The influence of Internal Resources Company Against company performance of Drinking water in containers (AMDK) in the area of Sidoarjo, Surabaya and Pasuruan

Purwohandoko
Faculty Of Economics State University Of Surabaya

Abstract:

Every company have difference and special resource. The difference can become added value for every company. Company's resource will creating different performance for every company's. The study is meant to understand to relation between tangible resources are measured using 7 resources (1) physical resources, (2) The resources of the reputation of the company, (3) the power of the brand resources of the reputation (4) technology resources, (5) financial resources, (6) and human resources (7) resources of the organization. Tangible resources to increasing of the company's performance AMDK. A result of the research by calculation of PLS and yielded that the existence of significant relation between Internal resource with performance company of AMDK with ever greater finding on company scale hence gaining strength creating company performance. The loading result consistently indicated the company of internal resources on company's performance are the most dominant dimension implying the necessity of learning process in organization and resources management. Therefore the role of human resources needed to be managed through organization management system arrangement by establishing organization culture and collective awareness of the entire human resources of the company.

Keywords: Internal resources, performance

r

Literatur Review

Wernerfelt (1984) in Barney and Arikan (2000) developed a theory of sustainable competitive advantage based on resources. Barney and Arikan (2000) states that the internal resources that can be controlled by company is a source of steady profits compared to external resources. Hill and Jones (1998), distinguish between resources with Resource capabilities more physically and in the short term and easily emulated way while capabilities is the ability of a company-owned intellectual property which is not appeared in a way but was able to create the excellence of the company and the company's competitors in the emulated hard long term. In line with the opinion of the Organization's resources, they are resources which are owned by the non physical to measure organizational structure in a formal reporting and planning, implementation, and supervision (Barney, 1991). Organizational resources are all activities that resulting in the managerial structure of the duties and responsibilities of his relationship with the authority, including organizational design, job design, and analysis of the job (David, 2003).

The development of the business world requires every competing company to maintain its existence in the era of globalization. Competition in the business

www.seimosojr.com

world that uncontrolled often bring negative consequences for the environment of the business world. The company requires an important resource that would otherwise be a component of a supporter as well as strength even as the competitive advantage of the company continuing to face the competition of the business world. Penrose (1959) stated that the company is not just an administrative unit, but rather a collection of the resources of the productive performance of utilization suggests that companies can be measured from the productive resources are used.

Researchers prove Penrose was Birger Wernerfelt (1984). In the Resourced-Based View of the Firm theory based strategies he discovered resources. The assumptions used in this theory is that all companies want a sustainable competitive advantage to generate a yield above average (economic founders).

Barney (1991) in his research argues that when resources company owned all of the company's strategy of homogeneous, uses the same so there is no competitive advantage. It means that a sustainable competitive advantage can be realized if there is a difference of resources owned by the company, so that should be the strategy that built, formulated, and implemented based on resources owned will vary as well. Other researchers, such as Peteraf (1993), Fahy and Smithee (1999), and Finney et al (2007), proving that the heterogeneous resources able to produce the performance of different companies and the benefits that diperolehpun diverse. Some of these statements could mean that any company may not operate the same resources because although its resources were limited-scale they have different priorities in allocating and judging whether or not critical generate a performance.

Based on the few known reference resources that are able to have a sustained competitive advantage has the following characteristics: (1) has a value of rare, (2), (3) not easily imitated, and (4) not replaceable (Barney, 1991); (1) the durable transparent, (2), (3) tranferable, and (4) can be replicated (Grant, 1991); (1) may not be copied, (2) durable appropriable, (3), (4) are not replaceable, and (5) superior (Collin and Montegomerry, 1995); (1) kompelementer, (2), (3) rare low tradability, (4) may not be copied, (5) limited substitutable, and (6), durable (Amit and Shoemaker, 1993); superior (1) and (2) specific (Day and Wensley in Hoffman (2000). It can be concluded that the characteristics of the resource companies that have competitive advantage are: (1) not easily imitated, (2) are not easily replaced, (3) rare, (4) durable, superior and (5).

