

Uncertain Supply Chain Management

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Enterprise risk management and supply chain management: The mediating role of competitive advantage and decision making in improving firms performance

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ABSTRACT

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The complexity of risk management and supply chain optimization in the business context, especially in financial institutions such as banking, highlights several factors that require special attention. In the banking sector, where risk and operational smoothness are crucial, risk management and supply chain optimization play pivotal roles in maintaining stability and competitiveness. The objective of this research is to explore the extent to which the implementation of ERM (Enterprise Risk Management) and SCM (Supply Chain Management) can create a competitive advantage, influence decision-making, and ultimately impact company performance. The research methodology employed is quantitative. Data collection was conducted through the distribution of Likert-scale questionnaires with a score range from 1 to 5. The sample selection process utilized random sampling techniques, involving managers and staff working in State-Owned Enterprises (SOE/BUMN) in Indonesia. The study analyzed 263 samples, with data collected from February 2023 to June 2023. Structural Equation Modeling (SEM) with SmartPLS software facilitated data analysis. The results indicate that ERM significantly influences competitive advantage and decision-making, but it does not directly impact company performance. Similarly, SCM has a significant positive impact on competitive advantage and decision-making but does not directly affect company performance. Competitive advantage, in this study, did not prove to enhance firm performance or act as a mediator connecting ERM and SCM to company performance. However, decision-making significantly influences company performance and serves as a significant mediator in the relationship between ERM and SCM concerning company performance.

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1. Introduction

Enterprise Risk Management (ERM) has experienced rapid development in response to the increasingly complex and dynamic business environment across various companies. ERM is a holistic approach that assists companies in identifying, assessing, managing, and monitoring all types of risks that can impact the achievement of corporate objectives (Shad et al., 2019). One of the key factors driving the growth of ERM is the increased operational complexity and uncertainty in the global market. Sax & Andersen (2019) state that ERM enables companies to have a better understanding of risks and integrate risk management strategies into business decisions. Additionally, demands from stakeholders such as shareholders, regulators, and clients also compel companies to enhance the quality of corporate risk management. González et al. (2020) emphasize that the sustainability of a company and stakeholder trust heavily depends on the company's ability to manage risks effectively. ERM can help companies maintain corporate reputation, avoid significant financial losses, and ensure long-term sustainability.

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The development of information technology also plays a crucial role in advancing ERM (Dicuonzo et al., 2019). Sophisticated risk management systems and data analysis platforms assist companies in monitoring risks in real-time, making quick decisions, and proactively responding to changes in market conditions or other unforeseen events. In addition to the defensive aspects of risk management, ERM is also considered a strategic tool for creating value (Saeidi et al., 2019; Anton & Nucu, 2020). Companies successfully implementing ERM can identify risk opportunities that enhance performance and competitiveness. By understanding risk as part of the business strategy, companies can make smarter decisions to achieve long-term goals. The rapid development of enterprise risk management reflects the need for companies to be prepared to face the complex challenges and opportunities in the modern business era (Rehman & Anwar, 2019).

In the economic development of a country, financial institutions play a crucial role. The primary function of financial institutions involves allocating financial resources from those with surplus funds to those in need of funds for investment. By providing financial access, financial institutions enable companies and individuals to engage in economic activities such as production, investment, and consumption (Merton & Thakor, 2019; Sukmana et al., 2020). One key role of financial institutions is to provide credit to companies and individuals in need of funds. This credit can be used to finance large projects, expand operations, or innovate. Through the provision of credit, financial institutions support economic growth by providing financial support to sectors with the potential to create jobs and increase production (Park & Kim, 2020). Moreover, financial institutions also play a role in economic risk management. They offer various financial instruments, such as insurance and derivatives, which help companies manage risks associated with price fluctuations, currency, and interest rates. In this way, financial institutions provide economic stability and help prevent financial crises that can harm the overall economy (Chen et al., 2021; Huy et al., 2021).

