

# Supplier Selection Analysis By The Accounting Department At Karma Kandara Resort

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**Abstract:** Hotel operation needs material supply from supplier especially in the Food and Beverage department to work properly as it should be. Choosing a green food supplier is one of the important things that must be considered. The purpose of this study is to determine the criteria for selecting green suppliers and the prior criteria in selecting green suppliers at Karma Kandara Resort. The analysis used is a qualitative descriptive technique obtained from the results of observations, documentation, and interviews. This study uses the theory of Amy, Lee, et al in 2009. The criteria for selecting a green supplier that are considered by the accounting department at Karma Kandara Resort are quality, price, service, environmental management and green technology. The most dominating criterion is the quality of the goods provided by the supplier. Service criteria considering of supplier's location that could affect the storage time and lifetime of the goods. Based on this research, another consideration can be suggested to the company is that the price criteria must in accordance with the quality and offered price.

**Keywords:** Green Supplier Selection Criteria, Supplier, Food Ingredients

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## Introduction

Tourism plays an important role in national development for Indonesia. Bali is an island with one of the favorite tourism destinations in Indonesia. Bali has its own charm such as traditional ritual, various historical heritages, and distinctive culture to attract domestic as well as foreign tourists. Along with the development of the tourism in Bali demands the thrive of provided accommodation to meet the needs and comfort of tourists such as provision on hotels, villas, restaurants, and others with excellent facilities. Hotel is a company or business entity that provides stay service for people who travel. Hotel is managed by the owner with bed service and amenities, food and beverage and facilities, and other additions facilities (Sulastiyono, 2011). Section in charge of procurement of goods at Karma Kandara Resort is called as Purchasing section. Purchasing is a part that related to the provision of all hotel needs. Through the demands of green supply concept, problem in determining alternative suppliers becomes more complex (Assauri, 2008). Choosing food ingredients suppliers is one of the most important and must be considered carefully, because food suppliers have a role in providing the raw materials needed by hotels, especially for the food and beverage department. Purchasing department will consider several more criteria profitable for the hotel and environmentally friendly. According to (Pujawan & Erawan, 2010), Suppliers are companies or individuals who provide the resources needed by companies and competitors to produce certain goods and services. Mistakes in choosing suppliers can drive companies in experiencing losses. Selection of suppliers through stringent selection process will usually send food ingredients that have poor quality and minimize its lifetime. These issues rise to several complaints that are often faced by Karma Kandara Resort, such as timeliness and number of product deliveries, the quality of supplied products like the supplied of fruit and vegetables are not in fresh condition, the expiration date of the goods received almost come to an end, especially perishables and groceries, as well as poor packaging. Accounting department provides information regarding food spoilage during 2019 at Karma Kandara Resort with damage to foodstuffs occurred as much as Rp. 132.440.146,00 with an average of Rp. 11,036,679,00 and the average percentage of 1.35%. This percentage has exceeded the 1% tolerance limit set by management. Previous research by (Raguna, 2017) Factors Influencing the Purchasing Section in the Selection of Foodstuff Suppliers at The Trans Resort Bali shows the results of this study that there are 6 factors that influence the purchasing in selecting suppliers of food ingredients at The Trans Resort Bali. First factor is Cost, this factor gets an assessment score of 4.8 which is included in the very important category. Followed by the Quality factor, this factor received an assessment score of 4.73 which was included in the very important category. The Responsiveness factor got an assessment score of 4.67 which was included in the very important category. The Service criteria factor received an assessment score of 4.55 which was included in the very important category.

