Influenceof Leadership Owne, External Environment, and Unique Capabilities to Innovation Dperformance Makassar City Smart City Manager

Ismail HA[1] Mahfudnurnajamudin[2], Baharuddin S[3], Muhklis Sufri[4], Suriyanti Mangkona[5]

[1]Indonesian Muslim University graduate program
[2,3,4,5]Indonesian Muslim University graduate program

Abstract: *This Research was conducted with the aim of: (1) To analyze and understand leadership, external environment, and capabilities that are unique To performance, (2) To Analyze and support leadership, external environment, and unique capabilities through innovation on performance. This study uses quantitative using primary data through questionnaires totaling 215 respondents, the sampling technique used was purposive sampling. The study was conducted from November 2019 to January 2020. Data were analyzed using the SEM AMOS program. The results of this study indicate that: Leadership that has a real role to offer, but that is not related to that increases the value of managers, External Environment that has an unreal role to enhance the value of innovation and management's performance, unique capabilities that play a role in for management values and support, Innovation has a real role in increasing the value of managerial support*
Keywords: *Leadership, External Environment, Unique Capacity, Innovation, Performance*

I. Introduction

Regional autonomy is seen as a means to promote the region, to immature, and to provide a pattern of independence in carrying out governance and development tasks. Autonomous Region independence in principle is very on the ability of regional resources in- digging upexisting financial resources and managing it into a highly-customizable income that is used to finance governmental and development disputes in the region. The authority of the autonomous region to the independence of the region, can not be interpreted with the full freedom of an area to conduct its business and its autonomic functions, without consideration of higher rules and national interests.

The multidimensional and multisector urban issues delivered by Bappenas (2015) indicate that urban issues are complex, local governments should have a strategy for improving local government performance. In an effort to make performance a few cities chose to transform their city into a smart city. It is in line with the study of Washbun (2009) which reveals that: *smart City* is the use of smart computing technology to improve intelligence, connectness and efficiency of infrastructure and key services such as administrative services, education, health, public safety, housing, transport and other utilities.

The trend of digital revolution has drastically changed the way of life and even the future of human civilization. Gerd Leonhard described that digitalization movement has brought about an exponential but also combinatorial change. Delivering people to the era where the changes made to human civilization for the next 20 years will defeat the changes that had occurredthree hundred years ago.One of the phenomenon of change that we can observe is the Occurrence of acceleration of urbanisation process around the world. In the year 2014, a study by the UN about the world's urbanization trends showed that for the first time in the history of mankind, more than half of the human population (54%) Living in urban areas. As an overview in the year 1950 the number of world urban populations is only 30%.

This urbanisation trend will continue and is estimated in the year 2050 urban populations will reach a rate of 66% of the world's population. In Indonesia, the urban population has reached 53.3% in 2015 (BPS RI) and based on research by Citiasia Center for Smartnation (CCSN) This number will increase to a68% in 2035. The problem of a city, especially Makassar City has developed very complex so that conventional solutions are often no longer able to pursue the speed of growth problems, needed more innovative solutions (*Smart City*) to solve the PROBLEMS of the city, ICT (information technology and communication) is one technology that has a very high innovative potential to solve various urban challenges. Nevertheless, *Smart City* is not identical TO the city of TIK (*DIGITAL City*), because the tick is not the only urban problem solving key.

One of the efforts to improve the regional capability in implementing regional autonomy is the ability

---

to innovate in local governance. The area is very determined by the innovation that the area is doing. Therefore, there is a need for protection of activities that are innovative by the civil apparatus of the State in the region to advance its territory. There is an effort to spur regional creativity to improve regional competitiveness. Therefore, there needs to be objective criteria that can be held for district officials to conduct activities that are innovative. That way innovation will be racing and growing without worrying about theobject of legal violations.

The benefits of *Smart city* are grouped into 3 parts namely *social welllbeing*, *Economic Opportunity*, and *Environmental Quality* (Dameri, 2017). Every city that will develop *Smart city* has a fairly high level of diversity, therefore it takes a *framework* as a guide in the process of transforming into a *smart city*. This Framework must integrate some parts of the city into a single part of the Ecosystem (Zygiaris, 2012). The legal basis of *Smart City* is law number 23 year 2014 about the LOCAL government in chapter XXI titled Regional innovation, from chapters 386 to article 390. In addition to the legal basis that has been issued by the Makassar municipal government in relation to the implementation of Makassar *Smart City*

According to BAPPENAS, the focus of *Smart and Competitive city* 2015-2019 was directed at the Smart Urban Development policy (*full scale*) in 7 cities Metropolitan as a pilot project*pilot project*, with the strategy: developing an economy through city imaging (*City branding*)supportingNation*branding*; To provide infrastructure and public services through the use of information and communication technology (ICT); and build an innovative, creative and productive community capacity.

The assessment Data for the year 2015 showed still not the high index of PeGI Province in Indonesia is seen from only 13 provinces that received the predicate "good". This indicates that the implementation of E-Government should still be improved in a number of areas. It relates to a number of factors related to the use of ICT. The Central Government also issued the regional government's evaluation guidelines which are contained in government Regulation number 6 year 2008. In the regulation, to evaluate the implementation of local government, three groups of key performance indicators are: aspects of Community Welfare (economic aspects), General Service aspect, regional competitiveness aspect. As a description of the third achievement position, the relevant data will be outlined.

Referring to the guidelines of regional government Implementation evaluation No. 6 of 2008, the implementation of Smartcity in Indonesia is relatively not optimal when compared with other countries that have implemented the concept of Smartcity better. This can be seen from the achievement of three key performance indicators groups of local governments (public service aspects, investment aspects, economic growth aspects) in national aggregate figures. The high performance of *Smart City* is thought to relate to the problem of establishing a Stratejic partnership with related *stakeholders* . Previous research shows the linkage between partnership and performance. Tulder, DKK (2016) Menggemukakan on increasing the impact of cooperation between sectors involving parties contributing to performance, i.e. individuals and organisations as Internal parties and *partnerships* and *Society* as external parties. In addition, in one performance business process of each will improve the overall performance of can between them must be established a good partnership and synergize to achieve the objectives. In addition, Clementand Joseph (2015) found that the achievement of the overall performance of the company with a better partnership than the company with sole ownership.

The regional apparatus is also not optimal in using a *database* of employees for use in employee career development as a means to improve performance and service to the public. Local governments have not been optimal in using the population *database* to run development programs that correspond to the level of each area's needs effectively. In addition, the local governments are still difficult to cooperate solid and optimally with private parties, educational institutions, hospitals, business associations, intermediates and central governments and other local governments in an effort to improve service to communities in its territorial territory.

The high-performance condition of *Smart City* can also be indicated to come from innovation development. Some research demonstrates the role of innovation in improving performance. The research of Diaz, dkk(2017) shows a strong and positive correlation between innovation and performance. This opinion is reinforced Coccia (2016) which concluded that the innovation is required by the institution because the Meningkatkan performance and support the advantages of competitiveness, in innovation there is a *trial and error* process that eventually shows the best results that sEsui with the characterof the organization. Additionally, Huang and Li (2017), found that product innovations and green process innovations built by dynamic capabilities, coordination capabilities, and social reciprocity, have a positive impact on environmental performance and organizational performance.

The Smart City Program of Makassar City will continue to answer various challenges of change, know the problems that are in it (*sensing*), understand the condition of the problem (*Understanding*), and can set up (*acting*) Various resources that exist to be used effectively and efficiently with the aim to maximize the service to its citizens.

Among 200 innovations in Makassar city has gained national and international Apresasi. So it is expected to continue to be carried out and continuously developed to be a solution to the implementation of governance, public service, and literacy development in order to achieve a more efficient, effective and high performance governance. Then Smart City Makassar Innovative Program will be done process asessment periodically to realize the vision of *Makassar as a liveable World Class City For All.*

Conceptually, Fontana (2011) describes innovation management covering aspects such as *platforms, solutions, customers, customer experience, value capture, process, organizational, supply chain, presence, network,* and *brand.* Other opinion expressed by Tidd and Bessant (2014) Where there are four dimensions (4p) innovation Management which includes: *Product Innovation* is a change in the products or services offered by the organization;*Process Innovation* is a change in how to create and deliver products/services*; Position Innovation* is a change in the context of product/service introduction; and *Paradigm innovation* is a change in the mental model.

