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# **Building A Superior Strategy In The Company Precast Concrete With A Resource Based View Approach** (PT. ABX)

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### **Abstract**

This study aims to build a superior strategy for precast concrete companies with a Resource Based View approach at PT. ABX, as well as generate strategies in exploiting resources, capabilities, competitive advantages to create sustainable strategies for the company. The research method used is qualitative based on phenomenology. The research results show that to improve employee performance, it is necessary to carry out work evaluations and targets. Combine the company's human resources and physical resources by placing employees who are competent and experienced in their fields. To expedite the precast concrete production process, companies need to have a batching plant. Promote through digital media, such as Google, websites and other social media. Maintain product quality and quality by using the best quality iron and casting using ready mix. Evaluate and develop products by innovating molds and precast concrete products to make them more efficient by conducting research on concrete material tests on the structure and composition of products without reducing quality and quality.

Keywords: Resource Based View, Resources, Capability, Competitive Advantage, Strategy

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# Introduction

The economic development in Indonesia is currently experiencing very tight competition, so companies must increase their competitiveness and product quality to be able to compete and fight over the existing market share. Companies that are able to survive and develop are companies that are able to produce products and services that are of value to consumers. Therefore, companies are required to develop continuously and improve the company's ability to produce and provide fulfillment of needs. The company is required to have strategic planning and assessment, both in the short and long term which will impact the future of the company and to see whether the strategy implemented at this time is appropriate or not (Sibuea, A, 2021).

Industrial companies in the construction sector are one of the most dynamic industrial worlds compared to other industrial worlds, especially in developing countries such as Indonesia. Constantly changing market conditions, relatively short construction periods, and unpredictable fluctuations in material prices require reliable managerial skills and good knowledge. Companies that focus on resources and capabilities or apply the concept of Resource Based View will be able to compete on an ongoing basis when compared to companies that only focus on product or market positioning issues. There are also various types of construction industry, one type of construction that has great potential is the precast concrete industry. In Indonesia, currently there are many developments such as housing, apartments, office buildings and other tall buildings which require precast concrete to speed up construction time. The types of precast concrete that are often used are floor slabs, concrete panels, beams, columns, u ditch channels and box culvert channels.

PT. ABX is a company engaged in the precast concrete industry. Founded in 2004, located in Central Java. The purpose of this research is to determine the strategy at PT. ABX to be superior to its competitors. Currently there are not a few construction industry companies located in the Central Java region and there are also construction industry companies that have just been established directly joining development projects in the Central Java region, thus making construction industry entrepreneurs have to be more careful in paying attention to their competitors.

The concept of Resource Based View was first developed by Barney. According to (Barney, 1991), Resource Based Theory one of the principles that the most important resource in the company to create competitive advantage is in the internal environment. Competitive advantage is determined by the uniqueness and capabilities of internal resources. According to the concept of Resource Based View, a company is a collection of strategic and productive resources that are unique, rare, complex, complementary and difficult for competitors to imitate which can be used as elements to maintain its competitive strategy. This concept requires expertise, capabilities and ways to combine assets, labor and processes used by a company to convert inputs into outputs. The essence of this goal is to find and identify the characteristics of resources that can be used to develop competitive advantage and to increase this competitive advantage, companies are required to be able to develop skills, resources and strategies that can increase value for customers.

(Widiasto, R, P, 2014) conducted research on competitive advantage strategies using Resource Based View at PT. Mabar Feed Indonesia. The results of identifying the resources owned by the company in the entire value chain show that the company has 22 resources that have the potential to become competitive advantages. Then, the results of identifying the capabilities of the company in value chain activities show that the company has 24 capabilities that have the potential to become competitive advantages.

(Masitoh, R, W, 2019) conducted research by analyzing the RBV (Resource Based View) in Home Industry in the Wuluhan District (Case Study at Kedai Mie 98). Based on the discussion and research results, there are several things that need to be considered in building competence to create competitive advantage based on the RBV concept, among others, noodle shop 98 has four resources that are at a level (Competitive Equality)/not worse than other competitors because the shop Mie 98 has adequate capital, use of technology, superior service, facilities and infrastructure. Noodle shop 98 also has four resources that are at a level (Temporary Competitive Advantage)/other companies will try to imitate in the near future and if that happens then noodle shop 98 will lose its competitive advantage. Furthermore, the 98 noodle shop has two resources that can be a competitive advantage compared to its competitors, namely, resources that are at the level of Sustainable Competitive Advantage include employee creativity and closeness to the surrounding community.

