

# THE RESOURCE-BASED THEORY AND DISASTER MANAGEMENT: IMPLICATION FOR LOCAL GOVERNMENT IN MANAGING A DISASTER

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## ABSTRAK

*Artikel ini adalah kajian evaluasi mengenai kapabilitas pemerintah daerah Bantul menangani bencana gempa. Tujuan utama adalah untuk mengerahkan semua sumber daya yang ada untuk mencapai tujuan organisasi yang berkaitan dengan melindungi dan mengurangi kerentanan masyarakat terhadap bencana. Pemahaman teori berbasis sumber daya (resource based theory-RBT) dapat membantu organisasi mengidentifikasi sumber daya yang dimiliki organisasi untuk mencapai tujuannya. RBT menggunakan perspektif dari kapabilitas organisasi untuk menentukan sumber daya apa saja yang diperlukan untuk mencapai tujuan tujuannya.*

*Kata Kunci: Resources-Based Theory, disaster management, local government.*

## INTRODUCTION

Indonesia is a country vulnerable to disaster, both natural and man-made. There are many factors that affect vulnerable regions in Indonesia. First, there is the effect from the increasing population in recent years. The population was 237,641,326 in 2010 (Statistics Centre Bureau, 2010). Many of these live in disaster-prone areas because of such factors as the availability of fertile soil in floodplains or they live in cities with compromised natural ecosystems. Second, the high population density (116 people per square kilometer) leads to overcrowding in urban areas, which, coupled with poor building practices, leads to a large number of casualties in the event of a disaster such as an earthquake. Third, many tropical forest regions have been damaged due to increasing land demand as a consequence of demographic growth, which eventually creates adverse outcomes through decreasing the quality of the environment or, at the least, exacerbating the damaging impact of natural disasters. Fourth, logging and mining activities, and the creation of large plantations, have reduced the environment's capacity to withstand the challenges posed by nature (National Development Planning Agent, 2006).

However, although Indonesia is prone to disaster but low apathy or lack of concern about and interest in disaster issues is very significant due to limited knowledge about disaster. Lack of such capabilities brings many implications and consequences, such as greater and unavoidable financial strain, delay in economic recovery, re-scheduling of development funds to address the consequences of a disaster, hesitancy on the part of international investors to invest in a country that cannot deal effectively with

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or limit avoidable disasters, additional loss of life, property and community infrastructures which are otherwise avoidable, greater possibility of epidemics, enhanced chance of political instability, and potentially prolonged disruption in essential services (Coppola, 2007).

Indonesia's local governments find that, although local government is the institution closest to the community and can be assumed to have the best knowledge of local needs, people and culture; this institution has never been equipped in how to manage a disaster and has not paid attention to the value and importance of mitigation and preparedness for the community. Disaster management plans have rarely been found in local government in Indonesia. Thus there remains a dearth of study on the resource capability of local government in Indonesia that this local body requires to address disaster management issues.

This study focuses on the Bantul local government, Indonesia, as a case study because of its experience in managing the 2006 earthquake. The government of Indonesia classified the 2006 earthquake as a local disaster due to the number people killed, injured property damaged and infrastructure severely affected. The study takes a case study approach and such local government conditions are representative of most local government in Indonesia: the people of Bantul live in a disaster prone area, typical of densely populated areas in Indonesia, and it has limited revenue sources of its own and depends on the central government's general allocation transfer. The findings of this study will therefore contribute significant insight for all stakeholders in Indonesia and can be used to enhance the role of local government in managing disaster.

## RESOURCE-BASED THEORY (RBT)

RBT is an efficiency-based explanation of sustained superior organisation performance. There are many definitions of resources. An organisation's resources can be its assets (Barney, 1991; Wernerfelt, 1984), its competences and capabilities (Stalk, et.al., 1992), and also its knowledge (Grant, 1996; Liebeskind, 1996; Spender & Grant, 1996).