ry. The Delivery factor gets an assessment score of 4.2 which is included in the important category, and ends by the Flexibility factor, this factor gets an assessment score of 4 which is included in the important category. (Astrinia, 2013) study entitled Factors Influencing the Selection of Raw Material Suppliers for Purchasing Department at the Accounting Department at Patra Jasa Bali Resort & Villas Hotel Tuban, Kuta – Bali, the results of the research shows that there are 5 main factors that influence the selection of suppliers such as Factor I (Responsiveness), Factor II (Delivery), Factor III (Service), Factor IV (Cost), Factor V (Flexibility). The dominant factor influencing supplier selection is Factor I (Responsiveness) with the value of 5.456 and a Variance of 23.724%. Previous research by (Abdullah, 2018) entitled Analysis of Decision Making Efforts in Choosing the Best Supplier Using the AHP (Analytical Hierarchy Process) Method at the Procurement Department of PT. XYZ. The result of this research is that stakeholders are needed in an effort to provide information on what criteria and sub-criteria are needed in an effort to select the best suppliers, especially suppliers of material sampling parts. From the results of the research, the importance of the criteria in the selection of suppliers produces the following priority/weighting scales: priority I quality (0.156), priority II price (0.115), priority III delivery (0.14), priority IV assurance (0.133), priority V capability technical (0.113), priority VI certified system (0.093), priority VII responsive (0.067), priority VIII service (0.060), priority IX performance (0.050) and the last is flexibility (0.031).

Based on this background, problems that can be identified are: (1) What criteria are considered by the accounting department in choosing a green supplier of food ingredients at Karma Kandara Resort? (2) What criteria becomes priority in selecting a green food supplier at Karma Kandara Resort?

## Method

This research was conducted at the Accounting Department at Karma Kandara Resort. Karma Kandara Resort Bali is a 5-star resort with a Luxury Beach Club in Bali and a Luxury SPA, located in the South Kuta area, on Jalan Villa Kandara, Banjar Wijaya Kusuma, Ungasan, Bali. This research was conducted from July 2021 to January 2022. Considerations in selecting suppliers focus to criteria with two reference approaches, namely traditional and green procurement (Amy H.I et al., 2009). There are 5 criteria in determine alternative suppliers, namely quality, price, service as traditional criteria, while environmental management and green technology as green procurement criteria. The purpose of this research is to find out and analyze the criteria that become the consideration of the purchasing department in the selection of suppliers at Karma Kandara Resort. The data analysis method used in this research is descriptive qualitative. According to (Satori & Komariah, 2009), a qualitative descriptive analysis technique is a research approach that reveal certain social situations by emphasizing the correct order, shaped by words based on the collection and analysis of relevant data obtained from the natural situation. Determination of data sources in qualitative research is carried out purposively, namely the selection based on people as sources who are considered reliable in providing data and understanding the scope of research conducted by the author (Sugiyono, 2016). In this study, the informants were Purchasing Supervisor at Karma Kandara Resort, purchasing staff, and receiving staff.

Sources of data used in this study are primary and secondary data. Primary data is data obtained from respondents through questionnaires, loci, and panels, or also data from research interviews with informants while secondary data is data obtained from notes, books, and magazines in the form of financial reports for company publications, government reports, articles, books as theory, and magazines (Indrawan & Yuniawati, 2014). Data was collected through three techniques, namely observation, documentation, and interviews. The data obtained from the observations are the criteria data that are taken into consideration of purchasing department in selecting green suppliers of food ingredients at Karma Kandara Resort. Data collection through the documentation process is carried out by reading the related documents to the research such as previous research. Meanwhile, data collection through the interview process was carried out with related informants.

## Result and Discussion

### Green Supplier Food Ingredients Selection Criteria by Accounting Department at Karma Kandara Resort

The theory regarding the green supplier selection criteria used in this study is the theory by (Amy H.I et al., 2009) that consist of five criterias such as quality, price, service, environmental management and green technology. Based on the theoretical reference, the results of the application of green selection are obtained suppliers that have been applied to Karma Kandara Resort Bali as described in the following table.

