

The Conflict Management at Workplace through Positive Social Change lead to the Social Equilibrium and Supply Chain Performance of Baduy Society Based Food Supply Companies

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Abstract - This study aims to find out empirically the role of conflict resolution through societal change to promote SCP in food supply companies working in Baduy community in Kanekes Village, Leuwidamar District, Lebak Regency. Furthermore, the mediating role of conflict management and social equilibrium was also examined. In this direction social change is considered as an important factor to promote SCP. This study used a quantitative research approach based on the survey questionnaire. For this purpose, data were collected from the employees of food supply companies working in Baduy community. The results of the study show that the causes of conflict in the food supply companies are internal factors and external factors. Social change has positive effect on conflict management at workplace in food supply companies. Increase in the social change increases the conflict management which further enhances the social equilibrium and ultimately increases the SCP. Finally, results of the current study have vital role in food supply companies to enhance the SCP.

Keywords: Supply chain performance, food supply company, social change, social equilibrium, Baduy community, customary institutions.

1. Introduction

Supply chain performance (SCP) among various companies has major importance to maintain business activities [1, 2]. Every company has involved in supply chain activities through different ways. Few companies supply the manufactured good to the customers and few companies involved in supplying raw material to various other companies. Companies are also involved in supply chain process by getting raw material from other companies to facilitate manufacturing process. In this direction, the role of supply chain has significant importance to carry out daily operation in a smooth way. Food supply companies also has major role in supply

chain activities to supply food to the customers. However, most of the times, companies face various challenges to achieve higher SCP.

The employees working in the various companies are influenced by the social change. Actually, the development of society in various dimensions, will add to the complexity of life, including the people who still simple. The increasingly heterogeneous community structure and orientation of life can also cause community members to be polarized in the perspective of their respective interests. Purba, et al. [3] describe three development paradigms that can explain the causes of environmental and social problems, namely the environment for economic development (eco-developmentalism), the environment for humans (eco-humanism), and the environment for the environment (eco-environmentalism). What happened in Indonesia, in the last few decades, the use of natural resources for physical or material economic development, so that people are encouraged to increase economic growth, by draining natural resources. As a result, less attention to social aspects. In this direction, companies also change the way of working along with the changes in society which influence the employees and confirms workplace.

That eventually led to various social problems, which later became a socio-cultural phenomenon in human behavior, namely the shifting of noble values in harmonious community life and finally influence the business organizations. Social problems that occur in society as a form of social disharmony. The oldest ethical and moral work in history records, the community will lose its strength, if its members fail in carrying out responsibilities which causes to generate negative effect on food supply companies. At present, social environment conditions change relatively quickly and are difficult to predict. Therefore, adaptability and ethics to the social environment are very important. The reason is not only due to the increasing individual interest, but the implementation of social ethics is also not supported by a strong cultural value system. Therefore, it has major influence on the employees of the organization. Various

previous studies also show the role of social change in the organizations [4, 5].

The Baduy community living in Banten Province, in general, is still considered a traditional society and has wisdom in managing the social environment. Even so, the potential for conflict remains. Based on the theory of conflict, conflict is not always oriented to conflicts of interest between groups of people in a number that is quite intense and in a relatively long time, but conflict can also be oriented between individuals. The conflict can disrupt the harmony of social balance, which has been developed downwardly. This harmony of social balance is also present among the food supply companies in Indonesian. However, it can be handled with the help of positive social change. Positive social change can handle conflicts in the organization and develop a social equilibrium which causes to promote SCP among food supply companies.

2. Literature Review

Food supply companies has key contribution in society as the food is the most important need of people which should be fulfilled on timely basis. To fulfil the need of people, the role of food supply companies is most important. Various previous studies also show the importance of food supply companies [6-8]. As the supply of food to the people is most important, therefore, food supply companies must have better supply chain system. Weak supply chain plays negative role on the performance of companies. Therefore, change in society has important role which has effect on the company employees.

Supply chain is most important contribution among the companies [1, 9] in which the social change is most important. Social development in Indonesia according to Wirutomo [10] is still vulnerable in executing itself as a nation-state. Today the Indonesian nation is in an industrial, or even post-industrial society. This condition requires every member of society to adjust to being an industrial society. On the one hand, the dominance of feudalism is also still deeply rooted in Indonesian society. On the other hand, the community's reliance on myths, not only in everyday life, but also in political life. This makes clashes in the community occur, and causes people's lives to be unbalanced.

Sztompka (2011) mentions changes in the social environment is a change in behavior patterns, social relations, institutions, and social structures that occur at certain times. This change in change in behavior patterns, social relations, institutions, and social structures reflect in the organizations. By tracing potential conflicts, which may occur, between individuals, individuals with groups, or groups, the community can again maintain social balance. These conflicts also have connection with companies working in Baduy society.

