

Bridging the Capability–Qualification Gap: Strategic Growth Pathways for a Small Construction Contractor in Jabodetabek, Indonesia

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Abstract

This study examines how a formally small-scale construction contractor can formulate a credible growth strategy when demonstrated project-delivery capability develops faster than formal qualification and organizational readiness. Using PT Gigar Bintang Utama in South Tangerang as an information-rich case, the study conceptualizes this transitional condition as a capability–qualification gap. A qualitative single-case study was conducted during May–July 2026 using direct observation, semi-structured interviews with two board-level key informants, and available organizational and project documentation. Evidence was analyzed through directed qualitative content analysis, source triangulation, and an evidence-traceable strategic diagnosis informed by the resource-based view and dynamic-capabilities perspective. Unsupported numerical IFE/EFE/QSPM scoring was deliberately avoided. The company reports project experience of approximately Rp 9.5–35 billion despite its formal small-contractor positioning. The evidence indicates demonstrated execution exposure and managerial agility, but also gaps in institutionalization, financial traceability, qualification alignment, digital project control, and systematic tender intelligence. The recommended pathway is staged institutionalization rather than immediate aggressive expansion. The study develops the capability–qualification gap as a transition construct distinct from general organizational readiness: it captures misalignment among demonstrated execution capability, formal market qualification, and institutionalized systems. The construct extends construction-SME strategy research by explaining why project-level capability does not automatically constitute scalable readiness and by identifying an evidence-based pathway toward qualification alignment and sustainable growth.

Keywords: Construction SMEs; Small Contractor; Competitive Strategy; Dynamic Capabilities; Strategic Readiness; Jabodetabek; Case Study

INTRODUCTION

The construction industry occupies a strategic position in economic development because construction demand mobilizes extensive upstream and downstream activities, including materials, logistics, equipment, professional services, labor, financing, and property development. In Indonesia, construction accounted for 9.83% of gross domestic product in 2025, placing it among the country's largest economic sectors (Badan Pusat Statistik [BPS], 2026a). In the first quarter of 2026, construction output grew by 5.49% year on year, while the national economy expanded by 5.45% over the first half of 2026 (BPS, 2026b, 2026c). These conditions create opportunities for contractors, but they also intensify competition for projects, working capital, qualified personnel, and reliable supply networks.

Competition is particularly demanding for small and medium construction firms. Construction SMEs commonly operate with narrower financial buffers, stronger dependence on key individuals, limited access to technology, and lower bargaining power than large contractors. International evidence indicates that competitiveness in construction SMEs depends not only on price but also on project-management capability, technology, human resources, dynamic capabilities, organizational management, tender readiness, and relationship networks (Khouja, 2023; Sarvari et al., 2021). Bid decisions are also shaped by payment terms, client financial capacity and reputation, previous payment behavior, and project size (Alsaedi et al., 2022).

The Indonesian market adds a regulatory dimension to this competitive problem. Law No. 2 of 2017 classifies construction-service business entities into small, medium, and large qualifications and links qualification to annual sales, financial capacity, construction labor, and equipment capability. Qualification therefore functions not only as an administrative label but also as a market-segmentation mechanism (Republic of Indonesia, 2017). For a growing contractor, strategic development requires alignment between what the firm can practically deliver, what it is formally qualified to undertake, and what its organizational systems can sustainably support.

This issue is visible in PT Gigar Bintang Utama, a contractor established in 2024 in South Tangerang with a Jabodetabek market orientation. The company is formally categorized as a small contractor, yet its reported portfolio includes projects valued at approximately Rp9.5 billion, Rp9.75 billion, Rp22 billion, and Rp35 billion. This creates an analytically important tension: demonstrated delivery experience appears to extend beyond the firm's formal small-contractor positioning, while the organizational systems required for sustained scaling remain under development. The original case material also reports a highly crowded competitive environment, with more than 17,000 small and medium contractors across the compiled Jabodetabek jurisdictions.

