

ABSTRACT

The recent rapid development of the manufacturing industry in Central Java has become the center of attention for both investors and the government (Ministry of Industry, 2022). This progress is certainly the focus of entrepreneurs to be able to increase their competitiveness in getting better business performance in the future. Supply flow management (Supply chain management) is one of the keys to improving business performance and supporting increased competitiveness compared to other companies. This study seeks to provide an analysis between supply chain management and business performance in the manufacturing industry. Departing from the inconsistent results of previous studies, this provides an opportunity for researchers to further investigate supply flow management and its relationship with business performance. The quantitative method was used in this study which took a population of the textile manufacturing industry in Central Java, a total of 808 companies (Ministry of Industry, 2022) using a cluster sampling technique with a sample of 25 companies. This study uses the structural equation (SEM) method with the help of the AMOS application. The results of this study prove that partnership has a positive effect on business performance, information sharing has a positive effect on business performance, supply chain management mediates the positive effect of partnership on business performance, supply chain management mediates the positive effect of information sharing on business performance, and supply chain management has a positive effect on business performance.

Keywords: *Supply Chain Management; Business Performance; partnership; information sharing*