

BUILDING INSTITUTIONAL CAPACITY: LESSONS FROM MAROS DISTRICT WATER COMPANY

ZETH WAFOM¹, SANGKALA¹, NUR ASYIA¹

¹PUBLIC ADMINISTRATION, FACULTY OF SOCIAL AND POLITICAL SCIENCE, HASANUDDIN UNIVERSITY, MAKASSAR, INDONESIA

Abstract: Capacity development is one of the methods used to face changes in accordance with the demands of the times. Without capacity development, an organization will not be able to survive long in facing competition. This study aims to describe and find out how capacity development is in PDAM Maros Regency. Six indicators used to see the extent of capacity development in PDAM Maros are Human resource capacity, financial resource capacity, information technology capacity, knowledge capacity, stakeholder commitment capacity and collaborative capacity. In this study the author uses a descriptive qualitative approach, namely providing an accurate picture of the problems faced supported by primary and secondary data. The data collection technique used is interviews. The results of the study obtained indicate that human resource capacity development in PDAM Maros Regency in accordance with the concept of Bryan Kolar (2011) human resource capacity development must be improved such as employee recruitment, employee skills and professionalism through training, and suggestions that the author can provide include; 1) employee placement should be adjusted to the field of expertise they have; 2) the implementation of informal activities as a supporter of human resource capacity development should be adjusted to the conditions and needs of employees; 3) there needs to be training and socialization for employees in terms of technology use.

Keywords: Capacity Development; PDAM; Maros Regency

INTRODUCTION:

Change Development organization sued for compete in maximize and advance organization, rapid change make organization is required for easy adapt, become all-round can, and tolerant with uncertainty. Various type organization face challenge for managing conditions changing operations with fast, and organized increasingly dependent on settings work based team for manage and achieve results said, in matter This strategy and a broad systematic approach are very necessary.

Sahadi et al., (2022) explained development organization is a process of change planned involving all over organization with special focus on culture organization and leadership, development the organization has two goals: first, to enable organizational leadership and management overcome need change specifi, such as handle new technology when company face competition in industry them and serve technology the with more effective when they operating in the business world. Second, from development organization is change organization so that its members more involved in taking decisions that are directly influence operational daily, goals second This help strengthen commitment member organization to objective first.

Current developments This according to Meirina & Dewi, (2021) marked by existence change sustainable and continuous technology growing in various sector and demanded for always align with technological development the latest information in every development product those who make it possible man for always Can adapt with the changes. Kozlowski & Bell (2008) define adaptation is a process where a person determine whether behavior they in accordance with situation new or not clear, adaptation team require member team for learn underlying principles performance team through development collaboration and coordination skills as well as ability adaptive that allows the team faces challenge new and not unexpected fast organization in the sector public in the middle digital transformation and increasing demands service public.

Regionally-Owned Enterprises (BUMD) themselves formed based on Law Number 5 of 1962 concerning Regional Companies which is strengthened by Law Number 5 of 1974 concerning Main points Regional Government with objective for carry out development area through service service to community, implementation benefits general and improvement income government area. (Digdowiseiso et al., 2023)

PDAM Maros Regency as company area provider drinking water services face challenge similar: besides must guard efficiency operationally, PDAM must also manage transformation technology for services public still reliable. Research This aim describe the development process capacity at PDAM Maros uses Bryan Kolar's (2011) framework which includes six dimensions capacity. The result expected give outlook about How strengthen capacity PDAM institutions to improve quality service public.

Based on formulation problems that have been described previously, research This aim For describe the development process capacity at the Regional Drinking Water Company (PDAM) of Maros Regency. Focus

study This directed For understand How effort development capacity done in frame increase performance and quality source Power humans in the PDAM Maros Regency environment.

Academically, the results of this study are expected to broaden the researcher's knowledge and insight, particularly regarding the theory and implementation of human resource capacity development in regional companies. Furthermore, this research is expected to provide practical contributions as considerations and input for the Maros Regency PDAM in improving the effectiveness of its human resource capacity development strategy, as well as serve as a reference for future researchers interested in conducting studies in similar areas.

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Grindle (1997) – Three dimensions of capacity building: human resources, organizational strengthening, and institutional reform.

Capacity development is a process of enhancing the ability of individuals, organizations, or systems to achieve established goals and objectives. Capacity development in this study refers to several dimensions that serve as indicators of capacity development at the Maros Regency Water Company (PDAM).