Previous studies on contractor competitiveness have frequently emphasized critical success factors, bidding decisions, SWOT-based strategy formulation, or quantitative prioritization tools. These approaches are useful, but they often treat firm size or contractor qualification as a static characteristic. Less attention has been given to firms that occupy a transitional state in which practical project capability grows faster than formal qualification and institutional readiness. Recent construction-SME research increasingly stresses organizational readiness, strategic agility, resource mobilization, technology, and digital

ecosystems as conditions for sustainable transformation (Saputra et al., 2024; Zhang et al., 2026). This suggests that growth strategy should be evaluated as a capability-institutionalization problem rather than merely a market-expansion problem.

Accordingly, this study asks three questions: (1) What internal and external conditions shape the competitive position of PT Gigar Bintang Utama? (2) How does the gap between formal contractor qualification and demonstrated project capability affect the firm's strategic options? and (3) What staged strategic pathway can convert project-level capability into sustainable organizational readiness? The study contributes by conceptualizing the capability–qualification gap and by proposing a transition-oriented strategic framework for small construction contractors operating in a highly fragmented urban market.

Literature Review and Analytical Framework

Construction SMEs face a structural disadvantage because project-based revenue is volatile while mobilization costs, payment delays, tender guarantees, equipment needs, and labor commitments can create substantial cash-flow exposure. Competitive performance therefore depends on more than cost efficiency. Sarvari et al. (2021) identify technology, human-resource management, dynamic capabilities, and organizational management as major success factors for construction SMEs in developing economies. Khouja (2023) similarly shows that contractor competitiveness is multidimensional and can be evaluated through tender requirements and strategic assets rather than through firm size alone.

In Indonesia, research on small contractors has also highlighted the need for scale-sensitive strategy. Prawirakusumah and Marianti (2022) show that small contractors require deliberate competitive positioning to survive in crowded markets. More recent evidence from Indonesian public tendering indicates that technology and innovation, regulatory understanding, competitive pricing, and equipment resources are especially consequential for small contractors, whereas the configuration of success factors shifts as firms become larger (Palembangan & Padang, 2026). These findings reinforce the argument that strategy should be aligned with qualification stage and organizational maturity.

Resource-based view and dynamic capabilities

The resource-based view explains competitive advantage through valuable, difficult-to-imitate, and organizationally embedded resources (Barney, 1991). In project-based industries, however, resources are insufficient unless managers can repeatedly reconfigure them as opportunities, technologies, partners, and risks change. Dynamic-capabilities theory therefore emphasizes sensing opportunities and threats, seizing opportunities through resource commitments, and transforming the organization to sustain adaptation (Teece, 2007).

For construction SMEs, this distinction is critical. A contractor may temporarily assemble sufficient people, finance, subcontractors, and equipment to deliver a large project, yet still lack the organizational routines required to repeat that performance reliably. Recent research on construction SMEs links digital transformation to environmental sensing, strategic agility, resource mobilization, digital ecosystem building, and organizational learning, with organizational readiness acting as an essential enabling condition (Zhang et al., 2026). Digitalization likewise mediates the relationship between dynamic capabilities and competitive advantage among Indonesian SMEs (Saputra et al., 2024).

Strategic planning, tender intelligence, and digital readiness

Strategic management tools such as IFE, EFE, SWOT, SPACE, IE, Grand Strategy, and QSPM can help structure managerial judgment and prioritize alternatives (David et al., 2020). Their value, however, depends on the quality of the underlying evidence and the transparency of weights and ratings. Numerical precision should not be imposed when factor weights cannot be independently verified. For qualitative case research, strategy matrices are therefore most useful when used as organizing heuristics and then supported by traceable interview, documentary, and observational evidence.

Technology adoption has become part of contractor competitiveness rather than a purely operational concern. Low-cost digital solutions can improve process monitoring, work instructions, information coordination, and change management in construction SMEs (Prabhakar et al., 2023). At the same time, digital tools only create advantage when accompanied by workforce capability, managerial commitment, interoperable routines, and governance. Strategic growth thus requires integration of market intelligence, project controls, financial discipline, and organizational learning rather than isolated technology purchases.

