

## Research article

# Empowering People in the Creative Economy Sector to Foster the Dynamic Capabilities of Depok City Government During the Covid-19 Pandemic

Florentina Ratih Wulandari<sup>1\*</sup>, Bambang Supriyono<sup>2</sup>, Mujibur RK Muluk<sup>2</sup>, and Endah Setyowati<sup>2</sup>

<sup>1</sup>Universitas Terbuka

<sup>2</sup>Universitas Brawijaya

**ORCID**

Florentina Ratih Wulandari: <https://orcid.org/0000-0002-3221-6477>

**Abstract.**

The aim of this research was to examine how people have been empowered in the creative economy sector and the stimulation of the dynamic capabilities of the Depok City Government in developing the creative economy sector. This study used a qualitative approach. The findings revealed that strategies of empowerment efforts shifted due to the Covid-19 pandemic. Thus, operational capacity was reduced. The empowerment of people in Depok City in relation to the development of the creative economy requires collaboration. This study used the theory of dynamic capability formation of Neo and Chen to design a collaborative model for empowering people as part of a penta helix institution. This research can be used to inform dynamic governance development planning for sustainable synergy of people in the creative economy sector.

**Keywords:** operational capability, dynamic capability, penta helix

Corresponding Author:

Florentina Ratih Wulandari;

email:

wulandari@ecampus.ut.ac.id

**Published** 20 May 2022

**Publishing services provided by**  
Knowledge E

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Selection and Peer-review under the responsibility of the ICoGPASS Conference Committee.

## 1. Introduction

The development of hinterland is one of the impacts and implications of the spread of growth points from big cities. This was experienced by the City of Depok, as one of the hinterland of the megapolitan network of the capital city of Jakarta in Indonesia. The government environment is dynamic, its movement is unpredictable due to globalization in the last three decades. Globalization is a phenomenon of the merging of various aspects of human life without recognizing physical, territorial and socio-economic boundaries, which is stimulated by the triple "T" revolution, both the rapid development of communication and information technology, transportation and free-trade. In addition to the challenges and problems of globalization and the industrial

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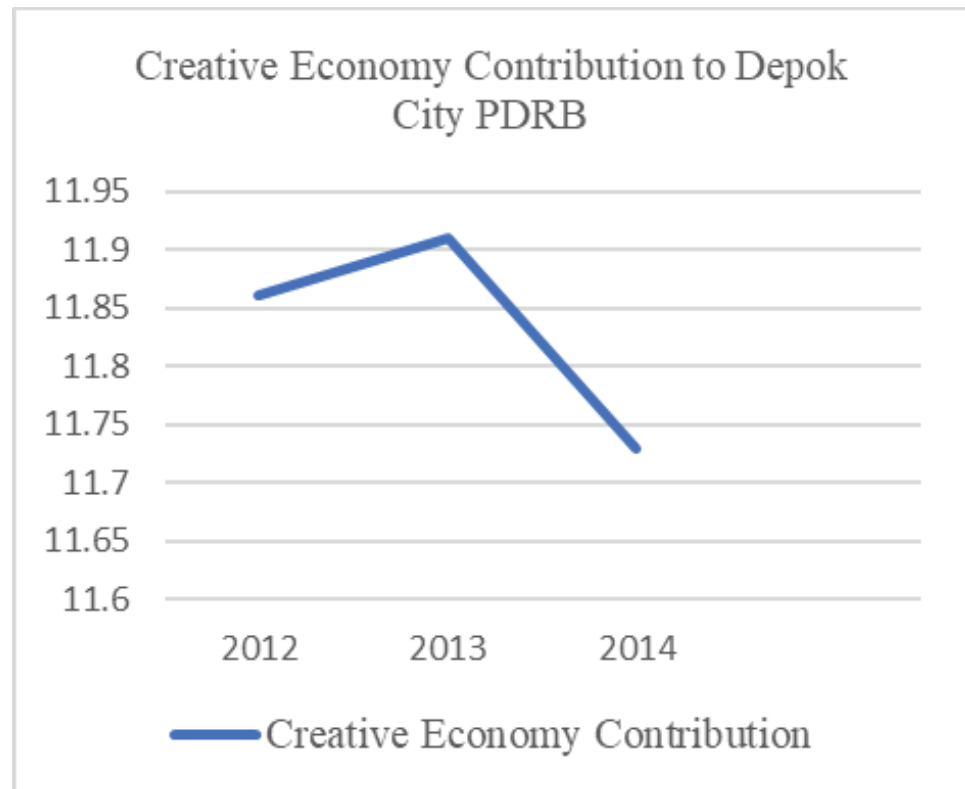
revolution 4.0, Indonesia as a developing country in the Southeast Asia region has the complexity of urban development problems that are increasingly facing the problem of limited land and natural resources, due to the growth and expansion of the city itself.

