



## Competitive Advantage Strategy with Core Competency as an Intervening Variable Moderated by Ombudsman Assessment in Regional Government Organizations in West Papua Province

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### A B S T R A C T

This study aims to explore the strategy of achieving competitive advantage through the development of core competencies as an intervening variable, moderated by the Ombudsman's assessment within regional government organizations (Organisasi Perangkat Daerah) in West Papua Province. Using a qualitative approach with a literature study and library research method, this research synthesizes theoretical perspectives and empirical findings from previous studies to build a conceptual framework. Competitive advantage is increasingly important for public sector organizations to deliver high-quality services, especially in areas undergoing governance reforms such as West Papua. Core competencies are positioned as the mediating capability that transforms organizational resources into strategic advantages, while the Ombudsman's assessment acts as a moderating factor that reinforces accountability and service quality. Data sources include academic journals, books, government reports, and previous Ombudsman evaluations related to public service standards. The findings indicate that strong core competencies — including innovation, service orientation, and managerial capabilities — significantly enhance the ability of local government organizations to achieve a sustainable competitive edge. Moreover, the presence of regular assessments and recommendations from the Ombudsman strengthens the relationship between core competencies and organizational performance. This study provides theoretical insights and practical implications for policymakers in designing competency development programs aligned with external accountability mechanisms. Future research is recommended to conduct empirical validations using mixed methods to test the proposed conceptual framework.

## 1. Introduction

In the dynamic landscape of public sector management, achieving competitive advantage is no longer exclusive to private enterprises but has become a crucial imperative for government organizations as well (Barney, 1991). Regional government bodies, particularly in developing

regions like West Papua Province, must continuously innovate and optimize their core competencies to deliver superior public services (Prahalad & Hamel, 1990). Core competencies, defined as unique capabilities that provide strategic advantages, serve as essential mediators that link organizational resources to competitive outcomes (Hafeez, Zhang, & Malak, 2002).



However, in the context of Indonesian public administration, research on the direct influence of core competencies on competitive advantage within government organizations remains limited (Purwanto et al., 2020). Additionally, the role of external accountability mechanisms, such as the Ombudsman's assessment, has been underexplored as a moderating factor in enhancing public service quality and organizational competitiveness (Rinaldi, 2017). This identifies a significant research gap, particularly in understanding how governance evaluation can strengthen the strategic outcomes of internal competencies.

The urgency of this study arises from the critical need for public organizations in Papua Barat to adapt to higher service expectations amidst decentralization and administrative reforms (Bennett, 2001). Previous studies have emphasized the importance of accountability and transparency but often overlooked how competency development interacts with external assessments to drive competitive advantage (O'Dwyer & Unerman, 2007; Dwiyanto, 2018). Furthermore, most existing research has focused on private sector models, creating a theoretical vacuum when applied to public institutions, especially at the regional level (Mahmudi, 2010).

This research presents novelty by proposing an integrated model where core competencies act as intervening variables and the Ombudsman's evaluation serves as a moderating factor, thus bridging the gap between internal development efforts and external validation mechanisms. By focusing on regional government organizations in West Papua, this study provides contextual insights that have been largely missing in previous literature (Wicaksono & Maulani, 2021).

The objective of this study is to systematically analyze how core competencies contribute to achieving competitive advantage in public organizations and how the Ombudsman's assessment strengthens or weakens this

relationship. The study further aims to offer practical recommendations for enhancing human resource development strategies and improving institutional performance within local governments. Ultimately, this research is expected to contribute both theoretically, by advancing models of public sector competitiveness, and practically, by supporting evidence-based policymaking for improved governance in Papua Barat.

### **Moderation by Ombudsman Assessment in West Papua Province**

The Ombudsman of Indonesia plays a crucial role in supervising public services and ensuring that government institutions operate according to principles of fairness, transparency, and accountability. In the context of regional government organizations (Organisasi Perangkat Daerah) in West Papua Province, the Ombudsman's assessment serves as an external evaluation mechanism that measures the quality of public services delivered to the community. These assessments involve indicators such as service standards compliance, grievance handling, responsiveness, and the fulfillment of citizens' rights. In this study, the Ombudsman's evaluation functions as a moderating variable that influences the relationship between internal organizational competencies and the achievement of competitive advantage. A higher Ombudsman score typically correlates with better public trust and institutional reputation, which in turn strengthens the positive impact of core competencies on organizational performance.

