the questionnaire is a scale of five namely Strongly Disagree weighting value 1, Disagreeing weighting value 2, Enough weighting value 3, Agree weighting value 4, Strongly agreeing weight value 5. Cooperative supervisor (Y) as a dependent variable: application effective supervision supply chain management (Y1) and effective supervision technique (Y2), while independent variables: intern factors (F1) and extern factors (F2) cooperative intern supervisors. Data were analyzed with the Structural Equation Model to find intern and extern factors of cooperative supervisors as a determinant of supervisor effectiveness.

3. Research Results and Discussion

Various stages of analysis, Test Validity and Reliability of Research Instruments, Test Criteria for Goodness of fit have been passed with reasonable results to continue the analysis. Results of research intern factors (F1) and extern factors (F2) that influence Cooperative supervisors (Y) in applying supervision techniques (Y1) and supervisory supply chain management (Y2) can be shown in Figure 3.1

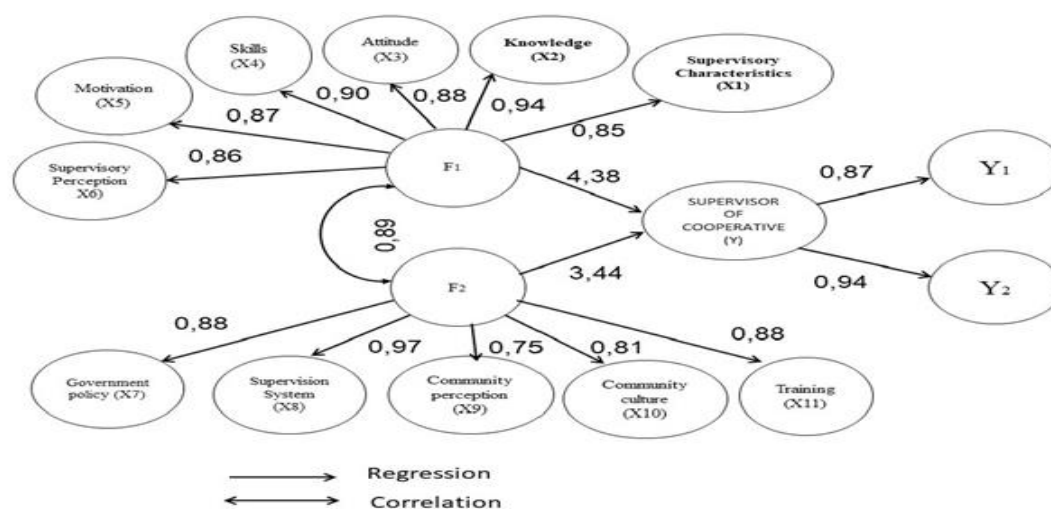


Figure 1. Intern factors and extern factors that influence Cooperative supervisors in applying supervision techniques and supervisory supply chain management

These results can be explained that the indicators contributing to intern factors (F1) are the characteristics of supervisors 0.85, knowledge of 0.94, attitudes of 0.88, skills 0.90, motivation 0.87 and perceptions of supervisor 0, respectively. 86. The largest contribution of indicators to intern factors (F1) is knowledge followed by skills and attitudes, motivation, and supervisors perceptions and characteristics. Indicators contributing to extern factors (F2) are government policy 0.88, supervision system 0.97, community perception 0.75, community culture 0.81, and training 0.88. The largest contribution of indicators to external factors (F2) is the supervision system followed by training, government policies, and community culture, and finally the community's perception. Indicators contributing to the Cooperative Supervisor (Y) are supervisory techniques (Y1) of 0.87 and supervision supply chain management (Y2) of 0.94. The influence of intern factors (F1) and extern factors (F2) on the Cooperative Supervisor (Y) was significantly positive ($P < 0.05$) with regression coefficients of 4.35 and 3.34, respectively.

Indicators of supervisors' knowledge contribute to the effectiveness of supervision, it is revealed that cooperative supervisors occupy a strategic role in playing the audit function, consultant function and supply chain management function in an effort to encourage quality organizations. These results are in line [4, 5, 6, 7, 8, 9] that expertise is absolutely necessary in carrying out examinations to be effective and qualified. To make a Cooperative truly a credible business entity based on the Cooperative supervisor's principle, not enough knowledge must have skills, especially in the application of effective supervision techniques.

The effectiveness of cooperative supervision depends also on the attitude of internal supervisors including being assertive, transparency, serving members, loyalty, being creative, being able to work together, and being sincere to achieve 5T (Right SOP / SOM, Right Value, Right Time, Right Record, and Right Authority). Besides that skepticism is needed in producing the effectiveness of supervision. These results support the statement [10, 11].