GTZ (Deutsche Gesellschaft für Technical Zusammenarbeit) in Milen (2006:22) describes that in the capacity development process there are three levels which are the focus of analysis and the change process in an organization, including:

At the system level, an organization must undertake process improvements to the systems, policies, and various regulations that form the basis of various programs, activities, and actions within the organization. In developing this system quality, the primary focus is on changes to policies and regulations that are considered to hinder the organization's optimal performance.

Capacity development efforts building) is related to creating organizational structure, culture, and management tools that support employees/individuals to show their best performance. Organizations consist of two main elements, namely organizational hardware elements including infrastructure (buildings), organizational structure, and budget support, and organizational software elements are organizational culture, work procedures, and information resources.

The individual level is an individual as an organization's human resource whose abilities and professionalism must be improved, including knowledge, competence, skills and work ethics.

Bryan Kolar (2011) – Six capacity dimensions (HR, financial, IT, knowledge, stakeholder commitment, collaboration).

According to the World Bank in Soeprapto (2003:12), capacity building or development capacity emphasizes five aspects main mutual related. First, development source Power humans, which includes activity training, recruitment, and management power professional, managerial, and technical for increase competence individual in organization. Second, the aspect organizational, which focuses on the arrangement structure, work process, resources power and style management so that the organization can functioning in a way effective and efficient.

Third, strengthening network work (network), which involves coordination inter-organizational, implementation function network, as well as formal and informal interactions to expand collaboration and synergy. Fourth, the environment organization, which includes rule, laws, and policies between institutions that can become obstacle or supporters for implementation task development, including support financial and budgeting. Lastly, the environment more activities area, which consists of on factors politics, economics, and condition social who participate influence performance organization in reach objective development.

Previous Research

Several previous studies have provided important insights into collaborative governance and multi -actor cooperation in addressing social issues in Indonesia, particularly those related to child protection. Studies by Arrozaq (2016), Dewi & Sudarmo (2023), and Anjaya & Prasetyo (2019) demonstrate that collaboration between government agencies and civil society organizations is a key element in the successful implementation of public policies. These studies emphasize that successful collaboration requires shared commitment, inclusive institutional structures, and effective communication mechanisms to foster collective decision-making.

Specifically in the context of child protection, Saragih (2024) found that collaborative efforts to address sexual violence against children still face challenges such as budget constraints, a lack of professional staff, and minimal public education on child protection. Other research in Makassar City also showed a similar pattern, where despite ongoing inter-agency coordination, the implementation of collaboration was suboptimal due to bureaucratic fragmentation and varying institutional capacities.

However, there are still research gaps that need to be filled. Most previous studies have focused on a general overview of inter-institutional collaboration, without explicitly linking it to Schöttle's theoretical framework. et et al. (2014) who highlighted the aspects of compromise, trust, communication, information sharing, and shared risk-taking. Therefore, this study aims to fill this gap by analyzing the mechanisms and effectiveness of collaboration between the UPTD PPA, law enforcement officers, health agencies, and legal aid institutions in handling cases of sexual violence against children in Makassar City.

This research is expected to provide a deeper understanding of how factors such as trust, role sharing, and coordination contribute to the success of child protection governance at the local level.

THEORETICAL FRAMEWORK

Based on the description above, the theoretical framework in this research can be formulated as follows:

Collaborative Governance Theory Governance) – Schöttle et al. (2014)

This theory explains that inter-institutional collaboration is influenced by a willingness to compromise, build trust, establish effective communication, share information, and take shared risks to achieve common goals. In the context of this research, collaboration between the UPTD PPA, Makassar Police, Social Services, Health Services, and LBH Makassar is understood as a structured effort to handle cases of sexual violence against children in a comprehensive and integrated manner.

Perspectives on Inter-Agency Cooperation in Public Services (Inter-Agency) Cooperation)

Handling cases of sexual violence against children requires cross-sectoral coordination. This perspective emphasizes the importance of role allocation, shared operational procedures, and coordination among public and non-governmental stakeholders. This approach explains that the success of integrated services requires strong institutional commitment and the minimization of sectoral egos.

