



Analysis Of Dynamic Capability Of Managers During The Covid-19 Pandemic Cooperative Village Units In The Mataraman Region, East Java

Bambang Agus Sumantri^{1*}, Wiwiek Rabiatul Adawiyah², Ade Banani³

¹ Student Ph.D of Management Science, Economic and Business Departemen Jenderal Soedirman University, Purwokerto Indonesia and Lecturer Economic and Business Departemen Univeritas Nusantara PGRI Kediri.

² Professor Economic and Business Departemen Jenderal Soedirman University, Purwokerto Indonesia;

³ Associate Professor Economic and Business Departemen Jenderal Soedirman University, Purwokerto Indonesia

*corresponding author

bambang.as@unpkediri.ac.id^{1*}, wiewiekra@unsoed.ac.id², adebanani@unsoed.ac.id³

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Informasi Artikel	Abstract
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Research aim : to find out and identify dynamic capabilities by KUD managers during a pandemic and the results in the form of index values are used to determine the impact on KUD in Kediri and Madiun Residents and provide information in the form of strategies that must be carried out by KUD

Design/Method/Approach : Total population is 141 respondents. Determination of the sample using the Slovin formula and the number of samples is 106 respondents. The Linkert scale developed in this study consists of 7. The data analysis technique used is descriptive statistical analysis using index numbers.

Research Finding : dynamic capabilities consisting of the first indicator, the ability to acquire knowledge; second, the ability to create knowledge; and third, the ability to combine knowledge) of the three indicators all have interpretations in the category 26.43 to 79.29 including the low index value category.

Theoretical contribution/Originality : dynamic capabilities in KUD in Indonesia.

Practitioner/Policy implication : KUD managers can understand, improve and optimize dynamic capabilities in the form of: ability to acquire knowledge, ability to create knowledge, ability to combine knowledge.

Research limitation : The research object has not been classified from the level of business size, type of business, and others so that it becomes a comparable comparison. Where research can be categorized into 3 strata, namely: large-scale KUD, medium-scale KUD and small-scale KUD. And each stratum is the focus of research because large, medium or small capabilities have different characteristics.

Keywords : dynamic capability, ability to acquire knowledge, ability to create knowledge, ability to combine knowledge, village unit cooperatives (KUD).

Abstrak

Tujuan Penelitian : mengetahui dan mengidentifikasi kapabilitas dinamis oleh manajer KUD selama pandemi dan hasilnya berupa nilai indeks digunakan untuk mengetahui dampaknya terhadap KUD di Karisidenan Kediri dan Madiun serta memberikan informasi berupa strategi yang harus dilakukan KUD.

Desain/ Metode/ Pendekatan : Jumlah populasi adalah 141 responden. Penentuan sampel menggunakan rumus Slovin dan jumlah sampel 106 responden. Skala linkert yang dikembangkan dalam penelitian terdiri dari 7. Teknik analisis data yang dilakukan yaitu analisis statistik deskriptif dengan menggunakan angka indeks.

Temuan Penelitian : kapabilitas dinamis yang terdiri dari indikator pertama, kemampuan memperoleh pengetahuan; kedua, kemampuan menciptakan pengetahuan; dan ketiga, kemampuan menggabungkan pengetahuan) dari ketiga indikator semua memiliki interpretasi pada kategori 26,43 sampai dengan 79,29 termasuk berkategori nilai indeks rendah.

Kontribusi Teoritis/ Originalitas: kapabilitas dinamis pada KUD di Indonesia.

Implikasi Praktis : Manajer KUD dapat memahami, meningkatkan dan mengoptimalkan kapabilitas dinamis yang berupa: kemampuan memperoleh pengetahuan, kemampuan menciptakan pengetahuan, kemampuan menggabungkan pengetahuan.