Financial institutions also play a role in enhancing financial inclusion by providing financial access to a broader segment of society. This includes offering banking services to customers or clients who previously lacked access to formal financial systems (Yang et al., 2018; Pazarbasioglu et al., 2020). By improving financial inclusion, financial institutions can empower communities to manage their finances, enhance well-being, and support inclusive economic growth. The involvement of Enterprise Risk Management (ERM) in financial institutions is more crucial compared to companies in other sectors. The presence of ERM in financial institutions reflects not only risk management as an operational responsibility but also as an urgent necessity in a complex and fluctuating business environment (Chattha et al., 2020; Mhlanga, 2021). Because core activities of financial institutions, such as banking, involve financial intermediation and fund management, they are highly dependent on market trust and stability. Therefore, ERM becomes a critical foundation to ensure that financial institutions can identify, measure, and manage risks effectively. Financial institutions also face unique risks such as reputation and legal risks, which often take center stage in the company's ERM focus. Public trust in financial institutions heavily relies on the company's ability to manage these risks wisely (Aljughaiman & Salama, 2019; Hummel et al., 2021; Saeidi et al., 2021).

Additionally, Supply Chain Management (SCM) also plays a central role in enhancing the performance of financial institutions. SCM helps financial institutions achieve higher operational efficiency by managing the supply chain optimally (Lee, 2021; Dharmayanti et al., 2023). Internal processes, such as transaction processing and information management, can be optimized to improve productivity and reduce operational costs. With SCM, a deep understanding of customer needs and effective management of the supply of various financial products and services drive the creation of more innovative and competitive solutions in the dynamic market (Marbun et al., 2020). Moreover, SCM contributes to customer satisfaction by ensuring consistent service availability and providing a quick response to customer demands (Abdirad & Krishnan, 2022). Furthermore, SCM enables financial institutions to be more responsive to changes in the market. Effective monitoring of changes in the economic and regulatory environment allows financial institutions to adjust their supply and operational strategies more quickly and efficiently (Lam et al., 2019; Sukati et al., 2020). Many previous studies have analyzed the influence of Enterprise Risk Management (ERM) and Supply Chain Management (SCM) on firm performance. However, there is still limited research that analyzes both simultaneously and uses competitive advantage and decision-making factors as mediating variables, especially in companies in the financial sector. Thus, this study aims to fill this gap by examining the influence of ERM and SCM on firm performance using competitive advantage and decision-making variables as mediating factors.

2. Literature Review

The purpose of Enterprise Risk Management (ERM) is to create a better understanding of the risks faced by a company and to ensure that business strategies align with the established risk tolerance (Tan & Lee, 2022). ERM involves a series of processes, including risk identification, risk assessment, development of risk management strategies, implementation of risk management measures, and continuous monitoring and review. One of the main advantages of ERM is its ability to respond to the changing dynamics of the business environment, enabling companies to identify and respond to new or evolving risks over time (Yang et al., 2018; Jankensgård, 2019; Ricardianto et al., 2023). ERM helps companies identify, assess, and manage potential risks that can affect corporate performance. By comprehensively understanding risks, companies can design more adaptive and responsive strategies to changes in market conditions (Jankensgård, 2019). ERM also provides an advantage by offering resilience to risks. Companies that can manage risks effectively can avoid significant financial losses, protect

corporate reputation, and maintain stakeholder trust. Thus, ERM not only reduces the potential for losses but also creates a more robust foundation for long-term growth and business sustainability (Ching et al., 2020; Olaniyi et al., 2023).

The integrated ERM process provides more comprehensive information to decision-makers. Accurate risk data and analysis assist in identifying opportunities and addressing challenges more effectively (Crovini et al., 2021). Therefore, companies implementing ERM can make smarter strategic decisions and optimize resource allocation according to long-term business goals. ERM is not just an approach to risk management; it is a key element in achieving sustainable corporate objectives. Hristov et al. (2022) assert that by implementing ERM, companies can identify and manage potential risks that can affect the achievement of strategic corporate goals. One way ERM contributes to firm performance is through the management of financial risk. By designing effective financial risk management strategies, companies can protect their asset values, optimize financial performance, and create stability in changing market conditions.

Hypothesis 1a. *Enterprise risk management has a positive effect on competitive advantage.*

Hypothesis 1b. *Enterprise risk management has a positive effect on decision making.*

Hypothesis 1c. *Enterprise risk management has a positive effect on firm performance.*

Meanwhile, Supply Chain Management (SCM) is a strategic approach to plan, manage, and coordinate all activities involved in the supply chain of products or services, from raw material procurement to the distribution of end products to consumers (Khan et al., 2019). SCM is designed to improve operational efficiency, reduce costs, and enhance customer satisfaction through the integrated management of all business processes involved in the movement of products or services. The success of SCM can provide several benefits, including improved operational efficiency, inventory cost reduction, increased responsiveness to market demand, and enhanced customer satisfaction (Madhani, 2019; Negi, 2021). Furthermore, SCM can enhance the flexibility and resilience of the supply chain, enabling companies to be more responsive to changes in market needs or external conditions. The importance of SCM continues to grow with the complexity of globalization and the acceleration of technology. Companies that successfully implement SCM can leverage competitive advantages, accelerate time-to-market, and create added value for their customers (Haddouch et al., 2019; Cahyono et al., 2023).