Barney and Clark (2007) point out that there are many prerequisites for an organisation seeking to acquire sustained competitive advantage. *Firstly*, the resource must be a valuable one, which exploits opportunities and neutralizes threats. Resources become valuable when they enable an organisation to consider or implement strategies that enhance the organisation's performance. *Secondly*, the resource must be rare. Some strategies require a particular combination of physical, financial, human and organisational capital resources, so that the organisation needs to access specific managerial talent in order to gain competitive advantage (Hambrick, 1987). *Thirdly*, the resource has to be imperfectly imitable. By this experts mean that the combination of

unique historical conditions, causal ambiguity and social complexity will allow an organisation to gain competitive advantage. Fourthly, one should be able to develop the organisation's resources as organisational processes. Numerous aspects of an organisation, such as formal reporting structures, management control systems and compensation policies, can influence the ability to exploit to the full its competitive resources and capabilities (Dierickx & Cool, 1989).

## THE ORGANISATIONAL DYNAMIC CAPABILITY

The concept of organisational capability has attracted much interest, primarily in management research. In RBT, organisational capabilities have been identified as one major source for the generation and development of sustainable competitive advantage (Barney, 1991). Recently, in the capability debate, issues of environmental uncertainty and change have come to the fore. Therefore the emphasis on organisational capability has now shifted to the ability to change and quickly develop critical prerequisites for sustaining competitive advantage (Schreyögg & Kliesch-Eberl, 2007).

Uncertainty and change are key characteristics of disaster (Moynihan, 2008). But disaster also has a catalytic effect, focusing political attention, widening the interest of publics, incorporating new ideas and breaking down resistance to change (Birkland, 2006). Schwartz and Sulitzeanu-Kenan (2004) warn that, although disaster draws political attention, policy change requires certain conditions such as a perception of a problem in need of a solution, a perception that increased legal and hierarchical accountability is a feasible solution, and a political climate that is conducive to policy change. Disaster can also limit learning by fostering defensive reactions and opportunism. The politics of accountability tends to seek guilty individuals, overlooking systems failures and fostering defensiveness (Drabek, 1994). As a result, leaders disassociate themselves from perceived negative outcomes and deny that a problem exists, or deny that they made an error or that they are responsible for a solution (Argyris & Schön, 1996). Information is suppressed or used as ammunition to rationalize behaviour and deflect blame rather than to identify useful lessons (Boin, 2005).

Observing capabilities is perhaps the most significant structural problem in managing complex organisations today (Van de Ven, 1986). Leonard-Barton (1992) assumes that descriptors of capabilities such as 'unique', 'distinctive', 'difficult to imitate', or 'superior to competition' render the term self-explanatory, especially if reference is also made to 'resource deployment' or 'skills'. There are many varieties of names in the literature on labelling capability. Various authors have called capabilities by different names, such as distinctive competences (M. Hitt & Ireland, 1985; Snow & Hrebiniak, 1980), core or organisational competencies (Hayes, et.al., 1988; Prahalad &

Hamel, 1990), organisation-specific competence (Pavitt, 1991), resource deployments (Hofer & Schendel, 1978), invisible assets (Itami & Roehl, 1987), and complex routines, collective skills and best practices (Schreyögg & Kliesch-Eberl, 2007).

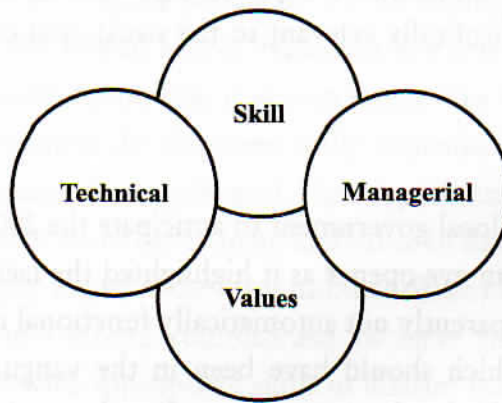
It is also important to define capability, since this is a key concept for this research. According to Williamson (1991), the leading efficiency approach applicable in order to achieve an organisation's goals is the capability approach. Makadok (2001) defines capabilities as special types of 'resources that are organisational embedded non-transferable firm-specific resources whose purpose is to improve the productivity of other resources' (p. 389). Barney and Clark (2007) define capability as the attributes of an organisation, such as financial, physical and individual/organisational capital, that enable it to exploit its resources in implementing strategies. Teece, Pisano and Shuen (1990) provide a clear definition of capability as 'a set of differentiated skills, complementary assets, and routines that provide the basis for an organisation's competitive capacities and sustainable advantage in a particular business' (p. 509). Also, capability is a collection of knowledge sets which is distributed and is being constantly enhanced from multiple sources. Organisational capabilities represent the power of planned and coordinated specialized divisions of labour to achieve organisational goals (Lazonick, 1995).

