ABSTRACT

The performance of the food industry has experienced a good increase of 1.58 percent throughout 2020 and will increase in 2021. More and more MSMEs are spread throughout Indonesia, especially in Wonosobo Regency. MSME production activities contribute significantly to environmental pollution due to the limited knowledge and use of the latest technology on health and environmental impacts. It is known from data from BPS Inaplas and the Ministry of Maritime Affairs and Fisheries that Indonesia contributes the second largest plastic waste in the world, amounting to 3.2 million tons/year which is dumped into the sea. The implementation of green supply chain management will bring drastic changes in supply chain processes. The costs incurred will increase, including the costs of inventory, production, and transportation.

This study aims to determine the relationship between three different levels of variables from the implementation of green supply chain management. The first variable is the implementation process between institutional pressure and leadership. External green collaboration and internal green practices are variables from the green supply chain that were appointed as mediation for studies related to the implementation process in organizations and their effects on economic and organizational performance with the object of research being food SMEs in Wonosobo Regency, Central Java.

This study uses quantitative methods with multivariate analysis methods. Data processing is assisted using smartPLS software. Data were collected by distributing questionnaires and using a measurement scale called the Likert scale. Questionnaires were distributed to 100 respondents online and offline.

Institutional pressure has a significant influence on external green collaboration and internal green practices. Leadership has a positive effect on internal green practices and does not have a significant relationship with external green collaboration. External factors do not have a significant influence on economic and organizational performance. However, internal factors have a significant influence on economic and organizational performance.

This research helps food SMEs to make decisions in formulating strategies and provides knowledge about the application of green supply chain management from various organizational perspectives. This research is also a new effort in assessing organizational and economic performance in the food industry MSMEs in Wonosobo Regency which explains how institutional, and leadership influence the performance of the food industry through green practices.

*Keywords**:** economic performance, external green collaboration, green supply chain, institutional pressure, internal green practice, leadership, organizational performance.*