Capability–qualification gap and strategic readiness

This study defines the capability–qualification gap as a condition in which demonstrated project-delivery capability exceeds the firm's formal business qualification and/or the maturity of the organizational systems that support repeatable growth. The gap can be positive in the short term because it signals latent competence, entrepreneurial resourcefulness, and the ability to mobilize networks. Yet it can also become a strategic risk if project complexity increases faster than governance, capital, compliance, documentation, and managerial systems.

Accordingly, the analytical framework distinguishes three layers: (1) demonstrated execution capability, reflected in project experience, technical mobilization, managerial coordination, and market reach; (2) institutional readiness, reflected in governance, standardization, finance, digital controls, human-resource systems, and legal/qualification alignment; and (3) scalable competitive positioning, reflected in the ability to repeatedly win and deliver projects while preserving margin, quality, safety, and cash-flow resilience. Sustainable upgrading requires movement across all three layers rather than growth in contract value alone.

Conceptually, the capability–qualification gap is narrower than organizational readiness and different from a generic resource–capability gap. Organizational readiness asks whether structures, routines, people, and systems are prepared for change or scaling; a resource–capability gap concerns deficiencies in assets or competences. By contrast, the capability–qualification gap exists when a firm can demonstrate project-delivery exposure that is ahead of its formal qualification and/or the institutional systems required to reproduce that performance reliably. What is already known is that construction-SME competitiveness depends on resources, dynamic capabilities, organizational management, tender readiness, and digitalization. What remains less developed is an explanation of how these capabilities interact with qualification-based market access during a firm's transition from opportunistic project success to repeatable scaling. This study adds that transition lens by treating qualification

alignment and institutionalization as mechanisms through which demonstrated capability can become scalable readiness.

METHODS

Research design and case selection

This research uses a qualitative descriptive single-case study. The case-study design is appropriate when a contemporary phenomenon must be understood in its real-life organizational context and when the boundary between the phenomenon and its context cannot be cleanly separated (Yin, 2018). The study is exploratory and explanatory rather than statistically generalizable: its purpose is to understand how a young small contractor formulates growth strategy when its practical project experience appears to exceed its formal market positioning.

PT Gigar Bintang Utama was selected purposively as an information-rich case. The company was established in 2024, is headquartered in South Tangerang, serves the wider Jabodetabek market, and is formally positioned as a small contractor. At the same time, the case material documents participation in projects with reported contract values reaching Rp35 billion. This unusual configuration makes the firm suitable for studying strategic transition and capability institutionalization.

Research setting, period, and informants

The fieldwork was undertaken during May–July 2026 at the company office and selected project locations in Jabodetabek. Two board-level informants Ali Pandu Prasetyo and Maisyal Fajar Alamsyah served as the principal sources for in-depth organizational and strategic information. Their positions provided access to information on company history, strategic intent, market targeting, financing, project delivery, legal status, and business development. Because the study involves a small number of senior informants, findings are interpreted as organizational case evidence rather than as a population estimate.

Data collection

Data were collected through direct observation, semi-structured in-depth interviews, and review of available case documentation. The interview protocol was organized around company history and strategic intent, market targeting and project acquisition, financing and revenue management, regulatory and licensing issues, stakeholder relations, project-delivery practices, organizational routines, and perceived growth constraints. The two board-level informants were selected purposively because they held direct responsibility for strategic and operational decisions and could provide case-level information across these domains. The source dataset does not preserve sufficiently auditable metadata on interview duration, audio recording, or verbatim transcription; therefore, the study does not claim procedures that cannot be reconstructed from the available records. Interview evidence is treated as reported evidence and is corroborated, where possible, against observation and documentation.

Case documentation was used to verify company-profile information, project-portfolio descriptions, organizational roles, formal business positioning, and available procedural evidence. Triangulation followed a source-comparison logic: board-level statements were compared with visible practices at the office and selected project sites and with documentary

records where available. The limited number of informants is appropriate to an information-rich single-case design focused on strategic decision making, but it also creates a management-centric perspective. Accordingly, claims not corroborated by observation or documents are explicitly retained as reported evidence rather than treated as independently verified facts. This distinction reduces, but does not eliminate, key-informant bias.