The novelty of this research is to strengthen previous research, in research (Widiasto, R, P, 2014) with the title of research on competitive advantage strategies using Resource Based View at PT. Mabar Feed Indonesia and research from (Masitoh, R, W, 2019) with the research title analyzing RBV (Resource Based View) in Home Industry in the District of Wuluhan (Case Study at Kedai Mie 98). The two studies only identified the company's resources and capabilities. The purpose of this research is to identify resources, capabilities, competitive advantages so that they will produce superior strategies at PT. ABX against competing companies. The Resource Based View approach is used to analyze, evaluate and find out the competitive strategy at PT. ABX. This approach includes internal and external resources owned by the company and shows that the company has resources and capabilities that are not owned by other companies and provides valuable value for the company itself.

# Methodology

The method used in this study uses qualitative research methods based on phenomenology. According to (Sugiyono, 2013), the qualitative research method is a research method based on the philosophy of postpositivism, used to research on natural object conditions, where the researcher is the key instrument, data collection techniques are carried out by triangulation (combined), data analysis is inductive/qualitative research, and the results of qualitative research emphasize meaning rather than generalization. (Abdussamad, 2021) suggests that the qualitative research method is a research method used to examine the conditions of natural objects, where the researcher is the key instrument, data collection techniques are

carried out by triangulation, data analysis is inductive in nature, and the results of qualitative research emphasize meaning rather than generalizations. In qualitative research, data collection is not guided by theory but guided by facts found during field research. Therefore, the data analysis carried out is inductive based on the facts found and can then be constructed into a hypothesis or theory.

The place of this research was conducted in one of the precast concrete industrial companies located in Central Java. Informants were appointed as data sources capable of providing complete information relevant to the research objectives. Informants are people who provide information or commonly called respondents. In this study there were three types of informants, namely key informants, main informants and supporting informants. The key informant in this study was Handri Lesmana as the director of the company, who was chosen as the key informant because he knew technically and in detail about the company and had the necessary information for research. The main informants in this study were Aditya Yusuf as head of production, Muhammad Haryanto as supervisor, Amin Wahyudi as marketing employee, and Ahmad Rosyid and Ari Hidayat as production employees, were selected as main informants because they know technically about field or project conditions and details of research problems. Supporting informants in this study were Lukman Kurniawan, Syamsul Umam and Afif Nur as customers and Lutfi Indra, Arifin Bustomi and Wisnu Wahid as employees of competing companies, were selected as supporting informants because they could provide additional information and as a complement to the discussion analysis in the study.

The source of the data in the research is a very important factor, because the source of the data will involve the quality of the research results. Therefore, the data source is taken into consideration in determining the method of data collection. Source of data consists of primary data and secondary data. Data collection techniques are the most strategic steps in research, because the main purpose of research is to obtain data. Without knowing data collection techniques, researchers will not get data that meets the established data standards. In qualitative research, data collection is carried out in natural conditions, primary data sources, data collection techniques are mostly in-depth interviews, observation and documentation (Sugiyono, 2013).

(Milles, M, B. & Huberman, 1992) states that in essence data analysis is an activity to arrange, sort, classify, code or mark and categorize it so that a finding is obtained based on the focus or problem to be answered. Through this series of activities, qualitative data which is usually scattered and piled up can be simplified so that it can be understood easily. In the data analysis section, the process of systematically tracking and arranging interview transcripts, field notes and other materials is described so that the researcher can present his findings. This analysis involves processing, organizing, splitting and synthesizing data as well as searching for patterns, disclosing important things, and determining what is reported. In the qualitative data analysis process, the data that appears is in the form of words and not a series of numbers. Analysis in this view includes three activity flows, namely data reduction, data presentation and drawing conclusions and verification.

