



Dynamic Capabilities: A Case Study in Application Jaga Kendari

Indah Cahyani¹, Alwi², Nurdin Nara³

¹²³Departement of Public Administration, Faculty Of Social and Political Science, Hasanuddin University, Jl Perintis Kemerdekaan No. KM. 10, Makassar, 90245, Indonesia

ARTICLE INFO

Keywords:

Dynamic Capabilities
Innovation
Jaga Kendari App

ABSTRACT

The concept of dynamic capabilities introduced by Teece and Pisano in 1994 emphasizes the key role of strategic management in adapting, integrating, and reconfiguring internal and external organizational skills, resources and functional competencies appropriately to a changing environment. Various problems that often occur in the public sector in Indonesia are due to environmental changes such as the emergence of the Covid-19 pandemic and the competition between the public sector itself in providing excellent service. This study uses a qualitative method with a descriptive approach. The results showed that the dynamic capabilities applied were based on three things, namely Organizational and Managerial Processes, Positions and Path Dependencies. Based on these three points, the Kendari City Population and Civil Registry Office has proven to have carried out its duties and made every effort possible by utilizing technology and adopting innovations in the face of a rapidly changing environment. However, in implementing the Jaga Kendari application, people complain starting from the network that does not support, inadequate facilities and infrastructure and there are still many people who are still unfamiliar with the application of the internet system because of the lack of effective socialization to the community.

E-mail:

indahcahyani0108@gmail.com

Copyright © 2022 Enrichment : Journal of Management.
All rights reserved.

1. Introduction

At the beginning of 2020, the world was faced with a serious problem. The emergence of Coronavirus Disease 2019 (Covid-19) which was first discovered in China, Wuhan and began to spread to various countries in the world, including Indonesia. So that on March 31, 2020, several regions in Indonesia imposed PSBB (Large-Scale Social Restrictions) to reduce or minimize the spread of Covid-19 from schools to universities, houses of worship, tourism, offices, public facilities and others.

This is done so as not to place people in associations or crowds that can increase the number of people exposed to the corona virus. These social restrictions have a major impact on people's lives, including for public service providers. As explained by the United Nations (UN) has concluded that Covid-19 threatens cities and communities, endangering not only public health, but also the economy and the fabric of society (Zaher dan David. 2020). While the US, UK, France, Italy and many other countries implemented lockdowns after thousands of deaths from Covid-19, South Korea instead kept offices running and kept the death rate low. They explain how smart city technology controls disease in South Korea (Sonn dan Lee. 2020).

To that end, the Government of Indonesia has also issued various policies to keep running the wheels of government without having to meet face to face. The old ways must be abandoned. Otherwise, we will be left behind. There is no choice, like it or not, innovation in government is a

necessity at a time like this. Innovation is present as an answer to public service problems in the government bureaucracy.

In handling Covid-19, employee behavior is still visible, which is based on Weberian behavior which is fixated on complicated regulations and procedures. As a result, the bureaucracy becomes sluggish in the Covid-19 emergency situation. Facts on the ground show that current bureaucratic practices are still dominated by the old paradigm of long and convoluted bureaucracy. In addition, corrupt practices still plague the government bureaucracy (Husnayaini dan Subaktie. 2019).

This is in line with the words of the UN Secretary General Kof Annan when supporting the 2005 UN Convention Against Corruption, he said that the phenomenon of crime (corruption) is present in all countries but in developing countries the impact is most damaging. Corruption harms the poor disproportionately by diverting funds intended for development and the provision of basic services (Rose dan Peiffer. 2019).

In the public sector, where the state and the government system are at the center of service delivery. Therefore, public sector organizations in Indonesia need to transform as a whole by adopting a good public sector management model, especially in managing organizational capacity as an effort to increase organizational flexibility in the face of rapid change. Governance requires dynamic and adaptive governance in policy making. In the administration of government, making a policy is one of the important things so that the policy is in accordance with the conditions and desires of the community which of course between local communities requires different policies according to their respective conditions.

