

COMPETITIVE STRATEGY AND PERFORMANCE OF CONTRACTORS IN YOGYAKARTA

Final Project Report

in fulfillment of the requirement for the degree

Bachelor of Civil Engineering

by:

VENNY VIVIANDA

Student ID Number: 141315168



**INTERNATIONAL CIVIL ENGINEERING PROGRAM
DEPARTMENT OF CIVIL ENGINEERING
FACULTY OF ENGINEERING
UNIVERSITAS ATMA JAYA YOGYAKARTA
YOGYAKARTA
2018**

STATEMENT

I signed below stating that the final project with the title:

“COMPETITIVE STRATEGY AND PERFORMANCE OF CONTRACTORS IN YOGYAKARTA”

It is the result of my own work and not a result of plagiarism of other people's work. Ideas, research data, and quotes directly or non-directly derived from the writings or ideas of others expressly provided in this Final Project. If it is proven later that this Final Project is the result of plagiarism, the graduation certificate that I received will be canceled and returned to Universitas Atma Jaya Yogyakarta.

Yogyakarta,

Who made the remarks,

Venny Vivianda

APPROVAL

Final Project Report

COMPETITIVE STRATEGY AND PERFORMANCE OF CONTRACTORS IN YOGYAKARTA

by:

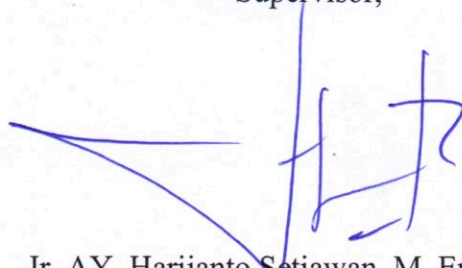
VENNY VIVIANDA

Student ID Number: 141315168

has been approved by,

Yogyakarta,19/01/2018.....

Supervisor,



Ir. AY. Harijanto Setiawan, M. Eng., Ph.D.

Department of Civil Engineering Chairman,



Johanes Januar Sudjati, S.T., M.T.

APPROVAL EXAMINER

Final Project Report

COMPETITIVE STRATEGY AND PERFORMANCE OF CONTRACTORS IN YOGYAKARTA



By :

Venny Vivianda

Student ID Number : 14 13 15168

Has been examined and approved by:

Name	Signature	Date
Chairperson : Ir. AY. Harijanto S., M. Eng., Ph.D.		19/01/18
Member : Ir. A. Koesmargono, MCM, Ph.D.		23/01/18
Member : Nectaria Putri Pramesti, S.T., M.T.		19/01/2018

ACKNOWLEDGEMENTS

First and foremost, I would like to thank to Jesus Christ for the blessing that given to me, so I can prepare and finish my final project report. The purpose of the final project with the title “Competitive Strategy and Performance of Contractors in Yogyakarta” is to complete the requirement of undergraduate program (S-1) in International Civil Engineering Program, Department of Civil Engineering, Faculty of Engineering, Universitas Atma Jaya Yogyakarta. For the completion of this final project, I also would like to express my gratitude towards:

1. Prof. Ir. Yoyong Arfiadi, M.Eng., Ph.D. as the Dean of Engineering Faculty of Universitas Atma Jaya Yogyakarta.
2. J. Januar Sudjati, S.T., M.T., as the head of Civil Engineering Department of Universitas Atma Jaya Yogyakarta.
3. Dr. Eng. Luky Handoko, S.T., M.Eng., as the Coordinator of International Civil Engineering Program.
4. Ir. AY. Harijanto Setiawan, M. Eng., Ph.D., as my supervisor for his advice, patient, and kindness that given to me during the counseling. His support and advice have been invaluable.
5. All the lectures and staffs in the Civil Engineering Department, especially in International Civil Engineering Program.
6. My parents, brother, and sister for the love, support, and advices that given to me to finish this final project.
7. My friend in ICEP batch 2014, who encouraging me and support me to finish this final project.

8. All my friends, juniors, and seniors in Civil Engineering Program especially in the International Civil Engineering Program for their support and cooperation which help me to complete this report.

Finally, I as the writer of this report realized that this report has many mistakes and may have space for further improvement. For that, any suggestion and critics will be accepted. Thank you.

