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THE EFFECT OF COMPETENCE AND CAPABILITY ON COMPETITIVE ADVANTAGE

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Abstract

The purpose of this study is to determine the effect of competence and capability on competitive advantage. This research was conducted at the Bira Tourism Cottage (Villa) in Bulukumba Regency. The number of samples taken was 67 villa management in Tanjung Bira Beach, Bulukumba Regency, using the saturated sampling method. Data collection was carried out through questionnaires and interviews. The analysis technique used is multiple linear regression analysis. Based on the results of the analysis it was found that competence has a positive and significant effect on competitive advantage, as well as capabilities have a positive and significant effect on competitive advantage. This proves that if the company's resources, such as competencies and capabilities, are managed properly and have a competitive advantage, they can improve company performance.

Keywords: *competence; capability; competitive advantage.*

A. INTRODUCTION

The tourism industry is one of the largest industries in the world. The tourism industry can absorb a large number of workers, besides that the tourism industry is also able to increase income and the economy and can make a big contribution to a country. Therefore, many countries are interested in developing their tourism industry to encourage the country's development sector, especially for developing countries including Indonesia (Evita et al. 2009).

Tourism as the largest industry in the world can improve the economy of a country so that it can improve the welfare of its people. The tourism industry can also provide benefits for environmental, natural and cultural preservation. The development of tourism can be supported by utilizing environmental, natural and cultural preservation. In addition to utilizing the environment, nature and culture, tourism development must also be supported by facilities and all other tourism supporting aspects such as: infrastructure, means of transportation, money changers, travel agents, restaurants, tourist attractions offered to tourists and lodging (accommodation facilities: for example villas, hotels, etc.), so that this can improve the economic sector, as is the case in Indonesia itself (Evita et al., 2009).

Tanjung Bira Beach is a world tourist destination as well as a tourism icon in Makassar. The beauty of natural resources, as well as the diversity of arts and culture as well as the uniqueness and uniqueness of the traditions of the people of Makassar, are able to provide a special attraction for tourists, both domestic and foreign tourists (Evita et al., 2009).

The Tanjung Bira tourist area has experienced an increase in visitors because it is one of the places that attracts tourists. Data from the Bulukumba Regency Tourism Office show that the number of tourists visiting the Tanjung Bira tourist area has increased every year. There were 258,774 tourists in 2019. There were 288,091 tourists in 2020. In addition, there will be 366,119 tourists in 2021.

Seeing this phenomenon, the villa spread on Tanjung Bira Beach must race to improve its performance in order to meet the wishes of the tourists who want to stay in the villa and can compete competitively with its competitors. Also in the city of Makassar, which has not escaped this phenomenon. Based on the background that has been described above, the formula of the problem obtained is 1) How does competence affect competitive advantage? 2) How does capacity affect competitive advantage?

This research is expected to add reference in the field of scientific work in particular in marketing and can provide information and knowledge to students and society in need. This research is also expected to be able to provide information to the business owner of the tourist venue (Villa) in the Tanjung Bira district of Bulukumba about the influence of competence and capabilities on the competitive advantage and performance of the company, as well as to formulate the appropriate strategy.

B. LITERATURE REVIEW

Competence and Competitive Advantage.

Entrepreneurial competence is the unity of knowledge (knowledge), skills (skill) and abilities (ability) that are dynamic and are treated by an entrepreneur/organisation so that it is visible from its behavior to success in its business continuously. This approach assumes that this entrepreneurial competence is not enough to make an entrepreneur competent. It is more appropriate when entrepreneurial competence is seen from behavior, from someone that matches the dynamic characteristics of competitiveness.

According to Heru (2009), these skills must include:

1. Managerial skill
2. Conceptual skill
3. Human skill
4. Decision making skill
5. Time managerial skill

According to Wirasmita (2009), that the indicators of entrepreneurial competence include:

1. Self knowledge
2. Practical Knowledge
3. Communication Skill

Competitive advantage is actually created through a set of several unique resources. (Hitt et al., 2001:120). Some studies show that competence has a significant positive impact on competitive advantage. (Ismail et al., 2013). Similarly, research (Agha, 2012) and (Nimsith et al., 2016) show that competence has a positive impact on competitive advantage.