Analytical procedure

1. Stage 1 – Evidence coding. Interview notes, observational records, and documentary evidence were organized through directed qualitative content analysis. A deductive coding frame was first developed from strategic-management and construction-SME literature: market position, project capability, human resources, finance, technology, project-management systems, regulatory/qualification alignment, stakeholder networks, and organizational learning. Evidence segments were assigned to these categories and then compared across sources. Where evidence did not fit the initial frame, it was retained as a case-specific observation and considered during strategic synthesis. Because the available dataset does not document independent multiple-coder coding, coding decisions were reviewed through repeated source comparison rather than inter-coder reliability; this limitation is acknowledged in interpreting the findings.
2. Stage 2 – Internal–external diagnosis. Evidence was grouped into internal strengths/constraints and external opportunities/threats. The IFE/EFE logic was retained conceptually, but the revised article does not report numerical weights or weighted scores because the source material does not contain an independently auditable weighting procedure.
3. Stage 3 – Strategic fit analysis. The internal–external evidence was matched using SWOT logic and interpreted through the resource-based and dynamic-capabilities perspectives. Particular attention was given to evidence showing whether the company could sense opportunities, mobilize resources, deliver projects, learn from execution, and institutionalize routines.
4. Stage 4 – Capability–qualification assessment. Demonstrated project experience was compared with formal contractor positioning and organizational-readiness evidence. This produced the central analytical construct of the study: the capability–qualification gap.
5. Stage 5 – Strategy prioritization. Alternative strategic actions were prioritized using three decision criteria: urgency, strategic leverage, and implementation dependency. Because validated attractiveness scores were not available in the raw dataset, a formal QSPM score was intentionally not fabricated. The resulting priorities are therefore qualitative but evidence-traceable.

Trustworthiness and analytical rigor

Credibility was strengthened through source triangulation, repeated comparison between managerial statements and field observations, and explicit separation between reported information and directly observed evidence. Dependability was enhanced by using a predefined analytical protocol and by retaining an evidence trail from raw case information to strategic interpretation. Confirmability was supported by avoiding numerical strategy scores that could

not be reconstructed from documented weights. Transferability is analytical rather than statistical: the findings may inform similar young contractors facing a transition from small-firm flexibility to more formalized growth, but they should not be generalized to all Indonesian contractors.

Ethical and data limitations

The analysis uses organizational information supplied with company access and is limited by the absence of independently audited financial statements, comprehensive tender-win data, longitudinal project-margin data, customer analytics, and a larger set of external informants. Financial capacity and project values should therefore be interpreted as case-reported evidence. Future work should incorporate tender records, project-level profitability, client evaluations, supplier data, and multiple managerial respondents.

Evidence-status rule. Throughout the results, evidence is classified as (a) reported evidence when it originates from director interviews or company-supplied information; (b) observed/documented evidence when it is supported by field observation or available records; and (c) researcher inference when an interpretation is derived from the pattern of evidence rather than directly measured. This rule is used to prevent strategic interpretations from being presented as stronger empirical claims than the dataset permits.

RESULT AND DISCUSSION

Industry context and competitive pressure

The competitive environment confronting small contractors in Jabodetabek is dense. The original case compilation identified more than 17,000 small and medium contractors across DKI Jakarta, Bogor, Depok, Tangerang, South Tangerang, and Bekasi. This high level of fragmentation means that access to projects cannot be secured through technical capability alone; contractors must also demonstrate tender readiness, financial resilience, regulatory compliance, relationship capital, and differentiated delivery performance.

Macroeconomic conditions in 2026 provide both opportunity and risk. Indonesia's economy grew 5.29% year on year in the second quarter of 2026 and 5.45% over the first half of the year (BPS, 2026c). At the same time, the wholesale price index for construction/building materials increased 9.52% year on year in August 2026, including increases in asphalt, reinforcing steel, cement, sand, and crushed stone (BPS, 2026d). For contractors, this combination creates a classic growth-pressure environment: demand may improve while cost volatility can erode margins if contracts, procurement, and escalation clauses are weak.