# **Result and Discussion**

PT. ABX has various internal resources that are used to maximize competition in the precast concrete business, which are divided into human resources (tangible), company physical resources (intangible) and organizational resources.

# Human Resources (Tangible)

Human resources owned by PT. ABX, namely the owner of the company who has the role of leading the company by making policies, selecting, assigning and supervising the duties of employees and company operations. The company has office employees who work in the financial sector which focuses on all the company's financial affairs and in the project admin area who takes care of important data and documents in certain projects, supervisors are in charge of overseeing the production process and production employees carry out work related to the process production. In terms of human resources at PT. ABX, the owner of the company who has the role of leading the company by making policies, selecting, assigning and supervising the duties of employees and company operations.

The company has 67 employees, namely: 1 director of the company who has the responsibility to lead, manage and direct employees according to company policies, in the financial sector there are 5 employees who focus on all the company's financial affairs and in the project admin area who takes care of data and important documents needed in the project or production process, 2 marketing employees who have responsibility for selling products and finding consumers or customers and maintaining good relations with old customers, supervisors and field employees consisting of 5 people who have responsibility for supervising the production process and provide direction at the project site, the production sector has 2 production heads at 2 different factory locations and is responsible for overseeing the implementation of the production process, starting from the initial raw materials to becoming ready-to-sell products as well as supervising raw materials and quality to comply with company standards, 2 logistics employees who have the task of planning and controlling the process of storing or stocking incoming and outgoing goods, the shipping department (mobile crane) has 5 employees who are responsible for sending materials to the project site and carrying out maintenance on operational vehicles and the production department has 45 production employees who is responsible for producing products according to the direction of the supervisor and routinely performs maintenance on production tools/machines.

#### Company Physical Resources (Intangible)

Physical resources owned by PT. ABX is a mobile crane, production factory/warehouse, machinery and production support equipment. In caring for its physical resources, the company carries out routine monitoring and maintenance so that tools, materials and other physical resources are not damaged so that they can be used for a longer period of time. Even though maintenance measures have been taken, in using and managing its physical resources, there are still constraints and risks experienced by the company, namely damage to the tools and materials used when carrying out a production process. The company's way of overcoming obstacles that may occur when using and managing its physical resources is that the

company will place employees who are more skilled at using tools and materials to use and manage them and provide training to all employees so they can use and manage resources. physically fit and effective. The physical resources of the company have a major influence on the success of the company, because almost all business activities of the company must use production materials and production support tools.

According to (Barney, 1991), one of the processes to increase value (value) is to utilize resources effectively by combining existing resources with other resources. Physical resources owned by PT. ABX, namely all facilities used for the company's business interests such as production factories/warehouses, mobile cranes, product molds, production machines, production support equipment and production materials. The company places or gives assignments to employees who are experts in certain fields so that the company can maximize its resources effectively and efficiently and provide competitive advantages because it increases the achievement of production targets for the company. PT. ABX also performs care and maintenance (maintenance) of the company's physical resources so as to increase resilience and minimize damage that might occur during operation. The following are the company's physical resources owned by PT. ABX, including: 2 production plants, 5 mobile cranes, 12 sets of u ditch molds, 5 sets of box culvert molds, 10 sets of concrete panel molds and 15 sets of concrete column molds, 4 production machines, as well as production support equipment.

### Organizational Resources

Organizational resources include planning in the company. Planning carried out by PT. ABX in carrying out the production process, the company always conducts briefings in advance to discuss and plan what will be produced today, what is needed, how much operational costs are incurred and various things needed in company planning. Obstacles that often occur after conducting briefings are unexpected phenomena such as plans that have been discussed in briefings sometimes not in accordance with what happened in the field. Therefore, the company's way of dealing with these obstacles is to carry out in-depth re-planning and discuss what things are lacking from the previous obstacles, so that the company knows what needs to be done and completes it according to a predetermined plan.

