



# Readiness to Relocate to Indonesia's New Capital: HRM/Institutional Studies Perspective

Dodi Wirawan Irawanto<sup>1(✉)</sup> and Khusnul Rofida Novianti<sup>2</sup>

<sup>1</sup> Universitas Brawijaya, Malang, Indonesia  
dodi.wi@ub.ac.id

<sup>2</sup> Universitas Muhammadiyah Malang, Malang, Indonesia

**Abstract.** The Indonesian government's commitment to moving the nation's capital to the island of Borneo, which will be named the Ibukota Nusantara, reaps pros and cons. In the civil servant performance theory approach, several determinants of the performance of relocated employees are determined by readiness for change. Within the change management framework, it is very relevant to review the aspect of preparedness for change so that the culture formed in Jakarta will also get the same results. Using a qualitative approach and analyzed using narrative methodology involving four major ministries prioritizing relocating to Indonesia's new capital. The study revealed that from an individual perspective, the civil servant must always comply with and be prepared for all possible relocations, including relocation to IKN. From the institutional perspective, each ministry's leader and the government support, persuade and provide understanding and readiness of all the resources needed in relocating to IKN.

**Keywords:** New capital · readiness to change · relocation

## 1 Introduction

Several factors largely determine the success of the performance of civil servants (ASN). One is the placement factor (location), where ASN will devote itself to the country. The relocation of the capital city of the Republic of Indonesia from Jakarta to IKN (Ibu Kota Nusantara) was announced by Mr. Joko Widodo, the President of the Republic of Indonesia, in August 2019. The transfer of civil personnel in 2022–2024 is one of the initial stages performed toward moving the nation's capital. It is currently in one-on-one conversations with several ministries and organizations prioritizing migrating to a new IKN in 2024. IKN Nusantara needs the assistance of knowledgeable and tech-savvy public servant resources because it was designed to be a world metropolis and is smart, green, beautiful, and sustainable.

The goal is for city workers to adjust to streamlining business procedures by implementing a digital ecosystem for the government. Although the exact number of civil servants who will be transferred has yet to be determined, the Ministry of PANRB emphasizes that to meet the needs of civil servants' resources, those currently employed by ministries or agencies must be prepared to move to IKN Nusantara. The concept

of shared offices, which prioritizes physical and digital connectivity, flexible working arrangements so that the way of working is more informal, interactive, casual, and not constrained by office spaces, as well as implementing a hybrid method of working that uses a hybrid approach will all be used to build the government offices at the new IKN. To respond to external and internal changes, organizations must adapt, yet putting change into practice can be challenging. According to research, up to 70% of all significant change projects fail [1, 2]. The ability of the company's CEO to motivate their team is crucial to the company's success or even survival in a modern climate that is continuously changing.

Willingness for change and leadership readiness that cannot accommodate changes can decrease ASN performance. The decline in ASM's post-relocation performance impacts organizational change from the old to the new environmental adaptation system. As a result of organizational change is a change that has great potential not to produce the desired goals and does not encourage sustainable change [3–5] due to various factors. [6, 7] in [8] stated that about two-thirds of organizational changes were stated to be less successful, and the most frequent contributors were found to be due to implementation failures, not due to weaknesses in the change initiative itself [9]. Furthermore, this substandard implementation is caused by many factors, but the attitude of workers is one of the most important factors in determining the success rate of change initiatives [8, 10]. The main key to successful change is individual reactions as recipients of change [4, 11], and humans are not passive recipients of change but play an active role in responding to changes in their environment [12].

In empirical facts, individual readiness for change is a fundamental prerequisite for managing effective change [13]. Personal readiness for change is the belief, intention, attitude, and behavior to respond to change. It is the capacity to achieve change successfully [12], which reflects the behavior of accepting or rejecting change [14] and determines the effectiveness in initiating change [15, 16]. Therefore, individual readiness for change is a critical factor in the success of relocating the capital from Jakarta to IKN. The personal readiness level for change can manifest in the choice of attitudes and behavior when experiencing a change, whether to support, implement the difference, or reject the change [16]. It can only occur if workers believe in the change objectives management sets, and believe in the ability of organizational elements to keep up with change [16], including the ability of workers and corporate leaders to lead the implementation of change. When workers' readiness to make changes is high, experts argue, workers will expend more change efforts and show greater persistence to face obstacles, all of which ultimately contribute to more successful change implementation [17]. Based on the explanation above, the research question in this research was how the readiness to change from an individual and institutional perspective, especially in relocating ASN to IKN.