According to functional structural flow [11], society is seen as a system that has a structure, and each structure has its own function. These structures and functions are

adapted to different complexity in each society. To maintain the survival of the community, harmonious, despite relatively rapid changes, the community needs to carry out socialization of the value system and the mechanisms of social control possessed. A number of shortcomings of the structural functionalism theory popularized by Parsons. Parsons argues that the social system in a society will lead to equilibrium, because of the existence of norms and consensus in the society itself. In reality, every social situation always contains two things, namely: social normative norms, and substratum which gives birth to conflict. The existence of order does not make the conflict disappear, but still holds potential conflicts. These potential conflicts have the ability to influence conflicts management in the food supply companies.

Different from structural functionalism, the view of the conflict approach is built on the following basic assumptions.

- (1) Social change is a symptom inherent in every society;
- (2) Every society contains conflicts within itself;
- (3) Every element in a society contributes to its occurrence disintegration and social changes themselves;
- (4) Every community is integrated in the control of a number of people over a number of people other people.

Table 1. Differences in Consensus Theory or Structural Functionalism from Conflict Theory [12].

No	Theory of Structural Functionalism	Conflict Theory
1.	Norms and values are the basic elements of social life.	Interest is an element of social life.
2.	Social life involves commitment.	Social life involves encouragement.
3.	The community needs to be cohesive (interconnected).	Social life needs to be shared.
4.	Social life depends on solidarity.	Social life gives birth to opposition (opponents).
5.	Social life is based on reciprocity (mutual reciprocity)	Social life involves structural conflicts.
6.	Social systems endure consensus (consensus)	Social life gives birth to the interests of parts.
7.	The community knows legitimacy authority (legitimate power)	Social differentiation involves power.
8.	Social systems integrated	Social systems are not integrated and overwritten by contradictions.
9.	Social systems tend to last a long time	Social systems tend to change

Changing the life order of a group of people, is a fundamental desire of every human being, to develop according to the life needs of the group, including the Baduy community. Change in a society, depends on the community itself. Usually because of the demands of a

better life, than before. Social groups are formed as a result of a continuous process of individual interaction. But after patterns of order are formed between relationships, individual behavior is influenced and determined by the system they create themselves. All changes that have been made, must also be balanced by the mindset, attitudes, and actions towards changing conditions, in order to adjust to new conditions.

However, this behavioral change among the people due to social change has influence on the companies

working in the Baduy community. Employee working in food supply companies has behavior according to the social change in Baduy community. Food supply companies in Indonesia has significant influence in the community. Indonesian food industry consisted of various products which are given in the Figure 1. This industry has significant importance as it is given in literature [13-16]. In these companies, conflict management has significant role which is influenced by the social change.

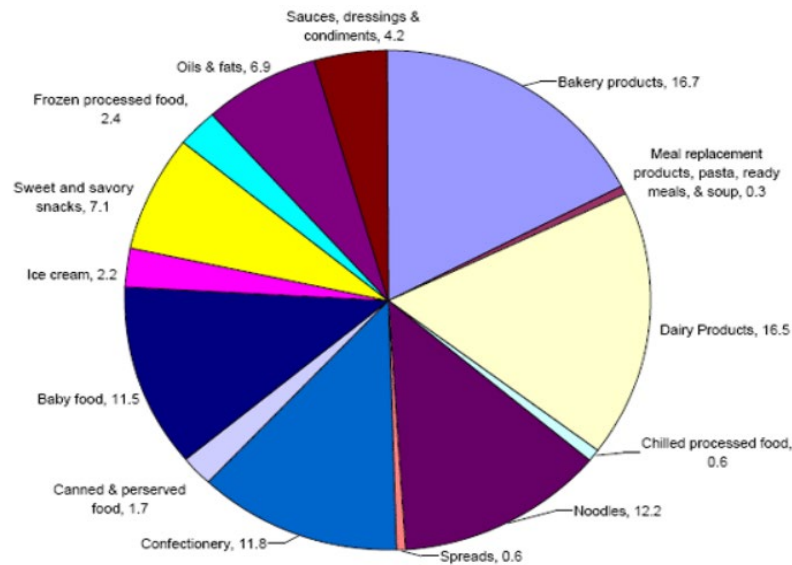


Figure 1. Indonesian Food Industry Products
Source: Euromonitor

Conflict management is the procedure of limiting the negative aspects of conflict while promoting the positive aspects of conflict. The goal of conflict management is to improve learning as well as group outcomes, with efficiency or performance in an organizational setting. The role of conflict management at workplace is already explained by the previous studies and highlighted that it has important influence in the company [17, 18]. Generally, conflict management is influenced by the social change. Positive social change has the potential to decrease the conflicts among food supply companies and increases the conflict management process. Conflict

management among the food supply companies has the ability to influence social equilibrium among the companies. Social equilibrium is another important element [19] which has influence on the companies SCP. Therefore, positive social change has the ability to increase conflict management among food supply companies and conflict management increase the social equilibrium which causes to increase SCP. Figure 2 shows the relationship between positive social change, conflict management, social equilibrium and SCP along with the hypotheses.

