

# Service Supply Chain Management in the Performance of National Logistics Agency in National Food Security

Maun Jamaludin<sup>1</sup>, Teddy Hikmat Fauzi<sup>2</sup>, Deden Novan Setiawan Nugraha<sup>3</sup>, Latifah Adnani<sup>4</sup>

<sup>1,2,4</sup>*Department of Business Administration, Pasundan University, Bandung 40261, Indonesia*

<sup>3</sup>*Department of Business Administration, Faculty of Business and Management, Widyatama University, Bandung 40261, Indonesia*

*Corresponding email: maun.jamaludin@unpas.ac.id*

**Abstract-** The main food problems in the context of realizing strong food security include increasingly scarce availability, increasingly difficult food affordability, both physically and economically. Food security are increasingly worrying because of the increasing number of problems related to food safety. From this problem, there is a tendency for the food situation, especially in international markets, which is increasingly unpredictable and increasingly unstable. For this reason, to achieve resilient and sustainable food security, government policies in the food and agriculture sector are more comprehensive, and are able to respond directly to challenges in the food sector. The policy must be able to adopt and encourage the effective and efficient use of food from all natural resources available in this country in an effective, efficient and sustainable manner. The research methodology used in this study is to use a qualitative descriptive approach at logistics bureau (Bulog) in strengthening food security strategies in West Java by using service supply chain management assessment. In terms of its service, the results show that the performance of the of the West Java Logistics Bureau () in achieving food security. From the indicators of responsibility, it was conducted in accordance with applicable regulations and policies and in accordance with standard operating procedures that apply in providing services and conducting operational activities. From the responsive indicator, the agency in establishing food security has involved the community in the procurement or absorption of staple food as the working partner. From the indicators of effectiveness, the performance has increased and reaches the target to improve the quality of performance in each target area with good results.

**Keywords:** *performance, supply chain management, service, food security*

## 1. Introduction

As a basic human need, food has a very important and strategic role in the life of a nation. Food availability can create economic instability. Various social and political turmoil can occur if food security is disrupted [20, 6]. For Indonesia, food is identified with rice because this type of food is the main staple food for most of Indonesia's population. Many experiences have proven that

disruptions to food security, such as the skyrocketing increase in rice prices during the 1997/1998 economic crisis, which developed into a multidimensional crisis. It then triggered social insecurity that endangers economic stability and national stability. In Indonesia and in the world in general, staple food problems in the context of realizing strong food security include increasingly scarce availability, food affordability that is increasingly difficult, both physically and economically; and food safety which is increasingly worrying because of the increasing number of problems related to food safety. From these problems, there is a tendency for the food situation, especially in international markets, which is increasingly unpredictable and increasingly unstable. For this reason, in order to achieve resilient and sustainable food security, government policies in the food and agriculture sector are more comprehensive, which are capable of responding to hands-on challenges in the food sector [24, 8, 1, 13]. The policy must be able to advocate and encourage effective and efficient use of food from all natural resources available in the country effectively, efficiently and sustainably [21, 16]. From the marketing aspect, given the tendency of the food market to be asymmetrical, it is necessary to involve the government in order to protect the interests of farmers, consumers, and other market players, by creating a competitive and integrated marketing system. Food production in Indonesia, especially rice, is seasonal and concentrated in certain areas with consumption that is evenly distributed between seasons and between regions and with the availability of inadequate marketing infrastructure in certain regions.

This characteristic raises the possibility of various imbalances between supply and demand as well as disintegration or market failure. Thus, it is absolutely necessary to have a comprehensive food policy that is able to overcome these challenges by ensuring adequate and equitable food availability, both between time and between places while creating an efficient marketing system. Comprehensive food and agriculture policies that are able to respond to future challenges must be followed up in the form of policy implications in each sector supplemented by the implications of various relevant institutions. With the institutional structure in the agricultural and food sector, the existing parastatal institution, Bulog, a state logistics agency, as implementing government policies in the field of staple

food must obtain a strong, adequate and relevant position. As the only operator in the field of food security, the government needs to provide institutional support, and more adequate policies in the field of food/rice, finance and law so that the performance of Bulog can function more optimally. The performance of Bulog in carrying out public obligations such as domestic procurement, distribution of subsidized rice, price stabilization operations, management of government food reserves has been proven to provide benefits, both economically and non-economically that are very real in improving the welfare of farmers, protecting homes low-income ladder, encourage rural economic growth and contribute to economic growth, political and social stability. Based on the background above the objectives of this study are to investigate the process and performance of public corporation in food security and to find out the extent of the performance of the bureau of logistics in the last two years, and to find out whether the rice procurement, distribution and supply chain management has been well targeted as a supporter of food security. The study was conducted to more investigate the role of public sector management in meeting the public needs. In this context, some research have investigated the role of service supply chain management in public sector [12, 23, 3, 2, 19]. Moreover, some studies also highlight the supply chain management and marketing field to improve the organizational performance [10, 27, 17]. This research is expected to have benefits both theoretically and practically. The expected benefits of the results of this study will be able to provide objective information and can be used as material for the development of business administration as well as information for similar research in the future in supply chain management. Moreover, the results of this study can also contribute quite beneficial to the relevant agencies in order to continue to improve its performance.

