Government Capability in Encouraging Sustainable Innovation: A Case Study of the Makassar City Tourism Alley Program

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Abstract

This study aims to analyze the innovation capacity of the Lorong Wisata Makassar program based on the innovation capability model developed by Lawson & Samson (2001). By analyzing the seven elements of innovation capability, namely: vision and strategy, utilization of bases and competencies, organizational intelligence, management of creativity and ideas, structure and organization, culture and climate and technology management. The type of research used is to use an exporative qualitative approach to analyze and prorelate in depth related to the phenomena that occur in research. Data collection techniques i.e., observation, in-depth interviews, documentation. The results showed that in element the Vision and Strategy have been implemented optimally because the program has been able to improve the economy of the hallway community. Base utilization and competence have not been achieved due to budget constraints in the utilization of hallways. Organizational intelligence has run well as seen from the government's ability to change people's mindset. Management of creativity and ideas has been carried out optimally, supported by the ability of the Makassar City government to provide stimulant assistance to the community through synergy between SKPD. The organizational structure and system have been implemented optimally, because the Makassar City government has been able to monitor the development and monitoring of the hallway regularly. The culture and climate of implementation have not been able to be optimal, this is due to the development of Lorong Wisata which is continuously established by the government, while on the other hand there are still many abandoned alleys.

Introduction

Public Administration is a forum for government administrators in carrying out tasks, roles, missions and strategies in the public realm or sector. The role of public administration is closely related in outlining stability, resilience and welfare for a country. The welfare of the state can be determined when the public administration is capable of systematically changing the behavior, existence and competence of resources. The role line of public administration is to examine the state management system whether it leads to policies, organizations, services or public management. In terms of state management, one of the roles of public administration is inseparable from the behavior of government administration in optimizing national development in a complex manner, namely with the aim of avoiding backwardness from other countries and in order to compete with countries that have developed status. In addition, optimization of national development also aims as an effort to realize a just and prosperous community life as mandated in the 1945 Law.

The organizers of public administration must have the ability to solve every existing public problem. The capacity of bureaucrats in managing resources needed to be able to adapt to the
organizational environment is a necessary aspect in organizational development. This is in line with Eisinger (2002) who associates capacity with competence, endurance or adaptability. Therefore, optimizing the role carried out by the government in carrying out activities of public organizations must refer to the capacity aspect. In the simplest terms, capacity represents an organization's ability to do work (Yu-Lee, 2002). In public organizations, organizational capacity has been broadly defined as the ability of the government to structure, develop, direct, and control its financial, human, physical, and information resources (Ingraham et al., 2003).

The capacity of public organizations in solving every public problem can be done by giving birth to various innovations that are able to adapt to the environment (Kadarisman et al., 2022). Government organizational innovation is the process of creating, developing and implementing new ideas that can provide better benefits such as reducing costs, increasing efficiency, and service effectiveness (Kobylińska & Biglieri, 2015). The awareness of the importance of innovation today is marked by the issuance of Law Number 23 of 2014 concerning Regional Government which states that innovation is the key to increasing economic growth, regional competitiveness and improving community welfare. In complex, Law No. 23 of 2014 Article 386 explains that in order to improve the performance of local government administration, local governments can innovate. The innovation in question is all forms of renewal in the implementation of local government that are guided by the principles of increasing efficiency, improving effectiveness, improving service quality, no conflicts of interest, oriented to the public interest, carried out openly, fulfilling the values of propriety, and can be accounted for the results, and not for self-interest (Latul, 2021).

The emergence of the knowledge economy and considerable technological advances have seen the importance of innovation capacity in managing an organization (Lam et al., 2021). This condition then demands creative, innovative and competitive human resources. The importance of innovation ability or capacity is not only to show the performance of the organization itself but this capacity is needed in showing the performance or performance of the country in competitiveness with other innovative countries. A special agency of the United Nations (UN), the World Intellectual Property Organization (WIPO), a special agency that plays a role in encouraging world creativity, has released global innovation achievements and innovative performance from 132 countries. According to Global Innovation Index (GII) data in 2022, Indonesia received a score of 27.9 with a rank of 75th out of 132 countries. This shows that the competitiveness of innovation performance in Indonesia is still not optimal. The Global Innovation Index (GII) has also described its seven pillars of assessment based on scores from Indonesia.