Teece introduces the concept of dynamic capabilities that organizations must implement. Dynamic capabilities can be divided into two words: dynamic and capabilities. The term dynamic refers to the changing nature of the environment, the specific strategic responses required, the accelerating pace of innovation, and the unpredictable nature of competition and future markets. The term capability emphasizes the important role of strategic management in adapting, integrating, and reconstructing the skills, resources, and functions of internal and external organizations in an appropriate manner in a changing environment (Teece dan Pisano. 1994).

Dynamic capabilities are the ability to sense and then seize and reconfigure and protect knowledge assets, competencies, and complementary assets with the aim of achieving a sustainable competitive advantage (Augier dan Teece. 2009). Dynamic capabilities allow companies to extend, modify, or create common capabilities through knowledge access and recombination, thereby enabling success over time (Barros, et al. 2016).

Despite the fact that public sector organizations usually do not compete for customers, they are required to provide valuable services to citizens. Governments can use dynamic capabilities to make continuous adjustments in resource allocation and build new thinking. The dynamic capabilities perspective can provide a useful theoretical lens for examining public service innovation practices at the organizational level (Fu dan Chang. 2019). The application of dynamic capabilities has contributed to the development of capabilities as a driver of innovation (Christiane, et al. 2017).

There are three approaches that must be taken by the government as a policy actor to produce a dynamic government, namely (1) actors who are or should be involved in different capacities in managing the government; (2) mechanisms (legal and otherwise) in place to promote regulatory objectives; and (3) the tools available to policy makers and other stakeholders to achieve the desired results (David dan Robert. 2016).

Dynamic capabilities are part of the capabilities that enable organizations to create new products and processes and respond to changing environmental conditions. Several factors will help determine the dynamic capabilities of an organization in three categories, namely management processes,

strategic positions, and alternative paths (Teece and Pisano. 1994). Dynamic competence is an institution's innovative response in the face of a rapidly changing environment, adapting the resources within the institution (Teece, et al. 1997). The innovation decision-making process can lead to adoption, a decision to take full advantage of the available innovation for the best available course of action, or the rejection of a decision not to adopt an innovation (Rogers. 1983).

Every innovation is a new idea or idea that has never been disclosed or published before. Likewise with the form of reform carried out in the administration of regional government or called regional innovation. Innovation in government administration is more directed at public services, although innovation can emphasize the development process, planning, policy and other implementation activities (Sudrajat and Andhika. 2021). Innovation is carried out by utilizing local wisdom, technological trends and socio-economic trends (Herlina, et al. 2021).

So that in creating dynamic capabilities in the administration of local government which aims to reveal various anticipations made by local governments through various policies and understanding from various parties in achieving goals that must be understood thoroughly by all stakeholders. The real form of the Kendari City Government in adapting is to implement a number of application-based services, one of which is the Jaga Kendari application (Jaga Kendari) at the Kendari City Population and Civil Registry Office. The application also involves the community to monitor, supervise, propose suggestions for improvement and/or convey problems, alleged irregularities, criticisms and encourage and involve the government internal control apparatus (APIP) to respond to feedback from the public. As conveyed by the Kendari City Inspector, Syarifuddin, that the provision of administrative services based on the Jaga Kendari Application makes it easier for the community to manage population administration in a timely manner, and is free from bribes, extortion, and gratuities and Technology.

2. Research Metodes

In this study used a qualitative method with a descriptive approach. Thus, through this qualitative descriptive study, it seeks to describe the problems that are related to the dynamic capabilities of the Jaga Kendari application service in Kendari City, and then analyzed them to arrive at an absolute conclusion. The types of data collected are primary data and secondary data. As primary data in this study in the form of words and actions of people who were observed from the results of interviews and observations. While the secondary data obtained in the form of written documentation, pictures and photographs.

3. Result and Discussion

Currently, all countries in the world are facing an environment filled with uncertainty and changes that are so fast and difficult to predict. Progress made now does not guarantee future survival. It could be that a set of principles, policies and practices that are initially good, government that is static and maintains the status quo will eventually lead to a stagnant and undeveloped situation. No careful planning will guarantee the relevance and effectiveness of governance, if government agencies do not have the capacity to learn, innovate and change in a changing and unpredictable global environment.