Child Protection Governance Approach Protection Governance)

Handling sexual violence against children is seen as part of the state's obligation to ensure protection, access to justice, and recovery for children. Every actor—whether health agencies, law enforcement, social workers, or legal aid institutions—plays a role in a rights -based protection system. system) which emphasizes rehabilitation, legal assistance, and long-term recovery for victims

METHODOLOGY

This research uses a qualitative approach with a case study method, which focuses on capacity development in the Regional Drinking Water Company (PDAM) of Maros Regency. The qualitative approach was chosen because it allows researchers to deeply understand the practices, processes, and dynamics of organizational capacity management, including human resources, finance, information technology, knowledge, stakeholder commitment, and inter-agency collaboration in the social and regional bureaucratic context. The case study of PDAM Maros Regency is considered relevant because this institution has unique characteristics as a Regionally Owned Enterprise that plays an important role in providing public services, but also faces challenges in efficiency, professionalism, and adaptation to technological developments and community needs.

The research location was selected in Maros Regency, South Sulawesi, considering that the Regional Water Company (PDAM) is a regional institution directly involved in basic public services. Empirically, the Maros PDAM demonstrates interesting dynamics in terms of resource management and public service innovation. Furthermore, the Maros community's socioeconomic base, which relies on the agricultural sector and public services, provides a rich analytical space for understanding bureaucratic practices and organizational capacity from a public administration perspective.

The research subjects consisted of several actors directly involved in PDAM operations, namely: (1) managerial leaders and heads of departments; (2) employees in various sub-departments such as human resources, finance, and information technology; (3) PDAM customers who receive services; and (4) external stakeholders related to PDAM, such as local governments and partner institutions.

Data collection techniques were conducted through four main methods. First, in-depth interviews with key informants to explore experiences, perceptions, and capacity development strategies at the PDAM. Second, participant observation of service activities, internal coordination, and community relations. Third, document review of financial reports, organizational structures, company policies, and other official documents. Fourth, media analysis and secondary data, both from official local government reports and news related to PDAM management, were used.

The data analysis technique was conducted inductively by interpreting empirical data through thematic categories, then linking them to the theoretical framework of capacity development according to Bryan Kolar (2011), as well as concepts from Grindle (1997) and Soeprapto (2003). This approach was used to find deeper meaning regarding the relationship between resources, organizational structure, and stakeholder collaboration in increasing the capacity of PDAM Maros Regency.

With this methodology, the research is expected to be able to provide a comprehensive picture of how PDAM Maros Regency builds and develops its capacity not only as an administrative strategy, but also as an institutional effort to strengthen performance and public services at the regional level.

RESULTS AND DISCUSSION

Capacity Human Resources

Recruitment PDAM Maros employees were carried out in a way selective through internship programs term long (around 5 years), so that candidates employees who are accepted own required skills organization. Currently amount 148 PDAM employees have been sufficient need organization based on ratio employees and burdens work. Observation and interviews indicates PDAM employees in general disciplined and competent in serve customers; presence appropriate time and responsiveness to complaint customer delivered by the

community users as mark positive. However, internal training for employee Still limited. PDAM more Lots include his staff to training external For development skills technical and non- technical, without a structured internal development program. With Thus, PDAM's human resource capacity is classified as adequate in matter recruitment and suitability power work, but need improvement investment training and development professional.

In 2023, PDAM Maros Regency will participate in two types training to improve competence employees. First, training on compiling report 2022 annual report, 2023 Quarterly and Monthly reports of PDAM Based on Good Corporate Governance where followed by seven employees in February 2023 organized by Pt. Zabiko non-technical in nature. Second, training operation and maintenance installation water treatment followed by one participants in December 2023, organized by USAID and is of a technical.

Capacity Financial Resources

PDAM Maros runs its operations in a way independent with part big source funding originate from payment bill customers. In addition to payments cash at the office, PDAM has provide various channel non- cash payments (eg. through e-wallet applications Tokopedia, Shopee, digital banks, and minimarkets such as Alfamart) for make it easier customer . Report finance 2021–2022 shows that income relatively stable, but there is decline profit net in 2022 due to increase burden operational and non- operational. This is signify the need improvement efficiency management costs . Informant part finance recommend savings use energy and materials standard , and maintenance routine infrastructure for optimize use of funds. In conclusion , the capacity PDAM's finances are sufficient Good in matter sustainability funding from customers, but control cost operational need strengthened to maintain stability finance term long.

in 2022 experienced decline compared to year previously, the decline This part big caused by an increase burden operational and non- operational expenses. Although income company Possible No experience significant decrease, increase burdens said (good operational both operational and non- operational) have reduce profit the end result obtained by the company, which is visible from decline profit net in 2022 compared to with 2021.