From the explanation above researchers suspect that the difference of portfolio company owned resources AMDK will result in a difference in performance of the company. Industry AMDK specially in Sidoarjo and Pasuruan, Surabaya, chosen because of the development of the industry which is growing very rapidly AMDK, increasingly large market opportunities because of the demands of the community's needs and desires to live healthy, clean and practical, and still many companies AMDK who grew up with both, but also fail to live.

In this study several indicators measuring the variable previous research tailored to the characteristics of the subjects of the research. Collin and Montgomery (1998) categorize in 3 (three) large groups of resources, namely; (1)

tangible assets, intangible assets (2), and (3) organisational capabilities. Based on three major groups, the Dollinger (1999), grouped into 6 (six) indicators measuring the resources that are able to create a sustainable competitive advantage; (1) physical resources, (2) reputation, organizational (3), financial resources (4), (5) intellectual/human resources, and (6) technology. After studying the characteristics of the company, the study develops AMDK measurement of physical resources more sepesifik according to the characteristics of the company as his research gaps, AMDK so this research to develop source measurement physical power into four measurement indicators, namely; (1) physical resource processing raw materials, (2) physical resource production process, (3) the physical resources of the packing process, and (4) physical resource distribution.

Based on the above background, formulated a more detailed problem which is "Whether Tangible Resource as measured through physical resources, organizational resources, and financial resources to the company's performance AMDK in Sidoarjo Surabaya, Pasuruan.

The purpose of this study was to analyze the influence of internal resource on performance of companies in Sidoarjo, Surabaya & Pasuruan AMDK. This research is expected to generate the following contributions, 1) provide input on Internal resources Manager which is capable of producing the most dominant performance of the company should be managed properly. 2) provide input on The Manager of the company's performance which is the most dominant company outcomes which should be managed properly.

METHOD

Type Of Research

In this study, the research approach used is eksplanatif research. This research included quantitative research because, (1) aims at quantitatified the data and make a generalization of results of samples from a population, (2) the number of samples of hislot, (3) done in a structured, (4) data analysis using statistics, and (5) research resultsto give recommendations (Malhotra, 2004). While the nature of the relationship between from included in this study because of the korelasional research to know the relationships between variables.

The Place Of Research

The research in the area of Surabaya, Sidoarjo and Pasuruan. The base of this election are (1) the East Java province of Indonesia as the second rapid environmental change geography, demography and psikografi, thus forcing company AMDK must respond quickly to such changes, (2) researchers and the energy researchers know the East Java area, making it easier to access information and obtain the data, and (3) the location is not far, so streamline research and cost-efficiency.

Design Research

The design of the research used in this study is conclusive because it describes each variable to gain an overview of the implementation of internal resources and the company's performance, and linking AMDK between these variables, as well as proving the hypothesis to test their significance.

Populations and samples

The population of this research sample is at once the companies drinking water in containers (AMDK) in Sidoarjo, Surabaya and Pasuruan, up to the year 2008 which amounted to 43 companies as its analysis unit which will be represented by the Manager or owner company (for small/micro) as respondents.

Engineering Data Collection

The collection of data in this study used two ways, i.e. a questionnaire and interview techniques.

a. questionnaire Technique i.e. using questionnaires to get answers from the respondents i.e. company managers to its perception as a reflection of internal resources and corporate performance AMDK.

b. documentation Techniques to get the data in the form of documents relevant to the issues to complement data obtained through questionnaires.

c. interview techniques to clarify data or complete the data obtained from the questionnaire and documentation techniques so that data availability is assured its validity and can be accountable.

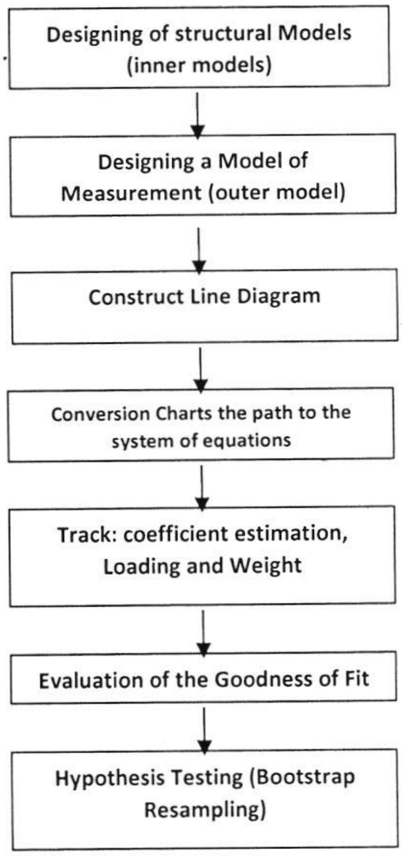
Table 1 Definition of variables, Varibel, dimension, Measurement and indicators