Case profile and demonstrated execution capability

PT Gigar Bintang Utama was established in 2024 and operates from South Tangerang with a Jabodetabek market orientation. Although formally positioned as a small contractor, the case material reports a portfolio that includes a villa construction project valued at approximately Rp9.75 billion, earthwork projects of approximately Rp9.5 billion and Rp22 billion, and a warehouse-complex project valued at approximately Rp35 billion. This portfolio is strategically significant because it indicates that the firm has already participated in projects

whose complexity and resource requirements exceed what would normally be expected from a newly established small contractor.

Reported project	Approx. value	Evidence meaning	Strategic implication
Villa construction	Rp9.75 bn	Experience in building delivery	Supports portfolio credibility
Earthwork project	Rp9.5 bn	Experience in civil/site work	Broadens technical scope
Warehouse complex	Rp35 bn	Large reported contract exposure	Signals capability beyond small-firm image
Earthwork project	Rp22 bn	Repeat exposure to larger civil work	Supports transition toward higher-value market

The central result is therefore not simply that the company has strengths and weaknesses. Rather, the evidence reveals a mismatch between its formal positioning and its demonstrated execution exposure. This mismatch is the capability qualification gap.

Internal capability profile

Three internal strengths are suggested by the case evidence, although their evidentiary status differs. First, the project portfolio provides reported and indirect evidence of resource-mobilization agility. Delivering projects substantially larger than the firm's age and formal positioning would normally require coordination of technical personnel, subcontractors, suppliers, equipment, financing, and project controls. Because the dataset does not directly quantify these resources or independently verify all project-level inputs, resource-mobilization capability is interpreted as a researcher inference supported by reported project exposure rather than as a directly measured capability.

Second, the company benefits from concentrated managerial decision making. In a young project-based firm, a short chain of command can speed opportunity assessment, tender decisions, negotiation, and on-site problem solving. This agility is consistent with dynamic-capabilities logic, particularly the ability to seize opportunities quickly.

Third, the company has developed a market reach broader than its home location. A Jabodetabek orientation expands the project pipeline and reduces dependence on a single municipality. The reported execution of projects outside the immediate headquarters area also suggests mobility and network-based opportunity access.

Organizational constraints and scaling risks

The same characteristics that support early growth also generate risk. The first constraint is institutionalization. The source material indicates reliance on senior directors for strategic and operational knowledge. When project value rises, dependence on a small number of decision makers can become a bottleneck in risk assessment, procurement approval, contract administration, claims management, safety oversight, and financial control.

The second constraint is financial governance. The original study acknowledges that financial information is based on owner estimates rather than verified accounts. This is a major strategic issue for a contractor attempting to move toward larger projects because qualification upgrading, bonding, working-capital facilities, equipment financing, and tender credibility depend on traceable financial capacity.

The third constraint is formal qualification alignment. The firm's ability to execute higher-value projects is strategically valuable, but sustainable participation in a higher market segment requires formal alignment with applicable business qualification, certification, personnel, and equipment requirements. Capability that is not institutionalized may generate one-off success without creating repeatable market access.

The fourth constraint is digital and information-system maturity. Construction SMEs increasingly require low-cost digital project controls, document management, cost tracking, scheduling, procurement monitoring, and management dashboards. The case does not provide evidence of integrated digital controls. This creates an information asymmetry: managers may be capable of solving operational problems but still lack timely data for multi-project scaling.

Table 4. Evidence Matrix for Core Case Interpretations

Theme / construct	Interview / reported evidence	Observation / document evidence	Evidence status and interpretation
Demonstrated project exposure	Directors reported projects of approx. Rp9.5–35 bn	Available case portfolio descriptions support project types and reported values	Reported + partly documented; supports execution exposure, not audited profitability
Resource-mobilization agility	Management described coordination of projects and partners	Project-site/office observations indicate active coordination arrangements	Inference supported by reported/observed evidence; resources not directly quantified
Qualification alignment	Management identified formal small-contractor positioning	Available company/legal information reflects formal positioning	Reported/documented; supports qualification–capability misalignment
Financial governance	Financial capacity described through owner/management estimates	No independently audited statements available in dataset	Reported only; treated as a constraint and verification limitation
Digital project controls	No integrated digital-control system was	Observation/document review did not establish integrated	Absence-of-evidence interpretation; not a claim that no digital tools are used

	evidenced in case material	cost/schedule/dashboard controls	
Key-person dependence	Strategic and operational knowledge concentrated at board level	Organizational arrangements indicate short decision chain	Reported + observed; suggests scaling risk rather than measured performance loss

