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The Impact of Integration of Supply Chain Management in Strategic Flexibility: Applied Study on Al-Hjrah Company in Asfan – Saudi Arabia

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ABSTRACT

This article tries to identify the impact of supply chain integration in strategic flexibility as well as check the impact of supply chain integration (internal integration, external integration, strategic integration) in strategic flexibility. The results of the research indicated that the majority of employees of the Al-Hjrah company deal with two suppliers and less, as evidenced by the length of the deal between companies and suppliers, which gives the impression of an intimate relationship between companies and suppliers, which promote a sense of trust and joint action to achieve the interests of all parties. In addition to the presence of an insignificant proportion of other companies rely on more than three suppliers in the procurement process, despite the development of suppliers and their absorption of the needs of companies in a timely manner, it can be said that the Al-Hjrah company has a greater bargaining power. The researcher believes that the reason for this can be explained by the desire of the managers of the company to take advantage of the benefits of strategic flexibility between suppliers. In this work, we recommend establishing long-term relationships with customers through direct contracts with customers, collection of customer data, and use in designing and delivering products that meet their requirements. Internal integration requires a state of cooperation and effective coordination between the internal divisions (such as marketing, research and development, production, procurement and storage), ensuring the flexibility of the strategy to deliver products and services as one of the competitive tools. Improving the supply chain response to the market and any changes to the market by restructuring the company and streamlining business processes, because the supply chain response is the responsibility of all supply chain partners.

KEY WORDS: SUPPLY CHAIN, INTERNAL INTEGRATION, EXTERNAL INTEGRATION, STRATEGIC INTEGRATION, FLEXIBILITY, ABILITY, RESOURCES AND QUALITY

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INTRODUCTION

The concept of supply chain management is an inter-related concept with many new knowledge areas, which means that it takes a gradual step in evolution. There is no specific definition of supply chain management in management literature. The concept of supply chain management involves two separate paths: the second relates to management and logistics.

They are defined as entities placed and covered in the design of the new product and service, the management of raw materials and their conversion into semi-finished products and delivery to the final customer. The impact of supply chain integration is a key factor for organizations' success and achievement of their goals, especially profitability. The effectiveness of supply chain management and integration improves the performance of the company and creates a competitive advantage.

Under global competition, the company has sought to adjust its strategies and look to customer satisfaction for its survival and sustainability, which requires them to improve the delivery of products and services to customers and achieve the desired performance. It is not enough for the company to conduct continuous surveys of all the environmental factors affecting its performance and competitiveness, but rather to develop the ability to respond to them by enhancing their strategic flexibility and developing their resources and capabilities so that they can exploit the opportunities optimally and avoid potential threats and risks [1].

In view of the above and given the fluctuations in the competitive environment faced by a representative of learning, competitive advantage and high strategic flexibility, it is necessary to understand the impact of supply chain integration on the flexibility and strategy of the Al-Hjrah company. If the integration and response of the supply chain has become prominent in recent years at both theoretical and practical levels, many literature has also shown great interest in the role of supply chain integration and response in improving the company's performance, through the integration of internal and external company functions and effectively connect with suppliers Supply chain [2].

Given the extent to which the Al-Hjrah company, regardless of its size, knows what activity it is doing today and is supposed to have the ability to choose from available alternatives, it is moving towards a future full of events and threats. Some managers have pointed out that the failure of many companies is due to their inability to adapt to the environment and lack specific strategies and strategic flexibility to achieve a competitive advantage [5]. the current study tries to identify the impact of supply chain integration through the supply chain response to the operational performance of the

AL-Hjrah company. The problem of the study can be expressed by answering the following question: The impact of the integration of supply chain management into the strategic flexibility of the AL-Hjrah company.

The importance of the study stems from the vital role played by the supply chain internally and externally at the strategic level to reach the target performance and increase the company's growth of competitive advantages compared to competitors operating in the Saudi environment.