![Figure 1. The seven Global Innovation Index pillar ranks for Indonesia](source)

Source: Global Innovation Index (GII), World Intellectual Property Organization
Indonesia's innovation performance is still very far from these indicators. The lowest performance is shown in the aspect of Business sophistication at 92nd. Assessment indicators from this aspect are the level of competence and absorption of innovation knowledge in resources. This has become the reason for the need for innovation capabilities or capacity in every public organization (Martínez-Sánchez et al., 2020). Public organizations without ideas and creativity will give birth to organizations that are less developed and their performance will always be in the spotlight of society, criticism, and apathy for the institution itself. Therefore, ideas and creativity in every government institution that wants to advance must strengthen its internal first, so that when the internal is strong and produces ready and solid organizational products, then indirectly the problems contained in the external scope of the organization can be more easily overcome. Instilling a good organizational work culture is one of the supporting factors for the creation of ideas and creativity (Hameed et al., 2022). Empowering human resources to always be critical and provide space in following up on these critical traits is also one way to support the birth of an innovation.

The innovation capacity of public organizations is needed in various aspects of life, none other than in national development that has the aim of realizing a just and prosperous society. This can be done by improving the standard of living, intelligence, and welfare of all citizens. For this reason, the implementation of national development must be carried out evenly, including regional development. Development that relies on the community, through community empowerment and development becomes a serious thing which is then realized by the government through community empowerment programs with various forms of programs (Gerard, 2022). Makassar City Government is one of the district/city governments that realize innovation through the Lorong Wisata program. The Makassar City Government is responsible for developing its territory in accordance with its socio-cultural context. The government has the authority to plan, implement and evaluate policies and work programs in accordance with the needs of the community.

The Makassar mayor's strategy program through Lorong Wisata innovation aims to improve and restore the economy of Makassar City in accordance with the program summarized in Makassar Recover by empowering Micro, Small and Medium Enterprises (MSMEs). The implementation of the Lorong Wisata Program in Makassar City is based on Makassar Mayor Regulation Number 37 of 2021 concerning Guidelines for the Implementation of the Lorong Garden Improvement Program and the Fulfillment of Five Thousand Tourism Halls. However, these regulations can accommodate the needs and developments, so a special Mayor Regulation was established for the Establishment of Lorong Wisata. In accordance with Makassar Mayor Regulation Number 94 of 2022 concerning the Formation of Tourism Alleys. Article 11 explains that the implementation of the Lorong Wisata Establishment Program involves all Regional Apparatus and BUMD.

The Lorong Wisata Program is a strategic program of the Mayor of Makassar by arranging the alleys in Makassar City. In addition, providing opportunities for MSMEs to develop their businesses with the intention of rupiah turnover. The concept of the Lorong Wisata program itself is to be used as an economic base for the revival and empowerment of the hallway community. In addition, the alleys developed into Lorong Wisata will be given unique names. This is based on the Makassar City Tourism Office saying that it will give names such as Lorong taripang, lorong barongko, to be used as local influencers. From this will attract the curiosity of tourists to look for cakes or typical South Sulawesi food in the city of Makassar. This concept can certainly attract both local and international tourists to visit Makassar City.