Improved operational efficiency, cost reduction, and increased timeliness can give companies a competitive edge in terms of pricing and services, creating higher competitiveness in the market. SCM also has a direct impact on business decisions by providing accurate and real-time information about the entire supply chain (Keskin et al., 2021). Data management and SCM analysis can help companies better understand the dynamics of supply and demand. Additionally, SCM plays a key role in addressing the challenges and opportunities of globalization. Decisions related to sourcing, production location, and transportation can affect costs and delivery times, significantly impacting competitiveness in the global market (Yang et al., 2018; Pasi et al., 2020). In terms of financial performance, SCM can also make a positive contribution. The selection of service providers, inventory management, and effective supply chain risk management can reduce operational costs and financial risks, positively impacting net income and profitability. SCM also supports product innovation and differentiation (Lam et al., 2019; Lee, 2021). By understanding customer needs and collaborating with business partners in the supply chain, companies can produce more innovative products that meet consumer expectations. Product innovation and differentiation can be key factors in creating competitive advantages and enhancing a company's performance in the market (Abdirad & Krishnan, 2022).

Hypothesis 2a. *Supply chain management has a positive effect on competitive advantage.*

Hypothesis 2b. *Supply chain management has a positive effect on decision making.*

Hypothesis 2c. *Supply chain management has a positive effect on firm performance.*

Competitive advantage encompasses a set of factors or characteristics that differentiate a company from its competitors, provide added value to customers, and give the company a stronger position in the market. By offering something unique or superior to competitors, a company can attract customer attention and build loyalty (Hidayatullah et al., 2019; Annarelli et al., 2020). This differentiation not only creates added value for customers but can also support higher pricing, increase profit margins, and ultimately enhance the financial performance of the company. Saeidi et al. (2019) state that competitive advantage also plays a role in attracting investments and talent. Companies with a strong competitive advantage become more attractive to investors due to higher potential for long-term growth and profits. Additionally, having a competitive advantage can help a company attract and retain the best talent in the industry because employees tend to be drawn to successful and innovative companies (Cahyono et al., 2023). Companies can use this advantage as a foundation to develop growth strategies, enter new markets, or innovate in products or services. The ability to leverage competitive advantage effectively in strategic decision-making can help a company maintain its position in the market and improve its performance (Azeem et al., 2021).

Hypothesis 3a. *Competitive advantage has a positive effect on firm performance.*

Hypothesis 3b. *Competitive advantage mediates the relationship between enterprise risk management and firm performance.*

Hypothesis 3c. *Competitive advantage mediates the relationship between supply chain management and firm performance.*

Correct business decisions play a central role in creating company performance. An effective decision-making process can guide the company toward achieving its business goals. Good decisions can help the company identify growth opportunities (Awan et al., 2021). By analyzing the market, industry trends, and customer needs, a company can make strategic decisions

that support the development of new products, market expansion, or business portfolio diversification. Good decisions in resource allocation and risk management can contribute significantly to company performance (Dos Santos et al., 2019; Crovini et al., 2021). Efficient fund management, investment balancing, and a good understanding of risks can minimize potential losses and enhance the financial stability of the company. Decisions related to capital structure and investment can impact profitability and long-term growth. Furthermore, business decisions also play a crucial role in building the company's reputation. Ethical decisions, corporate social responsibility, and consistent product or service quality can build customer trust and a positive image in the market (Hristov et al., 2022). A good reputation can strengthen the company's brand, increase customer loyalty, and overall support long-term performance. Decisions related to innovation and adaptation to changes in the business environment can ensure that the company remains relevant and competitive in a continually evolving market. Therefore, responsive and proactive decision-making is key to creating superior and sustainable firm performance (Fischer et al., 2020).