Amit and Schoemaker (1993) refer to capabilities as an organisation's capacity to deploy resources, usually in combination, using organisational processes, to affect a desired objective. This definition has two key features. Firstly, capabilities are those attributes of an organisation that enable it to exploit its resources in implementing strategies. Secondly, the primary purpose of a capability is to enhance the productivity of other resources that an organisation possesses. Resources are an organisation's fundamental financial, physical, individual, and organisational capital attributes. Capabilities tend to focus on the ability of an organisation to learn and evolve, and also on 'the antecedent organisational and strategic routines by which leaders alter their resource base—acquire and shed resources, integrate them together, and recombine them—to generate value-creating strategies'.

Capability does not represent a single resource in the concert of other resources such as financial assets, technology or manpower, but is rather a distinctive and superior way of allocating resources. Organisational capability is conceived as collective and socially embedded in nature. It is brought about by social interaction and represents a collectively shared 'way of problem solving'. Capability is not attributed unless outstanding skills have proved to solve extraordinary problems understood in terms of complexity. Complexity refers to the characteristics of a problem situation and of decision making under uncertainty. Solving complex task requires abilities with a broad capacity. The complexity of a capability therefore reflects the internal requirement for mastering complex tasks.

There are four dimensions of capability. Firstly, there is the dimension of knowledge and skills. This is the one most often associated with capabilities and the one most obviously relevant to new organisational development . Secondly, knowledge and skills are embedded in technical systems. Thirdly, the processes of knowledge creation and control are guided by managerial systems. The fourth dimension is represented by the values and norms associated with the various types of embodied and embedded knowledge and with the processes of knowledge creation and control. Figure 1 shows that capability is an interrelated interdependent knowledge system.

**Figure 1.**  
**The Four Dimensions of Capability**



*Source: Leonard - Barton, 1992*

Studying capability of local government in managing disaster has many reasons in its support. According to Moynihan , administrative man intends to be rational when facing a disaster and has a general goal of returning to normal conditions, but there are obstacles limiting his knowledge of how to return to normalcy. Moreover, Boin emphasises that when the need to learn how to return to normal conditions is at its peak, the institutional capability of public leaders and of organisations may be disappointingly low. The mistakes that local government normally makes when preventing disaster may frequently be connected to rigid institutional beliefs, ignoring outside complaints, difficulties in handling multiple sources of information, and the tendency to minimise danger .

In relation to disaster events, it is fundamental to identify the demands (dynamic and evolving conditions, role uncertainty, and situational constraints) that characterise the disaster response environment and develop the management capabilities required to deal with disasters. Cigler defines capability as capacity, and in terms of capacity local government must have financial, technical, legal, political, institutional and human resource capacity to perform activities in all stages of routine emergencies. The

capability needed in disaster management relates to delegation, communication, decision making and inter-agency coordination .

## **THE CAPABILITY EXISTS IN THE BANTUL LOCAL GOVERNMENT**

The assessment of Bantul local government capability in managing a disaster shows how this institution has shifted its normal activities towards the ability to change and quickly develop in an environment of uncertainty. The term 'capability' in this study means the ability of the Bantul local government to organise assets, competence and knowledge to protect the community from a disaster's potential effects and how it has been transformed into local government ability in institutional and human resources policy for effective implementation and providing financial, technical and leadership capabilities which are specifically relevant to the situational contingencies of a given community disaster.

### **Institutional Capability**

The capability of local government to anticipate the 2006 earthquake was very limited. The quake was an eye-opener as it highlighted the fact that *Satkorlak PB* and *Satlak PB* offices were apparently not automatically functional in the wake of a disaster on that scale. *Satlak*, which should have been in the vanguard of a disaster relief operation, remained in limbo for some time after the quake. However, after the experience of the 2006 earthquake, in terms of institutional capability, the Bantul local government has made efforts by having a clear structure, role and responsibilities, and appointing Bantul's Community Protection Unit as a leading institution to handle disaster. The Bantul local government has also considered including man-made disaster alongside natural disaster in its disaster management program.