The implementation of the Lorong Wisata program is still not running optimally and effectively. This can be seen from the lack of management of the alley that has been designated...
as a tourist alley, besides that there is no follow-up provided by the government after providing assistance in the form of materials to beautify and arrange the alley. In addition, the lack of community activity in the implementation of tourist alleys, so there are only a few well-organized tourist alleys. Based on findings in the field that there is a passage that is not managed and developed properly, namely Lorong Wisata Perak. The hallway has enormous potential, because it can promote the products produced, namely handicrafts from silver and copper. But in fact, in the field, the people in the alley are not active in developing their alley. Another fact found in the field is the Lorong Wisata Budaya Kampung Paropo which is focused on arts in the form of traditional dances, but due to the lack of management and community activity in developing the alley, so that the potential in the alley is not maximized properly. This will certainly affect the sustainability of Lorong Wisata.

The birth of a regional innovation, in this case, the Lorong Wisata Kota Makassar program needs to be based on elements supporting innovation capacity so that the sustainability of the innovation can be long-term. Lawson & Samson (2001) reveal that Innovation capacity itself is not a separately identifiable construct. Such capacity consists of practices and processes that strengthen the organization. This process is a key mechanism for stimulating, measuring, and amplifying innovation. Therefore, the Makassar City government is expected not to necessarily give birth to various innovations without careful thought of all processes, systems and mechanisms that will be in line with these innovations. Tidd et al. (1997) assert that there are a number of core elements and processes that aid effective innovation outcomes.

Lawson & Samson (2001) assert that there is a need for an innovation capacity model aimed at enhancing innovation capabilities and building a theoretical framework that highlights actionable actions that will most influence the success of innovation. Successful innovation contains core elements and processes. The elements forming innovation capacity consist of vision and strategy, utilization of competency base, organizational intelligence, managing creativity and ideas, organizational structures and systems, culture and climate, and technology management. High-performing innovators can leverage the capabilities of these meta-innovations to achieve exceptional performance. These seven elements he proposed to some degree within innovative organizations.

**Literature Review**

In theoretical studies, innovation capacity is included in the study of provincial sector organizations. The ability to develop new ideas and innovations is one of the top priorities in every organization, and public organizations are no exception. The rise of the knowledge economy, intense global competition and considerable technological advancements have seen innovation become increasingly important for competitiveness. Innovation is the mechanism by which organizations produce new products, processes, and systems necessary to adapt to changing environments, technologies, and modes of competition. Such innovation processes can be managed, systematized, and replicated within the organization. Public administration is a field for government administrators in carrying out their roles in the public sector. In optimizing their tasks and functions, public organizations need the ability or capacity for innovation in managing resources, processes and systems in every renewal that is born. This is so that every existing innovation is able to describe the effectiveness of the organization seen from the survival period of the innovation or is long-term. Not only that, innovation capacity is urgent to be applied in public organizations so that the organization is able to show its performance in competitiveness with all levels of its organization, even able to influence global assessments in innovative country performance.
The innovation capability model developed by Lawson & Samson (2001) assumes that organizations focus on innovation and innovation outcomes. The stronger the innovation capacity possessed by an organization, the more effective its innovation performance.

A holistic innovation capacity model will draw debate about element categorization, but it is a necessary step to facilitate the analysis and construction of innovation frameworks. The following elements are proposed to exist in innovative organizations, the seven elements forming innovation capacity consist of: vision and strategy, utilization of competency base, organizational intelligence, management of creativity and ideas, organizational structure and systems, culture and climate, and technology management. Lawson & Samson (2001) describe seven elements that make up innovation capacity, namely:

**Vision and strategy**

The organization needs to create a vision and a target to be achieved and create a strategy in dealing with uncertainty that exists in the environment. This requires organizations to make decisions about what the purpose of the innovation will be.

**Harnessing the competence base**

In supporting innovation, organizations need to manage resources optimally. Various funding channels also need to be an urgent discussion because an innovation will always require funds both sourced from the organization itself, as well as cooperation with other organizations. The success of innovation is also supported by the presence of parties who play a role in reviewing and controlling the sustainability of innovations. In addition, it is necessary to use digital media as a forum for organizations to introduce innovations as well as a means of disseminating information to the public.

**Organisational intelligence**

In public sector organizations, bureaucrats are actively encouraged to generate and explore information related to the needs and problems that occur in society, both known and hidden. This aspect refers to: What are the problems of the community and the solutions provided.