Hypothesis 4a. *Decision making has a positive effect on firm performance.*

Hypothesis 4b. *Decision making mediates the relationship between enterprise risk management and firm performance.*

Hypothesis 4c. *Decision making mediates the relationship between supply chain management and firm performance.*

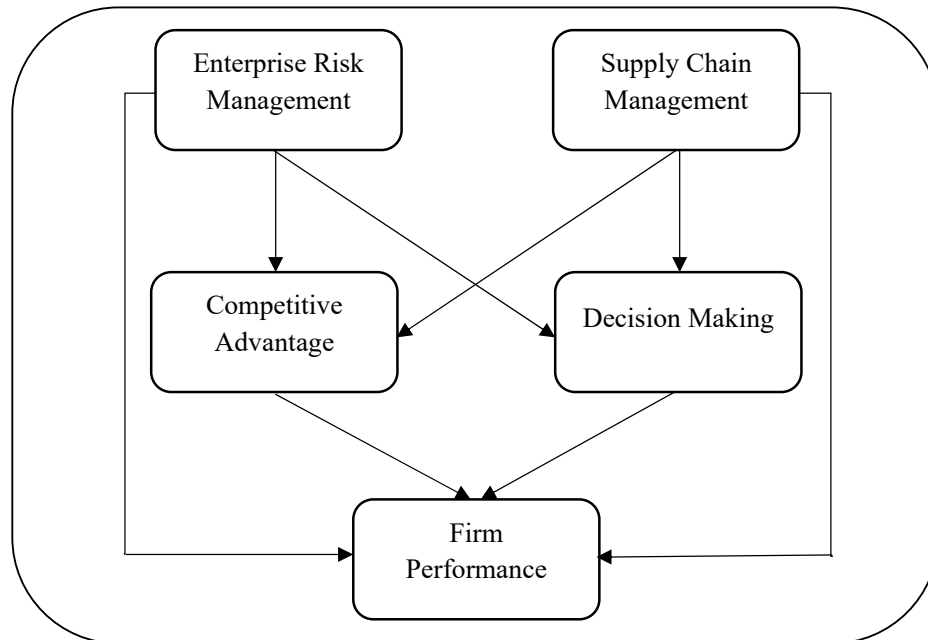


Fig. 1. Theoretical Framework

3. Research Method

This study employs a quantitative research methodology approach adopted from Yang et al. (2018). Data collection is conducted through the distribution of questionnaires using an online platform designed with a Likert scale, where respondents are asked to assess statements on a scale ranging from 1 to 5 (disagree – strongly agree). The sample selection process utilizes random sampling, meaning each member of the population has an equal chance of being chosen as a respondent. The respondents in this study consist of managers and staff working in banks owned by State-Owned Enterprises (SOE/BUMN) in Indonesia. The number of samples that can be analyzed for this research is 263 samples. This number is obtained from a total of 400 questionnaires distributed to respondents, but only 279 were successfully collected, indicating a questionnaire return rate of 69.75%. Furthermore, there are 18 questionnaires that were not fully completed, so these questionnaires cannot be continued to the analysis stage. The data collection process took place from February 2023 to June 2023, providing a sufficient timeframe to obtain representative data. Once the data is collected, the analysis is carried out using Structural Equation Modeling (SEM) with the assistance of SmartPLS software. This method provides a statistical analysis framework to examine the relationships between variables in the research model. By combining Likert questionnaires, random sampling techniques, and SEM, this research aims to provide a deep understanding of the factors influencing company performance, specifically in State-Owned Banks in Indonesia. The results of the analysis are expected to offer strategic insights and valuable policy recommendations for bank management and relevant stakeholders.

4. Research Result

This study explores the relationship between Enterprise Risk Management (ERM) and Supply Chain Management (SCM) as independent variables on firm performance. ERM, encompassing a holistic approach to risk management across the entire organization, and SCM, focusing on optimizing the supply chain, are identified as factors that may influence company

performance. In this research, competitive advantage and decision making are positioned as mediating variables expected to bridge the influence of ERM and SCM on firm performance. Competitive advantage is believed to provide a competitive edge through the distinctive features of the company, while decision making is considered a key mediator in translating strategic decisions into outcomes that affect company performance. As for the Enterprise Risk Management (ERM) variable, it is measured using 4 indicators, while the Supply Chain Management (SCM) variable uses 5 indicators. The competitive advantage variable uses 3 indicators, decision making 2 indicators, and firm performance uses 3 indicators. Initial analysis is conducted to assess the relevance of the questionnaire questions used to measure the indicator's level, performed through the standard loading factor test. The minimum value required to conclude that the questionnaire questions used are relevant is > 0.6. The results of the standard loading factor test are presented in Fig. 2.