The importance of the study is also from the scarcity of studies on the subject of supply chain integration in strategic flexibility and based on the element of modernity in the proposals on strategic flexibility and strategic learning, being one of the subjects addressed by the researchers and focusing on each individual variable, or with different variables. In light of the rapid environmental changes in the Saudi environment [3], the companies in the study should keep abreast of these changes and developments through the rapid and continuous response to customer demands and contribute to the provision of modern services. This article aims to achieve the following objectives: -

- Identify the impact of supply chain integration (internal integration, external integration, strategic integration) in strategic flexibility.
- Discover the impact of internal integration in strategic flexibility.
- To clarify the impact of external integration on strategic flexibility.
- Understand the impact of strategic integration on strategic flexibility

The main hypothesis: There is no statistically significant effect at the level of significance ($\alpha = 00.05$) for the integration of supply chain management in the strategic flexibility of the Al-Hjrah company.

- **The First Hypothesis:** There is no significant statistical significance at the level of (0.05) for the internal integration in the strategic flexibility of the Al-Hjrah company.
- **The second hypothesis:** There is no significant statistical significance at the level of significance (0.05) for external integration in the performance of strategic flexibility in the Al-Hjrah company.
- **The third hypothesis:** There is no significant statistical significance at the level of significance (0.05) for the strategic integration in performance and flexibility in the Al-Hjrah company.

Literature Review

The present study examined the impact of the integration of supply chain tools on the strategic flexibility

of the company in Asfan city- Saudi Arabia. It aims to identify the impact of supply chain integration (internal integration, external integration and strategic integration) on the operational performance of the Al-Hjrah company. Supply on organizational performance and the role of environmental disorders and identify the impact of supply chain management on the performance of the regulator and identify the strategic flexibility on the performance of Jordanian industrial companies operating in the international market and its appreciation of the competitive advantage of companies and the role of intermediary Strategic flexibility in the relationship between strategic learning and competitive advantage. Some of the previous studies agree with the current study in the use of analytical descriptive approach that fits some previous studies and differ in the sample of the current study with studies because each study has a specific sample according to the required study.

In [6], the article was conducted in Jordan on (418) medium sized industrial organizations through a sample size (200) samples. The results showed that there is a statistically significant relation to the form of mutual relationship between companies and suppliers in performance The supply chain, with its three dimensions (information exchange, post-sale service, supply elasticity of middle Jordanian industrial companies). The study recommended that the research companies raise the level of cooperation relations based on mutual administrative support between the parties to the relationship through cooperation based on time Areas of creativity and innovation, both to form relationships or future products and services.

The work [7] is an Empirical Study on Food Industries Companies in Jordan". The aim of this study was to investigate the impact of supply chain integration on the organizational performance and the role of environmental disorders.

An applied study on the food industry companies in Amman, Jordan. The study population may be from (833) companies. The results of this study showed that the level of the supply chain structure in the companies from the point of view of the study sample was high, and there is a statistically significant effect of the participation of suppliers on the performance of companies at the level of ($\alpha 0.05$). A statistically significant effect of supply chain integration was found on the performance of companies at the level of α (0.05). A statistically significant effect of the structure of the supply chain on the performance of companies was found at the level of α (0.05).

The study recommended that attention should be given to upgrading production lines in the companies in question and using more automated production techniques by increasing allocations related to R & D activity

in order to achieve a real decrease in operational costs and keep abreast of technological developments.

The article [2] is A Field Study in the Industrial Companies Listed on the Kuwait Stock Exchange". The study aimed at studying the industrial companies listed on the Kuwait Stock Exchange to identify the impact of supply chain management on the performance of the regulator. The study population consists of (27) companies. The sample of the study was (108) questionnaire. The results of the study showed that the impact of supply chain management on the performance of companies, from the perspective of managers in higher departments. This effect was of a high level. The effect of the relationship with the brokers and distributors came first, followed by the effect of the relationship with customers in the second place, and finally the effect of the relationship came from the suppliers.

In terms of the impact of the relationship with suppliers on improving the performance of companies, the results of the study indicate that there is an impact of the relationship with suppliers on the performance of companies, from the Committee of Directors in the higher departments. The study recommended that companies adopt a strategic approach to supply chain management, based on long-term relationship with suppliers, effective communication and partnership with suppliers, because efficient supply chain management is key to the long-term success of the organization.

A study [4] of the views of a sample of managers in a number of private commercial banks in Iraq. The objective of this study was to determine the effect of strategic flexibility on banking performance. To achieve this, strategic flexibility was adopted by its dimensions (initial maneuvers, investment maneuvers, preventive maneuvers and corrective maneuvers) as an independent variable, while banking performance was adopted by its dimensions (financial perspective, customer perspective, The study was conducted in the private commercial banking sector and included a sample of (5) banks and the number of sample (100) employees occupying advanced administrative positions.