# Application of Resource Based View at PT. ABX

According to (Grant, 1991), a resource-based approach to competitive analysis is as follows: **Resources** (Identify and classify company resources: Assess strengths and weaknesses against competitors. Identify opportunities for better utilization of resources, **Capabilities** (Identify company capabilities: What can a company do compared to its competitors? Identifies the resource inputs for each capability and the complexity of each capability, **Competitive Advantages** (Assess the yield potential of resources and capabilities: Potential for sustained competitive advantage and Feasibility of return, **Strategy** (Selecting the strategy that best either by exploiting the company's resources and capabilities relative to external opportunities, so as to identify resource gaps that must be filled and invest in filling, augmenting and increasing the company's resource base. Here is a resource-based approach to competitive strategy analysis according to (Grant, 1991) from the

results of research at PT. ABX.

#### Resources

The concept of Resource Based View according to (Barney, 1991), a company is a collection of strategic and productive resources that are unique, rare, complex, complementary and difficult for competitors to imitate which can be utilized as elements to maintain its competitive strategy. Meanwhile, according to (Amirullah, & Budiyono, 2014), human resource management is an activity that regulates how to procure labor, carry out development, provide compensation, integrate, maintain, and separate workforce through management processes in order to achieve organizational goals.

The following is how to build superior resources at PT. ABX:
(a) To improve employee performance, it is necessary to carry out work evaluations and target results. Combining the company's human resources and physical resources by placing employees who are competent and experienced in their fields. To increase the knowledge, skills and abilities of employees, companies need to conduct training. (b) To simplify and expedite the production process of precast

conduct training. (b) To simplify and expedite the production process of precast concrete, companies need to add to the company's physical resources, one of which is a batching plant or concrete raw materials.

# Capability

Ability is an individual capacity to carry out various functions in a job, then it is said that all abilities of an individual are essentially composed of two sets of factors, namely intellectual abilities and physical abilities (Coulter, Mary & Robbins, 2004). According to (Wiludjeng, S, P, 2014) there are 4 (four) types of basic abilities that must be possessed to support someone in carrying out work or tasks, so that maximum results are achieved, namely: Technical skills, Human skills, Conceptual skills and Design skills. The following is how to build superior capabilities at PT. ABX: (a) Developing precast concrete products by innovating molds to get efficient and maximum results without compromising product quality. (b) Evaluating the production process and routinely conducting material tests and concrete tests so that the quality and quality of precast concrete is maintained.

# Competitive Advantage

According to (Kotler, 2005), competitive advantage is an advantage over competitors that is obtained by offering more value to consumers, either through lower prices or by providing more benefits that support setting higher prices. (Porter, E, 1985) states that competitive advantage is the ability gained through the characteristics and resources of a company to have a higher performance than other companies in the same industry or market. Meanwhile (Crown, 2007) argues that to achieve competitive advantage, namely a superior position compared to competitors or competitors. The following is how to build a competitive advantage at PT. ABX: (a) Carry out promotions through digital media, such as Google, websites and other social media. (b) Maintaining the quality and quality of precast concrete products by using the best quality iron and casting using ready mix.

#### Strategy

The goal of a competitive strategy for a business unit in an industry is to find a position in the company's industry, in which the company can best protect itself against competitive pressures (styles) or can influence these pressures positively, so that knowledge of the sources underlying their occurrence pressure in competition is important to know in order to identify strengths and weaknesses possessed by companies that can be used to revive the company's position in an industry by taking opportunities and minimizing threats (Porter, M, 2007). The following is how to build a superior strategy at PT. ABX: (a) Innovating products to make them more efficient by conducting research on precast concrete structures and product compositions without compromising quality and quality. (b) Improving services and maintaining good relations with consumers and potential customers.

# **Conclusion**

Based on the results of the analysis and discussion of the research that has been done, conclusions can be drawn regarding the research objectives. The research results show that to improve employee performance, it is necessary to carry out work evaluations and targets. Combine the company's human resources and physical resources by placing employees who are competent and experienced in their fields. To expedite the precast concrete production process, companies need to have a batching plant. Promote through digital media, such as Google, websites and other social media. Maintain product quality and quality by using the best quality iron and casting using ready mix. Evaluate and develop products by innovating molds and precast concrete products to make them more efficient by conducting research on concrete material tests on the structure and composition of products without reducing quality and quality.

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