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An Empirical Analysis of the Impact of Supply Chain Strategy and Organizational Structure on Operational and Financial Performance

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Abstract

Indonesia has encountered significant economic challenges indicated by the mass closure of major factories in Indonesia, which are related to the current issue, such as global supply chains, logistics, declining sales, and due to the company's reliance on outdated supply chain methodologies. This research will examine and investigate the relationship between supply chain strategy, organizational structure and operational performance on financial performance based on 153 respondents sample data that has been collected through questionnaires. The data was analyzed using PLS-SEM through SmartPLS 4.0 software. The findings of this study indicate the nonexistence of a direct effect on supply chain strategy and organizational structure towards the financial performance and the relationship between supply chain strategy and operational performance is also not supported. However, organizational structure is found to influence operational performance and has a direct effect on financial performance. It is also revealed that the operational performance has a significant positive mediating effect on the relationship between organizational structure and financial performance. The results shows that external factors like competition, the US-China trade war, the pandemic's long-term impact and the parent company's decision play a major role for the decline in Indonesia companies operational and financial performance.

Keywords: supply chain strategy; organizational structure; operational performance; financial performance

1. Introduction

Since the start of 2025, Indonesia has encountered substantial economic challenges, marked by an economic downturn. This phenomenon has been accompanied by numerous news reports documenting the mass closure of major factories in Indonesia. These factories have been a crucial source of employment and a fundamental economic foundation for numerous local communities. Indicated by data provided by the Indonesian Fiber and Filament Yarn Producers Association, a notable number of companies have ceased operations over the past two years. In particular, according to the organization, at least 30 businesses have shut down, and the remaining manufacturers are only running between 45% and 70% of their potential (Salma, 2024). According to official news sources, Sritex (Sri Rejeki) was one of the businesses that said it will cease operations on March 1, 2025 (CNN Indonesia, 2025). Without a doubt, the company's shutdown will have a big impact on the Central Java economy, which is a politically crucial province. The impact on workers and the overall national economy will be significant because the company is the main driver of economic activity in the area. This is especially true given that it was one of Indonesia's biggest textile companies when it was founded in 1978 (Guild, 2024). This conclusion came after a bankruptcy creditors' meeting determined that Sritex was no longer a viable business. Numerous causes were listed in the report as having led to Sritex's bankruptcy result. These included the possibility of insolvency, high manufacturing costs, and a lack of operating capital.

The repercussions of the global 2020 Coronavirus pandemic on demand and the consequent disruption to global supply chains were additional contributing elements (Firdaus, 2025). Moreover, the prevailing competitive dynamics in the global market, concomitant with the corporation's overreliance on obsolete supply chain methodologies, characterized by an absence of real-time data visibility and inadequate resilience against exogenous shocks, further exacerbated the situation, culminating in a $475 million write- down of unsold inventory, resulting in a total loss of $1 billion. This decline was concomitant with a persistent diminution in sales from $1.3 billion in 2020. The financial analysis indicates a decline in revenue from $325 million to $225 million. Concurrently, exports diminished from 60% to 49% of the total revenue. Following three consecutive years of financial deficits, Sritex's equity position in 2023 registered a negative value of $955 million (CNN Indonesia, 2025). Following a period of uncertainty, Sritex finally made a definitive announcement regarding the company's closing, which consequently led to the dismissal of over ten thousand employees (CNN Indonesia, 2025). The present situation is not exclusive to Sritex; another manufacturing plant, Sanken Indonesia, which produces electrical equipment including power supplies, transformers, and laptop and vehicle adapters, is encountering similar challenges. By June 2025, the factory has been completely shut down, leading to the dismissal of 459 employees. The primary reasons for the closure of PT Sanken can be attributed to two main factors. Firstly, there has been a lack of support from the parent company in Japan for design and technology updates. This is due to the sale of related divisions. Secondly, the company has been unable to adapt to new products and has continued to experience financial losses since 2019 (Hayat, 2025). In line with the recent phenomenon Yamaha Music's Product Asia is also scheduled to cease operations by March 2025, with PT Yamaha Indonesia at Pulo Gadung, Jakarta, following suit in December 2025 (Online Piano Atlas, 2025). Yamaha acknowledges the financial strain caused by the rapid decline in piano demand, which has outpaced cost reductions. The company has been implementing structural reforms since last year and regards this reorganization as a necessary step to align its production scale with future demand projections.