The study concluded with a set of recommendations and was among the most important recommendations are to enter the Arab and foreign markets through the opening of independent branches or the acquisition of a percentage of the shares of the banks mentioned. And the need to obtain physical, human and technological resources, and to build the necessary capacities and expertise to provide banking services that provide the customer with high value in terms of quality and cost of the mentioned services.

In [10] the study aimed to demonstrate the impact of strategic learning on the competitive advantage of Jordanian insurance companies and the role of strategic

flexibility in the relationship between strategic learning and competitive advantage. The survey method was used. All Jordanian insurance companies located within the capital Amman were targeted. Both regression analysis and path analysis were used to test hypotheses. The study concluded that there is a significant impact of strategic learning (strategic knowledge generation, strategic knowledge distribution, strategic knowledge interpretation, implementation of strategic knowledge).

In the light of the results, the study recommends the importance of taking advantage of the knowledge related to the external environment, By directing the activities of those companies towards identifying the resources and capacities to be developed and built so that they can respond effectively to their environment requirements and achieve competitive advantage.

The Research Methodology

The present study aimed to demonstrate the impact of the integration of supply chain management in the strategic flexibility of the company in the city of Asfan. The method and procedures include the research methodology, the study society and sample, the demographic variables of the research sample, the research tools and sources of information, Examine the validity and stability of the study instrument.

The current research is an analytical descriptive research to determine the nature of the contents of supply chain management in strategic flexibility, and to determine the impact of supply chain management in achieving strategic flexibility in the company of AL-Hjrah in Asfan. The research community is one of the employees of the AL-Hjrah Company in Asfan. To determine the analysis unit, the 80 employees and employees of the Company's departments were identified. A random sample of (40) samples was distributed. To achieve the objectives of the search lost the research was based on two basic sources of information gathering.

Secondary sources: The researcher aimed at addressing the theoretical framework of the research to the secondary data sources, which are represented in the relevant Arab and foreign books and references, and the previous researches and studies that dealt with the subject of research, research and reading in different internet sites.

Know the basics and sound scientific methods in the book of studies, as well as take a visual perception of the latest developments in the current research topics.

Primary sources: To address the analytical aspects of the research topic, the primary data collection was used through the questionnaire developed by the researcher as a research tool, which included a number of statements that reflected the research objectives and questions that the respondents answered. The five *LIKERT*

scale was used, Each answer took relative importance. For the purposes of the analysis, the statistical program SPSS was used. The questionnaire included three parts:

The first part is the demographic characteristics of the sample members through (4) variables (age, scientific qualification, number of years of experience, and career status).

Part II: Ensuring the integration of the supply chain across three main dimensions (internal integration, external integration, and strategic integration). And was adopted in the development of paragraphs and was (12) paragraph.

Part 3: The strategic flexibility was determined through three main dimensions (capacity flexibility, resource flexibility, quality) and was adopted in the development of paragraphs (12).

In order to answer the questions of the study and test hypotheses, the researcher used the statistical package for social sciences SPSS. Through previous statistical programs, the researcher applied the following methods:

- Frequency and percentage in order to determine the measurement indicators adopted in the research and analysis of the characteristics of the sampling and analysis unit demographically.
- The computational medium means the level of response of sample members to the sampling and analysis of their variables.
- Standard deviation to measure the degree of divergence of responses of members of the research and analysis sample from the arithmetic mean.
- *KORNBACH ALPHA* coefficient to measure the stability of the study tool (the questionnaire) and the degree of internal consistency and the degree of credibility of the answers to the paragraphs of the questionnaire.
- Test t for one sample in order to verify the question of the subjects of the prepared questionnaire compared to the speculative mean.
- The coefficient of variance amplitude and the permissible variation test to ensure that there is no link between independent variables.
- Multi-gradient regression analysis to verify the effect of a set of independent variables on a single dependent variable.

Numerical Results

The results of the statistical analysis showed a statistically significant impact of strategic integration in achieving the flexibility and quality of the AL-Hjrah company. (0.072), i.e, the value of (0.072) of the changes in the flexibility and quality of the AL-Hjrah company in Asfan due to the change in strategic integration. The value of the effect of β (0.299) (0.299) for strategic inte-

gration. The significance of this effect confirms the calculated value of F (12.077), which is a function at (0.05).

