

ABSTRACT

The supply chain is an important part of MSME furniture in Jepara. However, in the supply chain process, there is uncertainty where the amount of demand for furniture increases and the amount of wood is now difficult to obtain and expensive. To overcome this, it is necessary to manage the risk of uncertainty that occurs. One way of managing risk is a proactive risk management mitigation strategy. However, often MSMEs do not have enough attention in managing these risks.

This study aims to determine the impact of risk mitigation strategies on company performance which is bridged by supply chain risk management performance. Risk culture is also hypothesized given that many MSMEs do not yet have the discretion regarding risk management.

This study uses a non-probability sampling technique with the number of samples generated from the calculation of 394 respondents. The primary data used in this study were obtained from questionnaires and secondary data in this study were obtained from reports, book guidelines, and literature. The primary data obtained will be analyzed using SmartPLS 3.0.

The results of this study indicate that the proactive risk mitigation strategy which is divided into three sub-variables namely supply durability, supply chain responsiveness and supply flexibility has a positive and significant influence on supply chain management. The results also show that supply chain risk management performance has a positive and significant effect on company performance. This study also found that supply chain risk management culture did not moderate the relationship between risk mitigation strategies and supply chain management.

Keywords: MSME, Risk, Risk Management, Risk Management Culture, Supply Chain Management.