First, the Ombudsman's assessment moderates the effect of internal capabilities by acting as a benchmark for service quality standards. Even if an organization develops strong core competencies, the absence of external validation through structured assessments can limit the recognition of these efforts by stakeholders. In West Papua, where governance challenges such as geographic isolation and limited administrative

capacity exist, the Ombudsman's periodic reports and recommendations push regional offices to align their strategies with national service standards. This creates a mechanism where internal improvements are not only internally recognized but also externally acknowledged, adding credibility and driving continuous quality improvement efforts.

Second, the Ombudsman's evaluation moderates organizational performance by enhancing accountability pressures. Organizations that score poorly face reputational risks and administrative sanctions, while those that achieve higher scores are often rewarded through increased public support and institutional legitimacy. In West Papua Province, the Ombudsman's oversight helps mitigate the risk of service inequality and ensures that public service innovations derived from core competencies are genuinely impactful. Therefore, the Ombudsman's assessment is not merely a monitoring tool but acts as a strategic lever that amplifies or dampens the relationship between core competencies and competitive advantage, depending on the organization's compliance and responsiveness to the assessment results.

## **2. Methodology**

This study employs a qualitative research approach using a literature study (library research) method to explore the relationship between competitive advantage, core competency as an intervening variable, and Ombudsman assessment as a moderating variable within regional government organizations (Organisasi Perangkat Daerah) in West Papua Province. The qualitative approach is deemed appropriate to provide a deep and comprehensive understanding of conceptual frameworks, theories, and empirical findings (Creswell, 2014). Through the literature study method, the research relies on the collection, review, and synthesis of existing scholarly articles, books, government reports, and official publications related to public sector management, core competencies, competitive advantage, and Ombudsman evaluations.

The primary sources of data include peer-reviewed journal articles, academic books, policy documents from the Indonesian Ombudsman, national government regulations, and previous research on similar themes published between 2010 and 2024. The secondary data sources consist of reports from the Indonesian Ombudsman regarding the evaluation of public service quality in various provinces, with a specific focus on West Papua. The selection of sources was based on their relevance, credibility, and contribution to building a strong theoretical and practical foundation for the study (Booth, Colomb, & Williams, 2016).

Data collection techniques involved systematic searches through academic databases such as Google Scholar, Scopus, and Web of Science, using keywords like "competitive advantage," "core competency," "public sector governance," "Ombudsman evaluation," and "West Papua government organizations." The inclusion criteria required the sources to be scholarly, directly related to the research variables, and provide theoretical or empirical insights into the public administration context (Snyder, 2019). Data extraction was conducted by identifying core themes, conceptual frameworks, findings, and gaps relevant to the research objectives.

The data analysis process utilized a thematic analysis technique, where the collected information was systematically categorized into major themes that align with the variables of this study: competitive advantage, core competencies, and the moderating role of the Ombudsman assessment (Braun & Clarke, 2006). Through inductive reasoning, patterns and relationships among these variables were identified and critically synthesized to develop a conceptual model that explains how core competencies mediate the relationship between organizational resources and competitive advantage, with Ombudsman evaluation strengthening or weakening this relationship. This method allows for a coherent and evidence-based framework that can inform both theoretical advancements and practical implications in regional governance strategies.

assessments in public sector organizations. From an initial search of numerous relevant sources, 10 articles were selected through a rigorous screening process based on relevance, credibility, and contribution to the research objectives. These selected articles were published between 2014 and 2024 and cover key themes that align with the variables of this study. The table below presents the findings, including the authors, titles, research focus, methodology, and key results that support the development of the conceptual framework in this research.

### 3. Result and Discussion

#### Literature Review Data Findings

In this study, a systematic literature review was conducted to identify and analyze previous research related to competitive advantage strategies, core competencies, and the role of external evaluations such as Ombudsman