Not optimal performance of *Smart City* is also suspected because of problems related to the unique capabilities owned. The results show the importance of unique capabilities in conjunction with innovation and partnerships, as well as performance. Karami, dkk (2013) Discovering the relationship between human resource practices and business strategies that include innovation. Kohansal*et al.*(2013) also found that human resources are an important element for the company to achieve innovation. On the other hand, Ng and Kee (2015) found that the reason for the company's success should be done with intangible factors, whereby customer partnerships are intangible assets.

Bassini (2014) shows that *Internal partnerships* are positively the result of two key objectives: the creation of the value of communication between members and directing to *organizational learning.*Omerzel andgulev (2011) found that companies having access to the same resources, were able to maximize resource utilization to achieve a competitive edge. The PenelitIan Oladele and Omotayo (2014) also found a strong positive relationship between E-HRM and the organization's performance. Similarly, Bagheri, dkk (2013) found that competency managers had an impact on business performance.

Conceptually, according to Pearce and Robinson (2015), based on RBV, every company is fundamentally different because it has a unique bundle of resources consisting of tangible assets, intangible assets, and organizational capabilities to capitalize on those assets. In line with Hitt's opinion, DKK (2015) categorizes the company's resources into tangible assets and intangible assets. Tangible assets are assets that can be observed and calculated such as: production equipment, manufacturing facilities, distribution centers, and formal reporting structures. Intangible assets are an asset that is buried in the company's history, which is a accumulated experience, and relatively difficult to analyze and emulate competitors. Intangible assets include human resources, innovation resources, and reputation resources.

Another problem that is suspected of impacting the performance of *Smart City* that is not high is related to the ability of the local government in adapting external*environmental.* The need for an understanding of the external environment is emphasized in Nair research, et al (2014) where the accumulation of knowledge-based resources on the business model is spread in intra and inter-company environment. The knowledge strategy of intercompany and intra-enterprise environments resulted in improved performance of the business model. Fahrudi, dkk (2013) found that THE external context of IT-driven innovation drove a lot of innovation.

Research has also found a role in understanding the external environment in enhancing STRATEJIC partnerships. The findings of Gavrila-Paven and Muntean (2011) That situation can be an opportunity for small and medium enterprises to identify and respond to market changes quickly in search of flexibility and innovative ways to develop their activities. Business strategy According to Wheelen*et al* (2015) includes competing strategies and cooperative strategies.

Conceptually, the understanding of external*environment*according to Wheelen*et al.* (2015), covering a variety of variables (i.e. opportunities and threats) that are outside the organization and not typically within the short-term control of the company's top leadership. These variables are in the context of the establishment of a company that can be of general power and tendency in natural environment and social environment or specific factors that are in the specific task environment in the company is often referred to as industry. In line with the opinions of Pearce and Robinson (2015), that external*factors*are factors beyond the control of the company that affects the choice of direction and action, organizational structure, and internal processes of the company. External environments are divided into: *Remote Environment*, *industry environment*, and *operating environment.*

Phenomenon that occurs in the city *Smart city* Makassar There are indications still not high performance *smart city*. The variable causes the fact of the problem, based on the results of preliminary studies allegedly caused by external environment and unique capabilities with related stakeholders and not good development of Stratejic innovations. Results of preliminary research study showed the cause of the phenomenon is also suspected because the government of Makassar has not been able to carefully develop its unique capabilities, and has not been able to carefully adapt the external environment. Based on the background

of the above research, it is suspected that the environment and unique capabilities affect the strategic innovation and the Stratejic partnership that implicates the performance of the smart city of Makassar city.

II. Rivew Literature

Leadership

According To Goleman (2015) It gives a view that leadership is a force in developing an image motif on how to lead a force (*curcive style*), develop Autocration (*authocrotative style*), according to the level of free control capabilities (*afiliative style*), without ignoring the lead democracy method(*demorative style*),quickly take action (*pacesetting style*), and always educate or give training (*coaching style*). According to Rivai (2014) The broad definition of leadership includes influencing processes in determining organizational objectives, motivating follower behaviour to achieve goals, influencing to improve their group and culture. In addition, it also affects the interpretation of the events of its followers, organizing and activities to achieve the objectives, maintain cooperative relationships and group work in obtaining the support and cooperation of people outside the group or organization.

Rivai (2014) Leadership is part of a leader who leads an organization in achieving organizational objectives. While leaders are part of the individuals who have a leadership Force paksaan (*coercive style*),)(*autocrative*style, styleofaffiliation (*afiliative style*), Democraticstyle (*democrative*style), *pacesetting* style, and style oftrainer (*coaching style*).

External environment

External environments are factors beyond the control of the company that affects the choice of direction and action, organizational structure, and internal process of the company (Pearce & Robinson, 2015). The scope of external environment (external*Environment*) According to the opinions of Wheelen*et al.*(2015) includes various variables (i.e. opportunities and threats) that are outside the organization and are not typically in short-term control of the company's top leadership. These variables are in the context of the establishment of a company that can be of general power and inclination in the natural environment and social environment or specific factors that reside within the company's specific task environment, which is often referred to as the industry**.**

Conceptually, the understanding of external*environment*according to Wheelen*et al.* (2015), covering a variety of variables (i.e. opportunities and threats) that are outside the organization and not typically within the short-term control of the company's top leadership. These variables are in the context of the establishment of a company that can be of general power and tendency in natural environment and social environment or specific factors that are in the specific task environment in the company is often referred to as industry. In line with the opinions of Pearce and Robinson (2015:88), that external*factors*are factors beyond the control of the company that affects the choice of direction and action, organizational structure, and internal processes of the company. External environments are divided into: *Remote Environment*, *industry environment*, and *operating environment.*

Unique capabilities

Ahmadjian (2016) explains that the uniquely managed capability will have a positive impact on the institutions so that they become a source of competitive advantage for future institutions. Aaker (2012) notes that the company's assets and skills, which are the basis of competition, provide the foundation for a sustained competitive advantage. Unique capabilities are the essence of strategic management to develop and maintain assets and skills and choose strategies to build a sustainable competitive edge.

So based on that opinion, the discussion of unique capabilities is not separated from the concept of the company's resources. According to Pearce and Robinson (2015), every company is fundamentally different because of the unique diversity of resources consisting oftangibleassets,intangible assets, and organizational capabilities to capitalize onthose assets. The same opinion is expressed by Hitt, *et all* (2015) that each organization is a collection of resources and unique capabilities. The uniqueness of resources and capabilities is fundamental to the company's strategy and its ability to earn above average revenue. The resource is an input for the company's production process. Where resources are divided into tangible resources and intangible resources.

Innovation

Innovation according to Bassiti and Ajhoun (2013), is a process of catching ideas from employees and then evaluated and determined what ideas with the greatest potential can be utilized to add to the value of organsation. While according to Scholten & Scholten (2012), innovation Management is the planning, implementation, management and control of organizational innovation activities systematically to realize innovative ideas effectively and efficiently.

There are four dimensions (4P) Innovation management according Tidd and Bessant (2014), which

includes: *product innovation,* which is a change in the products or services offered by the company;*Process Innovation,* which is a change in how to create or deliver products or services*; Position innovation,* which is a change in the context of product or service introduction; and *Paradigm innovation* is a change in the mental model.While according to Fontana (2011), innovation management includes aspects such as *platforms,* Solutions, customers, customer experience, value-taking, processes, organizations, supply chains, presence, networking, and branding.

Performance

Performance is a willingness of a person or group of people to do something of activity and to refine it according to his or her responsibilities with the results as expected (Rivai and Basri, 2005). Performance appraisal is about performance and accountability. In a globally competitive world, companies according to high performance. As such, employees need feedback on their performance as their future conduct guidelines. Performance assessments in principle include both qualitative and quantitative aspects of job execution. Performance assessment is one of the fundamental functions of personnel; Sometimes referred to as performance, employee assessments, performance evaluations, employee evaluations, or personnel ratings. All of these terms pertain to the same process (Shimamora, 2000).