This is due to both the increase in population, the demand for new land needs for decent and affordable housing for the wider community as well as the expansion of the transportation network. improvement of the creative economy industry which is a new thing that requires policy clarity. in the development of the tertiary sector. This phenomenon is marked by the efforts of the Depok City Government to pay attention to the creative economy sector, which is also motivated by the decreasing potential of Depok City's natural resources due to the demands for the expansion of city facilities, settlements and transportation networks. This condition can be seen from the increasing conversion of agricultural land to be used as residential and business land (services and commerce). This increases the accumulation of economic development problems in Depok City, in the form of reduced human resources in managing these natural resources. Even in 2020, Depok City statistical data showed the population of Depok City was 2,406,826 people.[1]

The Depok City Government in increasing economic growth through the Depok City Department of Industry and Trade, since 2015, has formulated a grand design for the Depok City regional innovation system. The grand design is directed at increasing the growth of the economic sector, one of which is through the development of the creative economy sector.

Empirically, the problem arises how the capability of the Depok City Government as a local government in the era of regional autonomy to respond to dynamic environmental challenges and decentralization goals for the development of a competitive Depok City, through the development of a creative economy. Therefore, this problem, in this article, is reviewed from the dynamic governance framework of governance proposed by Neo and Chen [2]. On the other hand, to form the dynamic capability of government, there are elements of able people that contribute to the formation and operation of dynamic capabilities [3]. Neo and Chen state that dynamic governance is the result of an institutional culture system that supports and enables organizational capabilities to encourage sustainable change [4]. More specifically, Neo and Chen formulate a framework that maps ideas about how the government is able to make good decisions, implement them, and revise them without a crisis, so that the element of able people becomes one of the elements that is taken into account [1 4].

In its timeline, the creative economy sector has contributed since 2012 until now with a percentage that tends to have the potential to grow (Figure 1) [5].



**Figure 1:** Depok City Creative Economy Contribution to PDRB.

Figure 1 illustrated the potential of the creative economy sector to the gross regional domestic product of Depok City, so that it has become one of the sectors appointed by the Depok City Government to support the economic growth and development of Depok City. This requires the capability of the Depok City Government to optimally empower the creative economy. For this reason, it is necessary to empower able people in the creative economy sector to support the performance of the capabilities of the Depok City Government.

The complexity of the change in the strategic environment of Depok City raises the problem of the capability of the Depok City government in the midst of a dynamic environment in carrying out its government role for the achievement of a competitive Depok City through the development of the creative economy. One element of the dynamic capability of government is the element of able people [6].

On the other hand, theoretically, the dynamic governance framework built by Neo and Chen has a weakness, where the dynamic governance framework has not provided a theoretical construction for local government to shape the dynamic capability of local government which is currently in a period of revolution [3]. Industry 4.0 which is identical to the digitalization era. On the one hand, currently with the Covid-19

pandemic, managing the creative economy sector is not an easy thing for the Depok City Government. This is motivated by the condition of able people and environmental changes which have implications for the creative economy development strategy to deal with the Covid-19 pandemic outbreak in Depok City. Moreover, Depok City became the first city in Indonesia to find cases of the Covid-19 outbreak.

The explanation above shows that there are several problems of environmental change and crisis management faced by the Depok City Government in the development of the creative economy sector. Therefore, this article discusses how to empower able people in the creative economy sector which encourages the formation of the dynamic capability of the Depok City government during the COVID-19 pandemic.

## 2. Method

This study explores existing phenomena, inductively, meaning that the method used is mainly qualitative method. Analysis of research data was carried out interactively referring to the three data analysis activities of Miles, Huberman and Saldana [7]. The three activities carried out include data condensation, data display, and conclusion. To increase the validity of the results of data analysis through data analysis and visualization, Nvivo R1 is used.