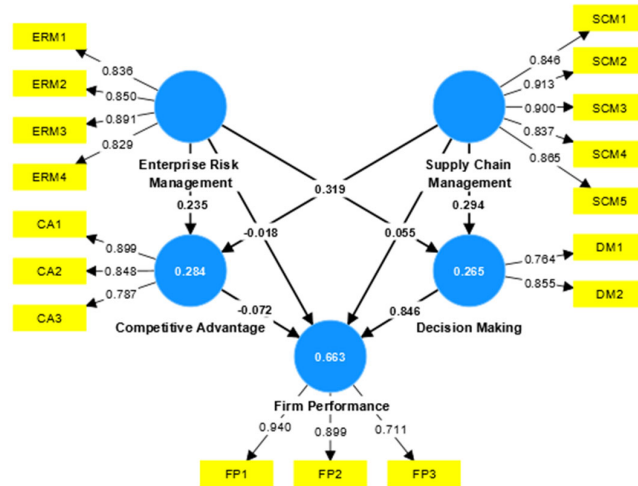


Fig. 2. Analysis Results

The test results indicate that the 4 indicators used to measure the enterprise risk management variable, namely ERM1, obtained a standard loading factor value of 0.836, ERM2 at 0.850, ERM3 at 0.891, and ERM4 at 0.829. Furthermore, the five indicators measuring the supply chain management variable, namely SCM1, obtained a standard loading factor value of 0.846, SCM2 at 0.913, SCM3 at 0.900, SCM4 at 0.837, and SCM5 at 0.865. There are 3 indicators used to measure the competitive advantage variable. The standard loading factor values obtained are CA1 at 0.899, CA2 at 0.848, and CA3 at 0.787. The standard loading factor values obtained for the indicators measuring the decision-making variable are DM1 at 0.764 and DM2 at 0.855. The standard loading factor values obtained for the indicators measuring the firm performance variable are FP1 at 0.940, FP2 at 0.899, and FP3 at 0.711. More detailed results of the standard loading factor values obtained from each indicator can be seen in Table 1.

Table 1
Standard Loading Factor

Variable	Indicator	Std. Loading Factor
Enterprise Risk Management	ERM1	0.836
	ERM2	0.850
	ERM3	0.891
	ERM4	0.829
Supply Chain Management	SCM1	0.846
	SCM2	0.913
	SCM3	0.900
	SCM4	0.837
	SCM5	0.865
Competitive Advantage	CA1	0.899
	CA2	0.848
	CA3	0.787
Decision Making	DM1	0.764
	DM2	0.855
Firm Performance	FP1	0.940
	FP2	0.899
	FP3	0.711

In determining the level of reliability and validity of indicators in measuring latent variables, this study uses reliability testing and validity testing in its measurements. Reliability testing aims to assess the extent to which the measurement instrument can provide consistent results when repeated on the same subjects or objects. An instrument considered reliable means it is

dependable and not significantly influenced by irrelevant or undesirable factors. In reliability testing, the composite reliability value serves as the baseline measure of how reliable indicators are in measuring latent variables. The minimum accepted composite reliability value to declare indicators reliable is 0.7. Validity testing, on the other hand, aims to assess the extent to which a measurement instrument or test truly measures the intended variable. Validity measures how effective and accurate an instrument is in measuring the intended variable. In validity testing, the level of validity of indicators is based on the Average Variance Extracted (AVE) values obtained. The minimum accepted AVE value to demonstrate that the indicators used have good validity is 0.6. Additionally, discriminant validity testing is used to provide further insight into the level of validity of indicators. In this study, discriminant validity testing (cross-loading) is employed, where the results provide a detailed overview of the values obtained from each indicator in measuring latent variables. The results of reliability and validity testing are presented in Table 2, while discriminant validity testing (cross-loading) is presented in Table 3.