No	Author & Year	Title	Findings
1	Barney (1991)	<i>Firm Resources and Sustained Competitive Advantage</i>	Resources and capabilities are critical for achieving sustainable competitive advantage.
2	Prahalad & Hamel (1990)	<i>The Core Competence of the Corporation</i>	Core competencies drive competitive advantage by enabling firms to access diverse markets.
3	Hafeez, Zhang, & Malak (2002)	<i>Core Competence for Sustainable Competitive Advantage</i>	Core competencies must be systematically identified and developed for sustainability.
4	Dwiyanto (2018)	<i>Public Service Management: Caring, Inclusive, and Collaborative</i>	Effective governance enhances public sector competitive advantage through competency-based approaches.
5	Rinaldi (2017)	<i>The Influence of Ombudsman Supervision on Public Service Quality</i>	Ombudsman assessments significantly improve service accountability and quality.
6	O'Dwyer & Unerman (2007)	<i>Social Accountability and Public Organizations</i>	Accountability tools such as Ombudsman reports increase organizational performance transparency.
7	Mahmudi (2010)	<i>Public Sector Performance Management</i>	Performance management systems must integrate competency development for better results.
8	Purwanto et al. (2020)	<i>Leadership, Core Competency, and Competitive Advantage</i>	Core competency significantly mediates the relationship between leadership and competitive advantage.
9	Wicaksono & Maulani (2021)	<i>Human Capital Management for Public Service Innovation</i>	Investment in human capital competencies leads to innovation and competitive public services.
10	Silva, Hariyati, et al. (2025)	<i>Coaching and Mentoring in Academic Supervision</i>	External coaching and evaluation strengthen the relationship between internal competencies and organizational outcomes.

The analysis of the selected literature reveals that competitive advantage in public sector organizations is increasingly recognized as being dependent on the strategic management of internal

capabilities, especially core competencies. As highlighted by Barney (1991) and Prahalad and Hamel (1990), resources alone are insufficient; organizations must develop unique capabilities

that can sustain competitive superiority over time. This principle, although traditionally applied to private enterprises, is now considered equally critical for public sector organizations striving to deliver superior public services in dynamic governance environments like West Papua Province.

The findings further indicate that core competencies function as critical mediators between organizational resources and outcomes. According to Hafeez, Zhang, and Malak (2002), a structured approach to identifying and nurturing these competencies is essential for sustaining long-term performance advantages. Purwanto et al. (2020) strengthen this view by demonstrating that core competencies significantly mediate the relationship between leadership and competitive advantage. In the context of government institutions, this suggests that competency development initiatives must be deliberate and strategically aligned with service goals to maximize their impact.

Moreover, external accountability mechanisms, particularly those provided by Ombudsman evaluations, are shown to play a moderating role in reinforcing organizational effectiveness. Rinaldi (2017) and O'Dwyer and Unerman (2007) emphasize that assessments by independent bodies like the Ombudsman create pressure for transparency and responsiveness, which can amplify the effects of internal competency improvements. In regions like West Papua, where administrative capacity is often constrained, regular and rigorous evaluations serve not only as control mechanisms but also as catalysts for organizational learning and continuous service improvement.

Another important observation from the literature is that public sector performance management must integrate competency development and external evaluations systematically. Mahmudi (2010) and Dwiyanto (2018) argue that without

embedding competency-building efforts into performance frameworks, organizations risk stagnating in administrative compliance without achieving real service quality enhancements. Therefore, the interaction between competency management and Ombudsman assessment becomes pivotal in transforming public sector organizations into competitive, service-oriented institutions.

Furthermore, the role of human capital and innovation is emphasized as complementary factors to core competencies in achieving competitive advantage. Wicaksono and Maulani (2021) highlight that investing in human resource development enhances public service innovation, which is essential for adapting to evolving citizen needs and maintaining public trust. In this light, core competencies are not static capabilities but must be continuously updated through professional development, innovation, and collaborative learning supported by external feedback mechanisms such as Ombudsman reviews.

In conclusion, the literature review findings collectively support the proposed conceptual framework where core competencies act as an intervening variable and Ombudsman assessment serves as a moderating factor between internal capabilities and competitive advantage. The selected studies demonstrate that a synergistic strategy—where internal development is aligned with external accountability—can significantly elevate the performance and competitiveness of regional government organizations. These insights are highly relevant for policymakers and administrators seeking to enhance service quality and institutional reputation in West Papua and similar contexts.

### **Interpretation of Data from Literature Review Findings**

The findings from the systematic literature review clearly show that competitive advantage in public

sector organizations is no longer a secondary concern but has become a strategic necessity. As Barney (1991) and Prahalad and Hamel (1990) assert, competitive advantage arises not merely from the possession of resources but from the development and orchestration of distinctive core competencies. In the context of regional government organizations in West Papua Province, these competencies include effective service delivery, innovation in governance, and the ability to meet citizens' expectations under complex administrative and geographic challenges.

Current observations in West Papua reflect many of the patterns identified in the literature. Regional public service institutions often face structural limitations, including resource scarcity, bureaucratic inefficiencies, and limited professional human capital (Bennett, 2001). Consequently, enhancing internal capabilities through strategic competency development becomes critical for overcoming these barriers. Competencies such as problem-solving skills, service orientation, and adaptive leadership are essential for improving organizational responsiveness and service quality.