The focus of the study emphasizes how the empowerment of able people in the creative economy sector is carried out by the Depok City Government regarding its implications for the dynamic capabilities of the Depok city government. The locus was located in Depok City, West Java province which is also a hinterland for Jakarta (the capital of the Republic of Indonesia).

The key informen who were interviewed of 17 people, consisting of 11 key informen from the Depok City Government officials and staff related to the creative economy, 4 key informen from the creative economy actors and association elements and 2 key informen from the Depok City local council elements. Duration of research from February 2020 to October 2020.

## 3. Results and Discussion

Regional development is one of the bridges to minimize the issue of disparity between regions, as stated in Book II of the National Long and Medium Term Plan of the Republic of Indonesia for 2015-2019 [8]. These efforts are carried out in areas and areas of growth. Even for regional development, it is stated in particular related to urban development,

Book II of the National Long and Medium Term Plan of the Republic of Indonesia 2015-2019 mentions the acceleration of urban area development to realize a city that is livable, safe and comfortable, green that climate and disaster resilience, smart and city-competitive [8]. Depok City is one of the hinterland for the capital city of the Republic of Indonesia, Jakarta. Depok City is part of a series of developments for the hinterland city network area of DKI Jakarta, in addition to Bogor, Tangerang, Bekasi, Puncak and Cianjur (Botabekpuncur) areas. The development of the Depok City area as a hinterland for the Capital City of DKI Jakarta, reflects the massive development rate of the hinterland area as a spread effect of DKI Jakarta development.

In line with the national planning policy, regional development through the development of a competitive creative economy sector is under the regulation of the Central government through Law Number 23 of 2014 [9]. In Chapter X article 258, Law Number 23 of 2014, it is stipulated that Regions carry out development to increase and equalize people's income, job opportunities, business fields, improve access and quality of public services and regional competitiveness [10]. Therefore, the capability of local government is one of the aspects needed for local governments, especially the Depok City government to achieve medium- and long-term regional development goals, on an ongoing basis. Increasing the competitiveness of Depok City is currently attached as part of the direction of local government administration for the welfare of the community in general, and the people in the Depok City area in particular. From the legal aspect of juridical, efforts to increase regional competitiveness carried out by the Regional Government of Depok City, are related to the implementation of Law no. 23 of 2014 article 9 paragraph 4 [11].

In anticipating and managing environmental changes in pandemic conditions, the creative economy sector is directed by the Depok City government to be flexible with changes in policies and the situation of the government administration environment. Therefore, the able people element involved in the development of the creative economy sector has become an important target for changing the Depok City Government's strategy so that the development of the creative economy sector is sustainable during the COVID-19 pandemic.

The element of able people in the creative economy sector is related to the formation and operation of dynamic government capabilities. This condition is also related to the learning organization process. Where learning organizations build situations for human resources involved at various levels and fields, as lifelong learners who continuously and constantly learn to develop learners knowledge while learning to solve the problems of learners face until learners able to create the results learners

organization want [12]. The element of able people becomes the path and driving force for the work of institutional capacity. Rondinelli states institutional capacity building as a process through which individuals and organizations in any country strengthen the ability to mobilize the resources needed to overcome economic, social problems and to achieve a better standard of living of the people [13]. Robbins and Coulter state that the way organizations treat organizational human resources has a significant impact on organizational performance [14]. Therefore, able people are an important element for the Depok City Government because they contribute to the dynamic capability of the government and the performance of the Depok City creative economy sector. This is because practical work that leads to high individual and organizational performance is a high-performance work practice [14]. Characteristics of high-performance work practices include: self-managed teams; decentralized decision-making; training programs to develop knowledge, skills and abilities; flexible work assignments; open communication; performance-based compensation; staffing based on person-job and person-organization fit; extensive employee engagement; giving employees more control over decision making and increasing employee access to information [15]. The hallmark of high-performance work practices is a manifestation of competent human resources who are indeed as able people.

The dynamic governance capability which is formed to reconfigure and update routine activities and resources is aimed at coordinating all routine activities with a portfolio substitution mechanism. The portfolio substitution mechanism for routine activities can sort out routine activities that need to be maintained and routine activities that need to be deleted, so that routine activities are naturally renewed. Routine operational activities can be formed into main capabilities through a learning organization process by observing the environment, research and sustainable product development and codification of knowledge on an ongoing basis [16].

