

The effect of Competitive Strategy and Total Quality Management (TQM) to the Project Management of Continuous Improvement at PT Riau Prima Energi, Division of Power Generating RAPP

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Abstract

The purpose of this study was to explore the relationship between competitive strategy, total quality management (TQM), and the continuous improvement of project management on PT Riau Prima Energi in the Power Plant industry in the City of Pangkalan Kerinci of Pelalawan District. PT. Riau Prima Energi. This research explains "Differentiation Strategy" has stronger influenced toward TQM elements rather than "Cost Leadership Strategy". This study also find that no direct relationship between Differentiation Strategy and employee relations to make project management of continual improvement successful. Tcompany need to pay attention on aspects such of employee empowerment, reward and compensation system, as well as open communication, accompanied by a comprehensive training system to achieve good performance of continual improvement of project management.

Keywords: Value Creation, Competitive Strategy, Total Quality Management, Project Management

Introduction

PT Riau Andalan Pulp & Paper (RAPP), which is one of the largest pulp and paper company in Indonesia, attempts to develop the business by improving the quality, the efficiency, and the productivity, through the implementation of Total Quality Management (TQM).

In the business strategy, PT Riau Prima Energi, which is the division of power generating in RAPP, has implemented a number of improvement projects on an ongoing basis in order to improve the efficiency and the optimization of the company's resources. Project target is to measure the amount of the actual achievement of the annual value creation. Value creation definition by Mekinnon, Gowland & Worzel (2005) is a transformation of the creativity and the innovation through the discovery or the development in producing products / services in companies. The competitive advantage can be achieved with the creation of the value by companies (Spulber, 2007). The Division of Power Generating of PT Riau Prima Energi conduct

some projects to improve the management during the period 2014 and 2015 Energi.

This study is thereplication and subsequent modification of Jung (2009). That the competitive strategy does not directly affect the performance of the project management Continuous Improvement (CIPM), but affects through mediation TQM practices (Jung 2009). The limitations of the study are included on the use of five variables TQM variables, such as leadership, employee relations, product management, process management, customer / supplier relations, all of which comes from the quality framework MBNQA (The Malcolm Baldrige National Quality Award). Although the variables are strong enough and represent the dimensions of TQM, due to the multi-dimensional nature of the practice of TQM then these studies recommended to be investigated further aspects of technology information through the use of quality information that is structured, the use of automation distribution data of the applied techniques of statistical quality control (SQC), and

the application of quality data online during the operation.

improvement of project management on PT Riau Prima Energi.

Research Purposes and Framework

The purpose of this study was to explore the relationship between competitive strategy, total quality management (TQM), and the continuous

Riau Prima EnergiRiau Prima Energi

Research Methods

The following figure shows the research model as the contingency model.