The massively significant factory closing in Indonesia and declining consumer demand have become a matter of serious concern that is related with the global issue that currently happens such as the global supply chains and logistics that has been subject to pressure due to a number of issues, including the US-China trade war, the ongoing global pandemic, the Russia-Ukraine war, and ongoing conflicts in the Middle East (Widi, 2024). These challenges highlight the critical role of supply chain strategies and organizational structure in influencing the operational and financial performance of the company. As mentioned by the data from Amin (2024) that forecasted there’s an 8% chance of national economic growth if the government focuses on the organization of logistics and the supply chain. From this statement, once again, it proves how important the supply chain is to the company's operations. Supported by the research findings from Lee (2021) that indicate a positive effect and direct impact of supply chain strategy on operational and financial performance. Furthermore, the results of the study by Zubairu et al. (2021) demonstrate a significant contribution of supply chain strategy to corporate performance, including financial performance.

A study conducted in Pakistani manufacturing organizations analyses the impact of supply chain strategy and finds significant positive results for organizational and financial performance. It is also mentioned that organizational structure has a positive impact on operational and financial performance (Fu et al., 2022). A further research study by Haryanto and Lunarindiah (2023) analyzed the effect of supply chain management strategy on the operational performance of employees in the Sentul and Jonggol areas, Bogor regency, finds that there is a positive influence from the supply chain management strategy on the operational performance. Based on these findings, it can be concluded how important the supply chain strategy and organizational structure are on the financial and operational performance. A research study investigating the influence of organizational structure on the performance of mobile telephone network operators in Kenya concluded that organizational structure had a positive influence on organizational performance for 16.4%, indicating that the effect of the organizational structure on performance is relatively modest, with 83.6% of variance attributable to other factors (Karemu et al., 2021). Later on, subsequent research has indicated that supply chain strategy exerts no significant influence on company performance, nor does it directly impact performance, although it does have an indirect effect on performance through competitive advantage (Sulistyowati & Purnomo, 2020).

Given the current economic challenges in Indonesia, it is necessary to analyze the factors contributing to this issue. According to the research sources, there is a research gap since the results from various samples across time differ. With an emphasis on the supply chain and organizational structure, which are recognized as major factors in the manufacturing sector's decline, this study aims to shed light on the difficulties facing Indonesia's manufacturing sector and possible revitalization tactics. The research goal is hopefully to give corporate executives and policymakers practical recommendations for the supply chain strategy and organizational structure on the operational and financial performance.

2. Literature Review

2.1. Supply Chain Strategy

The term supply chain management strategy is defined as a series of strategies that coordinate all supply chain activities involved in the production process and company operations with a view to increasing customer value. Heizer et al. (2017) and Haryanto and Lunarindiah (2023) list these strategies as vendor-managed inventory (VMI), enterprise resource planning (ERP), outsourcing, warehouse management systems (WMS), and collaborative planning, forecasting, and restocking (CPFR). A successful supply chain reduces the possibility of operational disruptions by enabling an uninterrupted running of all manufacturing, procurement, distribution, and after-sales support phases. Companies that do not adopt SCM are susceptible to operational disruption. The absence of a structured and integrated system in the supply chain can result in challenges in meeting customer demand, shortages of raw materials, uncertainty in delivery, and delays in product production or delivery (Kusnadi, 2024). According to the findings of the research Zubairu et al. (2021), the strategy employed by a supply chain can exert an influence on the performance of a company, including its financial performance. The study states that the effectiveness of supply chain strategies that drive financial performance in the LNG network also includes investment strategies and capability development.

