

Effect of Resources on Competitive Strategies Through Unique Capability in Chicken Distributor Companies in Dki Jakarta Province

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Abstract. The competitive strategy in the chicken distribution company in Jakarta indicates low resources and unique capability. The purpose of this study is to determine the effect of low resources and unique capability to competitive strategy. Quantitative methods are used in this study. Population is the employees of the chicken distribution company in Jakarta with more than 2.000 people. Sampling technique used is purposive sampling with the number of samples of 104 people. Data collection technique uses questionnaires and regression analysis. Finding on the research results shows that there are positive and significant influence of resources on unique capability and positive and significant influence of resources on competitive strategy, positive but not significant influence of unique capability on competitive strategy and also the influence of company resources on unique capability to competitive strategy.

Keywords: Competitive Strategy, Unique Capability, Resources And Chicken Distribution Company.

1 Introduction

Consumption of animal foods is increasing steadily due to an increase in population and income levels, chicken prices are relatively cheaper than other meats and increasing the development of other sectors that support chicken farming, for example opening new restaurants, restaurants and supermarkets increasing, increasing public awareness of nutrition fulfillment, community needs at certain times such as marriage parties, and high selling prices in the fasting month, Eid al-Fitr, Christmas, and others (PDSIP, Ministry of Agriculture, 2016). The need to fulfill animal food needs has supported business development in the field of chicken production.

One sector that plays a major role in the meat business is the chicken distributor sector. Distributor of company chicken / business that connects suppliers (suppliers) with consumers, cooperation to make both parties synergetic and can guarantee the accuracy in the distribution of chicken products. In the end it will increase the amount of production, compared to the number of requests. With the increase in the number of production, it will definitely increase competition in seizing the market for these products. Questioning every chicken distributor company will do a competitive strategy to improve and improve the performance of the company.

In DKI Jakarta Province there are currently 1,153 chicken slaughterhouses (TPA), each of which has a cutting capacity of 402,000 head / day and 216 locations for chicken shelters (TPnA) or also called chicken distributor companies and employees as a whole are more than 2,000 people spread in 5 (five) municipalities: Central Jakarta, East Jakarta, South Jakarta, West Jakarta, and North Jakarta, with a chicken holding capacity of 452,460 birds per day (DKI Jakarta Province Marine and Agriculture Food Security Service, 2018).

Wheelen et al. (2015) states that competitive strategies focus on increasing the competitive position of a product or service from a business unit or company in an industry or a particular market segment where they compete. But the implementation of competitive strategy that is still not optimal by chicken distributors has an impact on the performance of chicken distributors. This is consistent with the results of the research of Hahn and Powers (2010). Several studies of the determinants of corporate competitive advantage have been carried out, for example Tracey et al (1998), and Salazar et al (2012). In this case, Toha (2001) underlines the role of leaders in directing the human resources they manage to move optimally toward the target without violating existing boundaries.

However, the existing studies have not specifically reviewed the business units in the livestock industry, especially the chicken distributor business unit with a relatively distinctive character of capital and market sources. Therefore, this research will fill the literature gap. Specifically, this study will examine the effect of resources on competitive strategies through unique capabilities in chicken distributor companies in DKI Jakarta Province.

2 Literature Review

2.1 Resources

In the opinion of Pearce and Robinson (2015), based on RBV, each company is fundamentally different because each has a unique collection of resources consisting of tangible assets, intangible assets, and organizational capabilities to utilize these assets. Based on the Resource-Based Model, Hitt, Ireland, & Hoskisson (2015) assume that each organization is a collection of unique resources and capabilities. The uniqueness of resources and capabilities is the basis of the company's strategy and its ability to obtain above-average returns. Resources are input to the company's production processes, such as capital equipment, individual employee expertise, patents, finance, and talented managers. Hsieh, Chen, Ming (2011) conducted a literature review regarding the relationship between resources and competitive strategies. Competitive strategies are designed based on individual specifications, consistent with human resource strategies, namely skills-oriented and innovation strategies.

2.2 Unique Capability

Unique capability is defined by Makadok (2001) as a specific resource that is owned by the company and invested in increasing the productivity of other resources within the company. Simonceska (2008) underlines that unique capabilities are the strengths and characteristics of the company and its exploitation efforts to encourage companies to create certain products that excel in competition in the market. Meanwhile, according to Wheelen et al (2015), unique capabilities related to core capabilities are the company's superior expertise that can provide the greatest benefits to customers.