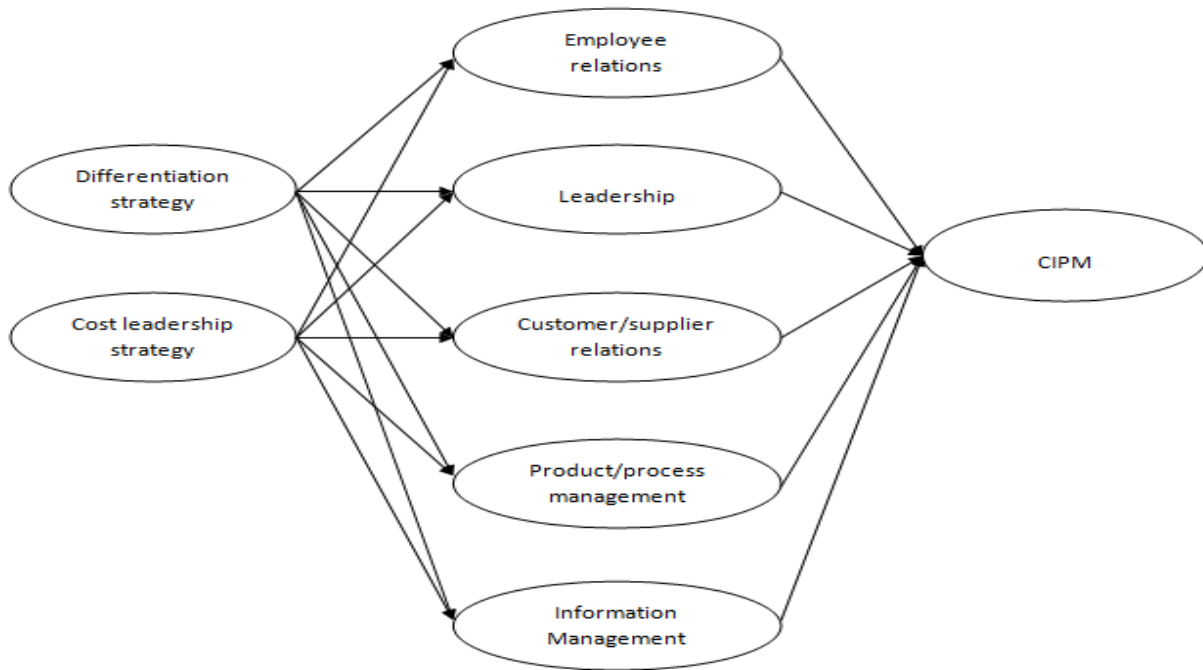


Figure1: Hypothesized conceptual framework of the relationships between competitive strategy, TQM practice and Continuous Improvement in project management performance

The study was conducted at PT Riau Prima Energi, power generation company to the operational needs by PT RAPP. We interview to 156 employees with middle-up level management in PT Riau Prima Energi. PT Riau Prima Energi Data was processed by applications in tracking LISREL structural relations (Joreskog and Sorbom, 1993).It could also check the validity and reliability of the instrument, test the relationship model between the latent variables (path analysis or analysis of lines), and get a useful model to estimate (equivalent to the structural model or regression analysis). In this study, construct validity was evaluated in two aspects:

- a. Factor loadings with the high significant t-values can be a good indicator of the construct validity.
- b. High value R² indicates the good constructs validity (Anderson and Gerbing, 1988; Joreskog and Sorbom, 1993).

Research Results

Test Confirmatory Factor Analysis (CFA) and Value Loading Indicator

Based on the test results of the CFA on the each variable indicator, the value of the loading indicator is presented on tabel.1

Table 1. The results of the CFA on the each variable indicator

Variabel	Indikator	Loading Factor	Validitas
Diferentiation	D1	0.72	Valid
	D2	0.88	Valid
	D3	0.65	Valid
Cost	B1	0.74	Valid
	B2	0.75	Valid
	B3	0.74	Valid
Employee	E1	0.65	Valid
	E2	0.77	Valid
	E3	0.93	Valid
	E4	0.80	Valid
Leadership	L1	0.72	Valid
	L2	0.69	Valid
	L3	0.74	Valid
Customer	CS1	0.75	Valid
	CS2	0.71	Valid
	CS3	0.69	Valid
	CS4	0.82	Valid
Product	PP1	0.69	Valid
	PP2	0.81	Valid
	PP3	0.66	Valid
	PP4	0.76	Valid
Information	IFA1	0.70	Valid
	IFA2	0.72	Valid
	IFA3	0.78	Valid
	IFA4	0.78	Valid
Continuous	CI1	0.60	Valid
	CI2	0.81	Valid
	CI3	0.75	Valid
	CI4	0.71	Valid

Validity and Reliability Testing

From the calculation results, it can be summed up that all the Construct Reliability (CR) has a value above 0.70. That means

all latent constructs show good reliability. The test results of variance extracted (VE) and more reliability is presented in the table 2.

Table 2. The Results of Validity and Reliability

No	Variables	Variance Extracted (AVE)	Construct Reliability (CR)
1	Differenciation	0.572	0.798
2	Cost leadership	0.558	0.787
3	Employee relation	0.630	0.872
4	Leadersip	0.514	0.760
5	Customer	0.554	0.832
6	Product/Process	0.536	0.821
7	Information	0.556	0.833
8	Continuous Imp	0.521	0.811

The table2 showsthat the highest score of variance extracted is 0.630 in Employee variable and the lowest is 0.514 in Leadership variables. While the value of the highest reliability construct Employee variables is0.872 and the lowest is0.760 ofLeadership variables. Because the value of construct reliability gained> 0.7 and variance extracted values> 0.5, all the variable indicators is declared valid and reliable in forming lateen variable.

Normality Test Data

Results of univariate normality test for the indicators show a normal distribution for all the indicators that have a Z score value kurtosis under ± 2, 58.

Results of multivariate normality test provide Multivariate Relative value of kurtosis 1174. Because the value is less than 2:58, in multivariate it couldbe concluded that the indicators used normally distributed variables. The Multicolinearity test results show that the highest correlation occurs between Different Variables with Product in 0.86. Because of the correlation between the highest variable 0.86 less than 0.9, it can be concluded that the model does not happen multicollinearity.