Research conducted by Shaumy (2024) find that the supply chain strategy variable exerts a positive influence on operational performance, a phenomenon that is mediated by the supplier integration variable. A positive relationship between supply chain strategy variables on operational performance was also identified through a different mediating variable, namely customer integration. The same results were also found, that is, the existence of a positive relationship between supply chain strategy on operational performance mediated by internal integration. Based on the research result that has been described, it is proposed the hypothesis for the research.

H1: Supply chain has a significant positive impact on financial performance
H3: Supply chain has a significant positive impact on operational performance

2.2. Organizational Structure

Organizational structure can be defined as a formal system of work relationships that describes the segregation of different tasks and integrates the implementation of these tasks (Apriliani et al., 2022). Organizational structure as a formal arrangement or system of interrelated allocation of tasks, responsibilities and authorities in carrying out operational activities to achieve organizational goals (Apriliani & Rachman, 2021). The relationship between the fundamental principles of the organization, the coordination of activities, and the internal organizational relationships related to reporting and receiving reports is the responsibility of the organizational structure. Performance success is one of the main aspects to be achieved, because despite opportunities, organizational growth will be hampered if it is not matched by good performance (Pangestu & Purnama, 2024). Further explain by Apriliani and Rachman (2021) that organizational structure facilitates the allocation of tasks and coordination of performance. This suggests that organizational structure is an asset of significant importance to organizations. Hence, the following proposed hypothesis are:

H2: Organizational structure has a significant impact on financial performance
H4: Organizational structure has a positive impact on operational performance

2.3. Operational Performance

According to Regina & Hasnawati (2022) the term "performance" is defined by the extent to which a business is able to successfully achieve its objectives, which are orientated towards the market, as well as its financial targets. Operational performance is defined as the company's operational achievements, which are measured primarily in terms of cost, quality, flexibility, and delivery. It also shows how competitive the business is in relation to other supply chain participants. To improve performance, every company in the supply chain must increase its total operating efficiency (Santoso et al., 2022).

According to the operational strategy approach, the supply chains have three elements for measuring operational performance: timeliness, inventory performance, and fulfillment. Inventory is employed to ascertain the extent to which a company's supply chain network collaboration practices manage inventory, including the following: inventory turnover, inventory reduction, and inventory cost reduction. Moreover, the responsiveness of the company within its supply chain network serves to identify its capacity to meet consumer demands; this includes the ability to reduce waiting times, flexibility in meeting requests, and sensitivity to consumer needs (Latuconsina, 2021). As a results according to the statement and data, it is proposed that:

H5: Operational performance has a positive impact on financial performance
H6: Operational performance has significantly and positively mediated between supply chain strategy and financial performance
H7: Operational performance has significantly and positively mediated between organizational structure and financial performance

2.4. Financial Performance

According to Agustin and Sutjahyani (2023), financial performance is as a form of report that demonstrates an entity's prospects for future growth and development. Financial performance is defined as the process of determining specific metrics that can assess the success of a company in generating profits (Maulana Sahid & Henny, 2023). Financial performance represents the final outcome of accounting activities (the accounting cycle), which reflects the company's financial condition and operating results as presented in financial statements. The definition of financial performance is in line with the statement that defined financial performance as an evaluation of a company's accomplishments, which indicates its sound standing over a specific period of time (Bag & Omrane, 2022). Finding relevant data about the flow of money, the efficacy, and the efficiency of using money to create income is the aim of performance measurement. Managers are also encouraged to make the best choices for the company by measuring financial performance. Hence, Figure 1 presents research framework.