**Creativity and idea management**

Creativity can be seen as the process of generating ideas. Creativity requires thinking differently about what may be unrealized, unproven or untested. Organizations need to encourage creativity on a continuum. This aspect refers to: How the role of the organization in giving space for the birth of an innovation. Is every creativity and idea born by innovators given adequate space. What does the encouragement and provision of space look like.

**Organisational structure and systems**

This element consists of an organizational structure, a reward system, and stretch goals for innovation. The organizational structure includes: Personnel from what divisions need to be increased in number in order to further optimize the implementation of innovation. Anyone who is likely to experience an exchange of positions from the birth of the innovation. Reward system: What kind of reward bureaucrats will get when the innovation is successful. Whether the reward given is individual or group.

**Culture and climate**

Culture and climate include tolerance of ambiguity, empowered resources, and communication. Problematic tolerance means that innovative organizations do not take unnecessary risks. When failures and mistakes do occur, organizations will take lessons learned and incorporate a systematic process for reviewing failed innovations as valuable
opportunities to learn and improve. Empowered resources mean organizations employ the highest quality researchers, experts, and inventors. The collaboration will open up facilitate and explore issues relevant to innovation.

**Management of technology**

Innovative organizations are able to link technology strategy with innovation strategy. This alignment results in a robust mechanism for competitive advantage. Effective forecasting helps organizations to identify future developments in technology, products and environments, produce more complex information, orient to avoid the occurrence of failures

**Methods**

This research uses an exploratory qualitative approach to analyze and explore in depth every element of innovation capacity including; vision and strategy, utilization of competency base, organizational intelligence, management of ideas and creativity, organizational structure and system, culture and climate, and technology management Primary data was obtained through in-depth interviews with the Head of Destination Development and Tourism Industry of Makassar City Tourism Office, Head of Agriculture of Makassar City Fisheries and Agriculture Office, Head of Food Consumption and Diversity of Makassar City Food Security Office, Staff of the Small and Medium Enterprises Development Section of the Lorong Cooperative and Small and Medium Enterprises Office of Makassar City, Bontoala Sub-District, Secretary of Panakukkang Sub-District, Secretary of Mamajang Sub-District, Head of Economic and Development Section of Tamalanrea District, Head of Economic and Development Section of Manggala District, Mandala Sub-District, Bontoala Sub-District, Timungan Lompoa Sub-District, New Tello Sub-District, Buntusu Sub-District, Sambung Java Sub-District, Borong Sub-District, Tamalanrea Village Staff, Hallway Board, Lorong Tourist Society. In addition to the agency, researchers also conducted in-depth interviews with the cultivator community to find out the program evaluation efforts carried out by the agency. Secondary data consists of literature research obtained from reports, documents, textbooks, both in Government agencies, and in libraries related to the research problem discussed. This research uses qualitative data analysis techniques consisting of data reduction, data reduction, data presentation, and conclusion making. Data reduction is carried out by summarizing the entire data that has been collected and then sorting it according to the formulation of the problem in this study, the presentation of data is carried out after the reduced data is then placed and analyzed further based on the problem to be answered. After the presentation of the data is carried out, conclusions will be drawn based on the problem formulation. The unit of analysis in this study consists of related SKPD and tourism alley communities.

**Results and Discussion**

Innovation capacity has a very important role in the long-term success of an organization. Innovation capacity as a forum to be able to find out whether the Makassar City government's innovation in the Lorong Wisata program has been effective and can be long-term seen from the important elements that support the success of innovation. Such elements facilitate the analysis and construction of innovation frameworks.