H₁ : Competence has a positive and significant impact on Competitive Advantage.

Capability and Competitive Advantage.

Capabilities enable companies to create and exploit external opportunities and develop enduring advantages when used with insight and agility. In a competitively successful organization, the firm's knowledge base is embedded in, and reflected, by its capabilities and is a major source of competitive advantage (Hitt et al., 2001:113). Several studies have stated that capability has a positive effect on competitive advantage. Valuable and rare capabilities will result in a greater competitive advantage than its competitors (Absah, 2008). Capability consisting of organizational culture and quality management has a significant positive effect on competitive advantage (Budiastuti, 2011).

H₂ : Capability has a positive and significant effect on Competitive Advantage

H₃ : Competence and capability have a positive and significant effect on Competitive Advantage

Conceptual Model

Based on the background, problem formulation and literature review above, this research model can be described in Figure 1:

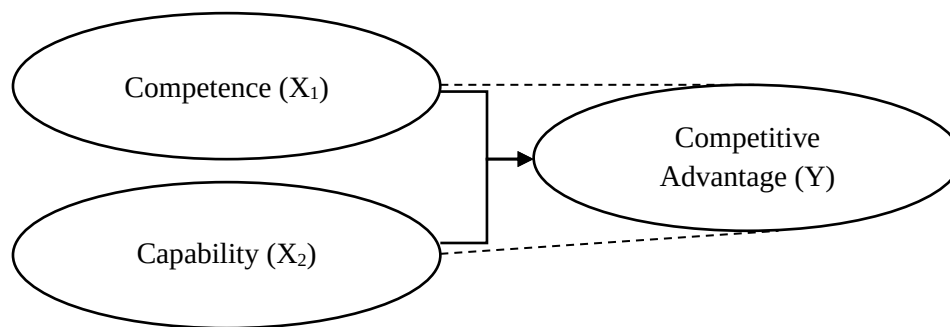


Figure 1: The Conceptual Model

C. RESEARCH METHOD

Location and Research Design

The approach in this study uses quantitative methods. This study explains the effect of competence and capability on competitive advantage. The research object used was all the villas on Tanjung Bira Beach, Bulukumba Regency.

Population or Samples

The population of this study is all villas in Tanjung Bira Beach, Bulukumba district, totaling 68 villas. The sampling technique used was non-probability sampling using Saturated Sampling, namely all members of the population were sampled, considering that the population in this study was relatively small. So the sample used in this study was 68 villa management in Tanjung Bira Beach, Bulukumba Regency.

Data Collection Method

There are various methods of data collection that can be done in a study. The data collection method used in this study is:

1. Observation.

Observation is a complex data collection method because it involves various factors in its implementation.

2. Questionnaire (questionnaire)

Questionnaire is a data collection method that is carried out by giving a set of questions or written statements to respondents to answer. Questionnaires are a more efficient data collection method if the researcher knows for sure the variables to be measured and knows what is expected of the respondents (Sugiyono, 2014: 199).

Data Analysis Method

To determine the magnitude of the influence of the independent variable on the dependent variable, a multiple linear regression equation is used with the following equation:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e \dots\dots\dots(1)$$

Dimana:

- Y : Competitive advantage
- α : Konstanta
- X_1 : Competence
- X_2 : Capability
- β_1, β_2 : Koefisien Regresi
- e : Error

Hypothesis testing was carried out using multiple regression models in the SPSS program. From this model, the t value will be obtained as the estimation parameter, the coefficient of determination (R), and also the regression coefficient for each independent variable. Regression coefficient values (b_1 to b_2) are positive and significant for variables X_1 and X_2 , so hypothesis 1 and hypothesis 2 are supported.