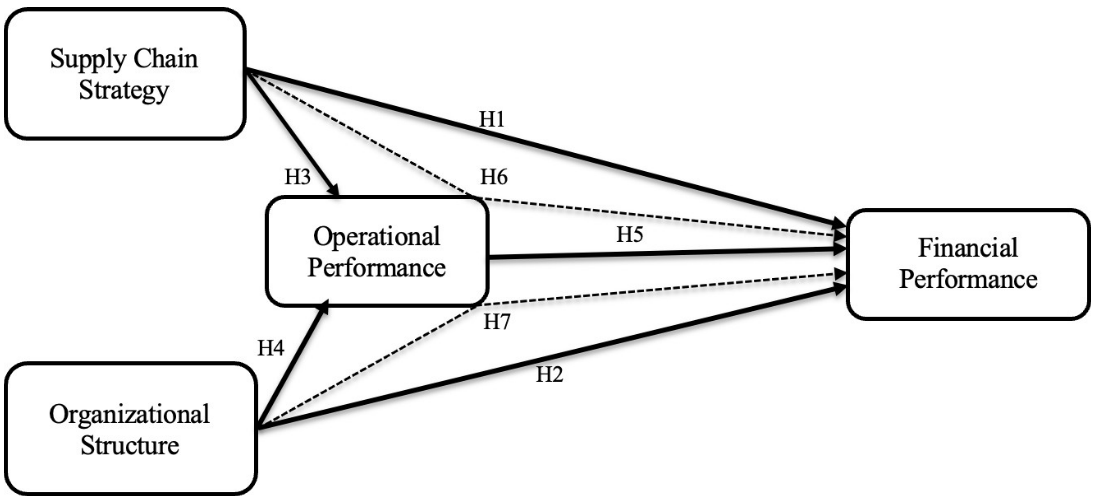

Figure 1. Research framework.

3. Methodology

The research method employed in this study is an explanatory survey. The purpose of using this method is not only to explain concepts, facts, and events, but also to analyze and explain the causal influence between variables through hypothesis testing (Heriyanto et al., 2023). The objective of employing this explanatory survey is to identify the impact of supply chain strategy and organizational structure on organizational and financial performance in Indonesia. The study employs quantitative methods and statistical analysis to examine the impact of both independent and non-independent variables.

This study involved Indonesian respondents who completed the questionnaire and met the criteria outlined in it. The primary emphasis was placed on the respondents' years of work experience, encompassing individuals with less than two years of experience and those with over 11 years of experience. The sample population is characterized by the inclusion of respondents from diverse levels of experience, ranging from entry-level employees to those with extensive experience in their respective fields. It is reasonable to assume that workers with experience in a given field possess a comprehensive understanding of the company's operations and performance. Consequently, it is essential to include respondents with experience in the field in this study. The primary data were collected via an online questionnaire distributed through Google Forms from March 17, 2025, to March 29, 2025 and includes 28 statement items adapted from Fu et al. (2022) that represent the measurement of each variable with the research sample being Indonesian people who have worked. Based on the questionnaire distributed, 154 respondents were collected, but after going through the screening stage, there was 1 respondent who did not meet the criteria, so the sample used in this study was 153 people. This study uses a five point Likert scale on agree and disagree for data measurement and applies the structural equation modeling (SEM) method using the SmartPLS 4.0 software application. This study uses Partial Least Square structural equation modelling (PLS-SEM) to test the relationship between variables. PLS-SEM is a useful technique for evaluating a complex, hierarchical model that reflects soft modeling assumptions that are appropriate and favorable for SEM (Hair et al., 2019). The results of data processing include validity tests, namely convergent validity through the evaluation of loadings and average variance extracted, and discriminant validity through cross-loadings and Fornell-Larcker criteria. In addition, there is a reliability test, namely composite reliability, validation of model fit along with R square. Finally, bootstrapping calculations are performed to determine the results of the t-statistic value in concluding the correlation relationship between independent and dependent variables and the mediation relationship.

4. Result

4.1. Respondent Demographic

Based on the data represent by Table 1, the majority of respondents were under 30 years of age (64.05%), with the second largest age category comprising respondents between 31 and 40 years of age (28.10%). The smallest age category represented 7.84% of the respondents. The sample included slightly more female than male participants, with 81 females and 72 males. Regarding the participants' educational attainment, the majority possessed an undergraduate qualification (103), while 50 of these individuals held higher education or postgraduate qualifications. Regarding their professional background, 52 respondents indicated that they had accumulated between two and six years of work experience, 43 respondents indicated that they had accumulated more than 11 years of experience, 36 respondents indicated that they had accumulated less than two years of experience, and 22 respondents indicated that they had accumulated between seven and 11 years of experience.