Table 2
Reliability and Validity Testing

Variable	Composite reliability	Average variance extracted (AVE)
Enterprise Risk Management	0.914	0.725
Supply Chain Management	0.941	0.762
Competitive Advantage	0.883	0.716
Decision Making	0.793	0.657
Firm Performance	0.890	0.732

Table 3
Discriminant Validity (Cross Loading)

Variable	Enterprise Risk Management	Supply Chain Management	Competitive Advantage	Decision Making	Firm Performance
ERM1	0.836	0.326	0.272	0.330	0.253
ERM2	0.850	0.298	0.310	0.333	0.255
ERM3	0.891	0.454	0.417	0.489	0.427
ERM4	0.829	0.270	0.315	0.289	0.183
SCM1	0.310	0.846	0.392	0.290	0.226
SCM2	0.363	0.913	0.442	0.360	0.323
SCM3	0.336	0.900	0.369	0.355	0.335
SCM4	0.384	0.837	0.391	0.302	0.297
SCM5	0.388	0.865	0.505	0.495	0.405
CA1	0.293	0.450	0.899	0.633	0.487
CA2	0.267	0.423	0.848	0.557	0.457
CA3	0.448	0.364	0.787	0.577	0.420
DM1	0.477	0.470	0.784	0.764	0.458
DM2	0.262	0.247	0.394	0.855	0.824
FP1	0.308	0.274	0.471	0.795	0.940
FP2	0.285	0.304	0.506	0.725	0.899
FP3	0.316	0.419	0.405	0.535	0.711

The reliability test results for the enterprise risk management variable obtained a composite reliability value of 0.914. The supply chain management variable obtained a composite reliability value of 0.941. The composite reliability values obtained for the competitive advantage, decision making, and firm performance variables were 0.883, 0.793, and 0.890, respectively. The composite reliability values obtained for all these variables proved to be greater than 0.7. This indicates that the indicators used to measure each latent variable are reliable and have a high level of reliability. In terms of validity testing, the AVE values obtained for the enterprise risk management, supply chain management, competitive advantage, decision making, and firm performance variables were 0.725, 0.762, 0.716, 0.657, and 0.732, respectively. The AVE values obtained for all these variables are above 0.6, indicating that the indicators used to measure each latent variable have a good level of validity. Additionally, in Table 3, the discriminant validity testing (cross-loading) also proved successful, with the values obtained for each indicator being higher in measuring the measured latent variable compared to other variables (indicated in bold). After testing the indicators in measuring latent variables and accepting each test, hypothesis testing is conducted to measure the extent of the relationship between variables. In this study, there are both direct relationships and relationships that are not direct or through mediation. Hypotheses are considered accepted and have a significant influence, as evidenced by the T-statistic values exceeding 1.96 or p-values less than 0.05. The results of the hypothesis testing are presented in Fig. 3 and in detail in Table 4. In hypothesis 1a, the influence of enterprise risk management on competitive advantage obtained a T-statistic value of 2.271 (>1.96) and a p-value of 0.025 (< 0.05), meaning that this hypothesis is accepted as it has a significant effect. Hypothesis 2b, stating that enterprise risk management has an impact on decision making, is also accepted. This is evidenced by the T-statistic value of 3.900 and a p-value of 0.000. However, in hypothesis 1c, the influence of enterprise risk management on firm performance is not significant. This is because the T-statistic value obtained is only 0.210, and the p-value is 0.834. Moving on to hypothesis 2a, which states that supply chain management has an influence on competitive advantage, the T-statistic value is 4.409, and the p-value is 0.000. This indicates that the hypothesis is accepted, meaning it has a significant effect. Hypothesis 2b, the impact of supply chain management on decision making, also proves to have a significant effect, as evidenced by the T-statistic value of 3.195 and a p-value of 0.002. However, hypothesis 2c, stating that supply chain

management has an impact on firm performance, is rejected because the T-statistic value obtained is only 0.920, and the p-value is 0.360.