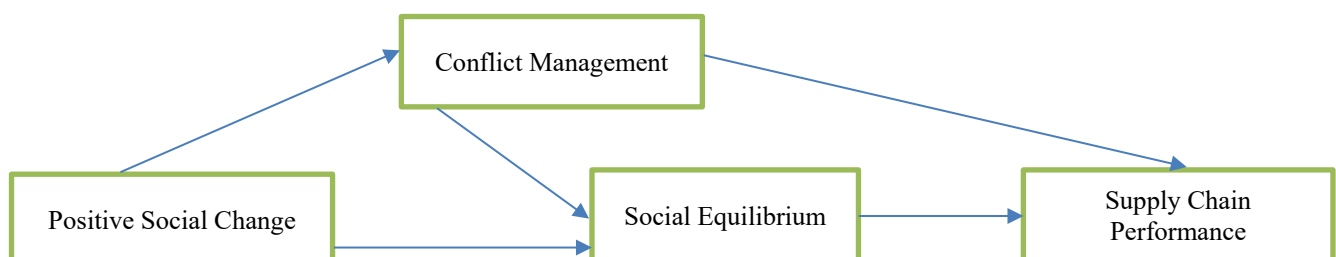


Figure 2. Theoretical framework of the study showing the relationship between positive social change, conflict management, social equilibrium and SCP

Hypothesis 1. Positive social change has relationship with conflict management.

Hypothesis 2. Positive social change has relationship with social equilibrium.

Hypothesis 3. Conflict management has relationship with social equilibrium.

Hypothesis 4. Social equilibrium has relationship with SCP.

Hypothesis 5. Conflict management has relationship with SCP.

Hypothesis 6. Social equilibrium mediates the relationship between positive social change and SCP.

Hypothesis 7. Social equilibrium mediates the relationship between conflict management and SCP.

Hypothesis 8. Conflict management mediates the relationship between positive social change and social equilibrium.

3. Research Methods

The current study used quantitative research approach in which cross-sectional research design was selected. While using a cross-sectional research design,

data were collected by using a survey questionnaire. Survey questionnaire is most appropriate for data collection as recommended in various previous studies in the literature [20]. Survey questionnaire is most appropriate tool to collect the opinion and views of the people.

Questionnaire was designed by using the previous studies. Measures revealed in the previous studies was used for data analysis. Four variables; positive social change, conflict management, social equilibrium and SCP were measured in this study and variable items were used for questionnaire development. After the development of questionnaire, it was distributed among the employees of food supply companies for data collection.

Questionnaires were distributed by using cluster sampling technique. Furthermore, 400 sample size was selected for this study. Hence, 400 questionnaires were distributed among the employees of food supply companies in Baduy community in Kanekes Village, Leuwidamar District, Lebak Regency. From total distributed questionnaires, 240 questionnaires were received and 10 were not completed, therefore, 230 valid responses were used for data analysis. Furthermore, data statistics are given in Table 2.

Table 2. Data Statistics

	No.	Missing	Mean	Median	Min	Max	SD	Kurtosis	Skewness
PSC1	1	0	3.105	3	1	7	1.444	0.529	0.781
PSC2	2	0	3.079	3	1	7	1.374	1.585	1.683
PSC3	3	0	3.155	3	1	7	1.497	0.37	0.713
PSC4	4	0	3.105	3	1	7	0.441	0.646	0.845
PSC5	5	0	2.983	3	1	7	1.417	-0.207	0.447
PSC6	6	0	3.151	3	1	7	1.358	0.483	0.663
PSC7	7	0	3.067	3	1	7	1.436	1.215	1.65
PSC8	8	0	3.071	3	1	7	1.463	0.304	0.714
CM1	9	0	3.172	3	1	7	1.408	-0.128	0.524
CM2	10	0	3.1	3	1	7	0.365	0.259	0.571
CM3	11	0	3	3	1	7	1.338	-0.15	0.538
CM4	12	0	3.113	3	1	7	1.3	0.358	0.617
CM5	13	0	3.092	3	1	7	1.414	1.019	1.702
SE1	14	0	3.121	3	1	7	1.416	0.212	0.682
SE2	15	0	3.155	3	1	7	1.331	0.336	0.667
SE3	16	0	3.218	3	1	7	1.63	-0.616	0.264
SE4	17	0	3.222	3	1	7	0.752	-0.668	0.391
SE5	18	0	3.255	3	1	7	1.92	-0.8	0.457
SCP1	19	0	3.247	3	1	7	2.017	-0.99	1.487
SCP2	20	0	3.121	3	1	7	2.097	-0.922	0.591
SCP3	21	0	3.172	3	1	7	1.964	-0.816	0.552

