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INCONSISTENCY AND AMBIGUITY IN ACHIEVING SUSTAINED COMPETITIVE ADVANTAGE

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ABSTRACT

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The television industry often experiences imitation. A commercial television station in the Indonesian television industry, Trans Media, experienced imitation of its program, technologies, and human resources. In the case of Trans Media, the imitation does not affect its sustained competitive advantage. It is not clear to competitors which resources generate sustained competitive advantage. Ambiguity is at the heart of this difficulty. In this study, we examine how an organization's strategies create ambiguity and achieve sustained competitive advantage in the middle of imitation efforts by competitors. We propose a Z-Model of inconsistency in creating ambiguity and achieving sustained competitive advantage. The academic and managerial implications are further discussed in this study.

Keywords: Causal ambiguity, inimitability, inconsistency; television industry in Indonesia

INTRODUCTION

Television industry often experiences imitation. The program of a successful television station with a high rating is often imitated by other television stations. "Commercially successful programs are often imitated or adapted." (Singh, 2008: 1). Trans Media, television station group of Trans TV and Trans 7 in Indonesia, experienced imitation (Commissioner Trans TV and Trans 7, 2014). Programs with high rating are imitated by competitors, such as My Trip My Adventure (Head of Production Trans TV, 2014). The easiest way to imitate is by hijacking its human resources (Drohan, Foley, & Linch, 2010; Rose, Abdullah, & Ismad, 2010). Trans Media recruited its human resources from fresh graduates. Their creativities are shaped and developed through inhouse production, of which 67% Trans Media's programs are produced in-house, such as Extravaganza, Ketawa Ala Trans TV, Prime Time, Sketches, and Phenomena (Retno, 2015). Approximately 1.500 of Trans Media's human resources have moved to other television stations from 1998 to 2014. The average number of hijacking was 100 employees per year. In 2013 about 200 human resources "migrated" to other television stations from top management level and followed by the staffs (bisniskeuangan.kompas.com, 2013).

Imitation efforts by competitors can be hindered if organizational resources have characteristics of inimitability (Barney, 1991; Andersen et al., 2016). The importance of

inimitability is stated by King & Zeithaml (2001), "Inimitability is a lynchpin of resource-based theory and central to understanding the sustainability of competitive advantage.". Inimitability occurs when competitors cannot obtain resources owned by successful organization. Organization's resources can be inimitable because of one or a combination of the following three things: unique historical conditions, socially complex, and causal ambiguity (Barney, 1991).

Causal ambiguity (ambiguity) is an important source that limits the imitation efforts by competitors (Barney, 1991; King, 2007; Powell, Lovallo, and Caringal, 2006; King and Zeithaml, 2001; Reed and DeFillippi, 1990). Competitors cannot know the causes of organization's efficiency and effectiveness, so that competitors cannot know what to imitate (Chen & Chang, 2011; Rumelt, 1987). Ambiguity occurs "When the link between a firm's resources and its sustained competitive advantage are poorly understood, it is difficult for firms that are attempting to duplicate a successful firm's strategies through imitation of its resources to know which resources it should imitate." (Barney, 1991: 109). The higher the level of ambiguity, the higher the level of barriers to imitation. The higher the level of barriers to imitation achieve sustainable competitive advantage (Reed & DeFillippi, 1990).

However, there are negative effects on sustainable competitive advantage that comes from imitation efforts through human resources hijacking (Gabler, 1995; Schatz, 2007). In case of Trans Media, there are no effect on sustainable competitive advantage. Trans Media's rating and financial performance is relatively high and stable compared to other television stations (see **Figure 1**). The sustainable competitive advantage of Trans Media after experiencing various imitation efforts is ambiguity phenomenon that interesting to be examined. In this study, we examined how organization's strategies in the middle of imitation efforts by competitor, create ambiguity and achieve sustained competitive advantage?