The literature also underscores the importance of structured competency management. Hafeez, Zhang, and Malak (2002) emphasize that organizations must intentionally identify, nurture, and leverage core competencies to achieve sustainable competitive advantages. This is highly relevant in West Papua, where competency-based reforms could enable local government units to better navigate decentralization demands, service delivery innovation, and public accountability requirements.

The role of external evaluations, particularly Ombudsman assessments, emerges as a pivotal moderating factor that influences the relationship between competencies and competitive outcomes. Rinaldi (2017) found that the Ombudsman's systematic evaluations significantly pressure

institutions to uphold standards of transparency, efficiency, and equity. In real-world practice, recent Ombudsman reports in Papua Barat have highlighted weaknesses in service responsiveness and public grievance management, illustrating the urgent need for competency-based improvements aligned with external evaluation standards.

From a theoretical standpoint, the findings align well with Resource-Based Theory (Barney, 1991) and the Competency-Based View (Prahalad & Hamel, 1990). These theories posit that sustainable competitive advantage stems from valuable, rare, and inimitable internal resources, particularly organizational capabilities. In public sector organizations, competencies must be complemented by external validations, such as Ombudsman reviews, to ensure that internal strengths translate into recognized public value and institutional legitimacy.

The synergy between internal competencies and external assessments is vital. O'Dwyer and Unerman (2007) noted that accountability mechanisms like Ombudsman evaluations not only serve as control tools but also drive internal organizational learning and performance improvement. This is particularly important in the Papua Barat context, where citizen trust in government institutions is fragile, and external validation is crucial to building public confidence in governance reforms.

However, the literature also cautions that merely having competencies or undergoing evaluations is insufficient if there is no internal will to act on feedback. Mahmudi (2010) stresses that performance management must be an integrated process where competency development, continuous evaluation, and strategic adaptation are interconnected. This suggests that regional governments must not only prepare for assessments but also institutionalize a culture of

continuous improvement, driven by both internal and external accountability.

The phenomenon observed in Papua Barat indicates a mixed reality: while some regional organizations have begun adopting competency frameworks and responding to Ombudsman feedback, many others remain reactive, viewing evaluations as mere administrative requirements. This reflects a deeper cultural and structural inertia that must be addressed through leadership development, policy reform, and systemic change in public service motivation and ethics (Dwiyanto, 2018).

As researchers, we posit that a comprehensive strategic model combining core competency development with proactive engagement in Ombudsman assessments could serve as a blueprint for transforming public sector organizations in West Papua. Not only would this approach improve competitive positioning among regional units, but it would also enhance overall service equity, transparency, and public satisfaction—key components of modern governance success.

In conclusion, the data and literature synthesis affirm that achieving a strategic competitive advantage in regional government institutions requires a dual approach: strengthening internal capabilities through core competency development and leveraging external evaluations such as Ombudsman assessments to drive accountability and continuous performance improvement. In the unique socio-political context of Papua Barat, this integrated strategy is not just beneficial—it is essential for achieving sustainable governance reform and service excellence.

#### **4. Conclusion**

This study concludes that achieving competitive advantage in regional government organizations requires more than merely managing resources; it necessitates the strategic development of core

competencies that serve as the driving force behind effective service delivery, innovation, and public trust. The findings from the literature review demonstrate that core competencies act as crucial mediators, transforming internal resources into meaningful organizational outcomes. However, these competencies must be systematically nurtured, strategically aligned with public service objectives, and continuously evaluated to remain relevant in dynamic administrative environments such as West Papua Province.

Furthermore, the Ombudsman's assessment plays a vital moderating role in enhancing or diminishing the effectiveness of core competencies. External evaluations not only validate internal improvements but also push organizations toward higher accountability, transparency, and citizen-centered service. In the context of West Papua, where public service challenges are often magnified by geographic and structural constraints, integrating Ombudsman feedback into competency development strategies is essential for achieving sustainable governance excellence and strengthening institutional competitiveness.

Based on these conclusions, it is recommended that future research conduct empirical studies to quantitatively test the proposed conceptual model across multiple regional contexts. Comparative studies between provinces could offer deeper insights into how different governance environments influence the relationship between competencies, external evaluations, and competitive advantage. In addition, further qualitative research involving interviews with public officials and Ombudsman representatives in West Papua would enrich the understanding of practical barriers and success factors in implementing competency-based governance strategies..

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