External opportunities and threats

External condition	Observed/recent evidence	Strategic meaning
Growing construction demand	Construction remained a major GDP contributor and showed positive growth in 2026	Expands project opportunity set
Highly fragmented contractor market	Large number of small and medium contractors in Jabodetabek	Raises bid competition and need for differentiation
Input-price escalation	Construction/building wholesale prices rose strongly in Aug. 2026	Raises margin and procurement risk
Qualification-based market segmentation	Law links qualification to capacity and market segment	Makes upgrading strategically consequential
Digitalization of construction management	Recent SME research highlights low-cost digital controls and readiness	Creates efficiency opportunity but also capability gap
Client/payment risk	Tender literature identifies payment terms and client financial standing as major bid factors	Requires stronger bid/no-bid discipline

Strategic synthesis: from project capability to scalable readiness

The synthesis indicates that the firm should avoid interpreting large-project experience as proof that it is already institutionally ready for unrestricted growth. The evidence instead supports a staged transition strategy. The company's competitive advantage currently derives from agility and resource mobilization; the next strategic task is to convert these temporary or person-dependent capabilities into organizational routines.

Priority	Strategic action	Rationale	Time horizon	Expected outcome
1	Institutionalize project and financial controls	Creates auditable evidence of	0–6 months	Higher governance and

		capacity and reduces key-person dependence		tender credibility
2	Align formal qualification with demonstrated capacity	Converts latent capability into legitimate access to higher market segments	3–12 months	Broader eligible project portfolio
3	Build disciplined bid/no-bid and client-risk screening	Protects cash flow and margins in a volatile project market	0–6 months	Better project selection
4	Adopt low-cost digital project-control stack	Improves cost, schedule, document, procurement, and multi-project visibility	3–12 months	Scalable operational control
5	Formalize partner, supplier, and subcontractor ecosystem	Supports repeatable resource mobilization and capacity elasticity	6–18 months	Stronger execution resilience
6	Develop qualification-sensitive market positioning	Targets projects that match growing capability while protecting delivery quality	6–18 months	Controlled revenue growth

Discussion

The findings extend existing research on construction-SME competitiveness in three ways. First, they show that firm qualification should not be treated merely as a descriptive control variable. In regulated construction markets, qualification interacts with organizational capability and determines access to project segments. The case shows that practical delivery capability may advance faster than formal qualification, creating a transition period in which the firm possesses latent competitive strength but remains institutionally constrained.

Second, the study differentiates project capability from scalable readiness. The resource-based view would interpret the company's project experience, managerial know-how, network

access, and mobilization ability as strategic resources. Dynamic-capabilities theory adds a more demanding condition: the firm must be able to repeatedly sense, seize, and transform. A single successful large project demonstrates the ability to seize an opportunity; sustainable scaling requires the transformation of that experience into systems, financial controls, reusable routines, digital information, and organizational learning.

This distinction is consistent with recent construction-SME evidence. Sarvari et al. (2021) identify technology, human resources, dynamic capabilities, and organizational management as critical success areas, while Khouja (2023) stresses the need to assess contractor competitiveness through the assets required to satisfy tender demands. Zhang et al. (2026) further show that digital transformation in construction SMEs depends on strategic agility, resource mobilization, learning, and organizational readiness. The present case contributes by showing how these capability requirements intersect with a qualification regime.

Third, the results caution against generic expansion strategies. The firm's strongest immediate option is not necessarily aggressive market penetration. With construction input prices rising and client/payment risks remaining central to bidding decisions, indiscriminate pursuit of larger contracts could increase working-capital exposure and execution risk. A more defensible strategy is selective upgrading: formalize controls, strengthen financial traceability, improve bid/no-bid discipline, digitize project monitoring, and then expand into higher-value segments in line with verified organizational capacity.