## 2. Conceptual Framework

### 2.1. Food Policy and Performance

[9] defines that policy is a set of activities or actions proposed by a person, group or government in a particular environment where there are obstacles and possibilities where the policy is proposed to be useful in overcoming it to achieve the intended purpose. [4] argues that policy is a series of activities that have a purpose or objective followed by an actor or group of actors related to a problem or an issue that is considered. [11] defines that the policy is the answer to a problem, an attempt to solve, reduce, prevent a problem in a certain way, namely by directed action. The policy is a series of actions that are formulated to regulate and manage a problem and action, both in the broad and narrow scope so that the problem can be solved and the goal becomes more directed. Food policy is area public policy that deals specifically with the problem of how food is produced, processed, distributed and traded. Public policies are designed to influence the operation of agriculture and food systems. Food policy consists of setting the objectives of production, processing, marketing, availability, access, utilization, and consumption of food ingredients, as well as explaining the process to achieve these goals. Food policy can be at various levels, from local to global, and by government,

commercial, to organizations. Food policy also involves educational institutions to educate, regulations to regulate, and standards set for implementing policies. Regulations and standards set include health and safety, labeling, and certain product qualifications.

The main objectives of food policy are to protect the poor from the economic crisis, to develop long-term markets that increase efficient use of resources and to increase food production so that it can increase farmers' incomes. [5] explained that performance is the result of work achievements that have been achieved by a person or employee in accordance with their functions and duties. [7] stated that the essence of performance is a shared process between managers, individuals and managed teams, where this process is based more on the principles of knowledge, skills, competition and work plans and their placement [25]. In achieving the goals set by an organizational body, it is necessary to have a good performance of all existing components. Without good performance, what is expected of these goals will not become a reality. In accordance with the work units contained in the organization or company, each unit is assessed for its performance, so that the performance of human resources contained in the unit can be assessed objectively. In government institutions especially assessment is very useful for assessing quality, quantity and efficiency. Everyone as an actor who carries out activities according to his function must pay more attention to the needs of his community who need services. For government agencies, performance appraisal is very useful for assessing the quality, quantity and efficiency of services, providing motivation for implementing officials, making adjustments to performance. Encourage the government to pay more attention to the needs of the people being served as to demand improvements in public services. The many views in viewing service performance that the indicators used to assess performance in public services vary greatly. The services provided to the community can be said to be good if the community can easily get access to services with procedures that are not long and straightforward by implementing work spirit and giving services without causing any complaints from the community. Then community satisfaction can be a measure to assess the performance of an organization in public services. Various kinds of organizations whatever the shape and type always pay attention to the goals and mission of the organization will be carried out in carrying out each of its activities. The performance of an organization is important to look at so that it can be measured to measure an organization's success in order to achieve common goals and the extent of the success of an organization achieved.

The national food policy has some aims. First, it is to increase farmers' production and income. Second, it is for ensuring the availability of food at any time in any place at an affordable price. Third, it is for improving the nutritional status of the community. The duties of Bulog's public services include several things. First, maintaining prices at the farm level with government purchase price. Second, maintaining adequate stock for routine operational activities. Third, managing the rice reserve to deal with emergencies and price stabilization programs; Fourth, managing equitable distribution of stock

throughout the country. Fifth, managing staple food distribution to low income target households. To secure food security, price fluctuations must be stabilized so that people can buy enough food. Problems to achieve food security are how to produce food efficiently and sustainably, how to maintain the amount of buffer stock to remain effective and efficient, and how to stabilize prices at a reasonable cost. The cost of managing buffer stocks is very expensive because of the risk of degradation in the quality of stored rice and the cost of funds for storing buffer stocks. To be more efficient, a food security system must be created based on efficient food self-sufficiency and optimal buffer stock levels. For this reason, the government must provide more adequate policy support so that food self-sufficiency can be realized and the performance of the state logistics agency of Bulog is able to function optimally.

## 2.2. Organizational Performance Indicators

Performance indicators are often equated with performance measures. Actually, although both are performance measurement criteria, there are differences in meaning. Performance indicators refer to performance evaluations indirectly, those that are only indicative of performance. As the opinion of [18], [26], who saw that the notion of effectiveness is the achievement of goals and the formulation of success that is not only calculated from the organizational goals, but also the mechanism of self-defense and pursuing its goals. Performance is defined as the level of achievement or the degree of accomplishment [22, 14]. [15] put forward three indicators that can be used to measure the performance of public bureaucracy, namely responsiveness, responsibility, and effectiveness. These indicators include responsibility conducted by seeing whether the implementation of public organization activities is carried out according to the principles of administration that is correct or in accordance with organizational policies that are explicit or implicit. In responsiveness, organization must be part of the state or government responsiveness to the needs of the community vital. Lastly, effectiveness is very closely related to technical rationality and values, mission or organizational goals.