Figure 1 Group market share year 2001-2014 (31st July)

Inimitability

Resource-Based View (RBV) describes relationships between organization's resources and sustained competitive advantage (Barney, 1991). There are four attributes so that organization's resources can be the source of sustained competitive advantage: valuable, rare, imperfectly imitable, and nonsubstitutability (VRIN). Valuable and inimitability are important element because it is a prerequisite for two other attributes to achieve sustainable competitive advantage (Hoopes, Madsen, & Walker; 2003). Inimitability is a central attribute to protect an organization from imitation efforts by competitors because valuable organization's resources cannot lead the organization to achieve sustainable competitive advantage if it can be imitated by competitors (Barney, 1991). Organization's resources can be inimitable because of one or a combination of the following three things: unique historical conditions, socially complex, and causal ambiguity (Barney, 1991).

Ambiguity

Causally ambiguous (ambiguity) occurs when the relationship between organization's resources and sustainable competitive advantage cannot be understood or imperfectly understood (Barney, 1991). It is often difficult to understand why an organization still has superior performance and continues to achieve competitive advantage compared to other organizations. Poor understanding of the relationship between organizationa's resources and sustainable competitive advantage results in competitors cannot know which resources support sustainable competitive advantage. This creates difficulties for competitors to duplicate the strategies and resources of focal organizations (Reed & DeFillippi, 1990). The higher the level of barriers to imitation. The higher the level of barriers to imitation, the organization achieve sustainable competitive advantage (Reed & DeFillippi, 1990).

King (2007) developed model that partitions ambiguity based on organization boundaries: interfirm and intrafirm ambiguity. Interfirm ambiguity is ambiguity among competitors. Interfirm ambiguity causes competitor's failure to duplicate focal organization's strategies and resources. Interfirm ambiguity impacts organisation's competitive advantage positively (King, 2007). Intrafirm ambiguity is ambiguity among focal organization's decision makers. Intrafirm ambiguity causes employee's failure to understand the link between organization's resources and competitive advantage. Intrafirm ambiguity impacts organisation's competitive advantage negatively (King, 2007).

METHOD

Place and Time of Research

We conducted qualitative inductive theory building, single case study (Eisenhardt, 1989; Siggelkow, 2007; Gioia, Corley, and Hamilton, 2012). A commercial television station in Indonesia, Trans Media (with Trans TV and Trans 7 as its business units) served as our case study. Trans Media experienced imitation of its program, technologies, and human resources. In case of Trans Media, the imitation has no effect on sustainable competitive advantage. Trans Media's rating and financial performance is relatively high and stable compared to other television stations. The research is conducted for the time period from 1998 to 2014.

Method Data Collection

We gathered data from several methods: (1) in-depth interview, (2) observation, and (3) searching archive documents. In-depth interviews were conducted with 10 informants: 2 informants from competitors and 8 informants from Trans Media. The Commissioners and Directors of Trans Media were the key informants. The duration of each in-depth interviews is about 45-90 minutes. The interviews were in Indonesian then recorded and transcribed. In-depth interviews with the decision makers of competitors were conducted to identify the occurrence of ambiguity. In-depth interviews with Trans Media's top and middle management were conducted to discovery the organization's strategies creating ambiguity in the middle of imitation efforts.

Data Analysis

We began our analysis by identify the occurrence of ambiguity and then discovering the organization's strategies creating ambiguity. We applied open coding, axial coding, and selective coding (Pandit, 1996; Corbin and Strauss, 1990; Gioia et al., 2012) using NVivo 12 Plus. First, we engaged in open coding to identify relevant concepts of data then grouped them into categories. Second, the coding was continued in axial coding to develop the relationship between category and its subcategory (Corbin and Strauss, 1990). Third, the concepts and categories were linked to the main categories using selective coding (Corbin and Strauss, 1990) to develop a model of competitive strategies in creating ambiguity and achieving sustained competitive advantage. The concepts and categories with their relationships were compared with the concepts and categories that exist in the literatures. We allowed new concepts and categories that do not exist in the literature to emerge. The analysis ended when saturation occured (Eisenhardt, 1989).