Capacity Technology Information

Capacity Technology Information according to Bryan Collar (2011) is Variables that are seen through the ability to utilize data to inform policy And practice in level organization And system, have the necessary technological infrastructure including equipment (hardware, software, operating systems) to effectively implement information technology (IT) systems.

The Maros Water Company (PDAM) operates independently, with the majority of its funding coming from customer bill payments. In addition to cash payments at the office, the company has provided various non-cash payment channels (e.g., through e- wallet apps Tokopedia and Shopee , digital banking, and minimarkets like Alfamart) to facilitate customers. The 2021–2022 financial report shows relatively stable revenue, but there was a decrease in net profit in 2022 due to increased operational and non-operational expenses. This indicates the need to improve cost management efficiency. Financial informants recommended energy and raw material savings, as well as routine infrastructure maintenance to optimize fund utilization. In conclusion, the PDAM's financial capacity is quite good in terms of sustainable funding from customers, but operational cost control needs to be strengthened to maintain long-term financial stability.

Capacity Knowledge

Capacity knowledge related with innovation and capability organization adopt practice new. Results of interviews and observations show No There is innovation significant efforts made by PDAM Maros in service or operational daily. Employees tend comfortable with existing and lacking procedures pushed For try change new. Efforts to improve service recently This only in the form of formation WhatsApp group for communicate with customers, but mechanism the difficult accessible to all customers (especially those lacking awake technology). Education level majority PDAM employees are still at high school level, and there are indication a number of employee difficulty use device soft base operation daily. This is impact on service: a customer report several times must request help colleague Work Because employee first encountered No control method billing simple. In a way overall capacity PDAM Maros's knowledge is not yet maximum. Low innovation and resistance employee to change show the need culture learning sustainable and improving education as well as training for employees capable implement ideas or technology new.

Based on interviews and document review, it can be concluded that the knowledge capacity at the Maros Regency PDAM is not yet optimal. This refers to several interviews with community members as service users, which revealed that some employees were incompetent. In this context, the researcher found a situation where some employees were deemed less competent. The interviews revealed that efforts to realize innovation are often hampered by a lack of encouragement. Based on the author's observations, No there is a form innovation Which significant and process the work that there are still some Which done in a way traditional And A little use technology or new methods to improve performance. PDAM's efforts to improve its customer service have been limited to creating WhatsApp groups, which are not accessible to everyone.

Capacity Commitment Stakeholders Interest

PDAM Maros in general active build connection with various stakeholders interest external through a number of Work same. Informant mention there is formal collaboration with institutions like airport, house hospitals, prosecutors, and police. PDAM formulated agreement Work The same through a memorandum of

understanding (MOU) as base collaboration with partners other parties. In addition, PDAM holds regular discussion forums with partners For evaluation together. Challenge main in field This is convince stakeholders about benefit term long cooperation, overcome with presenting data and evidence success project collaboration previously. In general, commitment stakeholders interests in PDAM are assessed Enough good. Interaction positive with parties related and the existence of collaboration various party support sustainability clean water services for public.

Capacity Collaboration

PDAM Maros emphasized coordination collaborative good inside organization and with partners external. Collaboration process started with meeting planning together all stakeholders interest For compile plan Work together. The informant also emphasized importance look after effective cooperation with various interests so that resources Power can optimized and wasteful minimized. With involving stakeholders interest since beginning planning, PDAM is trying ensure needs and concerns all party can accommodated in the change program. Although steps collaborative the Already done, PDAM needs to Keep going build partnership cross more sectors structured so that the collaboration process can walk sustainable and synergistic in the future. Based on from interview about capacity collaborative work at PDAM Kab Maros is sufficient Good seen from effort they in build and maintain strong relationship with stakeholders interests. PDAM has implementing collaborative processes start from stage planning, involving various party since beginning, as well as ensure that collaboration the supported by perj formal agreement (MOU) which includes continuous evaluation and monitoring. Through approach This, PDAM succeeded manage source Power with more good, reduce waste, and increase efficiency operational . However, in order for the capacity collaborative This truly optimal, PDAM needs to Keep going strengthen commitment and involvement all stakeholders interests, as well as ensure that evaluation and monitoring are carried out routinely For ensure sustainability benefit from every collaboration Which done.