2.3 Competitive Strategy

Hubbard and Beamish (2011) state business strategies related to how organizations position their business more competitively than other similar industries. Another notion of competitive strategies is stated by Thompson et al. (2014) where the competitive strategy of a company relates to game planning from management to compete successfully, namely specific businesses to serve customers, strengthen market position, face maneuvers from competitors, respond to market conditions, and to achieve certain types of excellence.

In relation to the company's efforts to be competitive in its market, there are several strategies that can be carried out as stated by Hitt, Ireland, Hoskisson (2015) that companies can choose five business strategies to build and maintain the company's strategic position against competitors, which consists of: cost of leadership, differentiation, focused cost leadership, focused differentiation, and integrated cost leadership / differentiation.

Based on the theory and the results of the above assessment, the conceptual framework like the picture 1 below:

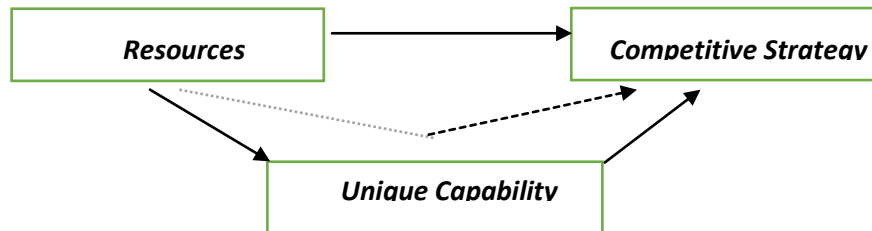


Figure 1. Conceptual Framework

3 Hypothesis Development

According to Hitt, Ireland & Hoskisson (2013) based on the RBV mode it is assumed that each organization is a unique collection of resources and capabilities. So that both have a mutually influential relationship to produce optimization of company performance. Likewise according to Wheelen et al (2015), that the uniqueness of resources and unique capabilities is a superior expertise of companies that can provide the greatest benefits to their customers.

Based on various results of the above research, the hypotheses developed in this study are:

H1: Resources have a positive and significant effect on unique capabilities.

The company's internal resources are an important key in creating competitive advantage (Omerzel & Gulev, 2011). Likewise according to Wheelen et al (2015), that the uniqueness of resources is a superior expertise of a company that can provide the greatest benefits to its customers.

Based on various results of the above research, the hypotheses developed in this study are:

H2: Resources have a positive and significant effect on competitive strategies.

Simonceska (2008) underlines that unique capabilities are the strengths and characteristics of the company and its exploitation efforts to encourage companies to create certain products that excel in competition in the market. Likewise with Wheelen et al (2015), that unique

capacity is a superior capacity of a company that can provide the greatest benefits to its customers. Research conducted by Rentala, Anand and Shaban (2014) in the Indian pharmaceutical industry also supports the conclusions above. Unique capability plays a role in the process of determining competitive strategies.

Based on various results of the above research, the hypotheses developed in this study are:

H3: Resources have a positive and significant effect on bersing strategies.

The findings of Hsieh, Chen, Ming (2011) related to the relationship between resources, unique capabilities and competitive strategies. Competitive strategies are designed based on individual specifications, consistent with human resource strategies, namely skill-oriented strategies and innovations that are the company's unique capabilities. One study of the determinants of competitive strategies was carried out by Boasson (2001), who conducted studies on the pharmaceutical industry in the US. In this study, Boasson (2001) places the characteristics and location of the company as a resource element that influences unique capabilities. The research concludes the important role of unique capabilities for the development of the company's competitive strategy.

Based on various results of the above research, the hypotheses developed in this study are:

H4: Resources have a negative and significant effect on the competitive strategy through an organization comitment.

4 Research Methods

The method used in this study is exploratory research with the data sources used in this study are primary data covering all respondents who came from chicken distributors in DKI Jakarta Province. The sample is chicken distributor executives from 38 chicken distributor companies in the entire DKI Jakarta Province with a total number of 104 people from more than 2,000 population populations.

The analysis method starts from looking at the characteristics of the data through descriptive statistics and then the analysis of the multivariate data analysis model includes factor analysis and Partial Least Square (PLS). Because of the limited number of samples used under 200 and the PLS model also does not require data that is not normally distributed (Cassel, 1999), besides that this PLS model is a model that is able to explain complex structural models.