III. Research Method

The approach used in this research is quantitative methods and qualitative methods as well as combining qualitative and quantitative research methods. The types of data used in this study are primary data and secondary data. The primary Data was sourced in the *Smart City* manager KOtaMAkassar which became the subject of the study (respondent) using the pre-prepared questionnaire through the *Smart City*manager kOtamAkassar which was selected as a research sample, to obtain supporting Data relating to (a) the amountofNgelola, b). Education level, C). Group/rank/department, D). Working period, E). Assessment System, F). and others related to this research object. Meanwhile, secondary data is sourced from documents in the form of authentic data and performance reports of Makassar City Smart City Manager as well as other relevant information. The data collection techniques used in this study were observations, interviews, questionnaires, and documentation.The population in this research is s. p.engelola*Smart City* in Makassar City, according to the criteria of kominfo as much as 465 people.

The determination of the number of respondents in this study using *probability random sampling* method is that the entire population has the same opportunity to serve as respondents. Representatives of respondents from every pengelola*Smart City* in Makassar city.Given that the population number is too large, then the sample count is determined based on the Slovin method using the following formula:

$$N = \frac{N}{[1+(N)(e)^2]}$$

Where:
n = Sample
N = Population
E = Degree of freedom (Error rate) 1%, 5% or 10%

$$\text{Sample} = \frac{465}{1+465\ (0,05)2}$$
$$= \frac{465}{2,16}$$
$$= 215,\ 277\ ataudibulatkan\ 215\ orang.$$

The study used *Structural Equation Modeling* (SEM) analysis.The Analytical Model used to test the research hypothesis is to use THE AMOS 18.0 application.Results And Analysis.

IV. Results And Analysis

Descriptive statistical analysis
Leadership (X₁)

Table 1.Respondent'S Assessment of leadership(X₁)

Indicators	Answer										Average Mean
	1		2		3		4		5		
	F	%	F	%	F	%	F	%	F	%	
Example	0	0.0	28	13.0	32	14.8	119	55.3	36	16.7	3.96
Integrity	17	16.5	22	10.2	44	20.4	65	30.2	67	31.1	3.76
Personality and behaviour	0	0.0	27	12.5	60	30.0	71	27.9	57	26.5	3.79
Participation	0	0.0	25	11.6	36	16.7	124	57.6	30	13.9	3.74

Mindset	0	0.0	21	9.79	40	18.6	82	38.1	72	33.4	3.78
				Average leadership indicators							4.40

Source: Primary Data processed in 2020

The average answer result of respondents was obtained a value of 4.40 which means that the respondent's assessment of the leadership is good enough, where the leadership indicator is the transparency, integrity, personality and behavior, participation and mindset, the most influential indicator is the accuracy.However, the lowest contribution is the participation indicator.

Description of the external environment (X_2)

Table 2. Respondents assessment of external environment (X_2)

Indicators	Answer										Average (Mean)
	1		2		3		4		5		
	F	%	F	%	F	%	F	%	F	%	
Political	0	0.0	0	0.0	70	32.5	95	44.1	50	23.2	3.68
Law	0	0.0	2.1	9.63	77	35.8	84	39.0	33	15.3	3.60
Technology	0	0.0	19	8.83	64	29.7	62	28.8	70	32.5	3.98
Natural	0	0.0	16	7.44	37	17.2	98	45.5	64	29.7	3.85
Economic	0	0.0	15	6.97	38	17.6	97	45.1	65	30.2	3.93
Social culture	0	0.0	0	0.0	69	32.0	93	43.2	53	24.6	3.99
			Average External environmental indicators								4.35

Source: Primary Data processed in 2020 years

A complete research variable description of the external environment is presented in the appendix, indicating that the external environment variable indicator shows the average answer score value of 4.35. This value indicates that the perception of respondents to the external environment provides a fairly good value. Similarly, indicators also show an average score between 3.60-3,99, which means that indikatorpolitik, law, technology, nature, economistandsocial culture are good enough. The most influential indicator is social culture. Nevertheless the lowest contribution is the legal indicator.

Description of unique capabilities (X_3)

Table 3. Respondents ' assessment of unique capabilities (X_3)

Indicators	Answer										Average Mean
	1		2		3		4		5		
	F	%	F	%	F	%	F	%	F	%	
Budget	0	0.0	12	5.58	36	16.7	80	37.2	87	40.4	3.81
The latest information technology equipment	2	0.93	16	7.44	59	27.4	95	44.1	43	20.0	4.13
Quantity of employees	0	0.0	18	8.37	60	27.9	81	37.6	56	26.0	3.78
Employee Expertise Qualification	0	0.0	19	8.83	64	29.7	77	35.8	55	25.5	3.74
			Average unique capability indicator								3.86

Source: Primary Data processed in 2020

The detailed research variable description of the unique capability is presented in the appendix, indicating that the unique capability Variable indicator shows the average answer score value of 3.86. This value indicates that the respondents ' perception of unique capabilities is good enough. Similarly, other indicators also show the average score between 3.74-4.13 which means that the budget indicator, the latest information technology equipment, the employee quantity and the employee's skill qualification are good enough. The highest-influence indicator is the latest information technology equipment. The lowest contribution, however, is an employee skill qualification indicator.

Description of Innovation (Y1)

Table 4. Respondents ' assessment of Innovation (Y1)

Indicators	Answer										Average Mean
	1		2		3		4		5		
	F	%	F	%	F	%	F	%	F	%	
Smart Governance	2	0.93	6	2.79	17	7.90	84	39.0	106	49.3	4.32
Smart Branding	0	0.0	23	10.6	39	13.4	85	39.5	68	31.6	3.92
Smart Economy	0	0.0	10	4.65	52	24.1	104	48.3	49	22.7	3.89
Smart Living and Environment	0	0.0	3	1.39	22	10.2	96	44.6	94	43.7	4.31
			Average innovation indicators								4.11

Source: Primary Data processed in 2020 years

The results of a research variable description of thenovation I complete was presented in the appendix, indicating that Inovation variable indicator shows the average answer score value of 4.11. This value indicates that the respondent's perception of Innovation provides a fairly good value. Similarly, other indicators also show average score between 3.89-4,32, which means that *smart Governance Indicators, smart Branding, Smart Economy, Smart Living and Environment* are good enough. The highest indicator is *smart Governance*, but the lowest contribution is the *smart Economy*indicator.

Description of Performance manager (Y2)

Table 5. Respondents ' assessment of Management Performance (Y2)

Indicators	Answer										Average Mean
	1		2		3		4		5		
	F	%	F	%	F	%	F	%	F	%	
Objective	0	0.0	18	8.37	60	27.9	81	37.6	56	26.0	3.83
Fair	2	0.93	14	6.51	43	16.5	95	44.1	61	28.3	3.92
Transparent	0	0.0	11	5.11	50	23.2	80	37.2	74	34.4	4.03
Accountable	0	0.0	23	10.6	39	18.1	85	39.5	68	31.6	3.81
Recruitment	0	0.0	3	1.39	52	24.1	96	44.6	64	29.7	4.01
Average performance indicator manager											4.90

Source: Primary Data processed in 2020 years

The results of a research variable description of the manager'Sperformance are fully presented in the appendix, indicating that the Manager's performance variable indicator indicates the average answer score value of 4,90. This value indicates that the respondent's perception of the performance management gives value good enough. Similarly, other indicators also show an average score between 3,81-4,03, which means thatobjective , fair, transparent, accountable and competent indicators are good enough.The highest indicator is transparent, but the lowest contribution is the accountable indicator.