Since, covid-19 outbreaks, the main capabilities attached to the resource element relate to dynamic capabilities when conducting institutions to align actions and investments to change existing capabilities and build new ones so that new values create strategies that are implemented in response to institutional changes in technology and the environment, and shift strategy due the covid-19 outbreaks. The findings of research in the city of Depok showed that during the covid-19 outbreak operational capabilities have been running with performance results that tend to be optimal, although there are some realizations that have not been achieved optimally. This is because there is no innovation in the regulation of the creative economy sector and there is no agreement

on the form of collaboration that clear and mutual between the stakeholders of the creative economy sector of Depok City.

The element that supports the able people indicator plays an active role in the formation and continuity of the dynamic capability of the Depok City government, namely empowerment. Regarding empowerment, the competence of human resources in the internal organizations and institutions of the Depok City Government shows results that tend to be good. So, a number of activities used to be carried out physically before outbreaks, i.e motivating the improvement of MSMEs, active participation of MSME associations, arts and culture training, and strengthening of human resources, then shifted by online then focused to outbreak handling. Then in sustainable management carried out, i.e the use of digital platforms, development of competitiveness, marketing and capital. The Depok City Government places the community in this case the perpetrators as subjects. This was demonstrated by the synergy built with actors and associations of micro, small and medium enterprises and the creative economy sector by being involved in various programs, such as discussions and training. Empowerment for able people creative economy players, in the form of hygienic training, and opportunities for providing capital from state banks and online marketing workshops.

On the other hand, the Depok City government institutions have also implemented bureaucratic functionalism. Efforts to improve human resources among Depok city government agencies are carried out, including through managerial and competency-based training. Forms of empowering able people for the internal government of Depok City, including training for apparatus in the creative economy sector, coordination meetings involving experts in their fields. Robbins and Coulter state that successful performance requires more than just having certain skills where organizational human resources must adapt to the organizational culture and be trained and given the knowledge to do work in a way that is consistent with organizational goals [17]. Furthermore, Robbins and Coulter explain that to obtain skilled workers and have the knowledge needed by the organization, the organization needs to conduct orientation and training [18]. Orientation is defined as the introduction of new workers to their work and organization [18]. Some of the main types of training an organization can provide include industry-specific or, management or supervisory skills, mandatory information or compliance (work ethics, security and others), and customer service training. types that are the main priority for several trainings, including training on employee interpersonal skills in the form of communication, conflict resolution, team building, services, and so on [19].

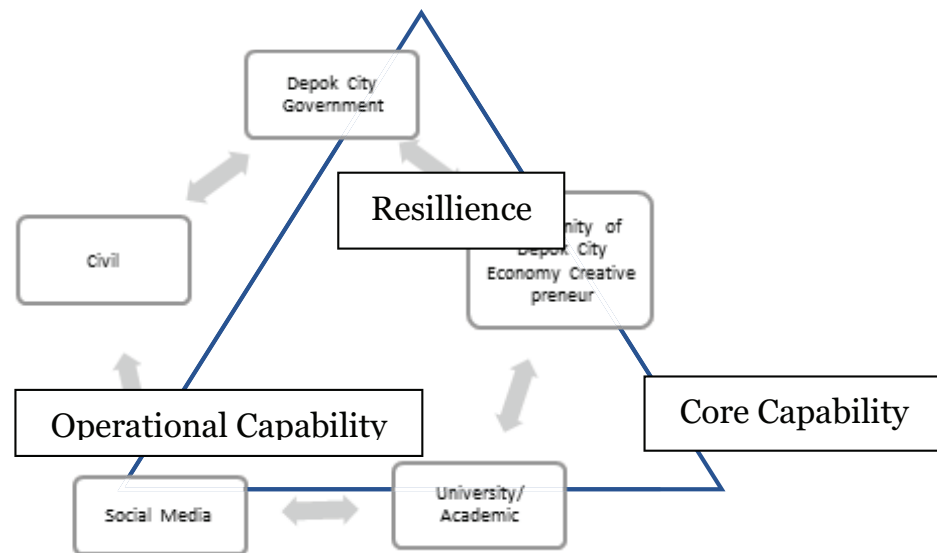
Research findings in Depok City showed that the training carried out for creative economy entrepreneurs is more about professional skills, especially in product packaging and marketing. As for the internal employees of the Depok City Government, it is more to the management of industry and trade which includes the creative economy sector. For this reason, referring to the theory presented by Robbins and Coulter the training that needs to be considered in the future by the Depok city Government is interpersonal skills training which includes handling complaints (customer service), communication and after-sales service for creative economy products [19]. Able people in the Depok City government whose main tasks are related to the creative economy sector are still not integrated in planning the formation of able people and human resource capacity development, considering that this is still spread across several regional apparatus organizations. However, the measurement results from the State Civil Service Agency on the performance of the Indonesia Republic Ministry of Empowerment of State Apparatus-Bureaucracy Reform, show that the professional value for the Depok City Government civil apparatus is in the "medium" category and the capability at level 3 is in the integrated category. So, the limited number of able people officers in public sector services in the creative economy sector of Depok City and the absence of regulatory innovations in the creative economy sector which less support the formation and sustainability of Depok City creative economy able people.