This staged logic also refines the use of classical strategic-planning matrices. SWOT, IFE/EFE, and QSPM can be valuable when weights are transparently generated and validated. However, the absence of auditable weights in the raw case material means that presenting precise QSPM values would create false objectivity. By replacing unsupported scoring with an evidence-traceable priority matrix, the study sacrifices numerical appearance but improves methodological credibility.

Theoretical contribution

The principal theoretical contribution is the capability–qualification gap construct. It describes a transitional state in which demonstrated project-delivery capability advances faster than formal market qualification and/or the institutional systems needed to reproduce that capability reliably. The construct has three analytically distinct dimensions: (1) demonstrated capability, reflected in project exposure, execution experience, managerial coordination, and resource mobilization; (2) qualification alignment, reflected in the correspondence between practical capability and formal regulatory/business positioning; and (3) institutionalization readiness, reflected in governance, financial traceability, standardized routines, human-resource systems, digital controls, and organizational learning. The gap is therefore not simply a lack of readiness: it is a specific misalignment among what the firm has demonstrated, what it is formally entitled or positioned to pursue, and what its systems can repeatedly sustain.

The construct is most relevant under boundary conditions where market access is qualification-sensitive, project work is episodic and resource-intensive, and young or small firms can temporarily mobilize networks to deliver projects beyond the scale implied by their formal position. The gap may widen when project complexity and contract value increase faster than governance, capital, compliance, and knowledge systems. It may narrow when

demonstrated experience is converted into auditable routines, financial records, qualification upgrading, digital controls, and repeatable partner arrangements. In this sense, the gap can initially signal entrepreneurial agility but becomes strategically hazardous when institutionalization persistently lags behind execution exposure.

Figure 1. Conceptual Mechanism of the Capability–Qualification Gap

Demonstrated Capability	→	Capability–Qualification Gap	→	Institutionalization & Qualification Alignment	→	Scalable Readiness
Project exposure managerial agility resource mobilization		Misalignment among demonstrated ability, formal qualification, and organizational systems		Governance finance routines digital controls qualification upgrading		Repeatable growth tender credibility resilience

Managerial implications

For PT Gigar Bintang Utama, the near-term managerial agenda should focus on converting tacit success into auditable organizational capability. Priority actions include project-level cost and margin reporting, cash-flow forecasting, documented bid/no-bid criteria, standardized project-control procedures, competency mapping, regulatory/qualification upgrading, supplier and subcontractor performance records, and a lightweight digital management dashboard. These actions are mutually reinforcing: better documentation strengthens qualification and financing; better digital visibility supports multi-project control; and better client-risk screening protects the working capital needed for growth.

CONCLUSION

This study examined the strategic position of PT Gigar Bintang Utama, a young formally small-scale construction contractor operating in Jabodetabek. The case demonstrates that small-contractor status does not necessarily imply small project-delivery capability. The company has reported experience in projects valued from approximately Rp9.5 billion to Rp35 billion, indicating substantial resource-mobilization and execution potential. The central conclusion is that the firm's strategic challenge is not simply how to win more projects, but how to convert demonstrated capability into scalable institutional readiness. Its current strengths managerial agility, project exposure, market reach, and resource mobilization need to be embedded in stronger financial governance, project controls, qualification alignment, digital systems, and organizational routines. The study therefore proposes a staged growth pathway: institutionalize internal controls, align formal qualification with demonstrated capacity, strengthen bid/no-bid discipline, digitize project monitoring, formalize partner networks, and pursue qualification-sensitive market expansion. This approach reduces the risk of premature scaling while preserving the entrepreneurial agility that enabled the firm to secure

larger projects. The study is limited by its single-case design, two principal informants, incomplete audited financial data, and the absence of longitudinal tender and profitability records. The reported project values and financial-capacity statements should therefore be interpreted as case evidence rather than independently verified financial performance. Future studies should test the capability qualification gap across multiple contractors, incorporate clients and subcontractors as external informants, compare successful and unsuccessful bids, and use longitudinal financial and project-control data. A subsequent quantitative phase could operationalize the construct and test whether qualification alignment and organizational readiness mediate the relationship between dynamic capabilities and sustainable contractor growth.

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