The Other Side the effectiveness of cooperative supervision can be determined intrinsic motivation is something that encourages someone to excel including success achieved, opportunities to grow, progress and recognition from others, while

extrinsic motivation is something that encourages someone to maintain achievement including one's status in the organization, someone's relationship with his boss, and someone's relationship with his coworkers. Support for this study [12, 13].

Perceptions and Characteristics of Cooperative internal supervisors on effective supervision techniques and supply chain management to produce effective supervision, show positive perceptions, this is indicated by the results of the implementation of techniques and supervisory supply chain management are in the effective range. Intern supervisors must be able to foster perceptions among members, cooperative supply chain management and the community that intern supervisors are truly competent in carrying out their duties. Supporting this study [14]. The personal characteristics of the Cooperative intern supervisor is one of the determinants of the effectiveness of supervision which is an intern factor that drives the intern supervisor to carry out an activity. This result is supported by research [15].

The cooperative supervision system is in line with the theory that, an effective supervision system will be able to occur, if the institutional, power, and financing components run according to rules/standards. The institutional, power, and financing components are generally embodied in the intern control system; However, the intern control system still requires some improvement in its elements, including control procedures, human resources, and accounting systems, as well as in-depth supervision of the validity of each report by an independent professional. Weaknesses in the intern control system cause the final product in the form of financial statements in terms of accountability does not seem to provide sufficient confidence. This is supported by research [4] that the reporting function on the financial condition, each business organization routinely makes financial reports to all parties concerned. However, the accountability of the report, it seems very difficult to be believed, because there is no evaluation system or there has never been an in-depth examination of the validity of each report by an independent professional. All of that can show that the accounting system in force in the current Cooperative still needs some improvement. Therefore, it is necessary to strengthen the articles related to the implementation of the intern control system. In addition, Cooperative health related

reports are only based on reports that are not audited by independent accountants. Therefore, there needs to be an article that must be audited by an independent accountant every year. The agency is expected to ensure compliance of the Cooperative with all the provisions and regulations that bind its operational activities.

Government Training and Policy, effective supervision is supported by competent human resources of the cooperative internal supervisors. Competency can be measured by knowledge, skills and attitudes. Achieved competently to conduct training or refreshment activities for Cooperative intern supervisors in order to support cooperative operations and related government policies to improve the quality of internal supervisors. The role of the Government (Badung Regency) as a simulator, facilitator, coordinator, and stabilizer is supportive in improving the quality of cooperatives. The government sets policies with education and training programs on human resources, especially the internal supervisors of cooperatives. Training is carried out routinely and periodically with relevant material in accordance with the programs that have been launched by the government. This program has an impact on the quality and effectiveness of supervision. Support the results of this study, that the quality of examination is determined by competency [16, 17, 18, 19]. Supervisors have a good level of competence, intern supervisors can easily produce the effectiveness of supervision, otherwise the level of competence is not good intern supervisors will face obstacles in the effectiveness of supervision.

Culture, in the movement of the Cooperative intern supervisory body is always in line with the legal culture, meaning that cooperative supervision is compliant and subject to Law Number 25 of 1992 concerning Cooperatives, especially in articles 38, 39, and 40. Besides that, it is also compliant with SOM and SOP of Cooperatives that are stipulated and approved in the Annual Meeting of Cooperative Members. Culture the cooperative's intern oversight body carries out regular and periodic supervision, eliminating supervision only towards the end of the period. Related to the results of supervision by the intern supervisory body in the form of recommendations such as the problem supply chain management plan, make improvements, prevent similar problems from arising; the culture of the Cooperatives supply chain management and supply chain management

always applies and utilizes the results of the supervision. These results support research [20, 21], that the quality of examinations is determined by the culture of the community or organization.

Supervision is carried out to carry out activities in accordance with applicable laws, so that the Cooperative is truly a credible business entity based on the cooperative principle. In addition, to protect and protect Cooperative assets from abuse by irresponsible parties. Furthermore, to increase the transparency and accountability of cooperatives with the parties concerned and cooperatives will also be strong, healthy, independent and resilient.

4. Conclusions and Suggestions

Previous results and discussion can be concluded that determining factors increase the effectiveness of cooperative intern supervisors in implementing supervisory supply chain management and supervisory techniques, namely the cooperative supervisor's intern factors include indicators in a sequence of knowledge followed by skills and attitudes, motivations, and perceptions and characteristics of supervisors. Cooperative supervisors' extern factors include indicators in a sequential system of supervision followed by training, government policies, and community culture, and finally community perceptions. In the future it is necessary to execute these factors.

Acknowledgment

Thank you to the Ministry of Research and Technology, Head of the Bali State Polytechnic, Bali State Polytechnic Community Research and Service Team, Journal Manager who published the results of this research. The next hope is that the results of this study can have a positive impact and can increase the effectiveness of cooperative supervision.

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