Validity Test **Dan Data** Reliability

In the validity and reliability test, there was a response from the poll spread to Pengelola smart city KotaMakassarCity, overall sample of 215 people so that it can be explained that the entire questionnaire at circulate (215 set) with a return rate of 100% and after being checked there is no questionnaire/questionnaires that the researcher is considered defective (unusable) Thus the overall poll/questionnaire used to be analyzed in this study a number of 215 poll/questionnaire. Instrument validity and reliability testing, which summarizer DIsajikan in table 7.the following:

Table 6. Validity and reliability test of research instruments

Variable	Indicators Variable	Items Point	Coefficient Correlation (R)	Sig.	Ket.	Cronbach's Alpha	Ket.
	Example	X 1.1	0.697	0.000	Valid		
	Integrity	X 1.2	0,742	0.000	Valid		
Leadership (X1)	Personality and behaviour	X 1.3	0. 752	0.000	Valid	0,697	Rail
	Participation	X 1.4	0.741	0.000	Valid		
	Mindset	X 1.5	0,432	0.000	Valid		
	Political	X 2.1	0,621	0.000	Valid		
External environment X2	Law	X 2.2	0.597	0.000	Valid		
	Technology	X 2.3	0.671	0.000	Valid		
	Natural	X 2.4	0.695	0.000	Valid	0.633	Rail
	Economic	X 2.5	0588	0.000	Valid		
	Social culture	X 2.6	0394	0.000	Valid		
Unique capabilities (X3)	Budget	X 3.1	0.734	0.000	Valid		
	The latest information technology equipment	X 3.2	0.794	0.000	Valid		
	Quantity of employees	X 3.3	0.677	0.000	Valid	0.732	Rail
	Employee Expertise Qualification	X 3.4	0775	0.000	Valid		
Innovation Y1	*Smart Governance*	Y 1.1	0.772	0.000	Valid		
	Smart Branding	Y 1.2	0.754	0.000	Valid		
	Smart Economy	Y 1.3	0.753	0.000	Valid	0.767	Rail
	Smart Living and Environment	Y 1.4	0.795	0.000	Valid		
Manager	Objective	Y 2.1	0.709	0.000	Valid		
	Fair	Y 2.2	0.743	0.000	Valid		

Performance	Transparent	Y 2.3	0.739	0.000	Valid	0.769	Rail
Y2	Accountable	Y 2.4	0.721	0.000	Valid		
	Competent	Y 2.5	0.702	0.000	Valid		

Note: The validity of the test criteria of value (r) is ≥ 0.30 or $\leq \alpha = 0.05$ and reliability cut of value Cronbach's alpha based on standardized items ≥ 0.60 or (60%). (Uma Sekaran, 2013)

Sumber: Processed results of primary data 2020

Konfirmatori Analysis
Confirmatory factor analysis of the leadership variables (X₁)

TAbel 7.*Load factor* leadership Variables (X1)

Variable indicators	Loading Factor	Critical Ratio	Probability P	Description
X 1.1	0.737	7,640	0.000	Significant
X 1.2	0.939	7,761	0.000	Significant
X 1.3	0.769	Fix	1.000	Fix
X 1.4	0.879	7,866	0.000	Significant
X 1.5	0.205	2,006	0.000	Significant

Source: Appendix 1

Based onthe empirical kta as in table 7 can be explained that the indicator of a leadership variable consisting of an example (X 1.1), integrity (x 1.2), personality and Behavior (x 1.3), participation (x 1.4), mindset (x 1.5) is a significant indicator as a variable leadership gauge, while personality and Behavior (x 1.3) is as a definite indicator for measuring the leadership variables in the Makassar City Smart City.

Confirmatory factor Analysis external environment Variables (X₂)

Table 8.*Loading factor*external environment variables (X2)

Variable indicators	Loading Factor	Critical Ratio	Probability P	Description
X 2.1	0.890	6,016	0.000	Significant
X 2.2	0.934	5,485	0.000	Significant
X 2.3	0.638	Fix	1.000	Fix
X 2.4	0.887	5,615	0.000	Significant
X 2.5	0.455	3,941	0.000	Significant
X 2.6	0.144	1,198	0.231	Not significant

Source: Appendix 1

Based onthe empirical FA Kta as in table 8 can be explained that the indicators of external environmental variables consisting of politics (x 2.1), Law (x 2.2), technology (x 2.3) , natural (x 2.4), economy (X 2.5), is a significant indicator as an external environmentalvariable gauge, socio-cultural (x 2.6) is an insignificant variable as an external environmentalvariable gauge, while technology (x 2.3) is as a definite indicator (fix) for measuring external environment variables in Makassar's City Smart city.

*Confirmatory factor analysis*variablesunique ability Hood (X₃)

Table 9. Unique *Loading factor* variablecapability (X3)

Variable indicators	Loading Factor	Critical Ratio	Probability P	Description
X 3.1	0.804	7,425	0.000	Significant
X 3.2	0.788	Fix	1.000	Fix
X 3.3	0.614	5,843	0.000	Significant
X 3.4	0.907	7,414	0.000	Significant

Source: Appendix 1

Based on FakTA empirical as in Table 9 can be explained that the indicator of the unique capability variable consisting of budget (X 3.1), the latest information technology equipment (x 3.2), Employee Quantity (x 3.3), employee Expertise Qualification (x 3.4) is a significant indicator as a variable gauge of unique capabilities, while the latest information technology equipment (x 3.2) is a definite indicator for measuring the unique capability variables of the Makassar City Smart City.

*Confirmatory Factor Analysis*VariabelInovasi (Y1)

Table 10.*Variable Loading factor*innovation (Y1)

Variable indicators	Loading Factor	Critical Ratio	Probability P	Description
Y 1.1	0.942	7.608	0.000	Significant
Y 1.2	0.807	7.529	0.000	Significant
Y 1.3	0.888	8.055	0.000	Significant

| Y 1.4 | 0.751 | Fix | 1.000 | Fix |

Source: Appendix 1

Based onFak TA empirical as in table 10 can be explained that the indicator of variable innovations consisting of *Smart Governance* (y 1.1), smart *Branding* (y 1.2), *smart Economy* (y 1.3), *Smart Living and Environment* (y 1.4) is a significant indicator as an innovation variable gauge Inovasi, while *smart Living and Environment* (y 1.4) is as a definite indicator (fix) for measuring variable innovations in Makassar's Smart city.
***Confirmatory Factor Analysis* Management variable Performance (Y₂)**

Table 11. *Loading factor* Management Performance variables (Y2)

Variable indicators	Loading Factor	Critical Ratio	Probability P	Description
Y 2.1	0.911	7.017	0.000	Significant
Y 2.2	0.946	7.879	0.000	Significant
Y 2.3	0.686	Fix	1.000	Fix
Y 2.4	0.801	7.084	0.000	Significant
Y 2.5	0.810	6.861	0.000	Significant

Source: Appendix 1

Based on FakTA empirical as in table 11 can be explained that the indicators of the manager's performance variables consisting of objective (Y 2.1), Adil (Y 2.2), transparent (y 2.3) , accountable (y 2.4), competent (Y 2.5) is a significant indicator as the manager's performance variable gauge kinerjapengelola, while transparent (Y 2.3) is as a definite indicator (fix) for measuring management performance variables in the Makassar City*Smart City* .

Hypothesis Testing
The result of data processing shows the criteria of the conformance test model done by comparing the *Cutt-off value* of the *goodness of fit index* obtained from the result of the model estimate, that the model has not fulfilled the requirement criteria. The feasibility test results in structural models through the following figure 1 berikut:
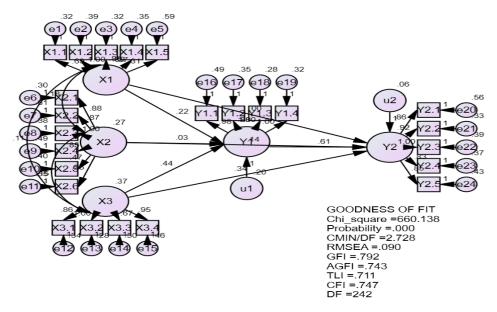

Figure 1. Diagram of *full model* Structural model testing

The picture shows that the test result of a *full model*Structural Model Diagram, which is the basis of comparing the*Goodness of Fit index*with*theCut-off value* is presented in the following table 12 :