Another challenge facing the world today is the rapid pace of technological innovation, rendering many policies obsolete and opening up new opportunities. Likewise with changing conditions in society itself, where more and more people are well-educated and interact intensively with global developments, which ultimately demands to be involved in the process of formulating and implementing various state policies. Equally important are problems in society that are increasingly complex, with more unpredictable effects and more complex cause-and-effect relationships, which require multi-perspective solutions and multi-agency coordination.

The public sector faces more environmental changes than the business sector, for example there are certain policy changes that make the organization's business processes have to adapt immediately. Thus, efforts to build dynamic capabilities are seen as the main success factor for public sector organizations (Pablo, et al. 2007). Without continuously updating dynamic capabilities, public sector organizations will find it difficult to respond effectively to changes in their environment (Piening, 2013).

Dynamic capabilities are part of the competencies/capabilities that enable organizations to create new products and processes, and respond to changing environmental conditions. Several factors will help determine the dynamic capabilities of an organization in three categories, namely Organizational and Managerial Processes, Positions and Path Dependencies (Teece and Pisano. 1994).

3.1 Organizational and Managerial Processes

Managerial and organizational processes refer to ways of doing things in organizations, as patterns of practice or patterns of routine learning, to achieve competitive advantage that focuses on what the organization does rather than why it does it. Organizations need to sense, capture, and transformational or reconfigurable capabilities to be developed and implemented concurrently to build and sustain competitive advantage. Despite the fact that public sector organizations do not compete like the private sector, the public sector is more required to provide excellent service.

Organizational processes have three roles: coordination/integration (static concept); learning (dynamic concept); and reconfiguration (transformational concept).

- a. Integration, namely the ability of leaders to coordinate or integrate activities within the organization, and how efficient and effective internal coordination and integration can be achieved. In this case, the leadership of the Kendari City Population and Civil Registration Office coordinates or integrates activities so that reform occurs with the presence of the Kendari Guard Application which collaborates with population services with technology so that it can respond to the challenges of rapid and uncertain environmental change.
- b. Study. Perhaps more important than integration is learning. Learning is a process of repetition and experimentation that allows tasks to be performed better and faster and opportunities for new production to be identified (Teece dan Pisano. 1994). By always learning, government organizations will always think by encouraging institutions to assess the risks of current strategies and policies, update objectives and conceptualize new policy steps, and prepare for the future. The concept of dynamic capabilities as a coordinated management process opens the door to the potential for inter-organizational learning. In this sense, government having the capacity to reconfigure and reform is an organizational skill that can be learned. Decentralization and regional autonomy help make the learning process easier, so the Department of Population and Civil Registration in Kendari City is also always learning to provide application-based services that can be accessed anywhere. In addition, employees are also given lessons to be able to run the Jaga Kendari application which makes their employees have a high sense of flexibility.
- c. Reconfiguration and transformation. Dynamic capabilities are very influential in the reconfiguration process, considering that it also includes a learning process to create innovation and strategic context (Hismam. 2010). Reconfiguration in principle is the ability to identify environmental developments, understand future consequences, achieve economic and social goals, and identify appropriate strategies and options so as to enable all elements of society to take advantage of new opportunities and be able to overcome various potential threats. So in this case, the government should be able to redesign some or all of the strategies and procedures to improve performance and achieve goals. As well as implementing new policies and systems that are more relevant to the community. Therefore, the government must seek and adopt interesting practices implemented by the public sector in optimizing public services at this time. Observing and considering innovations that facilitate public services that can be applied in the public sector so that services become more effective and efficient so as to produce excellent service. Similar to the Kendari City Population and Civil Registration Office, the employees try their best to carry out routine services with an orientation towards providing services that can be easily accessed by the entire community through the use of the Jaga Kendari application.

3.2 Positions

Position refers to the strategic posture of an organization which is not only determined by the learning process and the coherence of internal and external processes as well as incentives, but is also determined by the relationship with several assets, namely technology assets, complementary assets, financial assets and location assets.