Supply chain management proves that it is the management of design, planning, implementation, monitoring and follow-up of all activities to provide the end consumer needs of goods and services from sources to point of consumption. In time, place, shape and quality. Many people as well as business management professionals do not know the difference between managing supply chains from a hand and managing logistics from the other side.

In order for us to know the difference, we first review the definition of the organization of Supply Chain Management (CSCMP) for both terms.

Managed by supply chains as defined by Supply Chain Management Organization (CSCMP), it includes planning and managing all activities related to sourcing, procurement and logistics activities. It also includes coordination and cooperation between all parties involved in the supply chain from suppliers, intermediaries, service providers and customers.

The core management of supply chains is to create the integration of demand and supply through the coordination of companies to create a model for high-performance business management. As for the definition of logistics management, it is part of the management of supply chains that carry out planning, implementation and control operations for efficient and effective forward and back flows and storage of goods, services and information from source to point of consumption in order to meet customer requirements.

Logistics management includes inbound and outbound transport management, fleet management, warehousing, cargo handling, delivery orders, network design, logistics flow, inventory management, and follow-up of logistics providers outside the organization. It also includes the process of sourcing, procurement, planning, production schedule, packaging, Customers.

Logistics management includes all levels of planning and implementation (strategic-operational-tactical). The Logistics Department is an integrative department where it coordinates marketing, sales, manufacturing, financial management and IT management. Based on the above two definitions, it is clear that logistics management is part of the management of supply chains and is not merely a term synonymous with supply chains as a modern term that transcends the integration of logistics services with other activities within the organization into integration with other legal entities in the field of flow of goods and services. In other words, while logistics management is concerned with the establishment of a flow plan for the specific goods and services of a particular organization, the management of supply chains, in addition to linking and coordinating logistics

operations in more than one facility within the supply chain.

This confirms the validity of the acceptance of the third main hypothesis in part and therefore rejects the hypothesis the third nihilism is partially accepted, and the alternative hypothesis is accepted: There is a statistically significant strategic integration in performance, flexibility and quality in the AL-Hjrah company at the level effect ($\alpha \leq 0.05$). The main results of this article clarify the following important notes: -

- Research results show that the integration of supply chain management affects the supply chain response in strategic flexibility.
- The research findings indicated that the integration of supply chain management affects operational performance and strategic flexibility.
- The results of the research found that the integration response of supply chain managers affect strategic flexibility.
- The results of the study showed that supply chain responses do not mediate the impact of supply chain integration in strategic flexibility.
- The results of the research indicate that the majority of employees in the AL-Hjrah company deal with two suppliers and less, as evidenced by the length of the period of dealing between companies and suppliers, which gives the impression of an intimate relationship between companies and suppliers are spreading a spirit of trust and joint action to achieve the interests of all parties.
- In addition to the presence of an insignificant proportion of other companies rely on more than three suppliers in the procurement process, despite the development of suppliers and their absorption of the needs of companies in a timely manner, it can be said that the AL-Hjrah company has a greater bargaining power.
- The researcher believes that the reason for this can be explained by the desire of the managers of the company to take advantage of the benefits of strategic flexibility between suppliers.
- The results of the research indicated that there is an impact of external integration in operational performance and strategic flexibility. This is because the company establishes a partnership and cooperation relationship with the suppliers to ensure the production requirements in a timely manner so that it can meet its commitments to its customers on time. Facilitate the process of joint exchange of information on products and processes and scheduling of production, which helps to develop production plans and production of required goods without delay, and improve the delivery time of

products. This means that external integration is a key to the company's success to create a balance between raw material movement, manufacturing processes and distribution activity.

- The results show that strategic integration affects operational performance. This indicates a state of alignment between the strategic direction of the supply chain and the general strategy of the company. This alignment enables the company to respond to changes in demand in terms of quantity and quality without the need for surplus in stock. The company also learns to develop strategic partnership programs with key suppliers in favor of the supply chain, and to involve them in the strategic planning process and in the development of products and services provided.