Trustworthiness

We employed some techniques to ensure that our analysis is met the four criteria of trustworthiness: credibility, transferability, dependability, and confirmability (Shah and Corley, 2006). To maintain credibility, we used 3 types of triangulations: method, data sources, and theory. To maintain transferability, the emerging concepts and categories were exported to spreadsheet files (Shah and Corley, 2006). To maintain dependability, we collected data until it reached saturation condition (Shah and Corley, 2006). To maintain confirmability, the entire interviews were noted in field notes, recorded, and transcribed to avoid bias of the researcher (Shah and Corley, 2006).

RESULTS AND DISCUSSION

Figure 2 shows the data structure for our findings. It portrays the four main dimensions that emerged from our analysis, as well as their constituent second-order themes, and the first-order concepts that led to the formation of these themes. The four emergent dimensions comprise rejuvenation, innovation, creativity, and inconsistency. **Table 1** provides representative supporting data for each second-order theme.





2 nd Order Themes	Representative 1 st Order Data (Translated from Indonesian)
a. Revitalize the working spirit	" And the human resources structure Dimaintance, polished, reviewed like that, because even though how that age affects it too he is militant when he is young, once he is in the head of five, his militancy is gone"
b. Regenerate the old people	" there must be regeneration, so it will always be pumped by young people, like that. Come on in, because if it's broken, then it won't work"
c. Replace existing human resources	" The company got S-Curve too. So starting from being built, developing, until he merged, so, the new S-Curve must be built again. Now the new S-Curve is not possible with the same human resources "
	" people 2 years 3 years old then people are hijacked, go away Oh we deliberately, because we imagine that the name of a creative person must be constantly replaced, so"
d. Recruit contemporary young people	" take young people who are still fresh"
	" the present child is the one we are looking for I mean why nowadays, what is the present is the children right now who knows the show"
	" we also recruit fresh graduates as well, right"
e. Finding new methods	" the tukul program will generate 400-500 million so what if you see that it can see gold junk, it can become gold, how come the wreckage tent can be used"
	" no need for the studio to be soundproof now that the interactive show with the audience is awesome"
f. Finding new references	" the production team didn't get tired of it to expand my horizons, broaden the horizons of looking for new reference references ee, try to create new ideas"
g. Applying new technologies	" we are technology. Actually, maybe the camera is a normal drone it hasn't been used in any program. Finally, when we started using it on my trip, my adventure was already an icon we haven't used it yet"
h. Create new original ideas	" we are really looking for something new that is fresh that no one else has thought of, we come up"
i. Create various new prime programs at low cost	" supported by our in-house, so, as time goes by now our flagship is in Islam it's beautiful it's inspiring, educating, but still entertainment, so then we also have the good eemm Dewi Sandra's diary continues our new programs, everybody's superstar, it's also good, trendy is good, like that if it's on Trans 7, it's like a program that educates the trail of educations and the langter fishing meric heads and white on the good earth
	adventurers, the ball, the laptop, fishing mania, black and white, on the spot people say it's low budget, but it's expensive Creativity. Thus it's the power in creative everyone says it's cheap, but not everyone is given the cheap cost can work "
j. Create iconic program	" if you say the people who take this television are not too creative or anything, there is no such thing as the one whose flagship program or locomotive program is not there"
	" we are technology the drone we started using it on my trip my adventure has become an icon"
k. Create trends	"yes it did, Trans TV is a trendsetter"
	" if Trans TV is now, actually, Trans TV is that if the market is still very strong with its perception of young people, uniqueness, trendy, yeah"
	" why creative should be young because all ideas are owned by young people, creativity, that's why those who follow their trends that make trends like, for example, television, are good, when television is always young, what is first, what is first? Is that right "
	" one of the examples that has become a trendsetter is technology the drone it's never been used in any program"