The measurement instruments for the three variables in this study are for resource variables using instruments adopted from Pearce and Robinson (2015). Furthermore, the instruments of the unique capability variable from Wheelen et al (2015) and competing strategy variables were adopted from Hitt, Ireland, Hoskisson (2015). To test the validity of the instrument used the product moment correlation formula proposed by Pearson (Arikunto, 2008: 72). Test the validity of the Resource variable, unique capabilities and competitive strategies carried out by validity test as in the table below:

Table 1. Outer Loadings

	Resources	Unique Capability	Competitive strategy
1	0.969290	0.902966	0.959083
2	0.960743	0.905756	0.978724
3	0.910050	0.925698	0.983672
4	0.861810		0.978855
5	0.975592		

In the table above, shows the value of t-value in each indicator of the study has good validity. This is based on good validity criteria, where the value of the t-value of each item above is greater than the benchmark value t of 0.3 (t-value > of 0.3), Masrun in Sugiyono, (2009). So, all items are declared valid.

Tabel 2. Reliability Test Results

Variables	N of Items	Cronbach's Alpha	Keputusan
Resources	5	0.964	Reliabel
Unique Capability	3	0.943	Reliabel
Competitive Strategy	4	0.916	Reliabel

Source: 2018 Data Results.

Reliability testing is related to the consistency, accuracy, and predictability of a measuring instrument. According to Sekaran (2006), the basis for decision making for reliability testing is as follows:

- a. If the Cronbach's Alpha coefficient is > 0.6, then Cronbach's Alpha is acceptable (reliable construct)
- b. If Cronbach's Alpha < 0.6 then Cronbach's Alpha is poor acceptable (unreliable construct).

From the table above, all variables with Cronbach's Alpha are greater than 0.60, so the variables are considered reliable and this research can be continued.

5 Results And Discussion

Testing of the four hypotheses proposed was carried out using Structural Equation Modeling (SEM) with the help of PLS software. Hypothesis test decision making is to look at the results of t-value, where if the value is positive it means that the variable has a positive effect, while to see its significance is to refer to the t-statistic value between variables, if the t value obtained is greater than t-table amounting to 1.96, meaning that the effect is significant. The results of this study, can be seen below:

Table 3. Hypothesis Test Result

Variables	T Statistics (O/STERR)
Resources -> Unique Capability	4.541880
Resources -> Competitive Strategy	3.232623
Unique Capability -> Competitive Strategy	1.130606
Resources -> Unique Capability -> Competitive St	2.123876

Source: 2018 Data Results of PLS

In the table above shows that all influences between one variable to another variable show positive values, including:

1. The Effect of Resources on Unique Capability is positive and significant because the value of t-value is 4.541880 which means positive and significant because it is greater than the t-table of 1.96.
2. Effect of Resources on competitive strategies is positive and significant because the value of t-value is 3.232623 which means positive and significant because it is greater than t-table of 1.96.
3. The effect of unique capability on competitive strategies is positive but not significant because the t-value is 1.130606 which is positive but not significant because it is smaller than t-table of 1.96.
4. The Effect of Resources on Competitive Strategies through Unique Capability is positive and significant because the t-value is 2.123876 which means positive and significant because it is greater than t-table of 1.96.

6 Conclusion

The conclusion of this study was formulated based on the results of hypothesis testing. The conclusion of this study is that the positive effect of resources on unique capabilities is proven, then the positive effect of resources on competing strategies is also proven, then the positive effects of unique capabilities on competitive strategies are proven but not significant. As well as proven the positive influence of resources on competitive strategies through unique capabilities.

Managerial Implications

The results of the conclusions above, will provide a reference to company leaders because the results of this study indicate that competitive strategies will be increased positively and significantly if the company's unique Resource and Capability level is taken into account. So that the company will be able to achieve the desired goals.

Limitations Of Research And Suggestions

This research was only conducted on employees of a chicken distributor business company in Jakarta, so the results cannot be generalized to all business industries. And this

study only examines resources, competitive strategies, and unique capabilities, so it is necessary to try the development of other variables as determinants of forming competitive strategies, such as technology adoption and management of innovation (Tsai, Tsai, Li, & Lin, 2012).

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