Measurement

This study uses two types of variables, namely exogenous variables and endogenous variables. Exogenous variables in this study are competence and capability. The indicators used to assess competence are taken from several previous studies, namely Pratomo (2015), Nimsith SI et al. (2016). The indicators are as follows:

- a. Proactivity is the ability to take the initiative to act directly in carrying out its activities.
- b. Dare to take risks is the company's ability to take risks to face challenges when making a decision.
- c. Future-oriented is the ability to have a future-oriented perspective/way of thinking.
- d. Having knowledge and skills is having knowledge and skills to improve performance.

The next exogenous variable is competence, the indicators used to assess competence are taken from several previous studies, namely Teguh (2014), Diah (2011), Pratomo (2015) and Yin-Hsi-Lo (2012). The indicators are as follows:

- a. Hearing what the customer wants is the ability to hear and know what the customer wants.
- b. Seeing trends in the market is being able to see the development of trends in the market.
- c. Seeing competitors' weaknesses is the ability to see competitors' weaknesses and take advantage of them to make products that are better than competitors.
- d. Seeing opportunities and threats is the ability to see the company's opportunities and potential threats from competitors.

The endogenous variable in this study is competitive advantage. The indicators used to measure competitive advantage in this study use several indicators used in previous studies from Ana (2013), Farid (2009), John (2015), and Pratomo (2015) are as follows:

- a. Unique is the uniqueness of a product that combines unique artistic artistic values with consumer tastes.
- b. Not easily replaced is the product's ability to not be easily replaced by competing products.
- c. Not easily imitated is that competitors can imitate their products but not as good as the products produced by the imitated company.
- d. Competitive price is the price of a company's products/services that can compete with competitors.

D. EMPIRICAL RESULTS

Descriptive Statistics

	N	Maximum	Minimum	Mean	Std. Deviation
Competence	68	10	50	30.39	9.765
Capability	68	14	38	23.42	5.680
Competitive advantage	68	8	40	24.15	7.622
Valid N	68				

The table above shows that the minimum value of the competency variable is 10 and the maximum is 50, the mean value is 30.39 and the standard deviation is 9.765. The minimum value of the capability variable is 14 and the maximum is 38, the mean value is 23.42 and the standard deviation is 5.680. The minimum competitive advantage variable is 8 and the maximum is 40, the mean value is 24.15 and the standard deviation is 7.622.

Prerequisite Evaluations

Pengujian Normalitas Data

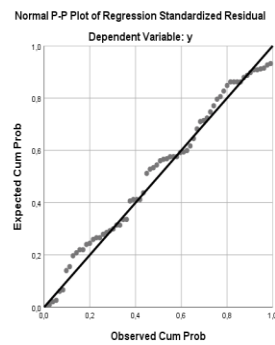


Figure 2: P-P Plot Normality Graph

Figure 2, Graph of Normality P-P Plot, it can be seen that the data is spread around the diagonal line, the distribution is mostly close to the diagonal line. This means that the data is normally distributed.

Testing the hypothesis in this study used multiple linear regression with the help of the SPSS 23 tool. The multiple linear regression analysis consisted of validity and reliability tests as well as hypothesis testing. The results of the validity and reliability are presented in table 2 and table 3.

Tabel 2: Validity Testing

Variabel	Question Items	r-hitung	r-tabel	Kesimpulan
Competence	X _{1.1}	0.211	0.121	Valid
	X _{1.2}	0.423	0.121	Valid
	X _{1.3}	0.222	0.121	Valid
	X _{1.4}	0.450	0.121	Valid
Capability	X _{2.1}	0.561	0.121	Valid
	X _{2.2}	0.970	0.121	Valid
	X _{2.3}	0.921	0.121	Valid
	X _{2.4}	0.420	0.121	Valid
Competitive advantage	Y _{1.1}	0.877	0.121	Valid
	Y _{1.2}	0.711	0.121	Valid
	Y _{1.3}	0.620	0.121	Valid
	Y _{1.4}	0.213	0.121	Valid

Source: Data Processed 2023.

Based on the validity test table for all variables, it shows that the r calculated Pearson correlation for all question items has a value greater than the product moment r table of 0.121. It can be concluded that all indicators used in each variable are declared valid.