Structural Model Testing

Table 3 shows the results of the evaluate the value of goodness structural models.

Table3.Goodness of fit Index Model Struktural

Goodness of Fit Statistics	Standard	Model Result	Criteria Kriteria
X ² /df	<2	710.50/361= 1.968	Good fit
NNFI; NFI	>0.9	0.93; 0.96	Good fit
CFI; IFI;RFI	>0.9	0.96; 0.96;0.92	Good fit
RMSEA	<0.08	0.079	Good fit
GFI; AGFI	>0.9	0.76; 0.71	Poor fit

In The model estimation results indicate that the chi-square value of 710.50 and the value of degree of freedom (df) amounting to 361. The chi-square value stated are still quite high and the value cmin / df is equal to 710.50 / 361 = 1968 meets the criteria fit the model because it is smaller than 2. the value of 0.079 RMSEA smaller than 0:08 indicates that the model is good. GFI and AGFI value that remains below 0.90 indicate poor fit fitness model that is less than excellent. But good fit other criteria, namely NFI, NNFI, CFI, IFI and

RFI greater than 0.90 indicates that the model is good. Thereforeoverall the model declared to be good. No need to modify the model and the model can be analyzed.

Path Analysis Model Diagram

From the test results,it can be obtained the path model diagram based on estimation parameters (coefficients) model that can explain the relationship of the structural model.