Table 4
Hypothesis Testing

	Hypothesis	T statistics	p-values	Information
H1a	Enterprise Risk Management → Competitive Advantage	2.271	0.025	Significant
H1b	Enterprise Risk Management → Decision Making	3.900	0.000	Significant
H1c	Enterprise Risk Management → Firm Performance	0.210	0.834	Not Significant
H2a	Supply Chain Management → Competitive Advantage	4.409	0.000	Significant
H2b	Supply Chain Management → Decision Making	3.195	0.002	Significant
H2c	Supply Chain Management → Firm Performance	0.920	0.360	Not Significant
H3a	Competitive Advantage → Firm Performance	0.817	0.416	Not Significant
H3b	Enterprise Risk Management → Competitive Advantage → Firm Performance	0.718	0.474	Not Significant
H3c	Supply Chain Management → Competitive Advantage → Firm Performance	0.762	0.448	Not Significant
H4a	Decision Making → Firm Performance	13.932	0.000	Significant
H4b	Enterprise Risk Management → Decision Making → Firm Performance	3.742	0.000	Significant
H4c	Supply Chain Management → Decision Making → Firm Performance	3.166	0.002	Significant

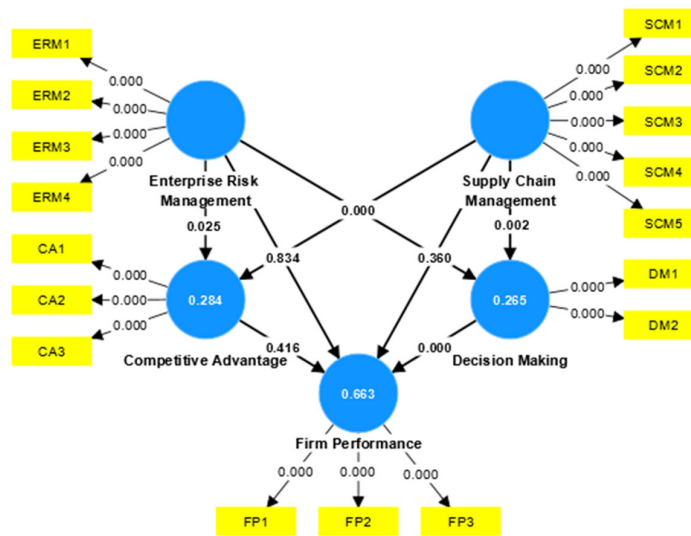


Fig. 3. Path Coefficient

Furthermore, hypothesis 3a, stating that competitive advantage affects firm performance, is rejected because the T-statistic value obtained is only 0.817, and the p-value is 0.416. As for hypotheses 3b and 3c, placing competitive advantage as a variable mediating the relationship between enterprise risk management and supply chain management on firm performance is also found to have no significant effect. This is evidenced by the T-statistic values obtained, which are 0.718 and 0.762, with p-values of 0.474 and 0.448, respectively. Thus, competitive advantage cannot mediate the relationship between enterprise risk management and supply chain management on firm performance, leading to the rejection of hypotheses 3b and 3c. Regarding hypothesis 4a, the impact of decision making on firm performance is proven to have a significant effect, as indicated by the T-statistic value of 13.932 and a p-value of 0.000. Furthermore, in hypotheses 4b and 4c, where decision making becomes a variable mediating the relationship between enterprise risk management and supply chain management on firm performance, also proves to have a significant effect. This is evidenced by the T-statistic values of 3.742 and 3.166, with p-values of 0.000 and 0.002, respectively.

5. Conclusion

The research findings conclude that the implementation of Enterprise Risk Management (ERM) significantly contributes to creating a competitive advantage and supports better decision-making in the financial institution studied. Although ERM does not directly impact firm performance, its role in creating a competitive advantage and supporting strategic decision-making through the mediator decision-making is crucial. Additionally, Supply Chain Management (SCM) has also been proven to have a significant positive impact on creating a competitive advantage and supporting better decision-making. However, the implementation of SCM does not directly affect firm performance, indicating that SCM's focus is more on optimizing the supply chain and creating a competitive advantage. Competitive advantage, while not having a direct influence on firm performance, remains a crucial element in attracting customer attention, enhancing loyalty, and building a positive image. On the other hand, decision-making has proven to have a significant positive impact on firm performance, reinforcing the

argument that good decision-making plays a key role in a company's success. Corporate management, especially in the banking sector, can draw several important implications from this research. It is essential to understand that ERM and SCM have distinct roles, with ERM focusing more on holistic risk management, while SCM is more focused on optimizing the supply chain. Corporate strategies can be adjusted by emphasizing competitive advantage and effective decision-making. This research also provides recommendations for further studies, such as delving into additional factors influencing the relationships between variables or considering additional variables that may moderate these relationships. These conclusions form the basis for financial institutions, particularly banks, to optimize corporate strategies in the face of the continually evolving business environment.

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