4.2. Measurement Model Evaluation

In this study, Table 2 presents the results of convergent validity and reliability test. It that can be concluded that, after the deletion of the SCS1 indicator, all outer loading values are greater than 0.7. This indicates that the indicators used in the research questionnaire meet the required validity criteria. The Average Variance Extracted (AVE) value in this study indicates that all four variables have a value greater than 0.5 which is the standard stated by (Hair et al., 2019). The highest AVE value 0.839, is attributed to the organizational structure variable, while the lowest value, 0.712, is associated with the supply chain strategy variable. These findings suggest that all variables have met the requirements for convergent validity. Subsequent to this, the reliability test's outcomes, specifically the value of Cronbach's alpha and composite reliability, are presented. The results of the present table show that each variable has a value > 0.70. According to (Hair et al., 2019) the recommended value of Cronbach's alpha is 0.70-0.90. Therefore, it has been determined that the variables employed in this study are reliable and have demonstrated acceptable reliability.

Table 1. Respondent's demographic data.

Description		Frequency	Percent
Age	< 30 Years Old	98	64.05%
	31- 40 Years Old	43	28.10%
	> 40 Years Old	12	7.84%
Gender	Male	72	47.05%
	Female	81	52.90%
Academic Level	Undergraduate	103	67.32%
	Postgraduate or above	50	32.68%
Years of Working	< 2 Years	36	23.53%
	2-6 Years	52	33.99%
	7-11 Years	22	14.38%
	> 11 Years	43	28.10%
	Total	153	

Table 2. Validation measurement model of convergent and reliability validity.

Construct	Item	Item Code	Outer Loading	Cronbach's Alpha	Composite Reliability	Average Variance Extracted
Supply Chain Strategy (SCS)	The strategic decision helps to develop a new product for the marketplace.	SCS2	0.733	0.942	0.952	0.712
	The supply chain strategy makes the network system of the supply chain more clarify.	SCS3	0.771			
	The supply chain strategy supports the acquisition and implementation of an appropriate information system.	SCS4	0.855			
	The supply chain strategy offers a high level of quality in products or services.	SCS5	0.907			
	The supply chain strategy ensures the internal and external communication between employee, supplier, and customer.	SCS6	0.922			
	Strategic decision determine the overall direction of corporation supply chain.	SCS7	0.819			
	Corporation strategy help to use effective long-term material planning and implementing low-cost production.	SCS8	0.902			
	Corporation strategy allows sharing their future vision of supply chain with suppliers.	SCS9	0.820			
Organizational Structure (OS)	The organizational structure ensures the active participation of the employees in important decisions.	OS1	0.852	0.968	0.973	0.839
	The organizational structure promotes a sense of vigilance, proactively, and commitments to enhance operational performance.	OS2	0.875			
	Cross-departmental cooperation is harmonious and collaborative and ensures smooth operations within the organization.	OS3	0.934			
	The performance appraisal system is well developed and evaluate all employees in fair manners.	OS4	0.942			
	The organizational structure delegate powers at all level to ensure excellent customer service.	OS5	0.950			
	Authorities are well divided and administrative procedures are clearly defined.	OS6	0.930			
	Job descriptions and standard operating procedures are clearly defined.	OS7	0.924			
Operational Performance (OP)	The corporation's supply chain is more focused on operational aspects rather than financial aspects.	OP1	0.800	0.935	0.951	0.795
	The corporation respond quickly to market changes to improve their products and services.	OP2	0.935			

Construct	Item	Item Code	Outer Loading	Cronbach's Alpha	Composite Reliability	Average Variance Extracted
	The supply chain strategy of the organization is well defined, clear and widely understood within your corporation.	OP3	0.912			
	The supply chain strategy of the organization has the ability to change production capacity quickly based on customer demands.	OP4	0.883			
	The supply chain strategy of the organization has the ability to reduce operational complexities.	OP5	0.921			
Financial Performance (FP)	The management of the company uses supply chain strategy to increase organization operational performance.	FP1	0.803	0.967	0.973	0.836
	The supply chain strategy of the organization has a significant role in streamlining the operational activities of the organization.	FP2	0.897			
	The corporation customize products by adding certain models required by customers.	FP3	0.927			
	The corporation has the capability to control the sales and distribution network which ultimately will impact their financial performance.	FP4	0.943			
	The supply chain strategy of the organization has the ability to change existing product or design new products to attract a new customer.	FP5	0.955			
	The supply chain strategy of the organization has a positive impact on organizational financial performance.	FP6	0.943			
	The management of the company uses supply chain strategy to reduce expenses and increase its profitability.	FP7	0.923			