**Table 1.** Supplier Selection Criteria based on Theory and Reality in Karma Kandara Resort Bali

No.	Indicator	Application
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1. Quality	<ul style="list-style-type: none"> <li>• Pay attention to product visuals especially for meat, poultry, and fish. Both types of items must have the right elasticity and texture, the color is not pale, fresh, and the smell doesn't sting or contain chemical smell.</li> <li>• Quality -related certification is more focused on meat suppliers to attach certificates such as the MUI label (excluding pork), expiration date, production date, food safety and hygiene certificates.</li> </ul>
2. Price	Payment using cash system during pandemic, meets cheaper price than market, and nett price without additional costs for the price of the offered product.
3. Service	<ul style="list-style-type: none"> <li>• Lead time suppliers are able to meet company demands with the availability of goods in large quantities and the ability to make urgent deliveries.</li> <li>• Assessing suppliers in terms of guarantees for products that are inappropriate or damaged materials sent by an agreement regarding the replacement of materials agreed-upon with suppliers.</li> </ul>
4. Environmental Management	<ul style="list-style-type: none"> <li>• Carrying out environmentally friendly production processes to minimize the harm for environment.</li> <li>• Implement the selection of supplier by looking into environmental certification at Karma Kandara Resort has not yet been implemented.</li> </ul>
5. Green Technology	The material components have a low impact on natural resources such as eco-friendly product packaging, for example the usage of paper for sugar packaging.

Source: Data processed 2022

Based on table 1, it can be explained as follows:

1) Quality Criteria

Quality is the criteria that company pays most attention to according to the answers given by the informant regarding the most dominant criteria in selecting suppliers. This done in order to maintain the quality of the company from the perspectives of customers. Every company has a high desire for quality, because by using good quality products, the company will get a good predicate in the eyes of customers.

The quality of raw materials with certain specifications must be appropriate because this assesses the overall characteristics of the product. The criterion in choosing a supplier must focused in good quality material to meet the needs of the company. In addition, company certification deemed necessary to make it easier for buyers to make decisions in choosing, because with the certification it can save expenses and time in the selection effort.

2) Price Criteria

The price criterion in assessing suppliers in the covid-19 era is through payment policies in cash, this is done to anticipate suppliers who are in arrears in payments, and are willing to follow the rules regarding discounted rates in certain hotel clusters. Offered price is nett without any additional costs unless there is an additional fee from sudden delivery and getting a low price with good quality is a plus value. This illustrates the company's efforts to get a good price but fit with good quality.

3) Service Criteria

Through informants, it was found that the supplier's service criteria are considered good if they always be able to meet the needs of orders by having sufficient availability of goods if clients place orders with large or urgent quantities, besides that the image of the supplier as a form of the nature of the company is expected to have a good corporate image. Companies that having a bad image in the past with other companies certainly indicates that the future performance may bad and will be considered by Karma Kandara Resort in choosing a supplier. This needs to be done so that the mistakes that have been found by other company does not occur or repeats itself which will have an impact on the hotel's loss.

Ability to handle inappropriate food ingredients or damaged materials sent by the supplier, are responsible and willing to make an agreement regarding the replacement of food ingredients that are not suitable or damaged based on agreement. Through this action, it is expected to be able to build a sense of buyer's trust to the supplier.

4) Environmental Management Criteria

Environmental management can be carried out by supplier companies with the environmentally friendly production such as being able to treat their own waste, the process used and the resulting product has fulfilled the

commitment to the environment, and pollution prevention. It is expected that suppliers can reduce the resulting negative impact on the environment in an effort to obtain product materials that will be processed wisely in acting as avoid deforestation, pay attention to the resulting pollution, reduce activities which can have a negative impact on biodiversity and ecosystems of living things. Information through informants said that certification related to the environment at Karma Kandar has not been fully implemented.

5) Green Technology Criteria

Green technology criteria as a process of forming energy sourced from natural and environmentally friendly. Eco-friendly hotels can be categorized as hotels that offers sustainable services and focuses on minimizing its negative impact on the environment through reuse, reduction and recycling. Product packaging with environmentally friendly material is the determinant of the procurement of goods in selecting the supplier. Comparisons price on the market and suppliers do not show specific different that shows eco-friendly packaging is more expensive, but the provision of environmentally friendly packaged products is still limited and hard to find, it drives the use of environmentally friendly product packaging is not the main determinant in selecting a supplier. The use of environmentally friendly packaging in Karma Kandara Resort has been carried out by using balian drinking products in glass bottles that can be reused after going through sterilization stage, it proofs that can reduce plastic waste.