Besides making Bantul's Community Protection Unit a leading institution, the mitigation effort has also being implemented in Bantul's Middle-Term Development Plan (RPJMD) 2006-2010, with adequate funds allocated to this program. The Community Protection Unit of Bantul has also mapped the yearly cycle of natural disaster in Bantul such as floods, landslides, drought, tornadoes and coastal erosion. The Bantul Mayor has also implemented Policy No. 166 Year 2006 on *SatlakPB*. This policy emphasised that all community organisations in Bantul must support the activity of *SatlakPB* so that every organisation had disaster awareness.

### **Human Resource Capability**

The human resource capability of the Bantul local government is seen from the perspective of having sufficient human capital, proper task delegation and division of labour. In terms of having sufficient human capital, the Bantul local government has

more than 12,000 personnel to provide service for 17 sub-districts, 75 villages and 933 hamlets. Proper task delegation and division of labour have also been managed well for running routine daily activity. Since a disaster is a sudden event that totally differs from daily activity, proper task delegation and labour division in the Bantul local government did not run smoothly. Fortunately, all departments and offices in Bantul have additional tasks beside their main task, even though this is not the direct responsibility of those departments or offices. For instance, as a member of the Bantul Regional Planning Agency said, the head of the agency must be responsible in some sub-districts for numbers relating to malnutrition, maternity numbers and the mortality rate. This requirement has been imposed by the Bantul Mayor in an effort to change the mindset of the bureaucracy towards serving the people better. By having detailed information on sub-districts or villages, the Bantul Mayor explained, the development program of the government could be successful because it was on target. The Bantul Mayor also added that the success of government development really depended on cooperation between and among departments and offices in Bantul. Health problems could be solved if there was an understanding from every department and office in Bantul to see it as a common responsibility and not only as part of the responsibility of the Health Department.

However, having a strong commitment to serve the people is not enough without being equipped with appropriate skills in disaster management. Some efforts, therefore, have been directed towards educating the bureaucracy in disaster awareness. Training sessions on mitigation and preparedness have frequently been attended by staff from all departments and offices in Bantul. Tsunami drills and earthquake simulations have also been conducted with the community by local government in order to help them prepare if a real disaster occurred.

Research reveals that in terms of human resource capability, there is indeed a lack of knowledge by the Bantul local government staff as to how to manage a disaster. However, the willingness to work hard and the capability of mastering local conditions has assisted the government to fill this gap. The researcher's own observation supports the information from key informants that the head of agency in Bantul has in fact mastered the social conditions of sub-districts there. The heads of agencies helped the researcher to identify community leaders and provided detailed information about the districts that the researcher selected for the community leader's survey.

### **Policy for Effective Implementation**

Capability of the Bantul local government in terms of policy for effective implementation is a critical requirement for disaster management. This capability can be assessed by the availability of appropriate policies, rules and regulations for making

decisions, and mobilising resources and engaging relevant public and private organisations.

Once the national policy arrangement on disaster management emerged through the implementation of Law No. 24/2007 on Disaster Management after the 2006 earthquake in Bantul, it affected local government policy. At the time of the earthquake, there was no policy in the Bantul local government on disaster management. The Bantul local government also identified shortfalls, in that Bantul is a disaster-prone area but lacked regulation on disaster awareness; there was no local body for disaster management; disaster coordination mechanisms were not optimal; community organisations had not been empowered; the number of Search and Rescue (SAR) members and SAR equipment were inadequate; Bantul maps had not yet identified vulnerable areas, the early warning system was not optimized, and no mitigation education had been conducted for the bureaucracy and the community.

In the RPJMD, Bantul has classified disaster-vulnerable areas into four categories: flood-prone, landslide-prone, earthquake-prone and coastal erosion-prone. Each area designed programs on mitigation and preparedness, such as disseminating information on disaster awareness, conducting tsunami drills, preparing for evacuation and 'greening' the beach to prevent tsunamis by planting mangroves. The shift in the paradigm of the Bantul local government by putting disaster awareness into local policy after 2006 has been evaluated positively by local NGOs, although they still argue about the need for formal disaster institutions as an important factor for implementing disaster management successfully.