Table 1 Representative supporting data for each 2nd order theme

2 nd Order Themes	Representative 1 st Order Data (Translated from Indonesian)
 Create new sales method that not in the same way 	" as long as we are on the track, because I am sure that RCTI, SCTV, Indosiar will enter our tracks like number 1 tv number 2, number 3, if I enter this rail I can go down, it doesn't necessarily go up I have to maintain the consistency of my program, but from the sales side, the way to sell it is definitely no competition, surely it can't be maintained with TV number 1 number 3 number 3"
m. Create new but not the same Trans TV	" Yeah, so if we make a trans tv, people do another trans TV-trans TV, transfer the name That, yes we have to make another TV trans, this is the creative industry"

Ambiguity

In the middle of imitation efforts by competitor, organization executes strategies to achieve sustained competitive advantage. These strategies create ambiguity among competitors. The occurrence of ambiguity is indicated by the different understanding among competitors about the contribution of focal organization's resources to its sustained competitive advantage (King and Zeithaml, 2001). Some competitors believe that focal organization's resources that contributes to its sustained competitive advantage are organizational resources (i.e. brand and in-house production). "... in my opinion the brand is strong. One of Trans TV's advantage is its strong brand... the production is strong ...". The other competitors believe that focal organization's resources (i.e. technology). "... we are very impressed with Trans Media, it was built, as if all of them were ready, they prepared the technology, which at that time up to the next few years was ready, so the technology was so advanced, so advanced ...". The other competitive advantage are human resources (i.e. creativity). "It's amazing, that creativity is extraordinary...".

Dimension 1: Rejuvenation

The occurrence of ambiguity among competitors is the outcomes of focal organization's strategies to achieve sustained competitive advantage in the middle of imitation efforts. These strategies are initiated with rejuvenation. Organization restores its human resources to a condition characteristic of young. Four actions involved in rejuvenation: revitalize the working spirit, regenerate the old people, replace existing human resources, and recruit contemporary young people.

Revitalize the working spirit (a). The working spirit of human resources need to be maintained, improved, and reviewed. The spirit of employee can fade over time. The employee who used to worked enthusiastically when he was young, after a long time his enthusiasm might be reduced as he got older.

Regenerate the old people (b). The old people in the organization should be renewed. The renew process is drived by the new employee (young people).

Replace existing human resources (c). Developing the organization is not possible with the same human resources. The existing human resources need to be replaced continuously to obtain new idea and creation.

Recruit contemporary young people (d). Competition in the television industry requires a constant and continuous creativity in producing entertaining and inspiring programs. Employees who have continuous creativity and able to understand the needs of organization's market are fresh graduate that have current knowledge. The organization recruited its human resources from contemporary young people.

Dimension 2: Innovation

Rejuvenation drives the process of innovation. To achieve sustained competitive advantage in the middle of imitation efforts, organization should make changes in its program by introducing new methods, ideas, or technologies. Three actions involved in innovation: finding new methods, finding new references, and applying new technologies.

Finding new methods (e). Organization apply used material and equipment to produce programs, such as "Bukan Empat Mata". Although the programs are produced using used material, they generate high revenue.

Finding new references (f). The production team always broaden their insight by searching for newly references to create innovatie programs.

Applying new technologies (g). Organization apply new technology that have not been used by others television stations to create programs. The new camera, drone, is used to create programs of My Trip My Adventure.

Dimension 3: Creativity

Innovative programs with high rating are often imitated by competitors. To achieve sustained competitive advantage in the middle of imitation efforts, the process of innovation should be followed-up by creativity. Human resources in the organization invent original ideas to create new and iconic programs. Four actions involved in creativity: create new original ideas, create various new prime programs at low cost, create iconic program, and create trends.

Create new original ideas (h). The production team always searches for freshly ideas that are not yet discovered.

Create various new prime programs at low cost (i). The organization creates various new prime programs by utilizing the creativity of human resources at in-house production so that the cost can be managed efficiently. Programs such as "Catatan Harian Dewi Sandra", "Everybody Superstar", "Jejak Petualang", "Si Bolang", "Laptop si Unyil", "Mancing Mania, "Hitam Putih", and "On the Spot" are created at low budget.