## 2 Method

This study adopts a qualitative approach as the unit analysis's dynamic to understand better the public sector perception and readiness to relocate to the new capital of Indonesia in Kalimantan. Narrative analysis is considered the most appropriate method for data

collection in the qualitative setting, especially within the several prioritized ministries that will move in 2024. Narrative research focuses on participants' use of stories to make sense of their experiences and to understand the phenomenon of readiness to change of civil servants. Research data were obtained from in-depth structured interviews involving four key informants from the Ministry of finance, ANRI, and Ministry of Village, Development, and Disadvantaged Region. In narrating the data obtained from the participants, the thematic analysis was conducted by comparing the narrative data of all key participants, highlighting common themes or key factors that emerged, readiness to change, and relocate an individual and institutional perspective. The researchers believe this essential thematic information is important to draw the line between what is emerging from the government's national relocation agenda.

### 3 Result and Discussion

We used the individual readiness for change concept to estimate the level of personal readiness physically and psychologically in understanding the changes needed by the organization, having the confidence to be able to implement the planned changes, and believing that changes can have a positive impact, both for themselves and the organization [16]. In this study, researchers will use three indicators proposed by [18]: promoting, resisting, and participating. Advertising is an attitude manifested in active behavior to encourage or sponsor change and a positive perception of an individual's capacity to make the transition successful. Resisting is an attitude that appears as a refusal to change, a negative perception of an individual's ability to implement change. Participating is an attitude that supports change which is a positive perception of the ability to implement change. Based on the analysis of interviews with four key informants, the study revealed that:

1. From an institutional perspective, every agency and ministry that is a priority for relocating ASN to IKN in 2024 has socialized various benefits and careful planning policies proposed by Bappenas. Every leader in each institution provides support and all the resources needed in preparing to move to the new capital. However, some parties doubt this, especially with the work-from-anywhere policy implemented in several central ministries.
2. From an individual perspective, the civil servant (ASN) must be ready, like it or not, to be placed anywhere by the work contract that has been determined and approved at the beginning, following all the consequences that must be faced in the new place. Although some people still doubt the decision to relocate to the IKN because of the enforced work-from-anywhere policy, the urgency of relocating to the IKN is less important for some people.
3. From the readiness to change in governmental perspectives, the Ministry of State Apparatus Utilization and Bureaucratic Reform (Kemenpan RB) and Indonesian Ministry of National Development Planning (BAPPENAS), the stipulation of the Law on State Capitals (UU IKN) will be the basis and start of the development of IKN in East Kalimantan. They also conduct intensive discussions in simplifying business processes, building a multi-sector digital ecosystem, strengthening institutional

coordination and networking, and structuring civil servant management through competence development and fulfilling relevant welfare. Government offices in the new IKN will be built in the concept of shared offices that prioritize physical and digital connectivity and flexible working arrangements so that the way of working is more informal, interactive, casual, and not limited to office spaces, as well as implementing a hybrid form of working that ICT based. For this reason, it is important to encourage implementation of a comprehensive electronic-based government system. There are three main objectives of IKN, namely, a symbol of national identity, a sustainable city in the world, and a driving force for the Indonesian economy in the future. The development of IKN, apart from being an effort to change the development paradigm to become Indonesia-centric, is also at the same time realizing the Vision of Indonesia 2045.

## 4 Conclusion

The prominent findings revealed the readiness for change in individual, institutional, and governmental aspect during the relocation of a civil servant to Indonesia's new capital (IKN). Relocation is an integral part and consequence of becoming a civil servant regardless of transfers to various positions and units in Indonesia, including the new capital. From an institutional perspective, leaders in each unit and the government are trying to mobilize all available resources to support the readiness of ASN for IKN relocation by providing socialization, understanding, and concrete examples regarding the planning readiness of several ministries in welcoming the move to the new capital.

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