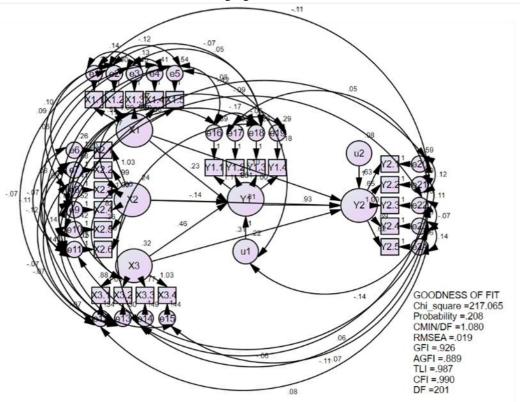**Table 12.** Evaluation Criteria Goodness of Fit initial Model

Goodness of Fit Index	Cut-off Value	Results Model	Description
Chi_Square	Expected Kecil	660.138	Marginal
Probability	≥ 0.05	0.000	Marginal
CMIN/DF	≤ 2.00	2.728	Marginal
The The RMSEA	≤ 0.08	0.090	Marginal

Gfi	≥ 0.90	0,792	Marginal
AGFI	≥ 0.90	0,743	Marginal
TLI SULTAN BANTILAN	≥ 0.94	0,711	Marginal
Cfi	≥ 0.94	0,747	Marginal

Source: Data processed (the Output AMOS 18.0) year 20 20

The table explains that the overall model of this study is not fit. This shows that the research model still needs improvement by doing model modifications.

The result of modification model is done as the following figure:

Picture 2. Structural Model Testing (Model 2 final)

In the image is shown the test results on a diagram of a *full model* structural model (Model 2 final)), which is used as the basis for comparing the index of the model suitability with *Cutt-off value* after *Modification Indices*, results from the alignment testing (*gooness of Fit Tests)* can be displayedin table 13 :

Table 13. Modification of whole Model suitability test (*GoodNess-of Fit test Modified)*

Goodness of Fit Index	Cut-Off Value	Model Results	Description
Chi_square	Expected small	217,065 (0.05:201 = 235.076)	Good
Probability	≥ 0.05	0208	Good
CMIN/DF	≤ 2.00	1,080	Good
The The RMSEA	≤ 0.08	0.019	Good
Gfi	≥ 0.90	0926	Good
AGFI	≥ 0.90	0889	Marginal
TLI SULTAN BANTILAN	≥ 0.94	0987	Good
Cfi	≥ 0.94	0990	Good

Source: Data processed (the Output AMOS 18.0) year 20 20

According to the table is indicated that after the *Modification Indices* is shown that the final Model 2) has fulfilled the test alignment (*Goodness of Fit tests*) that is suitability model with *Cutt-off value,* because of the six criteria of conformity of existing models, Model 2 (end) has fulfilled 7 (seven) among the 8 (eight) criteria of model conformity.

Table 14. Hypothesis Testing Results

No	Variable			Effect			Significance	
	Exogenous	*Intervening*	*Endogenous*	*Direct*	**Indirect**	**Total**	**Q**	**Description**
1	Leadership	-	Innovation	0.293	-	0.293	0.005	Positive signifikan
2	External environment	-	Innovation	-0.120	-	-0.120	0.275	Negative is not significant
3	Unique capabilities	-	Innovation	0.460	-	0.460	0.000	Positive signifikan
4	Leadership	-	Performance PEngelola	-0.094	-	-0.094	0.314	Negative is not significant
5	External environment	-	Performance PeNgelola	0.207	-	0.207	0.040	Positive signifikan
6	Unique capabilities	-	Performance PEngelola	0.241	-	0.241	0.009	Positive signifikan
7	Innovation	-	Performance PeNgelola	0.724	-	0.724	0.000	Positive signifikan
8	Leadership	Innovation	Performance PeNgelola	-0.094	0.212	0.118	0.009	Positive signifikan
9	External environment	Innovation	Performance PeNgelola	0.207	-0.087	0.120	0.280	Negative is not significant
10	Unique capabilities	Innovation	Performance PeNgelola	0.241	0.333	0.574	0.003	Positive signifikan

Source: Primary Data processing Results 2020

The table shows that at a significance level of 5% There are five relationships Langsungdan two significant indirect relationships whereas two direct relationships and one other indirect relationship have no significant effect. Explanations related to the significance of the relationship between variables in the table according to the hypothesis proposed in this study at a significance of 5% can be explained as follows:

(H1) Leadership has a significant positive influence oninnovation with the line coefficient of 0293. With significance rates of 0.005.Thus the hypothesis was received. From the results shows that there is a significant positive relationship between leadership and innovation as demonstrated by pathway coefficient analysis, which means there is a leadership influence on innovation and the value of Probabilitinya0,005< 0.050, as for the direction of the relationship between the two variables is positively reflected from the positive estimate value.

H2 External environments have no significant negative influence to innovation with the line coefficient of -0.120. With significance rate of 0,275. Thus the hypothesis of theolaks. Based on the hypothesis test results as indicated indicates that there is an insignificantline coefficient between the external environment *Eksternal* on innovation and the value of Probabilitinya0, 275 > 0.050, the direction of the relationship between the two variables is negatively represented from the negative estimate value.

H3 Its unique capability has a significant positive effect oninnovation with a line coefficient of 0.460, and a Probabilitinya value of 0,000> 0.050. Thus hypotheses are acceptable. The results showed that there was a significant link between the unique capabilities of innovation as demonstrated by the analysis of the pathway coefficient, which means there is an impact on the unique capabilities of innovation. Thus the hypothesis (HA) stating that there is a variable influence of unique capabilities to innovation can be proven, so empiricallyreceived by theErima because it is supported by data and facts.

(H4) Leadership has an insignificant negative influence onthe performance of Pengelola with a line coefficient of -0094 and a Probabilitinya value of 0.314 > 0.050.Thus the hypothesis was rejected. From the results showed that there was an insignificant negative relationship between leadership with the performance Peof Pe Ngelola as demonstrated by the analysis of the pathway coefficient, which means there is an insignificant influence between the leadership of the performance of PeNgelola. Thus the hypothesis (Ha) that there is a influence of Variabel Leadership against the performance of PeNgelolacan not be proved, so empirically rejected because it is not supported by data and facts.

H5 The external environment *Eksternal* has a significant positive effect on the performance of PeNgelolawith a line coefficient of 0.207 and a Probabilitinya value of 0.040 < 0.050. Thus the hypothesis was received. Based on the hypothesis test results as indicated indicates that there is a significant line coefficient between the external environment *Eksternal* and the performance of PengelolaIt indicates that the *external*Environment is able to prove causality both theoretically and empirically to the performance of pengelola. In other words, there is a significant relationship between the external environment and the performance of Pengelola. Thus the hypothesis (HA) stating that the *external environment* has significant effect on the performance of Pengelola can prove empirically and supported by data and facts.

H6 Its unique capability has a significant positive effect on the performanceof PeNgelola with a line coefficient of 0.241 and a Probabilitinya value of 0,009 < 0.050. Thus hypotheses are acceptable. From the results shows that there is a significant link between the unique capability of the performance of pengelola as demonstrated by the analysis of the line coefficient, which means there is a unique capability influence on the

performance of pengelola. Thus the hypothesis (HA) stating that there is a variable influence of unique capabilities to the performance of Pengelola can be proved, so empiricallyerima received because it is supported by data and facts.

H7 Innovation has a significant positive effect on the performance of PeNgelola with a line coefficient value of 0724 and a Probabilitinya value of $0.000 < 0.050$. Thus the hypothesis was received. Based on the hypothesis test results as indicated indicates that there is a significant line coefficient between innovation and performance of PeNgelola. It indicates that innovation is able to prove causality relationship both theoretically and empirically to the performance of PeNgelola. In other words, there is a significant relationship between innovation and the performance of PeNgelola. Thus the hypothesis (HA) which states that innovation has significant effect on the performance of PeNgelola can prove empirically and supported by data and facts.

(H8)   Leadership has a significant positive impact on performancePengelolathrough innovation with a line coefficient value of 0.212 and Probabilitinyavalueof $0.009 < 0.050$. Thus the hypothesis was received. From the results showed that there was a significant positive relationship between leadership tothe performance of Pengelola through innovation as demonstrated by the analysis of the line coefficient, which means there is a leadership influence on theperformance of pengelola. Thus the hypothesis (HA) which states that there is the influence of leadership variables on the performance of Pengelola through proven innovation, so empirically acceptable because it is supported by data and facts.