Yogyakarta, January 2018

The Author

Venny Vivianda

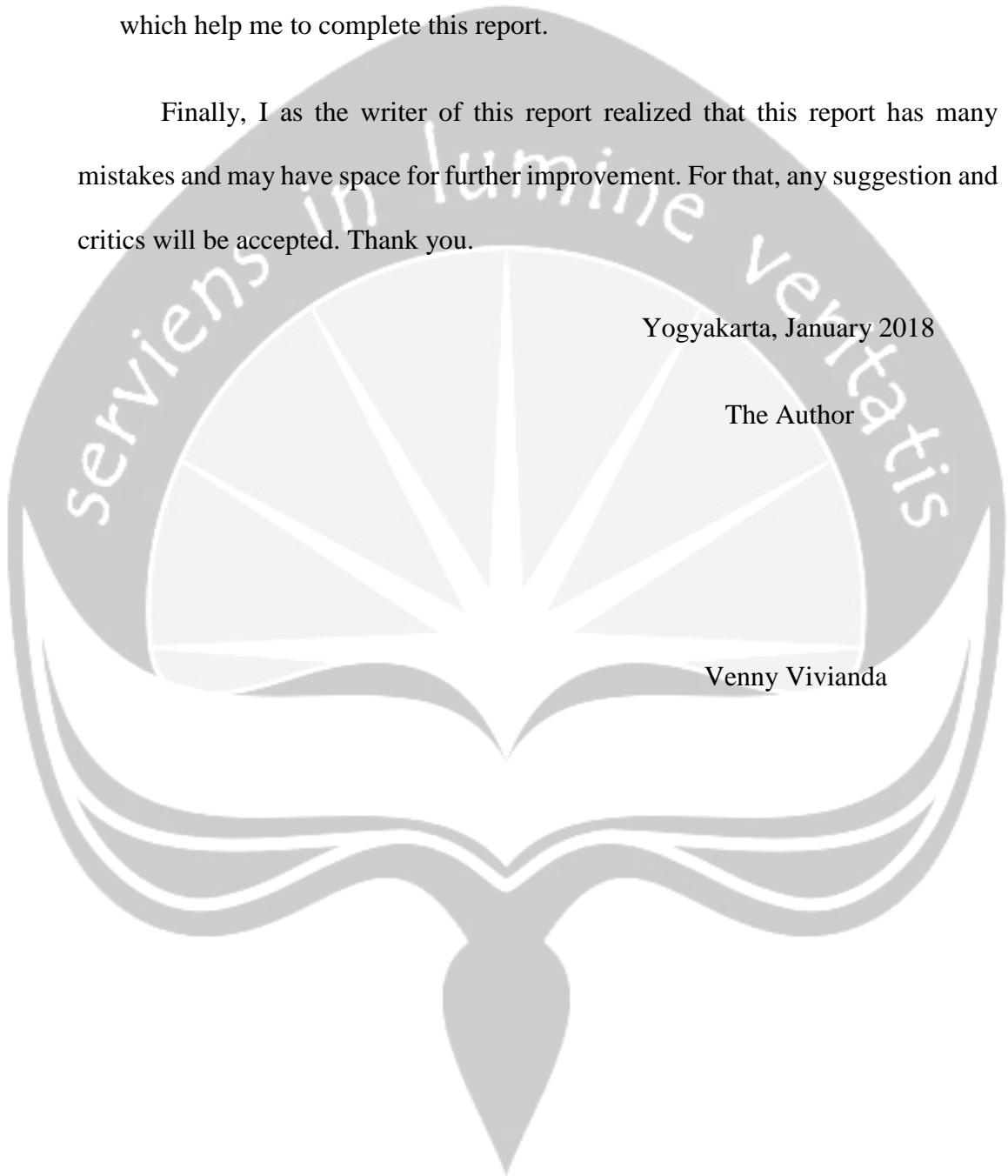


TABLE OF CONTENT

Title	i
Statement.....	ii
Approval.....	iii
Approval of Examiner.....	iv
Acknowledgement.....	v
Table of Content.....	vii
List of Table	x
List of Attachment.....	xi
Abstract	xii
 CHAPTER I: INTRODUCTION	
1.1. Background	1
1.2. Problem Statement	2
1.3. Research Objectives	2
1.4. Expected Benefits.....	3
 CHAPTER II: LITERATURE REVIEW	
2.1. Definitions of Strategy	4
2.2. Competition Environments in Construction Industry	4
2.2.1. External Environment in Construction Industry	5
2.2.2. Internal Environment in Construction Industry	6
2.3. Competitive Strategy in Construction Industry	9