**Vision and strategy**

The Lorong Wisata program is a priority program of the Makassar city government with the aim of empowering the surrounding community who live in the alley. In addition to adding to the aesthetic value of the hallway which is expected to attract tourist attraction, the main vision of the innovation is as a program in accelerating the economic improvement of the hallway community. Economic improvement in this case by providing education to the community
related to processing the vegetable crops they grow into something of economic value such as pakcoy juice, passion fruit juice and spinach chips. Not only utilizing vegetable crops, but also utilizing plastic waste such as bottles and drinking glasses that are processed into handicrafts with economic value. In this case, the Makassar city government also encourages the community to be independent in improving the economy in Lorong through training provided by the relevant SKPD.

Realizing the vision cannot be separated from a strategy, the city government, in this case, the sub-district and kelurahan governments continue to socialize, educate the community, provide stimulant assistance to the village government, which will later be distributed to the existing community (longwis). The goal is to stimulate the community to start working and improving related to the tourist alley. The assistance provided is in the form of materials and plant seeds and plant media. The provision of this assistance is intended so that the community can directly cultivate the plant seeds and fish seeds provided, and avoid purchasing materials that are not in accordance with what is conveyed by the SKPD. The Fisheries and Agriculture Office provides assistance in the form of plant seeds and planting media, which aims to enable the community to use their yards to plant not only ornamental plants but also commodity plants that can benefit the community in meeting their daily needs. In addition, the provision of incentives from the Tourism Office itself provides assistance in non-physical and physical forms, which means that assistance in physical form is in the form of making gates, murals and roads that are characteristic of Lorong wisata. As for assistance in non-physical form, namely in the form of training and socialization related to tourism.

**Harnessing the competence base**

An innovation will always require a budget or funds that will be used to support the sustainability of the program. Unlike the case in the Lorong Wisata program, the budget is not in physical form but only in the form of material assistance, namely in the form of plants, seeds, paint media and so on. Not only budget, the sustainability of innovation can also be supported by parties who act as reviewers or who oversee the course of innovation. In the Lorong Wisata program, there is a hallway council, the term is intended for people who are trusted and appointed by the relevant SKPD to oversee the sustainability of the program. The existence of a hallway council does not guarantee that a hallway will be controlled in terms of aesthetics and utilization. Even hallway councils, some of which still complain about budget constraints or inadequacy of the assistance provided. The existence of limited budget causes the inability of the community to utilize and create a beautiful hallway in terms of aesthetics. The weak use of social media as a promotional event, as well as the lack of public awareness to introduce hallways causes there are still many alleys that have not been touched by tourists. Some aisles do not actively utilize digital technology as a promotional event, so only a few aisles are touched by tourists. The dominance is that there are still many alleys that are not known by the outside community, this condition causes the alley community to be reluctant to take part in program development.

**Organisational intelligence**

The success of innovation must be supported by organizational intelligence in extracting information and providing solutions to what are obstacles. As with the Lorong Wisata program, there are still many people who do not understand the purpose of implementing the program so that the onslaught of socialization by the relevant SKPD actively continues to be echoed to the community to increase residents' understanding. In the implementation of the Lorong Wisata program, of course, there are people who are pro and con of this. The existence of rejection conditions is considered by the government as a reasonable response because there
are still many people who do not understand what the program is like. However, after the Makassar City government conducted counseling and involved residents directly, the community was able to change their mindset which initially rejected the program, switching to accepting.

**Creativity and idea management**

The success of an innovation cannot be separated from the provision of space in the form of encouragement in the development process. This can also be seen where the SKPD related to each other hand in hand provide encouragement for the success of the Loron Wisata program. The Fisheries and Agriculture Office provides stimulant assistance in the form of fish seeds, plant seeds, planting media and fertilizers. The encouragement of SKPD is related not only in the form of materials but also in the form of services, namely in making gates and painting tourist alleys.

The Tourism Office provides encouragement in non-physical and physical forms, which means that assistance in physical form is in the form of making gates, murals and roads that are characteristic of Loron wisata. While non-physical assistance is in the form of training and socialization related to tourism. The Cooperatives and Micro, Small and Medium Enterprises Office of Makassar City provides encouragement to MSME actors in the tourist aisle in the form of Bimtek and the provision of licensing facilities, the aim is to embrace more business actors. The Food Security Office provides encouragement in the form of special allocation funds for farmer groups in Lorong that have previously been formed as well as encouragement in the form of facilities and infrastructure for the community in Lorong Wisata.