In order to anticipate the adverse effect of disaster in the future, the Bantul local government has made significant progress by making local policy that is sensitive to disaster. However, since a disaster is unpredictable event, the continuity of such policy should be maintained, particularly when there is another new mayor to govern Bantul. It is very important to make sure the disaster-related policy is included in the RPJMD in the future.

### **Financial Capability**

When the earthquake struck Bantul, the government realized that the lack of a budget had become a major problem, particularly during the recovery period. The local government negotiated with the central government to fund a housing rehabilitation program in Bantul. At the same time, the Governor of the Yogyakarta provincial government ordered the local government to switch budget allocations, where possible, to education and health sector rehabilitation. The Bantul local government could access Rp 174 billion from switching programs that could not be completed, such as from the



Department of Fishery, which has a program on fish breeding but which it could not possibly implement since fish ponds were devastated. There were many budgets from 10 departments and offices in Bantul that could switch funds to support the recovery program. These funds are then allocated for the rehabilitation of 108 school buildings and health facilities.

However, the budget provided by local government was still insufficient for the response and recovery stages, although, the Bantul local government maintained contact with international funding agencies to support these stages. This financial support, as presented in Table 1, was used to finance the response and recovery programmes in Bantul.

**Table 1.**  
**Financial Sources from Overseas Grants**

Donor	Amount
Australia	AUD 30 million
Japan	JPY 890 million
Canada	CAD 8 million
Germany	EURO 10 million
Asian Development Bank	USD 15 million
World Bank	USD 65 million
Islamic Development Bank	USD 1 million
UNDP	USD 28 million

Source: National Development Planning Agency (2006)

To rebuild houses, the government used the national state budget (APBN) and the regional state budget (APBD). The largest budget was from APBN through the Budget Realization Inventory List (DIPA). The National Budget for Yogyakarta in 2006 was Rp 1. 69 trillion and in 2007 Rp 1. 70 trillion, disbursed in stages, with each family receiving Rp 15 million for rebuilding the home . However, the provincial government also provided another Rp 5 million for the development of public facilities such as financial assistance for disabled people, housing for the disabled and rehabilitation of non-government orphanages.

The government's financial mechanism for disaster relief in Bantul and Yogyakarta was in accordance with existing laws and regulations. These are Law No. 17/2003 on Public Finance and Law No. 1/2004 on the State Treasury. In a time of emergency, the government and the legislative budget approval process need to be able to speed up disbursement of funds for government goods and services procurement. The disbursement process was accelerated because activities funded were either undertaken directly by the government or by donor agencies. The Bantul local government and the local parliament also agreed to revise the 2006 budget and allocate funds for post-earthquake recovery. The government therefore provided assistance through funding

which ranged from Rp 20 million to Rp 100 million, depending on the level of village destruction, to 75 villages, for the purchase of bamboo, materials and cleaning tools. Total funds allocated were Rp 7.8 billion. In addition, the budget provided Bantul with Rp 70 billion for road construction, strengthening the capital's Water Management Committee and the recovery of other sectors.

The research reveals that, although the funds allocated for response and recovery stages was considerable, the local government budget did not prioritize mitigation and preparedness programmes so as to anticipate future disasters.

### **Technical Capability**

Technical capability refers to the ability of the Bantul local government in effective logistic management systems, adequate technology information systems and communication networks between organisations, communities and media representatives. In logistic management, the Bantul Mayor and the Bantul Prime Secretary played an important role. The Bantul Mayor managed all department heads to ensure swift responses in saving victims while the Prime Secretary ensured the availability of food for victims.

Networking with the media also ran quite smoothly, although in the first week after the disaster the media reported that the government was distributing aid very slowly; after a week, when the recovery program had started, the judgment of the media changed dramatically. During the first week, and until the recovery program finished, the local government contacted the local television station to broadcast directly from the Bantul office to inform the community what the local government had been doing during the response and recovery periods. However, the role of the media sometimes worsened the situation during the emergency by informing the public that the government had responded slowly to the disaster or was experiencing delays in distributing humanitarian aid. The media did not realize how difficult the work during the emergency was and how limited was the capacity of government. But the most important thing was that the government worked very hard to restore conditions.