2.4. Contractor's Performance	14
-------------------------------------	----

CHAPTER III: RESEARCH METHODOLOGY

3.1. Pilot Study	16
3.2. Field Data Collection Method	17
3.3. Questionnaire Composition	17
3.4. Data Processing and Analysis	20
3.4.1. Pilot Study	20
3.4.2. Data Analysis	20
3.4.3. Method of Data Analysis	21

CHAPTER IV: DATA ANALYSIS

4.1. Introduction	25
4.2. Analysis of Pilot Study	25
4.3. Respondend Data	28
4.3.1. Age of Company	28
4.3.2. Number of Employee	29
4.3.3. Type of Company	29
4.3.4. Work Types of Company	30
4.4. Validity and Reliability of Variables	30
4.5. Rank Analysis of Variables	32
4.5.1. External Environment	32
4.5.2. Internal Environment	37

4.5.3. Competitive Strategy..... 39

4.6. Relationship between Competitive Strategy and Performance..... 42

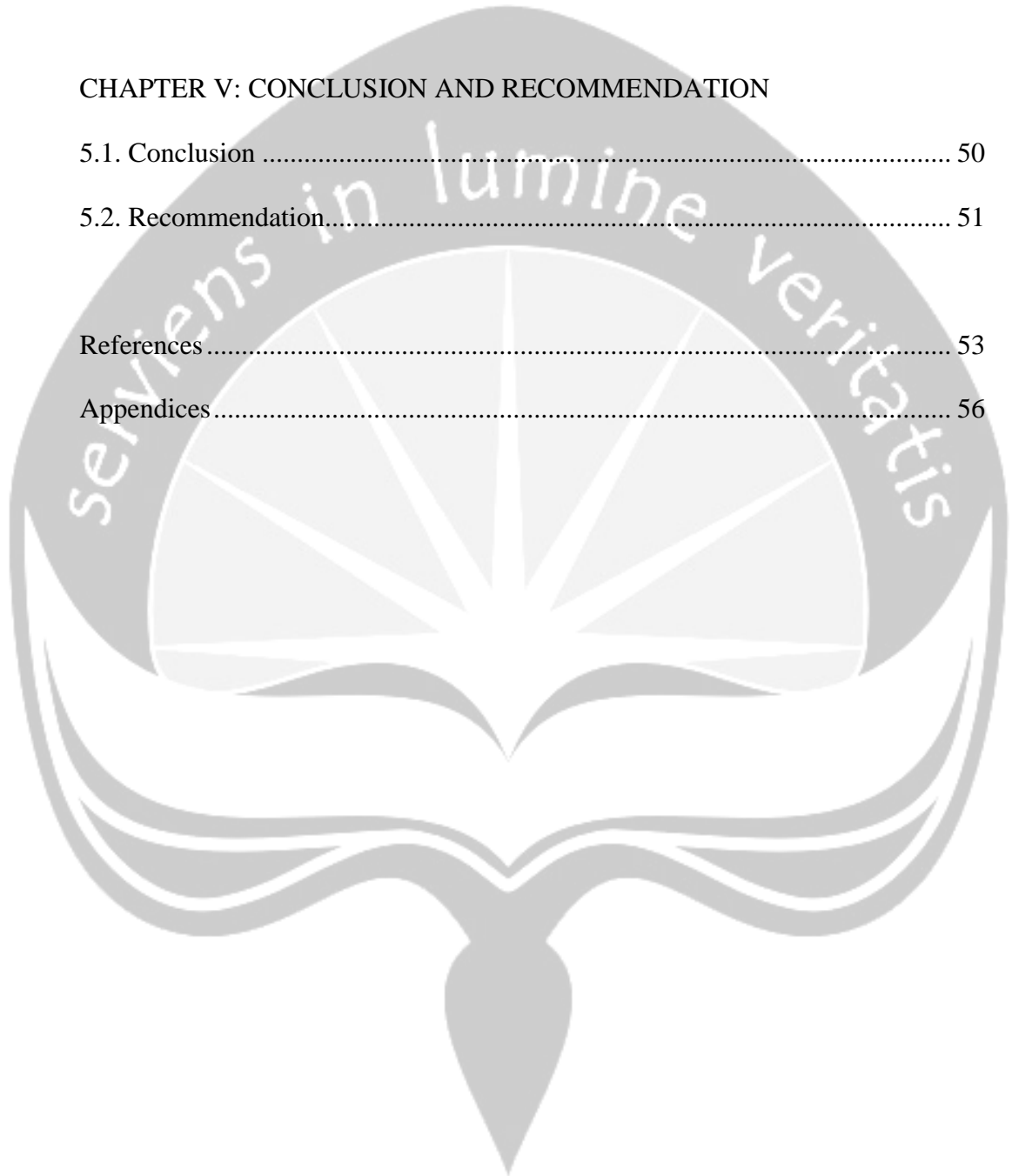
CHAPTER V: CONCLUSION AND RECOMMENDATION

