COMPETITIVE ADVANTAGE AND RESOURCE BASED VIEW
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State-Owned Enterprises (SOEs) are economic actors who play a very strategic role in national economy. SOEs in Indonesia, has long faced many problems and challenges, for example most of the losses suffered because of inefficiently managed, productivity is low, leaving the companies do not have the ability to compete in business competition in domestic and global markets (Marwah, 2003). As noted by Djalil S (2007) that the competitiveness of SOEs in Indonesia at the regional level has decreased.

Reference of this study is based on the research gap is a problem that is still relatively little research that discusses the consequences of the process of organizational transformation in improving the performance of the linking role of competitiveness. Based on the description of the proposed research problem is: What is the role of organizational transformation in improving competitive advantage and firm performance? To explain the problem, the study research questions: Does the organizational transformation to improve the competitive advantage? Does corporate performance can be enhanced by the role of organizational transformation directly? Does increased competitive advantage can be influential in improving corporate performance? The purpose of the study is to empirically test the best relationship between the variables of organizational transformation and competitive advantage on firm performance.

The view-based resources are not directly advising the company to focus investment on facilities for more efficient resource utilization. Resource-based view is usually expressed as an approach strategy with two different views of the tendency towards the view that the capabilities that form the core of competitive position but still influenced by market forces (Prahalad & Hamel, 1990).
One reason is the privatization of inefficient use of resources is the existence of the company. Resource-based view suggests the view that with the privatization strategy would allow the resource changes that can create competitive advantages in a sustainable company. To justify the role of privatization in turning behavior towards the transformation of state resources in support of competitiveness, this study uses the basic approach to Resource-based View. The implication of resources based on the views of "privatization strategy" will be the basis for the establishment of strategies used to encourage companies to maximize the competitive position orientation in response to privatization.

Competitive advantage can mean a wide range depending on the approach from the standpoint of which one is used. Researcher (Aharoni, 1993; Porter, 1985; and Barney, 1991) suggests that advantage competitiveness is the result of strategies that can help companies to maintain a favorable market position in a sustainable manner.

Based on expert opinions on previous research competitive advantages include the existence of strategies which deliberately planned and achieved through investment and activity deployment resources. Implementation of company strategy as a result of long-term competitive advantage, where is competitive advantage can not be imitated by competitors. Meanwhile, according to Hall (1994) further operationalized by Ferdinand's (1999) power of competitive advantages are as (1) the durability of superior resources and performance. (2) The key resource limitability, (3) the degree of ease for a competitor to match a company's key strategic competitive asset.

Based on the above explanations, it is proposed the followings proposition:

*Competitive advantage is the company's competitive position due to a series of resources and capabilities that are difficult to imitate competitors. Competitive advantage is created because of the direct influence of organizational transformation that may impact on company performance.*

Competence can be understood as transformation of organizational capability required to convert inputs into outputs in excellence (Ferdinand, 2003). Efforts to
gain a first mover advantage in making necessary organizational innovation that provides a capability to produce new products or processes are more rapid than those made by competitors (Bharadwaj, Varajan et al, 1993; Lieberman and Montgomery 1998). The concept of capital "organizational" indicates that there are three kinds of typical resource company capable of generating rents for the organization are: (1) physical capital, (2) human capital, and (3) organizational capital (Prescott and Visscher 1980; Barney 1991).

Privatized companies will accelerate the process of organizational transformation as a strategy to improve its competitiveness (Zahra, 1996). There is empirical evidence of the transformation relationship incentives affect corporate competitive advantage, as found in research Sadler, (2002) that manager compensation increases after privatization and compensation manager in privatized companies with the incentive system on the corporate enterprise. Based on the description above proposed hypothesis as follows:

Based on the above explanations, it is proposed the followings hypothesis:

*Organizational Transformation positively influence the competitive advantage (hypothesis 1)*

Transformation of the privatized companies will change the structure and the way the management company, so as to encourage a fundamental change of corporate culture that will affect the company's performance. Change in the structure, which will encourage changes in managerial incentives, and corporate culture, is expected to motivate the achievement of company goals in influencing firm performance. (Zahra, 2000)

Several empirical studies support the opinion above, that the performance can be enhanced through the opportunity that the company will conduct an organizational transformation (Lant et al, 1992; Zajac and Kratz, 1993; Webb and Dowson, 1991). Improving the quality of services to improve employee commitment to be more productive and innovative (Kanter, 1989), which in turn can improve company performance (Zahra, 2000).