The discriminant validity test in this study employs the Fornell-Larcker criterion test, which states that if the √AVE value is greater than the correlation value in the same row, then the information is valid (Hair et al., 2016; Kamis et al., 2020). As demonstrated in the following Table 3, each variable has a value greater than other constructs, indicating that the measurement model is valid in distinguishing between different constructs.

Table 3. Discriminant validity (Fornell-Larcker criterion).

	FP	OP	OS	SCS
Financial Performance (FP)	0.914			
Operational Performance (OP)	0.669	0.892		
Organizational Structure (OS)	0.531	0.713	0.916	
Supply Chain Strategy (SCS)	0.389	0.463	0.509	0.844

4.3. Structural Model Evaluation

The figure 2 presents the result after bootstrapping to estimate the t-statistic value that will be used in testing the significance of the relationship between variables in this study. The findings of the analysis indicate that the R-squared value obtained for the financial performance variable is 0.458. It is concluded that the financial performance variable is influenced by the independent variables, namely supply chain strategy, organizational structure, and operational performance by 45.8%. The remaining influence is attributable to other variables not examined in this study. Meanwhile, the R-squared value of operational performance variable of 0.521 indicates that operational performance is influenced by supply chain strategy and organizational structure by 52.1%, and the remaining 47.9% is influenced by external factors outside this study. The findings of the data testing indicate that R-Square demonstrates a moderate relationship, signifying that the model is capable of explaining a substantial proportion of the factors that influence financial performance, despite the existence of numerous additional factors external to the study that also impact the financial performance variable. Conversely, the overall model fit is measured by SRMR, which is 0.063 in this study. This value is smaller than the maximum limit of 0.10, suggesting a satisfactory fit between the observed data and the hypothesized model.