Create iconic program (j). People can create iconic program such as My Trip My Adventure because they have creativity.

Create trends (k). Trans TV is trend setter. Trans TV's human resources are young people that have the ability to create trend before the others television station.

Dimension 4: Inconsistency

The original ideas and new iconic programs resulting from the process of creativity are not the same with previous. The organization do something not in the same way over time or at variance with former behaviour to achieve sustained competitive advantage. This inconsistency can impede the imitation efforts by competitors. Inconsistency make competitors difficult to understand and duplicate the focal organization's strategies. Two actions involved in inconsistency: create new sales method that not in the same way and create new but not the same Trans TV.

Create new sales method that not in the same way (l). Organization create the new sales method that are not the same as previously method to impede imitation efforts by competitors.

Create new but not the same Trans TV (m). Organization create the new Trans TV that are not the same as previously Trans TV to impede imitation efforts by competitors.

A Grounded Theory Model of Competitive Strategies in Creating Ambiguity and Achieving Sustained Competitive Advantage

Figure 3 displays the dynamic relationships among dimensions (rejuvenation, innovation, creativity, inconsistency) emerged from this study. Rejuvenation and creativity are executed in the internal organization (human resources and in-house production). Innovation and inconsistency are related with output to the external organization. Rejuvenation and innovation are not unique. Competitors can duplicate rejuvenation and innovation strategies of focal organization. Creativity and inconsistency are unique. They make competitors difficult to duplicate the focal organization's strategies.

Dynamic relationships among the four dimensions are the basis for a grounded theory of competitive strategies in creating ambiguity and achieving sustained competitive advantage. In the middle of imitation efforts by competitor, organization executes strategies that create ambiguity among competitors to achieve sustained competitive advantage. These strategies are initiated with rejuvenation. Rejuvenation drives the process of innovation. The process of innovation should be followed up by creativity. The ideas resulting from the process of creativity lead to inconsistency. This inconsistency creates ambiguity among competitors.



Figure 3 Z-model of competitive strategies in creating ambiguity and achieving sustained competitive advantage

CONCLUSION

In the middle of imitation efforts by competitors, organization achieves sustained competitive advantage through strategy of inconsistency. This inconsistency creates ambiguity among competitors. Ambiguity creates difficulties for competitors to duplicate the strategies and resources of focal organizations. The higher the level of ambiguity, the higher the level of barriers to imitation. The higher the level of barriers to imitation, focal organization achieve sustained competitive advantage. The implementation of inconsistency should be initiated by rejuvenation, innovation, and creativity. Therefore, we offer the following:

Proposition 1. In the middle of imitation efforts by competitors, organization achieves sustained competitive advantage through strategy of inconsistency that creating ambiguity among competitors.

Proposition 2. In the middle of imitation efforts by competitors, the implementation of inconsistency strategy should be initiated by rejuvenation, innovation, and creativity.

Theoretical Implications

This study provides a model of rejuvenation, innovation, creativity, and inconsistency in creating ambiguity and achieving sustained competitive advantage. This model extends the concept of RBV (Barney, 1991). Prior works have not produced a comprehensive portrayal of strategies creating causal ambiguity. Causal ambiguity is an important element to achieve sustainable competitive advantage.

Practical Implications

This research contributed interesting implications for business practitioners. Causal ambiguity is source for achieving sustainable competitive advantage (Barney, 1991). Causal ambiguity is created through strategy of inconsistency. Business practitioners should do something not in the same way over time or at variance with former behaviour to achieve sustained competitive advantage.

Limitations and Future Research Directions

First, this research focuses on the television industry in Indonesia. Further research is required by involving different organizations and industries to compare strategies in creating causal ambiguity and achieving sustained competitive advantage. Second, the propositions proposed can be used as a starting point for empirically testable hypotheses in subsequent studies. Further research can quantitatively focus on each strategy in creating causal ambiguity.

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