Figure2 Standardized Full Model Structural Model Path Diagram

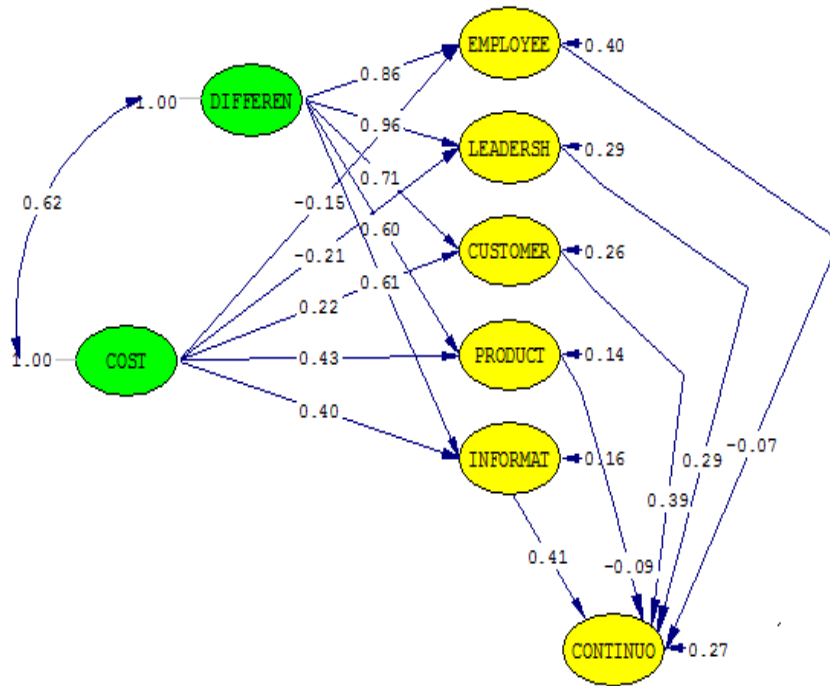


Figure 3 Full Model Structural – Model Path Diagram

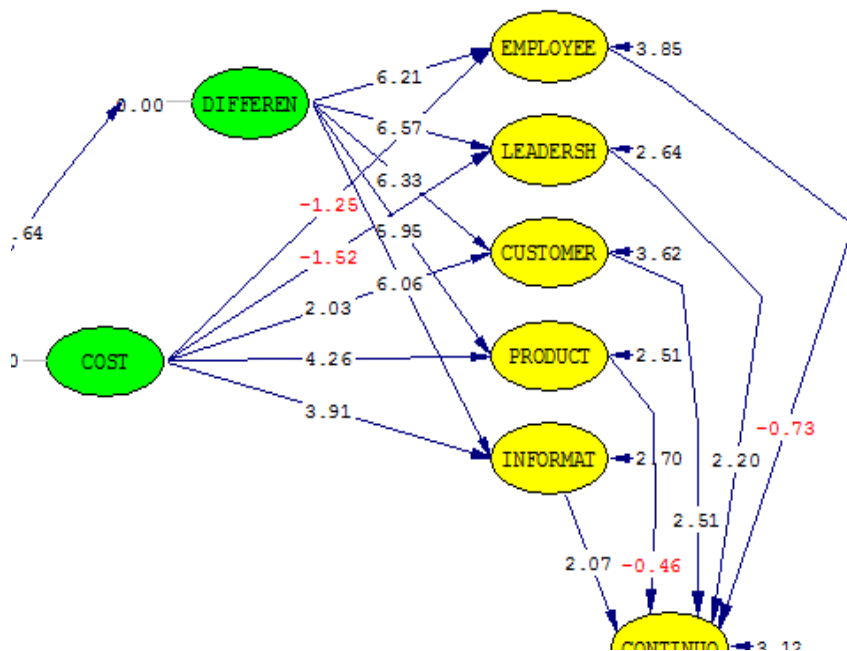


Table 4. Hypothesis Testing Result

Path Hypothesis	Loading/ CoeffRegresi	Value – t values	Conclusion	Result
H1.Diff→ Employ	0.86	6.21	Significant	H1 Accepted
H2. Diff → Lead	0.96	6.57	Significant	H2 Accepted
H3. Diff→ Cust	0.71	6.33	Significant	H3 Accepted
H4. Diff → Prod	0.60	6.95	Significant	H4 Accepted
H5. Diff → Info	0.61	6.06	Significant	H5 Accepted
H6. Cost→ Employ	-0.15	-1.25	No Significant	<i>H6 Rejected</i>
H7. Cost → Lead	-0.21	-1.52	No Significant	<i>H7 Rejected</i>
H8. Cost→ Cust	0.22	2.03	Significant	H8 Accepted
H9. Cost→ Prod	0.43	4.26	Significant	H9 Accepted
H10. Cost → Info	0.40	3.91	Significant	H10 Accepted
H11.Empl→ Cont	-0.07	-0.73	No Significant	<i>H11 Rejected</i>
H12.Lead→ Cont	0.29	2.20	Significant	H12 Accepted
H13.Cust→ Cont	0.39	2.51	Significant	H13 Accepted
H14.Prod→ Cont	-0.09	-0.46	No Significant	<i>H14 Rejected</i>
H15.Info→ Cont	0.41	2.07	Significant	H15 Accepted

Discussion

Effect of Differentiation Strategy against Employee Relations

Differential strategy and significant positive effect on employee relations. This means that PT Riau Prima Energi is able to gain a competitive advantage with the creation of employee relations as well have a good working climate so that they can hire and train the employee. In this case there are six) characteristics that indicates personnel employees of PT Riau Prima EnergiENERGIwastrained, the ability of personnel, courtesy, credibility, reliable, fast response and communication. One that has been and still doing by PT Riau Prima EnergiENERGI is to do the assessment and development programs on a number of levels of employees through the “Program APRIL Leader” and Executive License Program (ELP) to prepare the future leaders of the early

candidates for the company in the future. In addition, at the level of operators and technicians, PT Riau Prima EnergiENERGI also performs program “Driving License” (DLP), which aims to determine the strength that is in the employees’ of this and find a gap that can later be repaired improvement for skills upgrading both soft competence and hard competence.

Effect Differentiation Strategy against Leadership

The differential strategy positively and significantly impacts on the leadership. This means the differentiation strategy, the leadership of the PT Riau Prima Energi has been able to create the unique attributes and characteristics of the product company providing electrical energi to deliver value to customers. Patterns of leadership in PTRiau Prima EnergiENERGI through differentiation strategy focusing on investment and development characteristics of

PT Riau Prima EnergiENERGI as a producer of electrical energi the only one in the district Pelalawan continuously. The leadership at PT Riau Prima EnergiENERGI also focuses on investment and development of continuous traits, which distinguishes the quality of electric energi supply services to customers. The leadership at PT Riau Prima EnergiENERGI also aware that a product can differentiate in an infinite number of ways.

Effect of Differentiation Strategy against Customer / Supplier

The differential strategy positively and significantly impacts on the Customer / Supplier relations. This means that PT Riau Prima Energi has made a major difference to its customer service through easy ordering, shipping, installatiing, maintening and repairing of electrical networks, especially in the area of industry and the town of PangkalanKerinci through cooperating with PT PLN Indonesia. Then the company has also been able to achieve competitive advantage by designing a distribution channel, especially concerning the reach, the expertise, and the performance of these channels. In differentiating the channel, the company has been able to carry out a strategy based on the exclusive, the selective, and the intensive distribution.