## 3. Method

The study was conducted through interviews and observations on the performance of West Java's Bulog which show that it has increased and is better than in previous years. Despite the performance in rice procurement and distribution, Bulog collaborates with other organizations such as the transportation service in achieving self-sufficiency in rice and trying to be better despite limitations in its management and to advance its supply chain management. The performance of Bulog in the procurement and distribution of rice in general was optimal. This can be seen from the success in meeting the targets from year to year. If seen from the lack of available facilities, the management system is not optimal, but the performance is good and has the support and participation of the community as partners of the the agency. To be able to assess the performance of the Bulog in the procurement and distribution of rice in West Java, researchers used organizational performance. To be able to assess the

organizational performance of an agency, Bulog can be done from various aspects. The indicators are needed that can be used as a way to measure the performance of the organization including responsibility, responsiveness and effectiveness. All the indicators will be described in detail the success achievements that have been made by the West Java Bulog.

## 4. Results

Responsibility is the ability to show the level of compatibility between the organization of public organizations. The scope of the assessment of organizational performance is inseparable from the form of response and alertness of employees in carrying out these tasks. Forms of service relating to accountability and responding to complaints from people who are in the field. The quality of the performance of Bulog has been good. It can be seen from the way Bulog provides services to the community in accordance with policies, regulations and standard operating procedures in force. This can also be seen from counseling and outreach, by making various kinds of programs aimed at food stabilization in order to support food security. Many ways are carried out by the agency for the creation of food stabilization in West Java. With a lot of building with partners and the deployment of personnel and improving facilities to help farmers and also to improve the quality of work. However, with the vast area that must be served, there are limitations in doing services. Based on interviews with the Head of the West Java's Bulog, the assessment of organizational performance related to responsibility, the quality of the performance of Bulog with the readiness of employees and in responding to the many complaints that exist in the community are quite good. For the coming period, it is expected that the Bulog must be even better to improve its performance.

In terms of responsiveness, it refers to the ability of organizations to recognize the needs of the community in carrying out public services. Responsiveness is needed by an organization or agency that is engaged in the service sector, especially the Bulog in providing services and developing programs in accordance with operational services. Responsiveness also has the understanding of the ability of Bulog in providing services to the community, in addressing the problems that occur in the procurement and distribution of rice in supporting food security, complaints, and the implementation of its performance in providing services in achieving food security. Based on interviews with the Head of Public Service and Head of Business Planning and Development as well as the Head of Administration and Finance of West Java's Bulog, the responsiveness of Bulog in carrying out the performance is in accordance with operating hours. To address the problems in the field, it is good to pay attention to the community and work partners. In providing its services, Bulog of West Java always invites the community, especially its partners, with the responsiveness given by Bulog to the community, conveying that socialization has been going very well.

Lastly, effectiveness is the ability of an organization to achieve the targets set for the achievement of organizational goals. One of the scopes of performance appraisal discusses the suitability and success of the Bulog

in the procurement and distribution of rice and the achievement of the results of the activities. In effectiveness, there are achievements to be realized by Bulog. Based on interviews with the Head of Business Planning and Development, Bulog in the procurement and distribution of rice has worked hard. Previously, it is only able to achieve mediocre targets and not even meet the target. Now, it has increased beyond the target by reaching 120-130%. The results were obtained on the performance of the West Java Bulog in providing services to the community and its partners. To achieve maximum results Bulog always carries out supervision and assistance to their existing partners and invites farmers who have not collaborated to join and cooperate with Bulog as their partners. For the results of the results that have been done by the Bulog, always get the best and most successful title of all in Indonesia. Therefore, it can be said that the effectiveness of the West Java Bulog has been very good by receiving the best and most successful titles each year. For the following year, it can be maintained on the results of its performance to maintain food security in West Java.

## 5. Conclusions

The performance of the West Java Bulog in achieving food security can be seen from some indicators. From the indicators of responsibility, Bulog is in accordance with applicable regulations and policies and in accordance with standard operating procedure that applies in providing services and conducting operational activities, especially in socializing, providing assistance to Bulog's partners. In carrying out its activities, Bulog is considered to be less than the maximum due to limitations in its facilities and infrastructure, namely when grinding it often takes a long time. Because Bulog does not have a drying machine, which in turn makes the quality of grain/rice decline and is located below predetermined standards. From the responsiveness indicator, Bulog in the establishment of programs in West Java has involved the community in the procurement or absorption of grain/rice by involving the community as the working partners. From the indicators of effectiveness, the performance of the Bulog has increased. In achieving the program every year, the West Java Bulog always reaches the target. This is evidenced by Bulog's efforts to improve the quality of performance in each target area with has good results, including in service supply chain management as shown in this study.

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