(H9)   The external environment *Eksternal* negatively affects and is insignificant against the performance of Pengelola through innovations with a line coefficient value of -0.087 and Probabilitinyavalueof $0.287 > 0.050$. Thus the hypothesis was rejected. From the results showed that there was an insignificant relationship between the *external* environment against the performance of Pengelola through innovation as demonstrated by the analysis of the line coefficient, which means there is an external environmental influence *Eksternal*terhadap the performance of Pengelola through innovation. Thus the hypothesis (HA) which states that there is the influence of external environmental variables *Eksternal* on the performance of Pengelola through innovation can not be proven empirically and not supported by data and facts.

H10   Unique capabilities positively and significantly impact the Performance of Pengelolathrough innovation with a line coefficient value of 0.333 and Probabilitinyavalueof $0.003 < 0.050$.Thus the hypothesis was received. From the results shows that there is a significant link between the unique capabilities ofPengelolathrough innovation as demonstrated by line coefficient analysis, which means there is a unique capability influence on the performance of Pengelola through innovation. Thus the hypothesis (HA) which states that there is a unique capability variable influence on the performance of Pengelola through innovation can be proven empirically and supported by data and facts.

V. Discussion

Leadership Influence **on** the *Smart City***Innovation** of **Makassar City**

The results of the research based on the hypothesis test as in TAbel14 showed that the leadership significantly positively influence the management innovation of Makassar City Smart City. The results of the analysis give the meaning that the leadership in the form: transparency, integrity, personality and behavior, participation, and mindset positively influence and effectivenessYes significant to innovation.Leadership is positive and significant to the innovation can be interpreted that the higher the value of leadership, the higher the innovation value and the influence is significant. These results also apply to the contrary that the lower the value of leadership, the lower the innovation value of *Smart City* and its influence is significant.

This research isEjalan with research results suryana danBayu (2014) There is a positive and significant influence between innovation with leadership, meaning if employees have a high spirit of innovation then can positively impact and can influence leadership. A policy in implementingkan the idea and creative ideas that have been determined by the leadership of a company is a rule that the company's employees must obey. But this is not an absolute thing about a company engaged in the creative field, where an application and implementation of innovation will bring an update in resolving the problem through design planning and designing *desain*.

External Environmental Impact on The **innovation** of *Smart City* **Makassar City**

The results of the study based on hipotesis test as in table 14 that*external* Environment *negatively* impact is not *significant* in the innovation of *Smart City* Makassar City. The results of the analysis mean that the application of external environmental conditions *eksternal*: P.olytic, law, technology, nature, eKonomi, and socio -cultural *negatively* affect innovation Although its influence is not *significant*. The external environmenthas *negatif* an insignificant *signifikan* negative effect on innovation that the higher the value of the *external* Environment then the lower the value of the maintainer innovation although the effect is not *significant*. This results also in contrast that the lower the value of the *external* Environment then the higher the value of the management innovation and its impact is not *significant*. This indicates that the external environmental

conditions *eksternal* still do not create innovations for the maintainers so that the appropriate*external* environmental conditions are needed.

According to Van de Ven (2010), the merger of technological innovations is the development and implementation of new ideas by individuals involved in the interaction of an organizational arrangement. The new idea in question can be a merging of previous ideas, a plan to meet the current challenge, or a specific approach that is perceived by the individuals involved in it.

PErkembangan*SMartCity* in Makassar City is still focused on the use of Teknologi information only. In fact, the basic concept of *SMartCity* is how to present a creative and innovative solution to the problems of the city, such as handling floods, reducing traffic congestion, and pressing the pollution oftheRa.As mentioned that the innovation coverage of information technology use is widespread. Indonesian legal basis in the form of positive written law is not able to reach such a wide variety of innovations that can arise. Thus, the point of practice is innovation. Special about innovations There has been a legal basis in LAW No. 23 year 2014 about local government. In chapter XXI titled Regional Innovation. From chapters 386 to Article 390 Act 23/2014,The innovations referred to in article 386 are all forms of renewal in the organizing of local governments.

Influence of unique capabilities to the innovation of *Smart City*CityMakassaR

The results of the study based on hipotesis test as in table 14showed that unique capabilities have significant positive effect on the innovation of the city *Smart City* Makassar. The results of the analysis give the meaning that the unique capability in the form of: Budget, the latest information technology equipment, employee quantity and qualification of employee expertise is positive and the effect is significant towards *Smart City* Innovation of Makassar City. Unique capability has positive and significant effect on *Smart City* Innovation Kota Makassar can be interpreted that the higher the value of unique capability, the higher the value of innovation and the effect is significant. This result also applies to the contrary that the lower value of unique capability, the lower the value of innovation in the management of Makassar City*Smart City* .

Some research results state that unique*capabilities*affect the innovation of an organization (Cabral, 2010; Chang et al., 2012). According to Cabral (2010), an organization that has the capability level: anggaran, the latest information technology equipment, the quantity of bestI and the employee expertise Qualification, the development of its innovation is not only focused on environmental level and social equity. In this respect, the organization directs its innovation strategy of focusing on sustainable outcomes, whose unique capabilities become the center of organizational capability development, resulting in improved levels of new service creation. Conversely, low levels of unique and innovative capabilities lead to low levels of new service continuity as well. Therefore, the results of sustainable innovation are more significant in organizations that are of high innovative level, so that the organization that is running a strategic strategy will be a role.

According to Hagedoorn and Duysters (2012), innovative capabilities are concerned with certain skills and competencies related to the development and recognition of new processes and products. According to Subramanian and Youndt (2005), Sen and Egelhoff (2000), innovative capabilities can be classified in two different types: incremental and radical. Incremental innovation capabilities focus on improving processes and products now; The capabilities of radical innovation focus on the development of new products based on different theories and concepts thoroughly.

Leadership influence over *Smart City* Makassar City Smart City Manager performance

The results of research based on hipotesis test as in table 14 that leadership influence negative is not significant to the performance of management of Makassar *Smart City* . The results of the analysis mean that leadership: Transparency, integrity, personality and behavior, participation, mindsetsarenegative to performance although the effect is not significant.Leadership negative influence is not significant to performance can be interpreted that the higher the value of leadership then the lower the value of the manager's performance Although the effect is not significant. These results also apply to the contrary that the lower the value of leadership then the higher the performance value of the kinerja Manager and its impact is not significant. This indicates that the leadership conditions applied are still not creating good performance for the maintainers so that the appropriateleadership conditions are needed.

The results of this research supported the research results Simanungkalit and Setyaningsih (2013) that the leadership influence is not significant to the performance of employees of PT. Lion Mentari Airlines. The results of this study differed from the research results of Natsir (2015), Bakhri (2016) and Lusman (2017) in their dissertation that leadership has significant effect on performance.

The external environmental impact of *Smart* Makassar City 's Smart *City* Management Performance

The results of the study based on the hypothesis test as in table 10 showed that the external environment was positive and significant in performance. The results of the analysis give the meaning that the external environment: politics, law, technology, nature, eKonomi, socio-cultural influence is positive and the

effect is significant towards improved management performance. The external environment has a positive and significant effect on performance that the higher the value of the external Environment , the higher the manager 's performance score and its influence is significant. This result also goes on the contrary that the lower the external environmental value then the lower the manager's performance value and its impact is significant.

This research isEjalan with the Yonggui research, et al. (2014) concluded that the key factors affecting high growth IN SME in China Are timTop management, organizational strategy, company characteristics, andexternal (political, legal, technological, natural, eKonomi, socio-cultural). It is supported also by the research conducted by Prasetyo (2013), stating that the *external* and internal environmental factors have a big role to support the success of industrial employees in poor performance. Research Claudio (2016) with the title of research on the influence of *Internal environment* and *external* organizations towards employee performance, the research results showed that the external environmental variables *eksternal* consisting of indicators: labour force, regulations of laws/legislation, society, technology, and economics, proved to have a positive influence on the performance of office officers of Regional Airport Authority VIII of Manado.