SCP4	22	0	3.268	3	1	7	1.685	-1.521	0.449
SCP5	23	0	3.205	3	1	7	1.946	-0.83	0.484

4. Results

The current study used Partial Least Square (PLS) for data analysis which is most suitable tool to analyses the primary data [21-23]. PLS measurement model is given in Figure 3 showing the factor loadings. It is found that all

the items have factor loadings above 0.7 which is acceptable. Various previous studies also show that factor loadings must be above 0.7. Factor loadings is also given in Table 3.

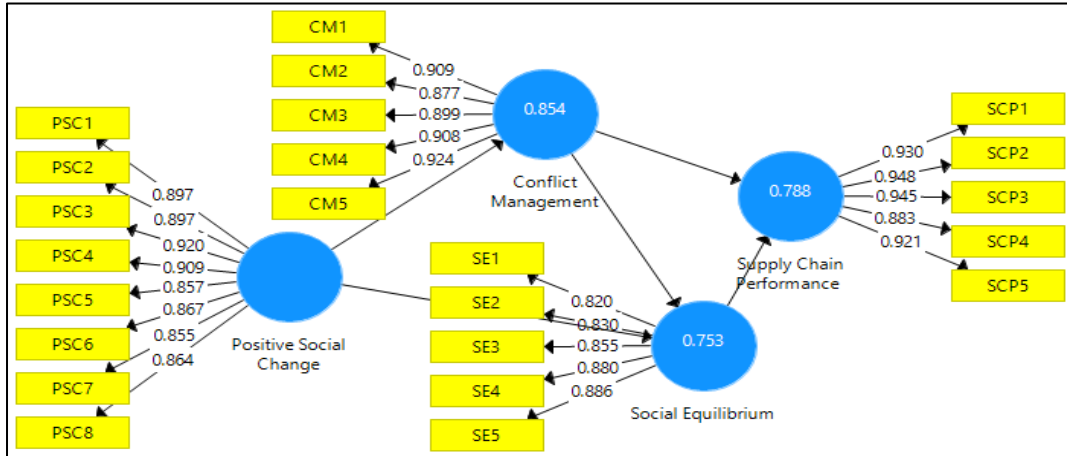


Figure 3. Measurement Model

Table 3. Factor Loadings

	Conflict Management	Positive Social Change	Social Equilibrium	Supply Chain Performance
CM1	0.909			
CM2	0.877			
CM3	0.899			
CM4	0.908			
CM5	0.924			
PSC1		0.897		
PSC2		0.897		
PSC3		0.92		
PSC4		0.909		
PSC5		0.857		
PSC6		0.867		
PSC7		0.855		
PSC8		0.864		
SCP1			0.93	
SCP2			0.948	
SCP3			0.945	
SCP4			0.883	
SCP5			0.921	
SE1				0.82
SE2				0.83
SE3				0.855
SE4				0.88
SE5				0.886

In PLS measurement model, the current study also examined the reliability and validity. According to Hair, et al. [24], composite reliability (CR) is the important measure of reliability and average variance extracted (AVE) is the important measure of convergent validity.

The value of CR must be above 0.7 and AVE must be above 0.5. All these values are given in Table 4. Discriminant validity is examined through AVE square root as given in Table 5.

Table 4. Reliability and Convergent Validity

	Alpha	rho A	CR	(AVE)
Conflict Management	0.944	0.944	0.957	0.817
Positive Social Change	0.96	0.96	0.966	0.78
Social Equilibrium	0.907	0.907	0.931	0.73
Supply Chain Performance	0.958	0.959	0.968	0.857

Table 5. AVE Square Root

	Conflict Management	Positive Social Change	Social Equilibrium	Supply Chain Performance
Conflict Management	0.904			
Positive Social Change	0.824	0.883		
Social Equilibrium	0.831	0.864	0.854	
Supply Chain Performance	0.629	0.684	0.811	0.926

Furthermore, this study examined the relationship between positive social change, conflict management, social equilibrium and SCP which is given in Figure 4. In this process, PLS structural model is used [25-27]. Results

are given in Table 6 and Table 7. Table 6 shows the direct effects which are significant. Furthermore, Table 7 shows the indirect effect which are also significant as the t-value is above 1.96.