Keterbatasan Penelitian : Objek penelitian belum dilakukan klasifikasi dari tingkat ukuran bisnis, jenis bisnis, dan lainnya sehingga menjadi pembanding yang sebanding. Dimana penelitian dapat dikategorikan 3 strata, yaitu: KUD skala besar, KUD skala menengah dan KUD skala kecil. Dan setiap strata menjadi fokus penelitian dikarenakan kapabilitas besar, menengah atau kecil memiliki karakteristik yang berbeda.

Kata kunci : kapabilitas dinamis, kemampuan memperoleh pengetahuan, kemampuan menciptakan pengetahuan, kemampuan menggabungkan pengetahuan, koperasi unit desa (KUD).

1. Introduction

Cooperative development figures for 2018 cannot be obtained, either from the Ministry of Cooperatives or even from Dekopin. Its validity may meet the requirements but its reliability cannot be justified. It is difficult to believe the truth of the number of cooperatives in question (except those announced by the Ministry of Cooperatives), members, share and non-share capital, turnover and assets and others. The number of members, he said, is 35 million people from around 150 thousand cooperatives, or an average of not yet 300 people per cooperative. Compare that with Credit Cooperatives (Kopdit) of around 3,000 members per cooperative [1].

The Village Unit Cooperative (KUD) is one of the cooperatives that grew in rural areas starting in 1973. The birth of the KUD was inseparable from the Government Program in food procurement for national stocks which was pioneered, at that time, through the Village Unit Business Entity (BUUD). Business entities in the form of Rural Cooperatives (KUD) do not yet have broad market access, so these institutions are often left behind from other economic actors, such as: Private Owned Enterprises (BUMS) and State Owned Enterprises (BUMN) which already have access to local market networks, national and international.



The results of research on KUD institutions include: 1) the management and management of cooperatives is still influenced by teposeliro, not based on the quality of leadership and entrepreneurship; 2) the activities of the cooperative are not in accordance with the needs of the members so that the cooperative operates solely at the will of the management. This results in low member participation because members do not experience the benefits of being a cooperative member; 3) it is still found that cooperatives do not involve members in their activities (cooperatives are controlled by capital owners); 4) the existence of cooperative activities that utilize government support for the existence of cooperatives for personal gain; 5) the efforts made are not focused, so that the level of cooperative profitability is still low. As a result, the development of cooperative assets is very slow and it is difficult for cooperatives to develop; 6) the information system at the cooperative level is still weak, especially price information on agricultural commodities so that market access for agricultural products and other products is still relatively narrow; 7) the role of cooperatives as a distributor of agricultural production facilities in rural areas and as a container for agricultural production has not yet been played out [2].

Every company constantly faces changes in the market environment, fast business competition, full of uncertainty and complexity, as well as a high risk of business failure. These changes trigger business strategy activities. One of the business strategies is a competitive advantage strategy based on superior resources and superior competencies. Strategy activities aim to identify the long-term drivers of company survival and growth [3,4]. However, the competitive advantage that is already owned can decrease from time to time. The current development of business competition makes dynamic capabilities an important aspect in business strategy activities. And the relationship between dynamic capabilities and competitive advantage, where dynamic capabilities as "the ability to sense and then seize new opportunities, to reconfigure and protect knowledge assets, competencies, complementary assets and technology to achieve sustainable competitive advantage [5]."

Dynamic capabilities contain agility dynamics and agility [6], developed to help guide decisions and actions in rapidly changing and complex environments [7]. The term dynamic capability or dynamic capability is a very complex and vague term depending on the point of view [3]. Conceptually, dynamic capabilities are a company's ability to integrate, build, and reconfirm internal and external competences to cope with a rapidly changing environment [8] or with the understanding that dynamic capability has three basic elements, namely sensing, seizing, and transforming. Sensing is an activity to identify what is happening in the environment, (seizing) which is then translated into routine activities (seizing), so that the organization is able to change or transform to complete the latest conditions (transforming).