Influence of unique capabilities to the performance of pengelola*Smart City* Kota Makassar

The results of the research based on the hypothesis test as in Table 10 showed that unique capabilities were positively influential and significant to the management's performance. The results of the analysis have the meaning that the unique capability in the form of: Budget, the latest information technology equipment, employee quantity and qualification of employee expertise has a positive effect and a significant impact on the management performance of Makassar City*Smart City* . Its Unique capability has a significant positive effect on maintainable performance, which is increasingly higher than the value of unique capabilities, the higher the performance value with significant influence. These results also apply to the contrary that the lower the value of unique capabilities the lower the performance value of the maintainer with significant influence.

Based on several studies, it has been said that the unique capabilities can affect the performance of the organization directly (Protogerou et al., 2008; Teece, 2007). According to Protogerou et al. (2008), the unique capability is the antecedent for functional competencies that further impact significantly on organizational performance, so that the capability of UniK does not significantly affect the performance of the organization.

Effect of innovation on management performance of *Smart* Makassar city Smart *City*

The results of the research based on the hypothesis test as in table 10 showed that innovations have a positive and significant effect on the management's performance. The results of the analysis gave the meaning that innovations in the form of:*smart Governance, smart branding, smart economy, smart living and environment* are positive and signifiOUsto the manager's performance.Innovations that have a positive and significant impact on performance can be interpreted that the higher the value of innovation the higher the manager's performance value and significant increase in value. These results also apply to the contrary that the lower the value of innovation the lower the manager's performance value and its influence is significant.

The results of this study supported the results of dissertation research stating that innovations affect organizational performance (Lawson & Samson, 2011 and Gunday, 2010). According to Lawson and Samson (2011), the organizations are developing and investing in a planned and explicit manner on aspects of the innovation capability, both individually and collectively, have greater possibilities in achieving sustainable innovation results as an organizational performance engine. According to Gunday (2013) There are positive influences from the innovation of the company's performance in the manufacturing industry. According to Corsino (2008), product innovations that are traded in the fast time positively affect the company's *revenue* flow in thesemiconductor company.Rori, *et all* (2013) Innovations PARTIALLY affect the performance of employees at PT Bank MandiriKanwil Manado and creativity in a partial EFFECT on the performance of employees of PT Bank MandiriKanwil Manado.

Influence of leadership through work innovations in the performance of Pengelola*Smart City* Kota Makassar

The results of the study based on the hypothesis test as in table 10 showed that leadership through innovation has a positive and significant effect on performance. These results indicate that innovation is capable of being a good intervening in the relationship between leadership to performance. The results can be interpreted that the higher the value of leadership through innovation the higher the performance value of the manager as well as the opposite that the lower the value of leadership through innovation the lower the value of the manager's performance with a significant effect. Leadership applied in the form: transparency, integrity, personality and behavior, participation, and mindset are able to improve the value of innovation in real life.especially on the indicatorof the example that s the consequence of being a leader is to be an exemplary figure for his followers or subordinates so as to give space to the subordinates togetinnovation in working.

The results of this study supported the research results of Rohman, et al. (2012) That leadership has a

significant impact on employee performance through innovation at the city planning and monitoring of Mataram city building. PradiftaandSudibia (2014) That leadership and innovation have positive and significant effect on performance and innovation capable of the dissemination of leadership impact on KAryawan performance in Bali Summer hotels.The Results of the study showed that leadership through innovation has a significant positive effect on the integrated performance with SUDIBYO's opinion (2011) that the organizational leadership is growing innovation. Leadership improves confidence, raises creative ideas so that there is improvement in innovation, good cooperation, working with clear objectives and gaining high achievements.

Influence of *external* environment through innovation of the performance of Pengelola*Smart City* of Makassar

The results of the research based on the hypothesis test showed that the external environment through the innovations positively affect insignificant performance. It indicates that innovation is not a good intervening in the relationship between external environment to performance. It is interesting to be examined as well as the findings in this study that innovations as intervening are able to influence or alter the influence of external environments against the performance of significant effect being insignificant.The good External environment should be able to meet the politics, law, technology, nature, eKonomi and socio-cultural in the external environment so that it has a real effect on achieving optimal performance value. The most important fulfillment to be noticed by the results of the study is politics, law, nature and economi without neglecting innovation.

The results of this study differ from Mulyono's dissertation (2014) that the *external* environment has a positive and significant influence on performance through innovation. This study differed from the Anggoro dissertation (2013) that the *external* environment contributes to real and meaningful performance through innovation. The research conducted by Zulaikha and Fredianto (2003) about the relationship between *external*Environment, strategic orientation and SME performance in Semarang concluded that the willingness of the company to innovate and proactivity is positively related to the dimensions of the company's performance.

In line with the opinions of Yoga (2012) *external* opportunities and threats refer to economic, social, cultural, demographic, environmental, political, legal, governmental, technological, and competition events and trends that can benefit or harm an organization in the future. Opportunities and threats are largely outside of the organization. Companies must formulate strategies to capitalize on *external* opportunities and to avoid or mitigate the effects of *external*threats. The *external* environment consists of variables (opportunities and threats) that are outside the organization and are not specifically present in the short-term control of top management. These variables form a state in the organization where the organization is living.

The effect of unique capabilities MelaLui innovations to the performance of Pengelola*Smart City* Kota Makassar

The results of the research based on the hypothesis test as in Table 10 show that unique capabilities through innovation have a positive and significant effect on performance. These results show that unique capabilities are capable of being a good intervening in the relationship between theunique ability Hood to performance.The Unique capabilities through significant positive innovations to performance can be interpreted that the higher the value of unique capabilities through increasing the value of innovation, the higher the performance value of the maintainer and the significant effect. These results also apply to the contrary that the lower the value of unique capabilities through innovation the lower the performance value and the impact is significant.

The results of this study supported the opinion of Sobirin (2013) that unique capabilities have the aim to create innovations, create creative ideas and change attitudes and behaviors of human resources that can improve the productivity of work. This research is in line with the research results of Suhada (2015) in his dissertation that the unique capabilities through innovation influence positive and significant to the performance of PegawAI General Hospital in Kendari. The research also explained that to achieve an optimal innovation it is necessary to increase the internal factors of other human resources. The capability of human resource development is the ability of an organization to develop and improve its technical and managerial skills of its human resources. The effort is done by always aligning between employees ' ability and expertise with their duties through HR training and development programs. It is important to remember that a workforce with high skills is an important factor for innovation (Baldwin, 2012).

VI. Conclusions And Suggestions

Based on the results of research it can be concluded that leadership has a real role in innovation but is not real impact on increasing the manager's performance value. Leadership with an indicator of transparency, integrity, personality and behaviour, participation, and mindset is a great solution to improve innovation but not the right solution for managing the performance value of managers. The external environment has an unreal role to increase innovation value and manager performance. The external environment in the form of politics, law,

technology, nature, eKonomi, social culture is not a great solution to improve innovation and management performance because the effect is negative.Unique Capabilities have a real role in the value of innovation and the performance of managers, unique capabilities of budget, the latest information technology equipment, employee quantity and employee expertise qualification is the perfect solution to improve innovation and management performance. Innovation has a real role in improving the performance value of managers. The concept *of smart governance*, *Smart branding*, *Smart Economy* and *Smart Living and Environment* is the perfect solution to optimize management performance. Innovation can serve as a good intervening in the relationship between the external environment and the unique capabilities of performance but innovation is not a good intervening in the relationship between leadership to the manager's performance. Innovations are also capable of influencing the direction and significance of external environmental relationships and unique capabilities to maintainer performance.

Based on the results of analysis and discussion can be expressed some advice that can be considered as a consideration for researchers, academics, and the practice of the leader of the agency in the effort to increase performance then need to improve the leadership of the professional. The leadership that can be considered is the leadership, has integrity, personality and behavior, participation, and mindset, as well as the implementation of an objective and transparent performance assessment. Government or agency leaders in an effort to optimize the performance achievement of the maintainers, the need to encourage innovative leadership, initiative and enthusiasm, the right leadership especially leadership by promoting integrity, participation, and mindset is also the right solution to achieve optimal performance. The external environment and unique capabilities that are accompanied by the fulfillment of innovations are also a workable solution to improve the performance value of the maintainer.