Application of green supplier selection that has been applied at Karma Kandara Resort Bali to supply some foodstuffs as described in table 2 below.

**Table 2.** Products and Names of Green Foodstuff Suppliers at Karma Kandara Bali Resort

<b>Product</b>	<b>Supplier Name</b>
Meat	Classic Fine Food
Seafood	Lotus Seafood
Fruits	Asri Jaya
Vegetables	Arta Jaya
Poultry	Putra Unggas
Dairy Products	Sukanda Djaya

Source: Karma Kandara Resort Bali Purchasing Department, 2018

**Priority Criteria in Selection of Food Ingredients Suppliers at Karma Kandara Resort**

Based on the discussion regarding the criteria for selecting green food suppliers by accounting department, it can be seen that the priority criteria in selecting green suppliers of food ingredients at Karma Kandara Resort are:

1. Quality Criteria

Quality as a priority selection criterion because Karma Kandara expects to be able to get a good predicate in the eyes of customers through a sense of satisfaction and no loss by taking a policy by agreeing on a mutually agreed price can benefit both parties but still get a product with the expected quality. Through the use of quality products, the company is able to buy goods according to customer needs and expectations, in addition to purchasing products with paying attention to high quality can reduce the number of damaged products received at the store to improve efficiency in the use of goods.

2. Service Criteria

The second priority criterion is service. Awareness of the existence of the product quality at a good price and environmentally friendly further drive better green supply chain performance. Receiving staff in ensuring that arrived goods based on the purchase order are of good quality and quantity, receiving staff can refuse the incoming goods if there is a difference with requested products. In this case, after paying attention to quality, Karma Kandara Resort also pays attention to service criteria, because the supplier's image is a form of the nature of the company thus the service provided by the supplier must be good in order to build a good company image. Good service will help build trust between suppliers and companies.

3. Price Criteria

The third priority is price. In selecting green suppliers at Karma Kandara Resort, price needs to be considered to reach a price that matches the quality desired by the company. In determining price, the company will negotiate to get a mutual agreement. In this case, the price aims to maximize the profits that the company wants to achieve but still get the desired quality. In addition, giving discounts also often done to make companies and suppliers can establish closeness.

4. Environmental Management

Environmental management has an important role in the environment and keeps it from damaging the environment in long term. In this case, Karma Kandara Resort also chose some suppliers who pay attention to environmental management such as waste treatment carried out by suppliers. The selection of the right supplier has a significant effect on realizing corporate environmental goals. However, choosing the right supplier is not enough to improve environmental performance. Once the right supplier is selected, the supply process must

manage in an integrated manner with suppliers. In addition to the selection and management of suppliers, it is also important to assess whether suppliers meet environmental criteria.

#### 5. Green Technology

Green technology carrying out industrial activities to reduce and cause a large pollution impact. Pollution is not just a local concern but has also received national and global attention. Karma Kandara Resort has suppliers who supply bottled drinking water using glass bottles, this is for reduce the use of plastic bottles that are not environmentally friendly. Use of glass bottles can be recycled again, of course this has an effect on reducing plastic bottles.

## Conclusion

Based on the analysis and description of the discussion that has been carried out, it can be conclude that the criteria for selecting green suppliers at Karma Kandara Resort consists of five indicators and fifteen sub-indicators including quality, price, service, management criteria environment and green technology. The sub-indicators of the quality criteria include material suitability with specifications, quality-related certifications, and product guarantees. Sub-indicator of the price criteria consists of the price offered, the company's financial stability, and discounts price. Sub-indicators of service criteria include on-time delivery, lead time, and communication. The sub-indicators of the environmental management criteria consist of carrying out the environmentally friendly production, has eco certificate, and carries out waste management properly. The sub-indicator of the green technology criteria is the material component used low impact on natural resources, supplier social responsibility to environmental protection, and the capabilities of the technology used.

Priority or dominating criteria based on the discussion are dominated with quality and services criteria, followed by price criteria, environmental management criteria, and green technology criteria.

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