CONCLUSION

Overall, the Maros Regency Water Company (PDAM) has moderate institutional capacity, with various strengths and weaknesses. In terms of human resources, the number and composition of employees meet organizational needs, and the recruitment process is rigorous. PDAM's financial sector is relatively stable, as daily operations are funded by customer revenue and local government support. Conversely, capacity in information technology and knowledge remains low. Outdated IT infrastructure and a lack of skilled personnel hamper the development of digital services, while an organizational culture that does not support experimentation hinders innovation. Stakeholder commitment and collaborative capacity are relatively good, as evidenced by collaboration with various parties and efforts to maintain these relationships. These findings indicate that PDAM Maros' capacity development still requires continuous improvement, particularly in the areas of innovation, technology, and organizational learning to remain adaptive to the challenges of public service management.

Recommendation

Based on the research findings, several strategic recommendations can be put forward:

Improve human resource capacity and training. PDAMs need to develop structured training programs tailored to employee competency needs, including technical and managerial training. Employee placement should be optimized based on their skill sets to support optimal performance.

Strengthen IT infrastructure and human resources. It's necessary to recruit additional competent IT staff and allocate funds for technological infrastructure modernization (including CCTV repairs and service system automation). Regular IT training for employees is also essential to accelerate the adoption of new technologies. Maintaining financial efficiency. While self-funding is quite good, PDAMs should continue to strive to control operational costs (e.g., energy and raw material efficiency) and optimize revenue sources (service diversification) to maintain long-term financial health.

Encourage a culture of innovation and learning. To increase knowledge capacity, PDAM should promote knowledge programs. sharing and continuous Improvement . Incentives for innovative ideas and internal forums for sharing best practices can transform an organization's culture to be more adaptive and creative.

Expand collaborative partnerships. PDAMs are advised to continue strengthening cross-sector partnerships, for example with universities or technology companies, for technical assistance and human resource training. Building a network of strategic partners will help PDAMs access additional resources and learn from the experiences of other organizations.

These recommendations are based on a capacity development framework that aligns with the six dimensions studied, and aims to address identified weaknesses in order to achieve more effective and sustainable PDAM services.

REFERENCES

1. Ajibolade, S. A., & Ojikutu, R. (2010). Management accounting systems, perceived environmental uncertainty and company performance in Nigeria. *International Journal of Academic Research*, 2(1), 195–

-
- 200.
2. Bryan, T. K. (2011). Exploring dimensions of organizational capacity for local social service organizations: A multimethod approach (Doctoral dissertation, Virginia Tech).
 3. Bungin, B. (2012). Analisis data penelitian kualitatif. Jakarta: Raja Grafindo Persada.
 4. Creswell, J. W., & Creswell, J. D. (2018). Research design: Qualitative, quantitative, and mixed methods approaches. SAGE Publications.
 5. Danuri, M. (2019). Development and transformation of digital technology. *Infocom*, 15(2), 116–123.
 6. Darmawan, D. (2008). Theoretical study of leadership variables. *Media Komunikasi Ekonomi dan Manajemen*, 6(3), 21–35.
 7. Digdowniseiso, K., Rengganisa, A., & Author, C. (2023). Literature study of the role of regionally owned enterprises (BUMD) in boosting the economy amidst the Covid-19 pandemic. *Management Studies and Entrepreneurship Journal*, 4(5), 4694–4702. <http://journal.yrpiiku.com/index.php/msej>
 8. Gasco-Hernandez, M., Cucciniello, M., & Hiedemann, A. M. (2022). Urban governance: The role of organizational capacity in driving digital transformation at the local level—The case of three smart cities in Europe. *IslaosRi*, 2(September), 236–246.
 9. Gomez, F. C. (1995). Manajemen sumber daya manusia. Yogyakarta: ANDI.
 10. Goodman. (1998). Signal transduction events. In *Medical cell biology* (pp. 249–290). Philadelphia: Lippincott-Raven.
 11. Grindle, M. S. (1997). Getting good government: Capacity building in the public sectors of developing countries. Harvard Institute for International Development.
 12. Grindle, M. S., & Hilderbrand, M. E. (1995). Building sustainable capacity in the public sector: What can be done? *Public Administration*, 15, 441–463.