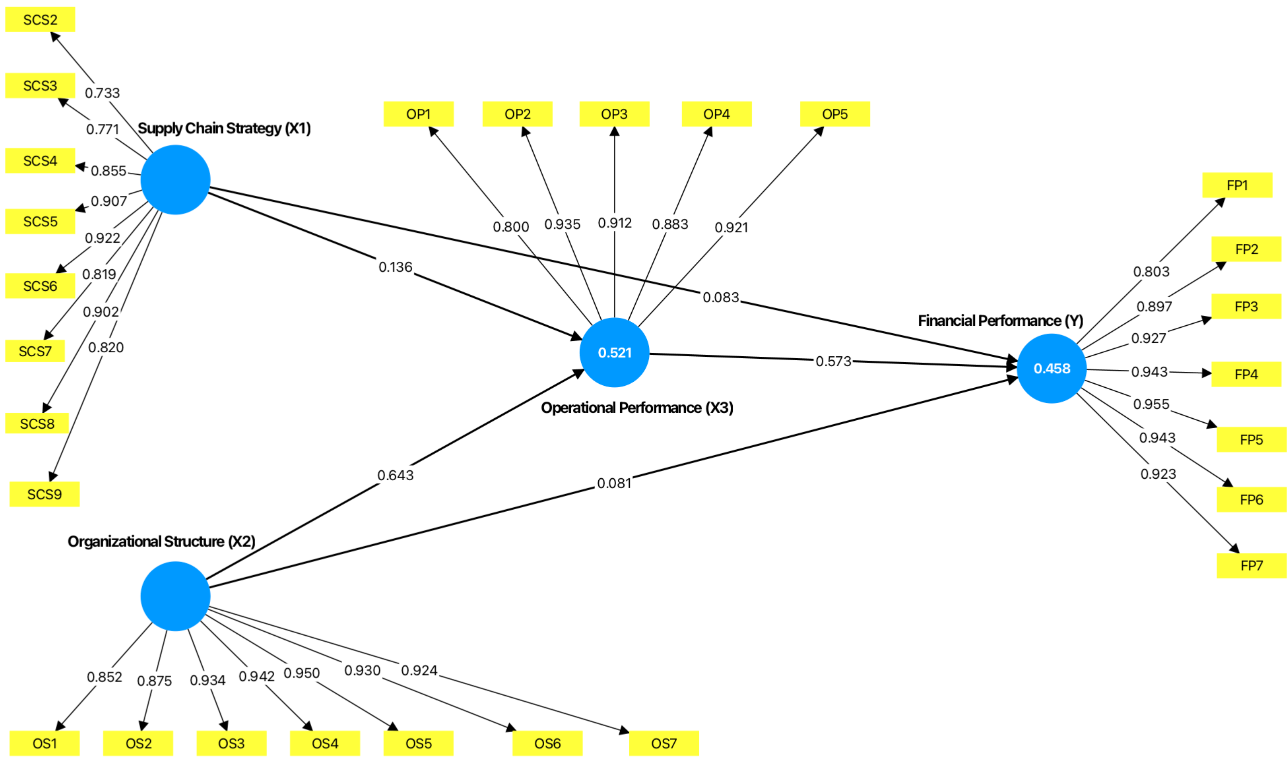

Figure 2. Structural equation model.

The results of the statistical tests conducted in Table 4 indicate that there are two hypotheses that accept the direct relationship between the variables, namely hypothesis 4, which explains the relationship between organizational structure and operational performance, and hypothesis 5, which explains the relationship between operational performance and financial performance. It has been found that H4, namely organizational structure, has a p-value of 0.000, where this value is less than 0.05 (0.000 < 0.05), so it is said that there is a significant relationship with a t-statistic value of 9.223 greater than 1.96 (9.223 > 1.96), followed by a value of 0.643, which shows positive results, so it is concluded that organizational structure has a significant positive relationship. Subsequently, H5 is tested with a p-value of 0.000 < 0.05, a t-statistic of 5.487 > 1.96, and a value of 0.573, which shows a positive, so it is concluded that operational performance has a significant positive relationship with financial performance. Consequently, hypotheses 1, 2, and 3 are rejected and it is stated that there is no significant relationship exists because the value of p-values is above 0.05.

Table 4. PLS path model effect.

Paths	Original Sample	Standard Deviation	T Statistics	P Values	Decision
Supply Chain Strategy → Financial Performance	0.083	0.079	1.044	0.296	H1 Rejected
Organizational Structure → Financial Performance	0.081	0.131	0.616	0.538	H2 Rejected
Supply Chain Strategy → Operational Performance	0.136	0.075	1.813	0.070	H3 Rejected
Organizational Structure → Operational Performance	0.643	0.070	9.223	0.000	H4 Supported
Operational Performance → Financial Performance	0.573	0.104	5.487	0.000	H5 Supported

According to the results of the statistical t test for mediation in Table 5, it is known that H6 which is used to test whether operational performance mediates the relationship between supply chain strategy and financial performance, it is found that operational performance does not mediate the relationship seen from the results of p-values of 0.083 which means greater than 0.05 (0.083 > 0.05) and t-statistics that do not pass the value of 1.96 with a value of 1.733, while hypothesis H7 is accepted because the p-value is less than and the t-statistic value is greater than 1.96, as evidenced by the p-value (0.000 < 0.05) and the t-statistic value (4.510 > 1.96). This finding indicates that operational performance plays a mediating role in the relationship between organizational structure and financial performance. Furthermore, the value of 0.369 indicates a positive relationship, thereby substantiating the assertion that operational performance exerts a significant positive influence on the mediation process.

Table 5. Mediation effect.