In this case, the government must be able to take advantage of technological sophistication in providing services, take advantage of complementary assets such as wi-fi and computers and the government must pay attention and save on expenses, so that there is no waste or purchase of equipment that is not important. For example, during the current Covid-19 pandemic, the government must be able to manage its finances in such a way. The real form of the Kendari City Government, especially the Kendari City Population and Civil Registration Service in dealing with Covid-19 is to introduce the Kendari Guard application which makes it easier for the community to manage population. With the presence of this application, the Kendari City Population and Civil Registration Office can save costs because there is no need to print blanks and so on in providing population services and replace them with online-based forms. In addition, location assets are also very important to make it easier for the community to access these services. The current environmental change, where everything can be reached only from a smartphone, so that the Kendari City Population and Civil Registration Service, through the Jaga Kendari application, provides a service that can be accessed by people anywhere, and this is a reformer that allows people to easily get population service. Also in the Jaga Kendari application, the public can access locations and digital maps that make it easier for them to reach the Kendari City Population and Civil Registration Office.

3.3 Path Dependencies

The government is required to adapt and respond to rapid changes in order to be able to facilitate prosperity and sustainable economic development. So, path refers to how to see the strategic alternatives available to the company and the attractiveness of the opportunities that lie ahead, in which direction the organization will take is a function of its current position and path forward. The current position of an organization is often shaped by the path taken.

The government must explore and predict future trends and developments that may have a significant impact on the formulation of new regulations in terms of public services. Understand how these developments will affect the realization of current goals, and test the effectiveness of existing strategies, policies and plans. What strategic options can be used to prepare for the emergence of new cases and take advantage of new opportunities in maximizing public service delivery to deal with the changing environment.

3.4 The relationship of dynamic capabilities with the Jaga Kendari Application

In this rapidly changing environment, every government must be able to adapt by creating the latest innovations, especially in supporting the implementation of excellent public services. The current government's challenge is not only how to provide public services that can be easily accessed by the public, but also regional and national competitions involving technology as the latest breakthrough in creating efficient, effective and quality public services.

So that organizational and managerial processes, positions and path dependencies are not only independent capabilities and should not be operated as independent processes, but these capabilities are interrelated with each other. These three factors involve determining how to fight for the welfare of the community and achieve the government's long-term goals in terms of providing maximum public services in the face of an uncertain environment.

The Kendari City Population and Civil Registration Service through the Jaga Kendari application is able to answer current challenges. This public service innovation can also reduce costs in providing services and can treat the community fairly and transparently.

But on the other hand the application of the Jaga Kendari application makes people complain again, the reasons are various, ranging from unsupported networks, inadequate facilities and infrastructure and there are still many people who are still unfamiliar with the application of the

internet system because of the lack of effective socialization to the community, in addition to In terms of providing population services, employees and the community are still negligent in complying with health protocols by not keeping a distance. Even though one of the goals of the application of Jaga Kendari is to minimize the spread of Covid-19.

4. Conclusions

The dynamic capabilities implemented by the Department of Population and Civil Registry of Kendari City are based on three things, namely organizational and managerial processes, positions and path dependencies. Based on the three points above, the Kendari City Population and Civil Registry Office has proven to have carried out its duties and made every effort possible by utilizing technology and adopting innovations in the face of a rapidly changing environment. However, the obstacles that arise cause the population service process to be less than optimal. The application in the Jaga Kendari application makes people complain again, the reasons are various, ranging from an unsupported network, inadequate facilities and infrastructure and there are still many people who are still unfamiliar with the application of the internet system due to the lack of effective socialization to the community, in addition to providing population services, employees and the community are still negligent in complying with health protocols by not keeping a distance. Even though one of the goals of the application of Jaga Kendari is to minimize the spread of Covid-19.