Based on the above explanations, it is proposed the followings hypothesis:
Organizational Transformation positively influence the firm performance (hypothesis 2)

Constructs to measure the impact of a strategy most companies use performance variables. Research on the competitive advantages of privatization in Poland, Hungary, and Slovenia using the size of the three main constructs, namely resources, strategic marketing capabilities, and performance of the company found that after privatization, the company will gain access to greater financial resources, which reinforces the company's capital in improve corporate performance (Fahy (2000).

Improved performance is achieved because the company can improve its competitive position through the effectiveness in transferring resources such as financial, brand and entrepreneurial skills, relationships with customers and suppliers that can expand the network. To examine how the relationship of competitiveness and performance excellence, proposed the hypothesis as follows: Competitive advantages positively influence the firm performance (hypothesis 3)

The populations in the study include the privatization of the SOEs and its subsidiaries in Indonesia as many as 66 companies (Ministry of State Owned Enterprises, 2005).

Sample selection method used is Accidental sampling, where sampling by determining who is found investigators during data collection (Samanu, 2004). The number of samples in this study amount 57 companies, i.e. companies that were respondents, where each company is represented by the managers as respondents. In this study, who were respondents in the study is the marketing manager, production manager, and manager of R & D

This study used the Partial Least Square for testing hypotheses with structural equation models. According to (Hair et al, 1995) SEM was chosen as the most appropriate method because it can estimate simultaneously from multiple interrelated dependent relationships and are able to represents unobservable (latent) concept, and can calculate the size of the error in the process. "Ingredients" to test the structural
equation model of this research using statistical software Structural Equation Modeling (SEM).

Research proposes a model-based competitive advantage Resource-Based View of linking the process of organizational transformation and test a model with a sample of privatizing SOEs in Indonesia.

The findings of this study indicate that organizational transformation is an important first step to lead the company's competitive advantage. Competitive advantage is found as a variable mediating the relationship between organizational transformation and enterprise performance.

Competitive advantage in the Indonesian SOEs privatization will increase, if carried out organizational transformation. Companies that can transform into an empowered company will be able to improve company performance on an ongoing basis.

The results of empirical testing of hypothesis one is accepted, it means that the transformation of organizational influence on competitive advantage. The findings of this study support the concept put forward Porter (1985) concerning the relationship of transformation and competitive advantage.

The results of empirical testing of hypothesis 2 are not acceptable. This means that the relationship of organizational transformation predicted positive effect on company performance as that based on the concept and previous research studies that have tested the conceptual and empirical can not be proved. This proves that the organizational transformation performed on privatization of SOEs in Indonesia have not provided direct impact on improving firm performance.

An empirical test result for hypothesis 3 suggests that this hypothesis is accepted. This gives evidence support the concept that the company's competitive advantages have a positive impact on firm performance. The results of testing this hypothesis supports the concept put forward by Sundar G Bharadwaj, P Rajan Varadarajan, and Fahy John (1993) which states that the company's competitive advantages can be expected to enhance marketing performance and financial performance.
Conclusions resulting from this research have implications for strategic management theory to the study of Resource base view that the increased performance of privatized companies is determined by the competitive advantage that is realized from the organizational transformation. The concept underlying the resource base view this research looks at the relationship between "organizational transformations into a competitive advantage."

A large contribution from the resource base view in this study can be proven on the value of the direct influence of organizational transformation in playing its role to create a competitive advantage. This indicates that the resource base view approach in this study contribute significantly to conduct a strategic orientation based resources, to make existing resources become a source of excellence.

This study illustrates that in order to improve company performance not only of organizational transformation, but also should enhance competitive advantage. Improved performance of privatized companies need a coherent package of complementary changes is built on the strength of the company in developing resources. This result is a contribution to the empirical application of the concept developed by Hurley and Hult (1998) concerning the relationship of organizational transformation. It also supports research into Ireland, Kuratko, and Morris, (2006) that organizational transformation is an important source strategy to achieve competitive advantage.

Reference

Augusty Ferdinand, 1999. Strategic Pathways Toward Sustainable Competitive Advantage. Thesis, Submitted to the Graduate College of Management, Southern Cross University, Australia, in partial fulfillment of the requirement for the degree of Doctor of Business Administration.