5.1. Conclusion 50

5.2. Recommendation..... 51

References..... 53

Appendices..... 56



LIST OF TABLES

Table 4.1. Question instruments' Relevance towards Indonesia Construction Company	26
Table 4.2. Age of Company	28
Table 4.3. Number of Employee	29
Table 4.4. Type of Company.....	29
Table 4.5. Work Types of the Company	30
Table 4.6. Means, Standard Deviations, and Cronbach's Alpha Coefficient	31
Table 4.7. External Environment of Construction Industry in Yogyakarta (Industry Environment).....	33
Table 4.8. External Environment of Construction Industry in Yogyakarta (Task Environment).....	33
Table 4.9. Internal Environment of Construction Industry in Yogyakarta	38
Table 4.10. Competitive Strategies Applied by Contractors in Yogyakarta.....	40
Table 4.11. Correlation Coefficients between Competitive Strategy and Performance	43
Table 4.12. Correlation Coefficients between Indicators of Competitive Strategy and Performance.....	44

LIST OF ATTACHMENT

Questionnaire Permission.....	57
Questionnaire of Pilot Study	58
Questionnaire of Primary Data.....	62
Identification of Pilot Study	66
Respondent Profile	69
Identification of External Environment in Yogyakarta Construction Industry...	71
Identification of Internal Environment in Yogyakarta Construction Industry....	74
Identification of Competitive Strategy in Yogyakarta Construction Industry	77
Identification of Business Performance in Yogyakarta Construction Industry	79

ABSTRACT

COMPETITIVE STRATEGY AND PERFORMANCE OF CONTRACTORS IN YOGYAKARTA, Venny Vivianda, Student ID Number 14.13.15168, year of 2018, Construction Management, International Civil Engineering Program, Department of Civil Engineering, Universitas Atma Jaya Yogyakarta.

Construction industry is one of the major contributors to the economic development in Indonesia, and it is forecasted to grow along with the increase number of both public and private projects in Indonesia. Therefore, understanding competition environments in construction industry and design competitive strategy are required toward achieving superior performance. By knowing competitive environments, contractors are able to analyze their strengths, weaknesses, opportunities, and threats. Furthermore, it helps contractors to formulate competitive strategy in order to achieve superior performance.

The purpose of this study are to examine what are the competition environments of construction industry in Yogyakarta, what are the competitive strategy that have been applied by the contractors, and to examine the relationship between competitive strategy and contractors' performance in Yogyakarta. The data that used in this study are collected by using questionnaire to the contractors in Yogyakarta. The respondents are the owner and the manager of the contractors itself. Rank analysis is used to examine the competition environments in Yogyakarta construction industry and competitive strategies that have been applied by the contractors in Yogyakarta. Later, Pearson correlation analysis is used to examine the relationship between competitive strategy and performance of contractors in Yogyakarta.

The result of this study shows that respondents highly agree that there are many new competitors in construction industry in Yogyakarta, followed with the intense competition between existing firms, and high bargain power of clients. The result indicates that respondents are having a good relationship among the consulting firms, suppliers, and clients. The contractors show a high degree of advantages in the site progress management skill along with a good reputation in their business. The result also implies that the most competitive strategies that have been applied by the contractors are offering higher quality of product and emphasize in building company's reputation. Finally, the result shows that competitive strategies have positively related to the contractors' performance but only give a little contribution, with the correlation coefficient is 0,111.

Key Words: Competition Environment, Competitive Strategy, Performance, Contractors