References

[1]. Ahmadjian, C. L. (2016). *Comparative Institutional analysis and institutional complexity*. Journal of Management Studies, 53(1), 12-27

[2]. Bassiti and Ajhoun, 2013, *Toward an Innovation Management framework: A life-cycle model with an idea management focus, International Journal of innovation*, Management and Technology, 4 (6), 551, 2013.

[3]. Bagheri, S., Ebrahimpour, H., &Ajirloo, M. B. (2013). Surveying The Impact Of Managers Competencies On Business Performance Of Agricultural Bank Managers In Ardabil Province. *International Journal of Management Research and Reviews*, *3*(9), 3424.

[4]. Coccia, M. (2016). Radical Innovations as drivers of breakthroughs: characteristics and properties of the management of technology leading to superior organisational performance in the discovery process of R & D Labs. *Technology Analysis & Strategic Management*, *28*(4), 381-395

[5]. Corsino, M. (2008). *Product Innovation and Firm Growth: Evidence from the Integrated Circuits Industry*. DRUID Working PaperNo. 08-06

[6]. Chang, A., et al. (2012). Unique Capabilities and Innovation Performance of Publishing Firms in Digital Age. International Journal

[7]. Dameri, R. P. (2017). Smart City implementation. *Progress IN IS; Springer: Genoa, Italy*

[8]. Fahrudi, A. N., Gengatharen, D. E., Suseno, Y., & Standing, C. (2013). Contextual support for innovation in an Australian financial services firm.

[9]. Fontana, A. (2011). *Innovate We Can! How to Create Value Through Innovation in Your Organization and Society*. Revision edition. Bekasi: Create prosperous innovation.

[10]. Goleman, Daniel. et al (2015). *Primal leadership based on emotional intelligence. Terj. James*. Jakarta: PT Gramedia Pustaka Utama

[11]. Gavrila-PavendanMuntean, 2011, *Valorizing Entrepreneurial Potential Of the Central Region-Partnership Between University And Business Environment As Supporting Element Of The Entrepreneurial Culture*

[12]. Gunday, G., et al. (2010). *Effects of Innovation Types on Firm Performance*. International Journal. Turkey.

[13]. Hagedoorn, J., and Duysters, G. (2012*). External Sources of Innovative Capabilities: The Preference for Strategic Alliances or Mergers and Acquisitions. Journal of Management Studies,* 39 (2), 167-188.

[14]. Huang, J., & Li, Y. (2017). *Green Innovation and performance: The view of organizational capability and social reciprocity*. Journal of Business Ethics, 145 (2), 309-324

[15]. Hitt, Michael A.;*Ireland*, R. Duane;*Hoskisson*, Robert E., 2015, *Strategic Management: Competitiveness & Globalization*: Concepts and Cases, Eleventh Edition, Stamford: Cengage Learning.

[16]. Karami, Soma; Soltandart, Heirsh; Rahmani, Mahmud, 2013, *The Relationship Between Corporate Reputation And Organizational Citizenship Behavior In Private Banks City Of Sanandaj In Iran, Interdisciplinary.*Journal ofContemporary Research In Business 5.3:713-725

[17]. Kohansal, Mohammad Reza; Rahimi, Mohsen; Vazifehshenas, Saeed, 2013, *Environmental efficiency, innovation and corporate performance in management human resources,* International Journal of Agriculture and Crop Sciences 5.24.2906-2910

[18]. Lawson, B., & Samson, D. (2001). Developing innovation capability in organisations: a dynamic capabilities approach. *International Journal of Innovation Management*, *5*(03), 377-400.

[19]. Lopez-Cabrales, A., Bornay-Barrachina, M., & Diaz-Fernandez, M. (2017). Leadership and dynamic capabilities: the role of HR systems. *Personnel Review*.

[20]. Ng, Hee Song; Kee, Daisy Mui Hung (2015), *Development of Intangible Factors FOR SME Success in a Developing Country*, International Journal of Academic Research in Business and Social Sciences 2.12:198-21

[21]. Nair, Nisar, Palacios, & Ruiz, 201, *Impact of knowledge brokering on performance heterogeneity among business models,* Management Decision 50.9 (2012): 1649-1660

[22]. Oladele, I. O., &Omotayo, O. A. (2014). E-Human Resource Management and Organizational Performance (e-HRM) in the Nigerian Banking Industry: An Empirical Study of Guaranty Trust Bank PLC (GTBank). *Anvesha*, *7*(1)

[23]. Omerzel, D. G., &Gulev, R. E. (2011). Knowledge Resources and competitive advantage. The *Managing global Transitions*, *9*(4),

335.

[24]. Pearce, John A. II, Richard B. Robinson, Jr., 2015, *Strategic Management: Planning for Domestic & Global Competition*, International Edition, New York: McGraw Hill.

[25]. Pradifta, N. B. H., &Sudibia, G. A. (2014). Influence of transformational leadership and job satisfaction towards organizational commitment (study on Aerowisata Sanur Beach Hotel). *Management E-Journal UdayanaUniversity*, *3*(9).

[26]. Protogerou, A., et al. (2018). *Dynamic Capabilities and Their Indirect Impact on Firm Performance. Druid, Denmark. Teece, D. J., and Pisano, G. (1994). The Dynamic Capabilities of Firms: An Introduction*. Industrial and Corporate Change, 3 (3), 537-56.

[27]. Rivai, Veithzal 2014. *Organization'S Leadership and behaviour*of the third edition. Jakarta: PT. RajagrafindoPersada

[28]. Rori, W. J., Mekel, P. A., &Ogi, I. (2014). Education, training and job placement influence on the performance of officers in the Office of Inspectorate Manado City. *EMBA Journal: Journal of Economic Research, management, business and accounting*, *2*(2).

[29]. Scholten & Scholten, 2012, *platform-based innovation management: Directing external project efforts in platform ecosystems*, Journal of the Knowledge Economy, 3 (2), 164-184, 2012.

[30]. Simamora, H. (2000). Business decision making base accounting. *Jakarta: SalembaEmpat*.

[31]. Simanungkalit, Y. M., and Setyaningsih, E. 2013. A leadership style against employees ' work satisfaction at PT. Lion Mentari Airlines. UniversitasGunadarma journal Vol. 7 No. 06 Year 2013.

[32]. Subramaniam, M., &Youndt, M. A. (2005). The influence of intellectual capital on the types of innovative capabilities. *Academy of Management journal*, *48*(3), 450-463.

[33]. Suryana, Y., &Bayu, K. (2014). Entrepreneurship approach characteristics of successful entrepreneur second edition. *KencanaPrenada Media Group. Jakarta*.

[34]. Sen, F., and Egelhoff, W. G. (2000). *Innovative Capabilities of A Firm and the Use of Technical Alliances. IFE Transactions Engineering Management,* 47 (2), 174-183.

[35]. Teece, D. J. (2007). The role of managers, entrepreneurs and the literati in enterprise performance and economic growth. *International Journal of Technological Learning, Innovation and Development*, *1*(1), 43-64.

[36]. Tidd, J., & Bessant, J. (2014). *Strategic Innovation Management*. John Wiley & Sons.

[37]. Wheelen, Thomas L.; Hunger, J. David; Hoffman, Alan N.; Bamford, Charles E. 2015, *Strategic Management And Business Policy: Globalization, Innovation, And Sustaibility*, 14th Edition, Global Edition, Pearson.

[38]. Washburn, D., Sindhu, U., Balaouras, S., Dines, R. A., Hayes, N., & Nelson, L. E. (2009). Helping CIOs Understand "smart city" initiatives. *Growth*, *17*(2), 1-17.

[39]. Zygiaris, S. (2012). Smart City Reference Model: An Approach to Assist SmartPlanners to Conceptualize a city's Smart Innovation Ecosystem. *Joumalknowledgeeconomy*, *1*(28), 1-653.