1.1. Statement of Problems

The development of cooperatives is different from the development of large companies, because cooperatives have limited resources. In this position the majority of cooperatives have similar characteristics to Small and Medium Enterprises (SMEs). The characteristics of SMEs that differ from large companies are based on the limited resources of SMEs and different managerial capabilities and practices [9]. Because SMEs have a very important role for the Indonesian economy [10].



1.2. Research Objectives

This study has the objective of knowing the dynamic capability level conditions of village unit cooperative managers in Indonesia which is the focus of research in the Mataraman region of East Java when facing the 2020-2022 pandemic.

2. Method

The variables in this study are latent or unobserved variables, namely variables that cannot be measured directly, but are formed through observed indicators. The type of data used in this research consists of primary data and secondary data. Primary data was obtained by distributing questionnaires to a number of respondents who were managers or heads of the largest business units in each KUD in the Kediri and Madiun areas. Secondary data sources were obtained by means of literature studies on previous research results obtained from journals, books, and the internet related to this research. Data collection techniques in this study used questionnaires, and measurement tools used interval data measurements.

The total population is known, namely a number of 141 KUD in the Kediri and Madiun areas. This study collected respondents from the provinces of East Java/Kediri and Madiun residencies or the western part (mataraman) consisting of 12 regencies/cities, namely: the areas of Kediri Regency, Kediri City, Blitar Regency, Nganjuk Regency, Tulungagung Regency, Trenggalek Regency, Madiun Regency, Madiun City, Ngawi Regency, Magetan Regency, Ponorogo Regency, and Pacitan Regency. The sample in this study, namely managers or heads of business units in each KUD, was represented by 1 respondent who was still actively serving at the time the research was conducted. Based on the determination of the minimum sample that must be taken based on the Slovin formula, namely 104, the determination of the sample in this study uses the Slovin formula:

$$n = \frac{N}{N \cdot d^2 + 1}$$
$$n = \frac{141}{141 \cdot (0,05)^2 + 1}$$
$$n = 104,251$$

The sampling technique is purposive sampling, namely information for data is taken from specific targets by taking samples through certain criteria. The criteria used as respondents were managers or heads of KUD business units who were active at the time the research was conducted. To measure responses or responses of respondents to indicators of dynamic capability variables, Likert's scale is used. This scale is another form of bipolar adjective, by developing statements that result in answers that strongly do not exist – strongly agree in various ranges of values (gradations) the Linkert scale developed in this study consists of 7 scales. The items used in scaling provide 7 choices. The scale used in this study was chosen



with the aim that the respondents gave a more varied response. The 7-choice scaling patterns used in this study are as follows:

Strongly Disagree	1	2	3	4	5	6	7	Strongly agree
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The data analysis technique used was descriptive statistical analysis using index numbers. The index number is a descriptive statistical analysis tool used to provide an empirical description or description of the data collected in a study. Through these index numbers, it can be seen the general perception of respondents about a variable under study. To calculate the index number, use the formula for the index value of [11]. The formula for the value of the index number is as follows:

$$\text{Index Value} = ((\%F1 \times 1) + (\%F2 \times 2) + (\%F3 \times 3) + (\%F4 \times 4) + (\%F5 \times 5) + (\%F6 \times 6) + (\%F7 \times 7)) / 7$$

Where :

F1 is the frequency of respondents who answered 1

F2 is the frequency of respondents who answered 2

F3 is the frequency of respondents who answered 3

F4 is the frequency of respondents who answered 4

F5 is the frequency of respondents who answered 5

F6 is the frequency of respondents who answered 6

F7 is the frequency of respondents who answered 7.

As the basis for the interpretation of the index values obtained, the three box criteria (Three box Method) are used, namely low, medium and high.