Latent Variables	Concept Of A Variable	Manifes Variable	Indicator
Resources Intangibles	Tangible resources adopted from Barney, (1991). Physical resources are physical resources that appear and can be added which is used for the activity of the company.	Shopistication and location of a firm's plant and equipment, access to raw material	-the availability of raw materials water -the availability of raw material processing facility -the availability of on-site production process -the level of efficiency of the process of production facilities -Availability of packaging facilities -the level of efficiency of packaging facilities -Availability of distribution facilities -the level of efficiency of distribution facilities
	The Organization's resources are resources that are owned by the company to measure the structure of the Organization in a formal reporting and planning, implementation, and supervision (Barney, 1991)	The resources of the Organization	-organization structure -organizational governance patterns -planning patterns -implementation patterns -patterns of supervision
	Financial resources are owned by the company as the company's ability to meet good foreign capital or capital private equity and management of finances (Barney, 1991)	Financial resources	-the capacity of the company to obtain a loan -Competence of the company managing the Fund -Monitoring and evalusi budget

The Company's Performance	Financial performance measurements relate to three areas; growth, profitability, and value creation. Every company has a dream will grow in the market and making a profit because the criteria of success or failure is measured from the capability of generating profit and economic profit or gain is higher than costs (Niven, 2002)	A Financial Perspective	-Percentage of profit from property -Percentage of profit from the sale of -accounts receivable turnover Rates -the amount of property owned by the company -sale of a new product
	The company's performance can be reflected from the increased learning and growth are measured through productivity, training and education, as well as employee satisfaction (Niven, 2002).	The learning and growth perspective employees	-Employee Satisfaction -training and education -Employees -the frequency of the presence of the employee -employee productivity

Source: processed researchers

Chart 1. PLS Analysis Steps



Data Analysis Techniques

Technique of data analysis used in this study using PLS (partial Least Square). The reason for using the analysis of PLS in this research are:

1. This Model does not assume a particular Gaussian data which can be nominal, ordinal, interval, category or ratio.
2. The variables used in the study is a latent variable.
3. The whole population of the company is used as a sample, AMDK but little (n = 43), so does not meet when using SEM analysis (Structural Equation Model) and the magnitude of the incoming sample intervals of 30 to 100 as recommended by PLS.

As for the steps in the analysis of PLS are described in Chart 1

1. First step: Designing Structural Models (inner models)

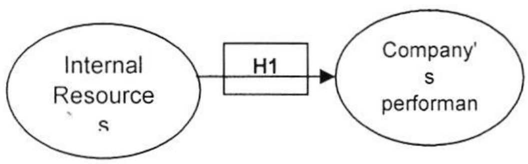
Designing of structural relationship models (inner models) are describing relations between latent variables based on a substantive theory.

Chart 2

HYPOTHESIS

1. H0: there is no relationship between variable Internal resources with market Orientation.
   H1: there is an influence among variables SDI (Internal Resources) with a market orientation.
2. H0: no influence among variables performance competitive with strategy
   H1: there is an influence among variables performance competitive with strategy
3 H0: no influence among variables performance With Market orientation
   H1: there is an influence among variables performance With market orientation
4 H0: no influence among variables performance With SDI
   H1: there is an influence among variables performance With SDI
5 H0: no influence between variable SDI With competing Strategy
   H1: there is an influence among variables SDI With Competing Strategy
6. H0: no influence among variables market orientation With Competitive Strategy
   H1: there is an influence among variables market orientation With Competitive Strategy

Model hypothesis Internal resources in generating company's performance AMDK



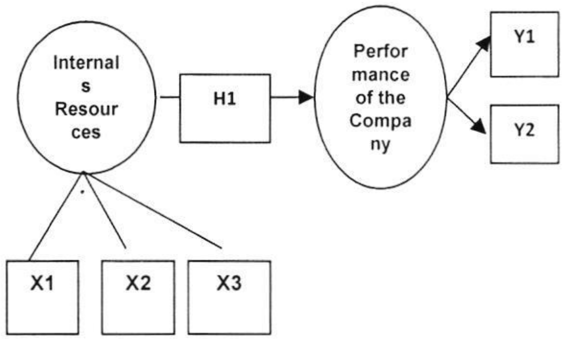
2. Second step: Designing Model Measurement (outer model)

Designing a model of measurement (Outer model) is defining the relationship between latent variables with the manifest and variable in this study all of them are reflexive.