References

- Allam, Zaher dan Jones, David S. 2020. Future (post-COVID) Digital, Smart and Sustainable Cities In The Wake Of 6G: Digital Twins, Immersive Realities and New Urban Economies. *Journal: Land Use Policy*. <https://doi.org/10.1016/j.landusepol.2020.105201>
- Augier, M., & Teece, D. J. 2009. Dynamic Capabilities and the Role of Managers in Business Strategy and Economic Performance. *Organization Science*, 20(2), 410–421. <http://www.jstor.org/stable/25614663>
- Barros, Ismael, Juan Hernangómez, and Natalia Martin-Cruz. 2016. A Theoretical Model of Strategic Management of Family Firms. A Dynamic Capabilities Approach. *Journal of Family Business Strategy* 7 (2016) 149–159. <https://doi.org/10.1016/j.jfbs.2016.06.002>
- Froehlich, Cristiane, Claudia Cristina Bitencourt, and Marilia Bonzanini Bossle. 2017. The use of dynamic capabilities to boost innovation in a Brazilian Chemical Company. *Revista de Administração* 52. <http://dx.doi.org/10.1016/j.rausp.2017.08.007>
- Fu, Kai-Jo dan Chang, Teng-Wen. 2019. Toward an Integrative Framework of Dynamic Capabilities in Innovation-based Public Services: Empirical Analysis in Taiwan. *Chinese Public Administration Review*. Volume 10(1). <http://dx.doi.org/10.22140/cpar.v10i1.193>
- Hawass, Hismam. 2010. Exploring the determinants of the reconfiguration capability: a dynamic capability perspective. *European Journal of Innovation Management* Vol. 13 No. 4. <http://dx.doi.org/10.1108/14601061011086276>
- Herlina, M., Sipahutar, H., Wardani, D. K., Sulistyono, D., & Pribadi, M. A. (2021). Regional Government Service Innovation Model in Disaster Mitigation. *Jurnal Bina Praja*, 13(3), 383–394. <https://doi.org/10.21787/jbp.13.2021.383-394>
- Husnayaini, Dhiya Sholiha dan Subektie, Rosalina Woro. 2019. Evaluasi Inovasi Sistem Pelayanan Publik Provinsi Yogyakarta Untuk Menghadapi Masa New Normal. *Civil Service* VOL. 14, No.2. <https://jurnal.bkn.go.id/index.php/asn/article/view/280/213>
- Markell, David L. and Glicksman, Robert L. 2016. Dynamic Governance in Theory and Application, Part I. FSU College of Law, Public Law Research Paper No. 791, GWU Law School Public Law Research Paper No. 2016-15, GWU Legal Studies Research Paper No. 2016-15. <http://dx.doi.org/10.2139/ssrn.2734304>
- Pablo, A. L., Reay, T., Dewald, J. R., & Casebeer, A. L. 2007. Identifying, enabling and managing dynamic capabilities in the public sector. *Journal of management studies*, 44(5), 687-708. <https://doi.org/10.1111/j.1467-6486.2006.00675.x>
- Piening, E. P. 2013. Dynamic Capabilities in Public Organizations. *Public Management Review*, 15(2), 209-245. <https://doi.org/10.1080/14719037.2012.708358>
- Rogers, Everett M. 1983. *Diffusion Of Innovations*. New York: The Free Press.
- Rose, Richard dan Peiffer, Caryn. 2019. *Bad Governance and Corruption*. Switzerland: Springer International Publishing AG.

- Sudrajat, A. R., & Andhika, L. R. (2021). Empirical Evidence Governance Innovation in Public Service. *Jurnal Bina Praja*, 13(3), 407–417. <https://doi.org/10.21787/jbp.13.2021.407-417>
- Sonn, Jung Won dan Lee, Jae Kwang. 2020. The smart city as time-space cartographer in COVID-19 control: the South Korean strategy and democratic control of surveillance technology. *Eurasian Geography and Economics*. <https://doi.org/10.1080/15387216.2020.1768423>
- Teece, David J dan Pisano, Gary. 1994. The Dynamic Capabilities of Firms: An Introduction. *Industrial and Corporate Change*. <http://dx.doi.org/10.1093/icc/3.3.537-a>
- Teece, David J. Pisano, Gary dan Shuen, Amy. 1997. Dynamic Capabilities And Strategic Management. *Strategic Management Journal*. [https://doi.org/10.1002/\(SICI\)10970266\(199708\)18:7%3C509::AIDSMJ882%3E3.0.CO;2-Z](https://doi.org/10.1002/(SICI)10970266(199708)18:7%3C509::AIDSMJ882%3E3.0.CO;2-Z).