The minimum index value to be obtained is $(1 \times 185) / 7 = 26.43$ The maximum index value to be obtained is $(7 \times 185) / 7 = 185$

Answer range = maximum value - minimum value

$$= 185 - 26.43$$

$$= 158.57$$



Then the range of answers is divided by three ($158.57 : 3 = 52.86$), to determine the interpretation criteria as follows:

26.43 to 79.29 = low

79.30 to 132.16 = moderate

132.17 to 185 = high

3. Results and Discussion

The general description of the next respondent is based on the age of the respondent which can be classified according to table 2 below.

Table 2
General Description of Respondents by Age

Age	Total (Person)	Percentage (%)
20 – 25 years	15	14,3
26 – 30 years	7	6,7
31 – 35 years	3	2,9
36 – 40 years	1	0,9
41 – 45 years	5	4,5
46 – 50 years	8	7,6
51 – 55 years	29	27,2
56 – 60 years	16	15
61 – 65 years	12	11,3
65 and above 7	10	9,6
Jumlah	106	100

Source: Primary data processed (2022)

Based on table 2, it can be seen that most of the respondents were aged between 51 and 55 years, namely 29 people or 27.2% and aged 56-60 years, namely 16 people or 15%. This age is seen from the perspective of the age of Generation X (born between 1930-1980) dominating in terms of age, namely 70.7%, Generation Y alias millennials (born between 1980-1995) aged between 26 to 45 years by approximately 15%. Meanwhile, generation Z (born between 1995-2010) aged between 20 and 25 years is very low, namely 14.3%.

Apart from gender and age, the general description of the respondents in this study can also be differentiated based on their level of education which can be seen in table 3 below.

Table 3
General Description of Respondents Based on Education

Education	Total (Person)	Percentage (%)
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SMP/equivalen	1	0,9
SMA/ equivalen	74	70
D3	5	4,7
S1	25	23,5
S2	1	0,9
Jumlah	106	100

Source: Primary data processed (2022)

Based on table 3, it can be seen that most of the respondents had a high school educational background, namely 74 people or 70% and 1 person in junior high school or master's degree each or 1%. This shows that management in KUD has not considered the educational background of managers or business unit leaders. This can be caused by the type of work, such as leading a business in KUD, one of which can be obtained through the diligence of the work itself.

Table 4.
Dynamic Capability Variable Index Value

Dynamic Capability Variable Indicator	TTSS		HTT		TS		RR		CT		T		ST		Total	Index Value	Information
	F (%)	S	F (%)	S	F (%)	S	F (%)	S	F (%)	S	F (%)	S	F (%)	S			
KD1	0,00	1,00	1,89	2,00	2,83	3,00	15,09	4,00	12,26	5,00	54,72	6,00	13,21	7,00	554,72	79,25	Low
KD2	0,00	1,00	0,94	2,00	3,77	3,00	13,21	4,00	19,81	5,00	50,94	6,00	11,32	7,00	549,96	78,57	Low
KD3	0,00	1,00	3,77	2,00	5,66	3,00	12,26	4,00	16,04	5,00	50,94	6,00	11,32	7,00	538,64	76,95	Low
KD4	0,00	1,00	3,77	2,00	3,77	3,00	11,32	4,00	19,81	5,00	46,23	6,00	15,09	7,00	546,19	78,03	Low
KD5	0,00	1,00	2,83	2,00	0,94	3,00	15,09	4,00	16,98	5,00	53,77	6,00	10,38	7,00	549,02	78,43	Low
KD6	0,00	1,00	5,66	2,00	7,55	3,00	16,98	4,00	18,87	5,00	43,40	6,00	7,55	7,00	509,49	72,78	Low
KD7	0,00	1,00	4,72	2,00	3,77	3,00	21,70	4,00	22,64	5,00	38,68	6,00	8,49	7,00	512,26	73,18	Low
KD8	0,00	1,00	3,77	2,00	3,77	3,00	18,87	4,00	16,04	5,00	45,28	6,00	12,26	7,00	532,03	76,00	Low
KD9	0,00	1,00	1,89	2,00	1,89	3,00	20,75	4,00	20,75	5,00	37,74	6,00	16,98	7,00	541,50	77,36	Low
KD10	0,00	1,00	7,55	2,00	4,72	3,00	16,04	4,00	22,64	5,00	38,68	6,00	10,38	7,00	511,36	73,05	Low

Source: Primary data processed (2022)

Based on table 4. the score criteria for each dynamic capability indicator can be summarized as follows:

Indicator 1 (KD1): Our KUD has very good knowledge of business management, including in the low index category (79.25).