In order to support the community with technical assistance for rebuilding houses, the local government provided a facilitator, usually drawn from the final year student cohort in an engineering faculty. These facilitators helped the community rebuild earthquake-resistant houses and in less than two years around 157,000 houses were finished. These research findings show that collaborative leadership played important roles in the response stage, although local leaders admitted that they faced problems in technical capability. However, with the support of many institutions and volunteers, this gap can be readdressed.

## Leadership Capability

An emergency is indeed a testing time for a leader in making specific decisions because the leader can affect the fate of many victims. At such a critical time, an ability to make swift and appropriate decisions, if and when needed, is the main requirement of a leader. The Bantul Mayor demonstrated qualities of responsive leadership by providing adequate relief aid to victims. The Mayor was concerned that people would easily be provoked to anger if the government could not react quickly enough to deliver relief aid and the disaster had the potential to trigger social conflict if there appeared to be uneven distribution of relief assistance.

The Bantul Mayor emphasised that cooperation between local government and the community was the main factor contributing to the success of the response and recovery period in Bantul. The Mayor tried to convince the people that it was their responsibility to rebuild their lives and not to expect too much from humanitarian aid. The main requirement for a leader during a disaster is care. The Bantul Mayor undertook operational leadership in which he coordinated the leaders of the sub-districts in Bantul in examining the level of devastation in their areas and in reporting it to the Mayor as soon as possible so as to get aid distributed. The relief and reconstruction effort was led by the local government because they had the capacity and resources to respond. The most influential factor in the success in Bantul in managing disaster were the factors that Bantul is near Jakarta, people enjoy greater access, political influence is greater and there is an integrated market, it is easy to get building materials, and there are many skilled labourers for rebuilding houses.

The Bantul Mayor had the courage to take risks with decisions, such as determining to shorten the period of recovery in Bantul to only two years and ensuring that distribution of housing financial assistance was fair. These were all decisions that gain the support of NGOs, which had thought that the decisions were not possible to implement, whereas the decisions were well-implemented and with beneficial results.

Fortunately Yogyakarta has the Sultan as its ruler and a Governor and the Bantul Mayor who have most people trust in, and this made it easier for the community to follow their instructions. The Bantul Mayor played a progressive leadership role and the Governor delegated wide authority to local government without worrying about structural-institutional issues. The roles of the Bantul local government leaders, the provincial government leaders, NGOs and the community have shown a significant effort in the response and recovery disaster management in Bantul. Leadership capability in Bantul's case was relatively better compared to other capabilities that remained a problem for the Bantul local government in managing the 2006 earthquake.

## THEORETICAL IMPLICATIONS

This research's analysis uses resource-based theory because of their widespread application and because the heterogeneous nature of the issues for analysis using these theories make them useful as a strategic approach in management discourse. Table 2 shows the link between the theory used in this research and the findings. From a theoretical point of view, resource-based theory suggests that, in order to sustain competitive advantage, the resources of the institution must firstly be valuable in developing opportunities and resolving threats; the resources must be rare, imperfectly imitable and have the ability to develop the institution's resources as organisational process. Resource-based theory helps the researcher in answering the research question in this study on how the capability of the Bantul local government that existed helped in managing a disaster. The findings of this study have shown favourable results in terms of institutions, human resources, policy for effective implementation, financial and technical resources and leadership. Such a competitive advantage has almost been fully achieved in the Bantul local government because, despite the limitations on resources that the government faced, it still enabled the local government to implement strategies that enhanced institutional performance, especially in the disaster response and recovery stages.