Tabel 3: Reliability Testing

Variabel
Cronbach's Alpha
Cut of Value

Kesimpulan			
Variabel	Cronbach's Alpha	Cut of Value	Kesimpulan
Competence	0.721	0.600	Reliabel
Capability	0.680	0.600	Reliabel
Competitive advantage	0.811	0.600	Reliabel

Source: Data Processed 2023.

From the reliability test table above, it can be seen that all the variables used in this study showed the results of the reliability test with the Cronbach's alpha value greater than the standard Cronbach's alpha, which was 0.60. Based on these results, it can be concluded that all variables are declared reliable so that the data can be tested at the next analysis stage.

Results of Multiple Regression Analysis

Tabel 4: Partial Test

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3,103	2,817		2,205	,000
X1	,194	,161	,071	1,584	,002
X2	,235	,139	,205	1,691	,001

a. Dependent Variable: Y

Source: Data Processed 2023

The following is the regression equation formed based on the results of the analysis that has been carried out.

$$Y = 3.103 + 0.194 X_1 + 0.235 X_2$$

Based on the regression equation, the competency and capability variables have a positive regression coefficient. This means that any increase in each of these variables will also result in an increase in competitive advantage.

Then based on the t test table, the competency variable has a t table value of 1,584 and a significance level of $0.002 < 0.05$ and the capability variable has a t table value of 1,691 and a significance level of $0.001 < 0.05$, it can be concluded that these two variables partially have a significant influence on competitive advantage.

Testing Test F (Simultaneous)

The F statistic test basically shows whether all the independent variables included in the model have a simultaneous effect on the dependent variable.

Tabel 5: Uji Simultan

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	17,193	2	8,596	1,580	,004 ^b

Residual	353,557	65	5,439		
Total	370,750	67			

a. Dependent Variable: y

b. Predictors: (Constant), x2, x1

a. Dependent Variable: y

b. Predictors: (Constant), x2, x1

Source: Data Processed 2023

The test results obtained in table 5 above state that the F value is 1,580 with a significance of $0.004 < 0.05$, meaning that H_a is accepted and H_o is rejected, namely competence and capability have a positive and significant effect simultaneously on competitive advantage.

E. DISCUSSION

Competence has a positive and significant effect on competitive advantage. This coefficient shows a significant positive relationship between competence and competitive advantage. The effect of competence on competitive advantage, based on the results of the analysis of the influence of competence on competitive advantage, the value of Sig. t of 0.002 with a beta coefficient of 0.194. Sig. Value t $0.002 < 0.05$ indicates that H_0 is rejected and H_1 is accepted. This result means that competence has a positive and significant effect on competitive advantage. This research is in line with several studies which state that competence has a significant positive effect on competitive advantage (Ismail et al., 2013). Likewise, research (Agha, 2012) and (Nimsith et al., 2016) state that competence has a positive effect on competitive advantage.

Capability has a positive and significant effect on competitive advantage. This coefficient shows a significant positive relationship between capability and competitive advantage. The effect of capability on competitive advantage, based on the results of the analysis of the effect of capability on competitive advantage, the value of Sig. t of 0.00 with a beta coefficient of 0.235. Sig. Value t $0.001 < 0.05$ indicates that H_0 is rejected and H_1 is accepted. This result means that capability has a positive and significant effect on competitive advantage. This research is in line with Budiastuti's research, 2011 which states that capability has a positive effect on competitive advantage. Valuable and rare capabilities will result in a greater competitive advantage than its competitors (Absah, 2008). Capabilities consisting of organizational culture and quality management have a significant positive effect on competitive advantage.

CONCLUSION

Based on the discussion of the results of the research that has been done, from 68 samples of villa owners who were used as respondents in a study on the Effect of Competence and Capability on Competitive Advantage in Villas at Tanjung Bira Beach, Bulukumba Regency, it is known that: 1) Competence has a positive and significant effect on competitive advantage, which means that when competence increases, the competitive advantage also increases and vice versa if the competence decreases, the competitive advantage will decrease. 2) Capability has a positive and significant effect on competitive advantage, which means that when

capability increases, competitive advantage increases and vice versa if capability decreases, competitive advantage decreases.

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