Indicator 2 (KD2): Our KUD has very good knowledge of business processes, including the low index category (78.57).



Indicator 3 (KD3): Our KUD has the ability to develop knowledge about technology to support business, including the low index category (76.95)

Indicator 4 (KD4): Our KUD has the ability to develop knowledge about marketing, including the low index category (78.03).

Indicator 5 (KD5): Our KUD has the ability to develop knowledge about business management, including the low index category (78.43).

Indicator 6 (KD6): Our KUD can create knowledge to support business, including the low index category (72.78).

Indicator 7 (KD7): Our KUD can create knowledge for business management, including the low index category (73.18).

Indicator 8 (KD8): Our KUD can combine knowledge that comes from internal and external organizations, including the low index category (76.00).

Indicator 9 (KD9): Our KUD can integrate knowledge from various segments, teams and individuals, including the low index category (77.36).

Indicator 10 (KD10): Our KUD can combine knowledge in different technology and market areas, including the low index category (73.05).

Based on 10 indicators of dynamic capability variables in this study, namely that dynamic capabilities in KUD in the Kediri and Madiun areas are in the low index value category. For this reason, considering that dynamic capabilities are very important, it is necessary to make changes so that dynamic capabilities in KUD are in the medium or even high category. The category is moderate or even high on dynamic capabilities because dynamic capabilities are how company resources function as the basis for dynamic capabilities and consequently management innovation or company characteristics (intensity of competition, cultural structure or top-level management team) affect the management innovation process [12]. Dynamic capabilities were developed to help guide decisions and actions in fast changing and complex environments [7].

KUD in the Kediri and Madiun residential areas at the capability level have not yet entered into dynamic capabilities, because the stages of capability are in organizational behavior orientation, namely: operational capabilities, dynamic capabilities, and organizational capabilities. The nature of dynamic capabilities, it is very important to distinguish between dynamic capabilities and operational capabilities [13]. Operational capabilities as “ordinary capabilities”[14].

4. Conclusion

This research has several limitations, including the research was conducted at the time of the unpredictable Covid-19 pandemic. So that the results of this study cannot describe normal business activity conditions, therefore it is necessary to carry out further research when business activities are normal or further research by including the Covid-19 pandemic as a moderating variable that can strengthen or weaken the results of this study.

One of the limitations is regarding the research data which was only obtained from the research area in the districts/cities around the western part of East Java (Mataraman) so that larger data is needed to increase the generalization of the research results. The next limitation is the nature of the study which is cross-sectional so that the direction of causality of the



relationship between variables becomes less solid, so further research is needed that is longitudinal in nature to determine the direction of the relationship between variables and theoretically can determine the temporal stability of the construct, whether it is static or dynamic .

Appendiks

Dynamic Capability Variables

Indicator 1: Ability to acquire knowledge

1. Our KUD can acquire managerial knowledge.
2. Our KUD can acquire manufacturing and process knowledge.

Indicator 2: Ability to create knowledge

3. Our KUD can create technological knowledge capabilities.
4. Our KUD can create marketing knowledge.
5. Our KUD can create managerial knowledge.
6. Our KUD can create manufacturing and process knowledge.
7. Our KUD can create management information system knowledge and expertise.

Indicator 3: Ability to combine knowledge

8. Our KUD can combine internal and external knowledge.
9. Our KUD can integrate knowledge from various levels of management, teams, and individuals.
10. Our KUD can combine knowledge in different technology areas or markets.

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