Paths	Original Sample	Standard Deviation	T Statistics	P Values	Decision
Supply Chain Strategy → Operational Performance → Financial Performance	0.078	0.045	1.733	0.083	H6 Rejected
Organizational Structure → Operational Performance → Financial Performance	0.369	0.082	4.510	0.000	H7 Supported

5. Discussion and Recommendations

Based on the results that have been conducted, it can be concluded that (H1) (H3) supply chain strategy didn't influence financial and operational performance. This continues with the result of (H2) which stated that organizational structure didn't influence financial performance. These findings contradict the earlier research (Zubairu et al., 2021) that asserted the impact of supply chain on financial performance. The objective of the research was to ascertain whether supply chain strategy enhances the financial performance of the liquefied natural gas (LNG) network. The results of the present study suggest a substantial role for supply chain strategy in enhancing financial performance. However, a finding from Sulistyowati and Purnomo (2020), posits that supply chain strategy does not directly affect the company's performance, but rather exerts an indirect influence on company performance through the attainment of competitive advantage.

The findings of this study indicated that hypotheses (H4) and (H5) were accepted, which means that organizational structure affects operational performance, and operational performance affects financial performance. As previously mentioned, the organizational structure can affect the overall performance of the company in operational aspects, corporate culture, and the achievement of long-term goals. A well-designed structure enables the company to function more efficiently, boosts employee motivation, and enhances its adaptability and capacity for innovation. Conversely, an organizational structure that does not align with the company's needs or operating conditions can impede coordination, decision-making processes, and the realization of objectives (Idzni et al., 2024). Based on Lee (2019) that conducted research on different organization find that airlines have been found to demonstrate a correlation between operational variables and financial performance, as evidenced by research in this field. This finding suggests that organizational structure exerts a significant influence on both operational and financial performance. The findings further demonstrate a mediation effect, as evidenced by the outcomes of hypothesis (H7), which stipulates that operational performance has a significantly positive mediating effect on the relationship between organizational structure and financial performance. Conversely, hypothesis (H6) is rejected, which means that operational performance doesn't have a significant positive mediating effect on the relationship between supply chain strategy and financial performance.

The results of this analysis indicate that there are other factors that affect financial and operational performance, not only including internal company factors. But also, external factors that is examine in this study which is align with the current economy and company phenomenon issues in Indonesia. As mentioned in this study, many factories and companies have stopped operating due to the long-term impact of the pandemic, the decision of the parent company abroad, difficult competition between competitors and the influence of the US-China Trade War. Some of these factors are believed to play a major role in the decline of operational and financial performance in Indonesian companies. Therefore, it is recommended that the Indonesian government implement a series of strategic measures. These measures should include the provision of incentive assistance to affected industries and the formulation of policies that promote the export of original Indonesian-made products and facilitate the export process. This export process is closely related to the supply chain strategy both domestically and internationally. Anticipated government policies may include measures such as temporary tax relief or the allocation of financial aid. For companies, it is recommended that they improve their organizational structure, including position efficiency and employee empowerment, which are expected to improve financial performance. Finally, future researchers are advised to consider the addition of independent variables or the examination of other factors outside the scope of this study, such as digitalization, firm size, cash flow, leadership, and so on. In subsequent studies, researchers may also benefit from conducting research in different countries or employing more complex research models to achieve more precise results.

5. Conclusion

The findings of the research conducted provide novel insights that contribute to the existing knowledge in this field, marked by the results of the non-existence of a direct effect on supply chain strategy and organizational structure towards financial performance. The relationship between supply chain strategy and operational performance is also not supported. But a different result was found with the organizational structure on operational performance which is stated to have a positive relationship. Similarly, the operational performance variable influences financial performance. As for the mediation results, it was found that operational performance does not mediate the relationship between supply chain strategy on financial performance. However, it was found that operational mediates the relationship between organizational structure on financial performance.

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Conceptualization: Sharon Rosabella Phuanerys.
Data curation: Sharon Rosabella Phuanerys.
Formal analysis: Sharon Rosabella Phuanerys.
Funding acquisition: Sharon Rosabella Phuanerys.
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Visualization: Sharon Rosabella Phuanerys.
Writing – original draft: Sharon Rosabella Phuanerys.
Writing – review & editing: Sharon Rosabella Phuanerys.

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