Effect of Differentiation Strategy against Product Management

The differential strategy positively and significantly impacts on product management. the company has done the electrical energi product differentiation based on the features, the quality performance, the quality conformance, the durability, and the reliability and the distribution channels. PT Riau Prima EnergiENERGIawares that the availability of the electricity is an integral part of life for this moment.energienergi
energiEnergienergi

Effect of Differentiation Strategy against Information and Analysis

The differential strategy has positively and significantly impacts on Information and Analysis. EnergiSome of the information system applications already use to support activities such as SAP R / 3 for FICO (Financial Controlling), SD (Sales & Distribution), MMPP (Materials Management, Production Planning), HR (Human Resources), and Plant information (OSI SOFT) to information management system as well as the production of ABB 800xA system. It is also used to support the automation system services and transaction data both inside the company and out of companies to improve the effectiveness of the company.

Effect of Cost Leadership Strategy against Employee Relations

Cost leadership strategy in general hasa tendency of creating a low-cost component, especially in the management of the workforce. This study findto be positive and not significant to employee relations. This means that PT Riau Prima Energi clearly recognizethat the employees are the most valuable assets for the management. The system of compensation and rewards competitive for its employees is the efforts to increase the loyalty and motivation of employees at PT Riau Prima Energi.

Effect of Cost Leadership Strategy against Leadership

Cost leadership strategy have a tendency of creating a low-cost component if it is associated with a pattern of leadership in PT Riau Prima Energi. It is found that no significant association / no positive effect by the pattern of leadership. PT Riau Prima EnergiThe leader of the PT Riau Prima Energi is a strategist who ensures that the organization's objectives would be achieved. In this case with the swift social change, their technological innovations and increased competition make PT Riau Prima EnergiRIAU PRIMA ENERGIas high technology-based industries.

Effect of Cost Leadership Strategy against Customer / Supplier

This study find that cost leadership strategy has significant positive effect on customer / supplier. This means that in addition to the quality of service to customers, PT Riau Prima Energi continue to build and maintain the long-term relationships with the customer by providing a valuable service. The company also makes automation of business processes so that all business processes under control, good customer service, customer satisfaction and remuneration. The Company are also using ERP applications to monitor the production on the real-time. Correlation with the supplier, PT Riau Prima Energi RIAU PRIMA ENERGI tries to keep the costs as efficient as can be. This value chain will be maintained to minimize the cost with high productivity and production costs are lower than other competitors.

Effect of Cost Leadership Strategy against Product Management

Cost leadership strategy has significant positive effects on the Product Management. This means that PT Riau Prima Energi focuses on giving the competitive selling price of the products with the lower cost of the production. There are several aspects applied in PT Riau Prima Energi ENERGI for the successful implementation of this strategy such as the skills of process engineering, products are designed for ease of manufacturing focused on labor, cost control, incentive based on quantitative targets, costs stored is at a minimum level. At the core to execute this strategy PT Riau Prima Energi ENERGI has built a value chain of products offered from upstream to downstream in a most efficient business processes. Most significant contributors to the efficiency of the production of biomass fuels is the operation of the chemical Boiler which reprocess energy from the waste black liquor, the liquid product of the pulping process, and convert it into energy equivalent to 390MW per year in an effort to reduce dependence on combustion process using fossil fuels / petroleum.

Effect of Cost Leadership Strategy against Information & Analysis

Cost leadership strategy and significant positively effect on the Information and Analysis. This means that PT Riau Prima Energi through the implementation of supply chain systems that effectively and efficiently supported by infrastructure and sophisticated information technology to reduce the cost of production and operation, as well as advances in technology and information help the company reduce production costs,

Results of confirmatory factor analysis system variable Information and Analysis show that the indicators of reliability and accuracy becomes the biggest factor. Surely it proves the commitment of PT Riau Prima Energi as a power generating company to use a system of integrated information technology in order to anticipate the increasing complexity of the management, the influence of the international economy, as well as the need for the faster response, as well as business competition

