ABSTRACT

The food and beverage industry contributed 23.78% to exports of the non-oil and gas processing industry or USD 131.05 billion. The food industry's export value was recorded at US$ 3.53 billion, the largest among other industrial sectors. The biggest slowdown in growth occurred in the Food and Beverage Industry, which slowed from a growth of 3.94% (yoy) in the first quarter of 2020 to only growing by 0.22% (yoy)

in the second quarter of 2020. This greatly impacts the organizational performance of the food and beverage industry. Determining the right strategy in maintaining competitive advantage for each food and beverage industry company needs to be done in order to improve the organizational performance of the food and beverage industry.

This study aims to identify the relationship between sustainable supply chain management, innovation and dynamic capabilities on competitive advantage and organizational performance. The object of this research is an industry engaged in the processing of food and beverages. The variables used are sustainable supply chain management, innovation, dynamic capabilities, competitive advantage and organizational performance. The sampling method was determined by the non-probability sampling method, namely the purposive sampling method. The research sample consisted of 200 employees of the food and beverage industry.

Testing the competitive advantage model to identify the variables that influence it is by using the multidimensional scaling method and the Structural Equation Modeling (SEM) approach. The multidimensional scaling method is used to measure the condition of sustainable supply chain management in the food and beverage industry. The next stage is using (SEM) beginning with Confirmatory Factor Analysis (CFA) to determine the degree of proximity of indicators to variables. The last stage is the analysis of the full SEM model to determine the relationship of each variable used.

The results in designing a competitive advantage model show that competitive advantage is influenced by sustainable supply chain management and innovation. Meanwhile, dynamic capabilities do not affect competitive advantage. In addition, competitive advantage has an influence on increasing organizational performance in the food and beverage industry. Furthermore, in improving organizational performance in the form of customer satisfaction, it is carried out by integrating service quality (servqual) with the Kano model. The result of this integration is in the form of a proposed improvement strategy that is obtained by improving the 13 performance attributes of customer satisfaction for food and beverage products which are a priority for improving customer satisfaction and will have an impact on organizational industrial performance. The final stage is to

provide an overview of the system related to indicators that affect competitive advantage in the form of inputs, processes, and outputs so that management knows the steps needed to improve organizational performance in each company.