Supply Chain & Logistic Services in Big Data Era

As the company's interaction with the environment is a prerequisite for its survival and existence, and the response to environmental variables and adaptation, it is imperative that the management of the companies undertake the strategic planning of the supply chain to suit these changes. It is known that supply chain management begins with the design of a product or service and ends at a time when it is sold, consumed and consumed by the consumer. Including product design, needs management, forecasting, planning, production, distribution, delivery and after-sales service. On this basis, the present study seeks to demonstrate the impact of supply chain capabilities in achieving competitive advantage

Recent developments in technology have transformed our way of life and business. The logistics and supply chain sectors have tremendous transformational power. Emerging technologies such as mobile applications, mega data, Internet stuff, and artificial intelligence offer many new opportunities to conceptualize logistics operations and supply chains. This has helped logistics and supply chains reduce inventory costs, reduce working capital, reduce storage space and improve market access.

The mobile application technology has enabled logistics organizations to carry out their operations remotely without being confined to the workplace. Logistics managers and fleet owners can track their shipments on the map in real time from their location. Using geo fencing technology, customers and fleet owners can receive regular and periodic vehicle and vehicle arrival alerts.

Big data, advanced analytics and Internet technology are a huge revolution in logistics industries; they can monitor, track and store vital information from each truck, including its route, fuel consumption rate, downtime, container temperature, etc. By taking advantage of this data, they can make intelligent decisions and control many of these parameters at the central loca-

tion. In addition, the artificial intelligence world allows logistics industries to solve complex problems of driver distribution, vehicle location data, and vehicle allocation. Automated learning techniques help to match supply and demand in real time with effective utilization of available resources.

The logistics technology companies such as Trukkin utilize the above-mentioned techniques to improve efficiencies, transparency and facilitate logistics support in the Middle East. Trukkin has launched web portals and mobile applications for customers / shipping companies, drivers, and fleet owners. Logistics companies in the Middle East can now take advantage of available solutions to improve efficiencies and reduce costs. Trukkin continues to invest in other technologies such as advanced analytics, large data, Internet stuff, and artificial intelligence to help transform logistics and logistics services. Watch out for everything new.

CONCLUSION AND RECOMMENDATIONS

The results of the study showed that the integration of the supply chain (internal acceptance, external integration and strategic integration) in the supply chain response is due to the fact that the company's involvement of suppliers and customers in its plans leads to a faster response of the supply chain and integration eliminates technical barriers between the company and suppliers. Create a state of cooperation to meet market needs, help resolve internal conflicts quickly and ensure an efficient flow of information, inaccurate information leads to erroneous forecasting of market demand, and thus inefficiently allocating resources resulting in delayed delays in time Products. We recommend the following important points:-

- To establish long-term relationships with customers, through direct contracts with customers, collection of customer data, and use in designing and delivering products that meet their requirements.
- Internal integration requires a state of cooperation and effective coordination between the internal divisions (such as marketing, research, development, production, procurement and storage), ensuring the flexibility of the strategy to deliver products and services as one of the competitive tools.
- Improve the supply chain response to the market and any changes to the market by restructuring the company and streamlining business processes, because the supply chain response is the responsibility of all supply chain partners.
- The integration of the external supply chain in the company is linked to the level of interest that these

companies maintain to maintain strong relationships with suppliers and customers. Confidence, honesty, commitment and interest in each party should be the logo of those relationships to maintain a good level of external integration of the supply chain.

- Since the results of the research showed that the impact of supply chain integration is on the strategic flexibility of supply chain management, based on long-term relationships with suppliers, effective communication and partnership with suppliers, allowing for long-term agreements characterized by stability, firmness and strategic flexibility against changes The future.
- It has been shown that mutual trust and cooperation on various issues, such as cooperation in finding solutions to problems, are the basis for reaching a partnership. It also says that the integration of the strategic supply chain is key to the company's long-term success.
- Take advantage of information technology, for example electronic data interchange and documentation techniques, where it can help increase the speed of EDI and thus improve the level of supply chain integration.
- Other studies that take into account market orientation as an intermediary variable that mediate the impact of supply chain integration on performance and strategic flexibility.
- Other studies include the impact of supply chain integration in competitive and strategic advantage.
- Conducting the study on other sectors such as services sector.

The need for supply chains has arisen because of the cost constraint that enables us to take advantage of external opportunities as a result of the relationship between the company and its customers and between the company and the suppliers. The supply chain management relates to managing the flow of information, materials, services and money through any activity In a way that maximizes the effectiveness of operations. It is also about introducing new tools, changing or modifying known methods. Efficiency is efficiency and success.

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