3. Third step: Construct a path Diagram

The third stage i.e. construct a diagram of potatoes to be easier to understand, the results of the design of the inner and outer model to the model, further stated in the form of a diagram of the line:

Chart 3 the draft inner and outer models models



4. The fourth step Line Chart: conversion to the system of equations

Outer Model i.e. the specification of the relationship between latent variables with the charge indicators will, called the outer relation or measurement model, defining characteristic of invalid constructs with the manifest variable. Inner model i.e. the specification of the relationships between the latent variables (structural models) also known with the inner relation, describes the relationship between latent variables based on substantive research.

5. Step five: Estimation

A method of prediction parameters (estimate) in the method PLS is the smallest squares method (least square methods). The process of calculations done by interasi, where interasi will stop if it has reached a condition of convergent.

6. The sixth Step: Goodness of Fit

The next Model of the structural or inner model is evaluated by looking at the percentage of variants that are described, namely by looking at the R2 for the dependent latent invalid constructs by using size-the size of the Stone-Geisser Q Square test and also see the path coefficients their structural. While stability estimation tested with t-statistics memalui bootstrap procedure.

7. The seventh Step: hypothesis testing

The last step of the data that has been processed and analyzed researchers can test the hypothesis has been formulated.

RESULTS

Description Of The Object Research

This research uses the full sample, i.e. from 43 companies AMDK in Sidoarjo, Surabaya and Pasuruan, and overall the sample met as the respondent. Thus, this research using a sample of 43 or (100%) of the population. According to the scale of its business, the company's sample includes companies of micro, small, medium and large. Central Bureau of Statistics using the number of the workforce as the basis for classification of business scale, i.e. the micro enterprises (1-4 labor), small businesses (5-19 labor), medium business (20-99 labor), and large (100 or more labor). There are 3 companies of micro scale, and in the following sample distribution tebel put on micro/small group.

Table 2 distribution of samples according to the scale of the effort

Company Scale	Company		Employee	
	Frequency	%	Frequency	%
Micro/Small	16	37,21	152	5,59
Medium	17	39,53	655	24,11
Large	10	23,26	1910	70,30
Total	43	100	2717	100

Source: the Data processed

Based on table 2, sample research covers 16 (37.21%) of micro/small scale firms; 17 (39.53%) medium-scale companies and 10 (23.26%) companies on a large scale. Views based on the answers of the respondents, the company's 43 samples, absorb the workforce of 2,717 people, with the largest proportions are large companies (70.30%), medium (24.11%) companies and companies of micro/small (5.59%). Distribution company that became a sample covering AMDK 3 kabupaten/kota in East Java. Pasuruan contributes the largest with a population of 25 companies (58%), and Surabaya, with 15 companies (30%).

The Variable Description

Based on the results of the questionnaire field against both of these variables were analyzed with descriptive statistics methods, on average, to know the power of the Internal resources of the company, and the company's performance. Whereas to provide more meaningful information researchers classify based on the scale of the effort of the company to do a descriptive statistical analysis.

The description of the variable internal resources

Interal company resources using three indicators, namely physical resources (tangible), financial resources and the resources of the organization. The higher the value of these indicators shows the stronger companies. Based on Table 5.2, it seems that in general the respondents rate the company has a strong internal resources but there is a difference of internal resource strength according to the scale of the effort.

Table 3. Descriptive Statistics Variable Internal Resources

Sumber daya internal	Mikro/ kecil	Menen gah	Besar	Rata-2
Sumber daya fisik	3,97	3,99	4,00	3,986
Sumber daya keuangan	3,69	3,73	3,76	3,724
Sumber daya organisasi	4,00	4,09	4,44	4,177