**Organisational structure and systems**

Innovation capacity in organizational structures and systems refers to the ability of an organization to facilitate and encourage innovation through the design of organizational structures and supporting systems. The implementation of Lorong Wisata program innovation does not change the structure or divisions in the existing organization, but rather closes ranks with their respective roles. In this case, the Makassar City government actively continues to monitor the development of the hallway through weekly monitoring carried out by the village government. The incessant attitude given by the government in supporting the sustainability of the program is also supported by the procurement of alley beauty competitions. This method is expected to spark public awareness to continue to preserve the hallway so that it will indirectly support the sustainability of the program.

In addition to the absence of structural changes, the Makassar City government also does not impose a reward system on the internal structure of its organization. Rewards are only applied to hallway people who win the aesthetic competition and hallway utilization. Awards are given in the form of trophies as well as getting additional promotions for the success of hallway achievements.

**Culture and climate**

Failure in an innovation is common. But in an organization, failures that occur are not to be repeated in the sense that the organization must be able to learn from the failures it has obtained. It is different from what is applied in the implementation of the Lorong Wisata program. Phenomenology shows that there are still many abandoned tourist alleys both in terms of aesthetics and utilization. When many alleys are worn out and even returned to slums due to the unawareness of the community, on the other hand, the Makassar City government still established new tourist alleys. This means that the government has not been able to learn from the failures that occur as an opportunity to improve itself. Despite the failure of several alleys,
the Makassar City government continues to establish tourist alleys in order to realize the initial targeted goal of five thousand tourist alleys. In terms of empowering expert resources, the development of Lorong Wisata involves five elements, namely governance, private sector, community, community, academics and journalists. The five elements together embrace each other to build synergy, exchange information in the implementation and development of programs.

Management of technology

Technology is a place for organizations to be able to disseminate information to the general public. The same applies to the Lorong Wisata program where technology plays an important role as a promotional medium to spark tourist attraction. However, the use of technology is not used sustainably to actively introduce the entire tourist alley in Makassar City. In a sense, the government intensifies promotion in successful aisles only, not for all aisles. Even the promotion is only done at the beginning not on an ongoing basis.

Conclusion

Based on the results of the research, the implementation of the Lorong Wisata Makassar program innovation cannot be said to be a long-term innovation (sustainable. This can be seen from the analysis of innovation capacity where some elements have not been implemented optimally. In the elements of Vision and Strategy the implementation of the program has been implemented optimally, this can be seen from the ability of the Makassar City government in realizing the implementation of the program, namely improving the economy of the hallway community through intensive socialization and provision of stimulant assistance. In the element of utilizing the competency base, optimization of program implementation has not been achieved, supported by budget limitations complained by the community in terms of aesthetic use of hallways. This condition causes the hallway community to be reluctant to take part in the development of the program. In the element of organizational intelligence, the implementation of the program has taken place optimally, this can be seen from the ability of the organization to change the mindset of the community who initially rejected the implementation of the program until finally accepting it. In the element of managing creativity and ideas, the implementation of the program has been carried out optimally. This is supported by the ability of the Makassar City government to provide assistance to the hallway community through synergy between the SKPD involved. In the elements of organizational structure and system, optimization of the implementation of the Lorong Wisata program has been realized. This can be seen from the ability of the Makassar City government to actively monitor the development and monitoring of the alley regularly. In the cultural and climatic elements, the implementation of the Lorong Wisata program cannot be said to be optimal, this is due to the development of Lorong Wisata which is continuously established by the government, while on the other hand there are still many abandoned Lorongs. In the element of technology management, optimization of the implementation of the Lorong Wisata program has not yet materialized, this can be seen from the use of technology that is temporary, in the sense that it is only carried out at the beginning not sustainably.

References