Table 2.  
Link between Resource-Based Theory and Research Findings

	Important Aspects	Findings
Resource-Based Theory	Resources must be valuable	<ul style="list-style-type: none"> <li>• The Bantul Mayor demonstrated responsive leadership</li> <li>• Collective leadership with multiple stakeholders ran smoothly</li> </ul>
	Resources must be rare	<ul style="list-style-type: none"> <li>• Ability to switch the allocated budget for response and recovery stages</li> <li>• Having financial support from national, provincial and international donors</li> <li>• Pay more attention to children's and women's needs</li> <li>• Manage logistic management adequately</li> </ul>
	Resources has to be imperfectly imitable	<ul style="list-style-type: none"> <li>• Having additional tasks to understand local need better</li> </ul>
	Develop the organization's resources as organizational process	<ul style="list-style-type: none"> <li>• Adopted disaster mitigation effort in the Middle-Term Development Plan</li> <li>• Able to mobilize resources with other government institutions and NGO smoothly to fill the gap of local government</li> </ul>

This study shifts the emphasis to the resources that an organisation possesses as the possible basis for a strategy. The essence of understanding capability is not the resources that an organisation owns but its capacity to use, develop and combine them. What led to the Bantul local government's significant achievement in managing the 2006 earthquake was the way in which collaborative local leaders combined limited resources and deployed them to establish positions that benefited the community. Collaborative

leadership at the local government level demonstrated the ability to develop the institution's resources and managerial talent by combining physical, financial, human and organisational capital resources in order to gain the competitive advantage that is conducive to the success of disaster management. They involved what Salaman and Asch say are bundles of skills, consisting not only of simple skills that are relatively easily obtained but combinations of such skills. These bundles of skills also point to the relationship between skills and holders of skills, such as patterns of cooperation and mutual support. In the Bantul case, the patterns of cooperation and mutual support between local leaders and the community can be seen from the unique conditions in which local leaders (head of a board or agencies) have an additional task besides their main roles to expedite the economy and social conditions of some sub-districts in Bantul. It indicates that they have high commitment to their organisation and willingness to go beyond their formal job requirement only when they have supportive and inspirational leaders, and this is what the theory highlights, that human resources as resources are imperfectly imitable.

The capability of the Bantul local government is not fixed but evolves in response to the changing strategic intent of organisation. Relevant capabilities in managing a disaster have grown slowly in the Bantul local government, particularly after the 2006 earthquake, and the results can be seen in local government increased awareness of disaster-related matters. The change in how local policy accommodates the need for disaster awareness program and activities for the community is evidence that the local government has shifted the paradigm from the response into disaster mitigation and preparedness. This is one way in which resource-based theory contributes to the understanding of how organisational performance can be improved by building and deploying resources. The key lies in management's ability to consolidate networking between all levels of governments and other stakeholders, technical skills and resources that enable local government body to adapt quickly to changing environments. In this case, local government admitted its shortfalls and limitations in managing a disaster by having a well-established network with higher government institutions levels, NGOs and the community.

## CONCLUSION

This research has used the 2006 Bantul earthquake to illustrate the capability of the Bantul local government in managing a disaster. Using this single case study, the researcher has argued that the Bantul local government capability shows favourable results in terms of institutions, human resources, policy for effective implementation, financial and technical resources and for leadership.

There are still gaps in which the theory is used to analyse the issue of disaster management. Since disaster management is seen as a complex event that requires fast and accurate action, particularly during times of crisis, having valuable, rare, inimitable and non-substitutable resources is not enough. Therefore, even though resource-based theory is an aspiring theory which explains why one institution can gain competitive advantage while others fail, this theory is not intended to provide a managerial prescription to handle a crisis and complex events such as natural disasters.

At the same time, it is difficult to generate useful insights about degrees of resource uniqueness. In Bantul's case, both the skills and resources which can be derived from internal or external institutions, and the way institutions use them, can be different or changed in the future, leading to the appointment of a new leader. The point here is that, to create sustained competitive advantage, the institution needs both resources and managerial capabilities to recognize and exploit the productive opportunities implicit in them.

#### CONCLUDING REMARK

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The first part of the book discusses the historical background of the Indonesian legal system, tracing its roots from the Dutch colonial era to the present. It highlights the influence of Western legal thought and the process of legal reform in the newly independent nation.

The second part of the book focuses on the development of the Indonesian legal system, particularly the role of the Constitutional Court and the Supreme Court. It examines the challenges faced by the judiciary in a democratic society and the efforts to strengthen the rule of law.

The third part of the book discusses the current state of the Indonesian legal system and the future prospects. It analyzes the impact of globalization and technological advancements on the legal profession and the need for continuous legal education and reform.

The book is a valuable resource for students, scholars, and practitioners of law in Indonesia, providing a comprehensive overview of the legal system and its evolution.