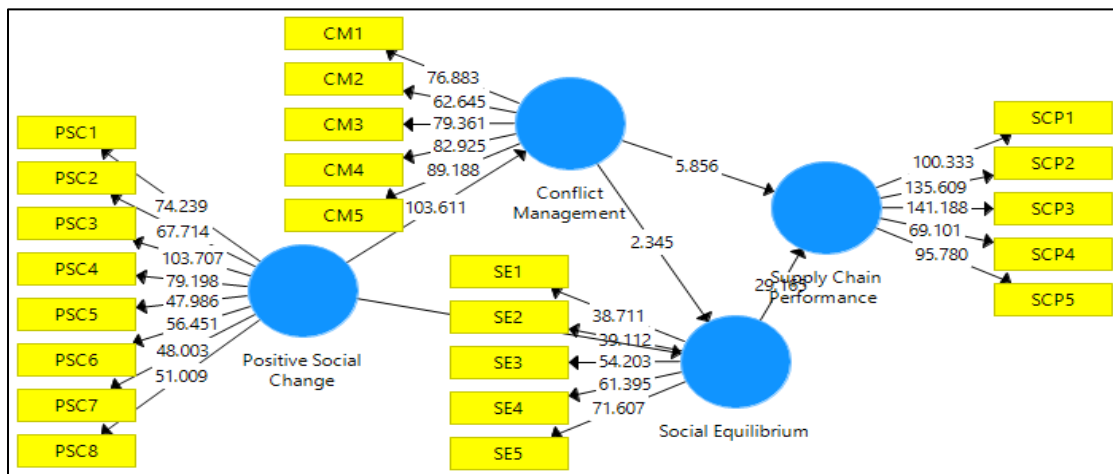


Figure 4. Structural Model

Table 6. Direct Effect Results

	(O)	(M)	SD	T Statistics	P Values
Conflict Management -> Social Equilibrium	0.224	0.225	0.095	2.345	0.019
Conflict Management -> Supply Chain Performance	0.307	0.306	0.053	5.856	0
Positive Social Change -> Conflict Management	0.924	0.925	0.009	103.611	0
Positive Social Change -> Social Equilibrium	0.657	0.655	0.09	7.265	0
Social Equilibrium -> Supply Chain Performance	1.127	1.124	0.039	29.165	0

Table 7. Indirect Effect Results

	(O)	(M)	SD	T Statistics	P Values
Positive Social Change -> Conflict Management -> Social Equilibrium	0.207	0.208	0.088	2.338	0.02

Positive Social Change -> Conflict Management -> Supply Chain Performance	0.284	0.283	0.049	5.796	0
Conflict Management -> Social Equilibrium -> Supply Chain Performance	0.252	0.254	0.109	2.309	0.021
Positive Social Change -> Conflict Management -> Social Equilibrium -> Supply Chain Performance	0.233	0.235	0.101	2.301	0.022
Positive Social Change -> Social Equilibrium -> Supply Chain Performance	0.74	0.735	0.1	7.396	0

5. Conclusion

The aim of this study was to find out empirically the role of conflict resolution through societal change to promote SCP in food supply companies working in Baduy community in Kanekes Village, Leuwidamar District, Lebak Regency. Furthermore, the mediating role of conflict management and social equilibrium was also examined. To achieve the study objective, this study used survey questionnaires for data collection and PLS was used for data analysis.

Results of the study revealed that; social change is one of the most important elements which has the potential to influence the conflicts rising at workplace among the food supply companies of Indonesia. In this direction, positive social change has major importance to increase the conflict management at workplace. Increase in positive social change increases the conflict management at workplace. Therefore, social change has positive effect on conflict management at workplace in food supply companies. Moreover, conflict management increases the social equilibrium at workplace. Hence, increase in the social change increases the conflict

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management which further enhances the social equilibrium and ultimately increases the SCP.

6. Implications of the Study

The current study has several implications including theoretical and practical implications. The major implication of the study is based on the contribution to the literature. For instance, this study examined the role of social change in conflict management which is rarely measured by the previous studies. In rare cases any study formally documented the influence of positive social change in food supply companies working in Baduy community to access the impact on social equilibrium and SCP. Among the food supply companies of Indonesia, the role of social equilibrium is also first time examined. Finally, results of the current study have vital role in food supply companies to enhance the SCP through conflict management and social equilibrium.

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