Effect of Employee Relations to Project Management Continuous Improvement

it is found that the employee relations are not correlated significantly / no positive effect on the success of the project management Continuous Improvement. This study finds no significant relationship between the variables of employee relations to successful project management continuous improvement. There are some things that need to be done by the company to improve the performance and the productivity of employees especially the project management implementation, the continuous improvement, as defined responsibilities and duties that must be achieved by the employee and the formula agreed. It also must do "monitoring", make corrections, provide opportunities and support the employees. The next process is to assess the achievements of these employees by comparing achievements with a standard or benchmark preset. In this assessment phase should be included also activities to identify

areas of existing and perceived a weakness in people being assessed. Here also discussed ways to improve the weaknesses that have been identified by the goal of improving performance in the next period. With the implementation of the system is expected to improve employee performance, either individually or in groups by giving them the opportunity to meet the needs of self-actualization in the achievement of organizational objectives by establishing joint work objectives and performance standards to be achieved

Effect of Leadership to Project Management Continuous Improvement

It is found that the leadership is significantly and positively related to successful project management Continuous Improvement. This gives the sense that the leadership in the PT Riau Prima Energi has now successfully communicated the vision and principles of the company to all employees. The activities also include the lead in the process of creating a culture and culture-positive and harmonious working climate within the company, creating responsibility and empowerment in achieving goals and successful of the continuous improvement project management. It seems that the strong commitment of the Top Management in PT Riau Prima Energi has become the success factors for the dynamics of continuous improvement projects. The leadership in continuous improvement projects plays a huge role in the successful implementation of a number of improvement projects that have been approved during the current Riau Prima Energi 2014/2015, where top management are actively involved in the implementation and planning.

Effect of Customer / Supplier to Project Management Continuous Improvement

It was found that the Customer / Supplier correlate significantly positive effect on the success of the project management Continuous Improvement. This gives the sense that the PT Riau Prima Energi has been able to involve our customers and suppliers in the

process of identifying the need for continuous improvement. This is where the achievement of the targets of quality expected by the customers began to be built in line with the quality of project implementation improvement projects. PT Riau Prima Energi understands that there are some important elements in the specified quality customers, that customers should be a top priority of the organization, the survival of the organization depends on the customer, the customer reliable are the most important, reliable customer is a customer who buys / use the product repeatedly / many times and the customers are satisfied with the product organization, and customer satisfaction is guaranteed to produce a high quality product, satisfaction implications for the implementation of the project of continuous improvement so that the quality should be updated at any time so that customers remain satisfied and loyal.

Effect of Product Process Management to Project Management Continuous Improvement

It was found that management product / process is not significantly associated / no positive effect on the success of the project management Continuous Improvement. In this case PT Riau Prima must return attention to how the design and system management work process, whether the process flow has been designed with a sleek and efficient, or are still many work processes are too bureaucratic, not mutually coordinated, and it raises many later conflicts between various section / department causing distractions in the acceleration and success of the process of continuous improvement projects. Some of the things found in the field such as the complexity of the production process line so that the system feeding from one area to another is often delayed. Possible solutions include reverse flow of the production process more efficient so as to avoid overlapping paths when implementing improvement projects underway.

Effect of Information & Analysis to Project Management Continuous Improvement

It was found that the Information &

Analysis correlate significantly positive effect on the success of the project management Continuous Improvement. This gives the sense that the PT Riau Prima Energi realized that information technology cannot stand alone, must be paired with an evaluation and a change in the overall environment of the organization. As the concept of continuous improvement to help organizations to realize the potential advantages that can be obtained from the procurement, utilization and evaluation systems based on information technology. In this study even proved that the process of application of information technology at PT Riau Prima Energi can help the project management continual improvement program to improve services to consumers. In some cases they also find that the use of information technology can provide a better explanation of the corporate image to consumers.

Competitive strategy influence to the practice of integrated quality management (Total Quality Management -TQM)

It was found that the variable of differentiation strategy has a strong impact on the practice of TQM in this research model, when compared with the variable cost leadership strategy. Differentiation strategy in this case a significant effects to the five elements TQM Results of hypothesis testing. Both for soft end TQM elements such as leadership and employee relations as well as the hard end of TQM elements such as customer / supplier relations, product / process management and information management. This means that PT Riau Prima Energi has aggressively used its best competence to seize market opportunities, and the company also has used the process of innovation as a means of empowerment resources. One of the first indicators of differentiation strategy is aggressive in business competition. As businesses pulp and paper industry, the company is very aggressive to invest, expand and build a new plant to increase production to meet domestic demand and for export. One of them is currently in the

