

ABSTRACT

This study aims to examine the impacts of project management capabilities, build relationships, adaptability of the business environment, and the project quality to competitive advantage strategy in improving the performance of private construction companies in Semarang.

The sample of this research is the director or manager of middle and large scale private construction companies with legal entity as Limited Liability firm in Semarang, with the number of respondents as many as 120 people. Structural Equation Modeling (SEM), which is run with AMOS software, is used to analyze the data.

The results of the analysis show that project management capabilities and project quality have a positive impact on the competitive excellence strategy in improving firm performance. While build good relationship impact the competitive excellence strategy positively.

The most dominant variables affecting the performance of a construction firm by mediating a competitive advantage strategy are the quality of the project followed by project management capabilities. The suggested implications for private construction companies in Semarang are the ability to create competitive advantage strategy through a good management and excellent teamwork in nurturing competent workforce on a project within the context of project quality. The construction firm needs to supervise and stay on top of the project as well as paying attention to every detail of customer requirements and demands.

Keywords: *project management capability, business environment adaptability, build relationship, project performance quality, competitiveness strategy, firm performance.*