Empowerment for creative economic-preneurs is directed at improving the quality of family life in Depok City. Among them, the Women's Family Welfare Community Development Program with the entrepreneurial activity segment of housewives. The Depok City government agencies involved, in particular the Depok City Trade and Industry Service, the Small and Medium Enterprises Service, the Youth, Sports and Tourism Office. Next, empowering creative economy businesses for start-up entrepreneurs and other digital-preneurs. Depok City start-up companies that are already well-known and increasingly successful during the pandemic, including developers of financial applications "flip" and "i-Grow".

The results of the study found that the empowerment of able people in the creative economy sector during the COVID-19 pandemic contributed to creating dynamic capabilities involving 5 components of government, namely the Depok City government – communities and associations of creative economy sector actors – academics or experts from universities – civil society and social media. The results of the field findings model related to the empowerment of creative economy able people who form dynamic capabilities during the covid-19 pandemic, in the form of a five-star line (penta helix), where 5 elements of governance are connected to each other in forming



organizational capabilities, starting with operational capabilities in the planning and monitoring functions that form main capabilities (Figure 2). Figure 2 as modification model framework of organizational capabilities which former proposed by Neo and Chen [20].



**Figure 2:** Pentahelix Model Of A Collaborative Model for Empowering Creative Economy Able People During The COVID-19 Outbreak.

The dynamic governance capability of the City of Depok in developing the creative economy sector is formed to reconfigure and update routine activities and resources. The results of the study found that the Depok City Government’s routine activities related to the creative economy sector, both in terms of planning between Depok City apparatus, which were accommodated by the Depok City Regional Development Planning Agency, had been running professionally, aimed at coordinating all routine activities with a portfolio substitution mechanism. The portfolio substitution mechanism for routine activities can sort out routine activities that need to be maintained and routine activities that need to be deleted, so that routine activities are naturally renewed. Routine operational activities can be formed into main capabilities through a learning organization process by observing the environment, research and sustainable product development and codification of knowledge on an ongoing basis [16].

The main capabilities attached to the resource element relate to dynamic capabilities when conducting institutions to align actions and investments to change existing capabilities and build new ones so that new values create strategies that are implemented in response to institutional changes in technology and the environment. The results of research in the city of Depok showed that operational capabilities have been running with performance results that tend to be optimal, although there are some realizations

that have not been achieved optimally. This was caused by no innovation in regulation of the creative economy sector and yet unclear collaborative institutional structure for the creative economy sector and its various interests, especially in this case for the development of creative economy competitiveness.

## 4. Conclusions

The empowerment of able people in the creative economy sector of Depok City is carried out internally by Depok City government agencies for the apparatus and externally for creative economy actors and associations. The form of empowering able people in the creative economy sector is in the form of training related to innovation and competency-based creative economy.

The model for empowering able people in the creative economy sector of Depok City is in the form of pentahelix form that marks and connects elements of government as a form of collaboration that encourages the creation of operational capabilities, to form the main capabilities. The recommendation of the findings for during covid-19 outbreaks is to clarify the agreement and mutualism on the mechanism and form of collaboration between elements of governance. So, that could be a strong synergy between related institutions.

## 5. Acknowledgment

We would like to thank you for all the key informen of Depok City Government, especially Mr. Jumali from Depok City Regional Development Planning Agency, and all of my Co-Authors, Prof. Bambang Supriyono, Dr. MR K Muluk, M.Si, Dr. Endah Setyowati, M.Si, all of my colleagues and people who inspired us.

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