completion phase is the construction of a paper mill or the Paper Machine 3, owned by PT Riau Andalan Pulp & Paper (RAPP), which is part of the APRIL Group. In addition, the company also is building a factory Sateri Viscose PT International (SVI) which will produce rayon fibers and high digital paper with an investment of Rp15 trillion. RAPP expansion is a concrete effort in adding value, in which the supply of products rayon garment factory which is also a labor-intensive industry. PT RAPP expects this plant to encourage the company's export value of Rp25 trillion to Rp30-35 trillion. The second indicator differentiation strategy is the encouragement to continue to make innovations that have made the activation Continuous Improvement increasingly entrenched in the corporate culture. Lodging in 2016 was a challenging year for the company to remain competitive in the marketplace and continue to ensure the operation of the process is on the right track. One continuous improvement activities such as Kaizen project implementation, has been a key factor in achieving the company's performance, with the target to improve the progress of the process, so as to get to zero waste.

PT Riau Prima Energi has also been considered appropriate to take into account any risks that arise as a result of his efforts activities. Hand-operational risk management as one of the business units of April Group, PT Riau Prima Energi has invested in activities of processes and technologies to ensure water management practices and energi (steam and electricity) are efficient. Water is used in virtually every part of the process of making pulp and paper. To produce pulp quality, water supply becomes very important. The local community has also benefited from the commitment of PT Riau Prima Energi to supply clean water to the town of PangkalanKerinci and its surroundings. Overall, approximately 78% of the factory production process water will be returned to the river as a result of the innovative process of processing and recycling of wastewater developed by an internal team of experts of the company.

PT Riau Prima Energi has also reduced the risk of dependence on petroleum fuels by processing and converts the energi generated by waste and the production process. Of the total energi consumption of the fuel April Group, 85% now comes from biomass fuels and gas, capable of reducing emissions into the air.

While most of the energi plant is used in the production of pulp and paper, about 2% or 10MW of electric power generated is also distributed to the local network, to provide local communities with an additional source of electrical energi.

Furthermore, the activity of integrated quality management (TQM) on PT Riau Prima Energi is also influenced by the factor cost leadership strategy, but the results in this study found a weak relationship level. Although the cost minimization is not a major focus of activity of the integrated quality control (TQM), but efforts to produce quality products / services at competitive prices through the innovation process is emphasized as an important part of the practice of TQM (Prajogo and Sohal, 2006). Therefore, in this study found a weak correlation between the cost leadership strategy and TQM. Then, in this study the effect of cost leadership strategy against Soft End element TQM (includes variable employee relations & Leadership) is weak and not significant, while the effect on the hard end elements TQM such as customer / supplier relations, product / process management is strong and significant , These results differ from the findings of a study conducted Prajogo and Sohal (2006), JooY. Jung, et al (2009) which showed that the cost leadership strategy has a significant relationship to the practice of TQM through the soft end of the element and does not have a significant influence on the side TQM hard end element.

One of the factors that cause no significant influence on the cost leadership strategy the soft end of TQM (includes variable employee relations & Leadership), among others, the cost leadership strategy trends that can create a low-cost component in the management of labor. Special industrial power generation, since their

power generation program of 35,000 megawatts (MW), not only to meet domestic demand for electricity. This program will also have a major impact on the labor needs in the field of national electricity.

In terms of employment, this program could employ at least 650,000 direct labors and 3 million indirect employments to be spread at 210 locations throughout Indonesia. And it has significant impact on the stability of the workforce at PT Riau Prima Energi. For that management seeks to provide compensation and reward system that is competitive for its employees in its efforts to increase the loyalty and motivation of employees at PT Riau Prima Energi. End side of the hard components of TQM, PT Riau Prima Energi has been better at managing the relationship of the supplier / customer. Orientation PT Riau Prima Energi supplier /customer focus on becoming a manufacturer of products and services at a lower cost. Consequently the company must conduct strict cost control. Costs as low as possible so that the product can be sold at a cheaper price than its competitors.

This will be an incentive for consumers to buy the product. Low cost is a competitive advantage for company. And there is also a significant relationship between the cost leadership strategy the management aspects of the process and the product, as well as the use of information systems and management at PT Riau Prima Energi caused by several factors: their excellence in the field of resources companies, namely: strong capital, skilled in process engineering (process engineering), close supervision, easily manufactured, as well as distribution and promotion costs low. While the field of organization, the company also has: the ability to control costs tightly, good control information. As a provider of supply of electricity to the operational needs of the plant and also for the city of PangkalanKerincithen PT Riau Prima Energi has large bargaining power, it is also due to lack of industrial supplies electrical services in this area in addition to PT Riau Prima Energi, while PT PLN limited only

serves as the distribution of electric power that is already emerges from the power plant unit of PT Riau Prima Energi.

