CORPORATE ENTREPRENEURSHIP LEVEL:
A CASE STUDY OF CONTRACTORS IN INDONESIA

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BACKGROUND

Contractors
• Project Based Firms (PBFs)
• Specific business nature
• High competition

Contractors tend to apply a prudent and conventional management style in their business

Entrepreneurship → Business performance

Strategic efforts based on the concept of CE

Existing entrepreneurial characteristics of the company

Assessment Model for CE of contractors
RESEARCH OBJECTIVE

- Assessing entrepreneurial level of contractors
- Case studies contractors in Indonesia
  - Privately owned contractor
  - State owned contractor
CORPORATE ENTREPRENEURSHIP CAPABILITY MODEL (CECM)

- CE Indicators
- Capability Level
- 5 Dimensions: 21 Indicators
  - Initial
  - Repeatable
  - Managed
  - Optimized
THE FIVE DIMENSIONS OF CE AS INDICATORS

- Autonomy
- Competitive Aggressiveness
- Innovativeness
- Proactiveness
- Risk Taking
AUTONOMY

- Autonomy for accessing information
- Autonomy for communication
- Autonomy for proposing suggestions that benefit the projects and company
- Autonomy in planning and managing projects
COMPETITIVE AGGRESSIVENESS

- Acting as problem solver for clients
- Being different compared with competitor
- Building and maintaining client confidence in the company’s trustworthiness and reliability
- Maintaining relationship with clients
- Positioning on markets that are concerned about quality
INNOVATIVENESS

- Carrying out research and development activities
- Challenging staff to be innovative
- Supporting programmes that spark innovation
PROACTIVENESS

- Carrying out marketing activities
- Expanding market segment
- Looking ahead to future demands
- Running business diversification
RISK TAKING

- Risk Taking for Innovation
- Risk taking for selecting clients
- Risk taking on the financial aspects of projects:
  - Risk taking on the social aspects of projects
  - Risk taking on the technical aspects of projects
METHODODOLOGY
Data Analysis
RESPONDENTS BACKGROUND

- **Contractor 1**
  - General Contractor (building specialist)
  - Privately owned
  - Established since 1970
  - 1100 staff (400 engineers)
  - Respondents: 13 (engineers)
    - Positions: director, manager, engineer
    - Education: bachelor, master
    - Experience: 1 to 23 years
RESPONDENTS BACKGROUND

- **Contractor 2**
  - General Contractor
  - State-owned
  - Established since 1961
  - 1077 staff (817 engineers)
  - 30 branch-offices (Indonesia and overseas)
  - Respondents: 13 (engineers)
    - Positions: general manager, project manager, site manager
    - Education: bachelor, master
    - Experience: 3 to 26 years
RESEARCH FINDING

- Capability Level of Contractor 1
RESEARCH FINDING

- Capability Level of Contractor 2
DISCUSSIONS & CONCLUSIONS

Capability level of both contractors: between 3 (managed) and 4 (optimized)
DISCUSSIONS & CONCLUSIONS

Lowest level: risk-taking (both contractors), two issues can be considered as a background for this finding

1. Contractors run very high-risk businesses, the failure of their business can result in commercial fatality such as bankruptcy
2. The participants in these case studies are well established contractors therefore risk taking is not their concern
DISCUSSIONS & CONCLUSIONS

- Each contractor concentrate on a different strategy to run the business
- The strategies are influenced by business circumstances, business aims and objectives
Thank You