Influence Practice integrated quality management (Total Quality Management-TQM) of the Implementation of Project Management Continuous Improvement (CI)

In result of the analysis of structural, three of the five variables TQM has positively coefficient and significantly related to domain management performance project Continuous Improvement, PT Riau Prima Energi is variable Leadership (soft end element TQM) and variable customer / supplier relations as well as variable Information & Analysis, while the absence of significant influence of variable employee relations (soft end element TQM) and variable product / process management (TQM hard end element) against the performance of the project management domain Continuous Improvement in PT Riau Prima Energi.

Among the five variables that have been tested TQM relative to the continuous improvement of project management with the rank order of highest to lowest are as follows: the variable relationship customer /supplier, leadership variables, variables Information & Analysis. While variable product management / employee relations processes and variables in this study had no effect on the project management of continuous improvement. Most of the results of this study confirm the findings of Bullock and Rahman (2005) where they found the performance of the organization (eg, customer satisfaction, employee morale, productivity performance, etc.) which are significantly influenced by variables soft end of TQM (eg commitment of leaders, shared vision , customer focus, etc.), and also influenced by variables TQM hard end (eg computer-based technologies, the use of the system Just in Time -JIT, use of technology, etc.) within a certain level.

The results of this study indicate that organizations need both soft variables and hard end integrated quality management

(TQM). Both of these variables make a considerable contribution to the improved performance Continuous improvement of project management. As well as customer relationship management / supplier is planning customers and suppliers based on the process, focus on customer satisfaction, customer demand planning, supplier capability-based planning. Next is the variable of leadership that is in connection with the short-term objectives / long-organizations, their top management commitment to quality, vision and mission of the organization, as well as unity in the organization's objectives. Whilst most of the Information and Analysis company must also ensure the availability of information, which has the integrity, accuracy and application presence information system of user friendliness / easy to access and use. For example PT Riau Prima Energi has been using two applications management information system such as SAP and Plant information OSI Soft highly scalable, with a data infrastructure that is open, capable of empowering the company in real time, changing the operational data for the needs of the process of decision-making, planning, production control and business transformation.

Competitive Influence strategy, the practice of integrated quality management (Total Quality Management -TQM) to the continuous improvement of project management

The results of this study indicate that the competitive strategy does not directly affect the performance of the project management continuous improvement. This suggests that competitive strategy should work with management methodologies, such as the practice of integrated quality management (TQM), to produce a significant effect on the performance of project management. These results indicate that the competitive strategy, although it has no direct influence on the performance of the project management Continuous Improvement, but has no direct influence on the performance of the project management Continuous Improvement, as shown by the causal chain

through TQM elements. In other words, the differentiation strategy has a stronger effect indirectly on project management performance, compared to the cost leadership strategy. Since both competitive strategies affect performance CI project management through TQM, it is clear that TQM is a key mediating variables in this model. Therefore, this study may help to conclude most of the elements of TQM are able to mediate the relationship between competitive strategies and project management Continuous Improvement. In other words, organizations need innovative management methodologies, such as TQM practices, in order to realize their strategic element successfully implemented the Continuous Improvement project management performance.

Conclusions

This study was find that the competitive strategy didnot affect the performance of project management-CI directly. Management methodologies such as TQM practices required as a domain mediating between competitive strategy and performance management of continuous Improvement project. The Company need s innovative management practices such as TQM at the operational level to affect the performance management of continuous improvement. In between these two competitive strategies investigated, the differentiation strategy has a strong impact on TQM elements, while the cost leadership strategy has a relatively weak effect. Among the elements of TQM investigated, in terms of HR-driven (Soft end TQM), there are leaderships and the elements of the technology-driven (hard TQM)

applications and information systems as well as management of customers / suppliersthat have a strong influence on the success of the project management of continuous Improvement.

It can be suggested that the company should focus more on the management of human resources, namely how companies develop and use the potential of human resources, as well as aligning the company's objectives. This study found that there is no direct relationship the employee relations to the project management of continual improvement. For the company it should also pay attention to aspects of employee empowerment, reward and compensation system, as well as open communication, accompanied by a comprehensive training system. This study still has the limitations, which use five variables as elements of TQM practices derived from MBNQA framework, although previous studies using 4 variable elements of TQM. In addition the multi-dimensional nature of TQM practices should be further investigated.

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