



DOI: <https://doi.org/10.38035/sjtl.v3i4.792>  
<https://creativecommons.org/licenses/by/4.0/>

## Dynamic Capabilities as a Strategic Resource Transformation Mechanism in Creating Public Value at PT Transportasi Jakarta

Eko Kuntadhi<sup>1</sup>, Winny Septiana Sari<sup>2</sup>

<sup>1</sup>Universitas Bhayangkara Jakarta Raya, Indonesia, [ekokuntadhi@gmail.com](mailto:ekokuntadhi@gmail.com)

<sup>2</sup>Universitas Bhayangkara Jakarta Raya, Indonesia, [workseptianawinny@gmail.com](mailto:workseptianawinny@gmail.com)

Corresponding Author: [ekokuntadhi@gmail.com](mailto:ekokuntadhi@gmail.com)<sup>1</sup>

**Abstract:** Public sector organizations are increasingly required to adapt to environmental changes and technological developments in order to create sustainable public value. However, the possession of strategic resources alone is insufficient to generate superior organizational performance without the capability to transform and reconfigure those resources effectively. This study aims to analyze the role of dynamic capability as a transformational mechanism linking human capital development, strategic leadership, digital capability, and service culture to public value creation at PT Transportasi Jakarta. The study employed a quantitative explanatory approach involving 157 employees selected through purposive sampling. Data were analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS). The findings reveal that human capital development, strategic leadership, digital capability, and service culture positively and significantly influence dynamic capability. Among these variables, digital capability demonstrates the strongest effect. Furthermore, dynamic capability significantly enhances public value and partially mediates the relationship between strategic resources and public value. These findings confirm that dynamic capability serves as a critical mechanism through which strategic resources are transformed into sustainable public value. Strengthening digital capability, strategic leadership, and human resource development is therefore essential for improving public service performance and delivering greater value to society.

**Keywords:** Dynamic Capability, Public Value, Digital Capability, Strategic Leadership, Public Transportation.

### INTRODUCTION

The transformation of the public transportation sector in Indonesia shows significant developments along with the increasing public need for fast, safe, comfortable, and technology-based mobility services. PT Transportasi Jakarta (Transjakarta) as a Regionally-Owned Enterprise (BUMD), it has a strategic role in creating public value through the provision of sustainable mass transportation services. The economic impact study of Transjakarta shows that the development of public transportation services not only increases community mobility but also provides a significant economic contribution to urban areas (LPEM FEB UI, 2025).

Although various performance indicators show improvement, a gap remains between service capacity and user experience. This indicates that possessing strategic resources alone is insufficient to optimally generate public value. Organizations need the ability to integrate, develop, and transform their resources to effectively respond to environmental changes.

From a public administration perspective, the concept of **public value** explains that public organizations must be able to produce benefits that are felt by the community through effective, fair and sustainable services. (Moore, 1995). In contrast to business organizations which are profit-oriented, the success of public organizations is measured based on the social, economic value and services provided to the community.

From a strategic management perspective, the **Resource-Based View (RBV)** explains that organizational superiority comes from resources that are valuable, rare, difficult to imitate, and not easily substituted (Barney, 1991). In the context of public sector organizations, human capital, strategic leadership, digital capabilities, and service culture can be viewed as strategic resources that have the potential to create public value if managed effectively.

However, strategic resources do not automatically result in superior performance. Organizations need the ability to integrate, build, and reconfigure these resources to adapt to environmental changes. This ability is known as **dynamic capability**, which consists of sensing, seizing, and transforming (Teece, 2007; Teece, 2018). Dynamic capability enables organizations to respond to technological changes, customer needs, and environmental dynamics more quickly and effectively.

In recent years, digital transformation has become a critical factor influencing the ability of public organizations to create public value. Research shows that digital innovation strategies and the use of information technology can improve the effectiveness of public sector services (Guenduez et al., 2025). In addition, digital capabilities have been proven to strengthen the organization's ability to adapt and transform services through the use of data, information systems, and digital technology (Panagiotopoulos et al., 2023).

Recent research also shows that digital transformation oriented towards public value requires the support of an agile organizational structure as well as the organization's ability to build dynamic capabilities sustainably (Almazrouei et al., 2024). In the context of public organizations, dynamic capability plays an important role in the value creation process because it is a mechanism that connects organizational resources with the results felt by the community (Karttunen et al., 2024).

In addition to technological factors, human capital development is a crucial factor in enhancing an organization's adaptability. Quality human capital enables organizations to develop the knowledge, skills, and competencies necessary to address increasingly complex environmental changes (Ployhart et al., 2023). On the other hand, strategic leadership plays a role in directing the organization's vision, creating organizational flexibility, and encouraging continuous change (Ireland & Hitt, 2005; Rowe, 2001).

A culture of service is also a determining factor in the success of public organizations in creating public value. Organizations with a strong service orientation tend to be more responsive to community needs and better able to deliver quality services (Narver & Slater, 1990; Schein, 2010).

Although the relationship between organizational resources and performance has been extensively researched, research explaining the role of dynamic capability as a transformational mechanism in creating public value in the public transportation sector is still relatively limited. Therefore, this study aims to analyze the role of dynamic capability as a transformational mechanism that connects Human Capital Development, Strategic Leadership, Digital Capability, and Service Culture to Public Value at PT Transportasi Jakarta.

## METHOD

### *Research Design*

This study uses a quantitative approach with a causal-associative method to examine the relationships between variables in the research model. This approach was chosen because it is able to empirically explain the causal relationship between strategic resources, dynamic capabilities, and public value. The research design used is cross-sectional, meaning data collection was conducted over a specific time period, namely April–May 2025. The unit of analysis in this study is the PT Transportasi Jakarta organization, represented through the perceptions of employees involved in the organizational transformation process.

### *Population and Sample*

The study population consisted of permanent employees of PT Transportasi Jakarta at the middle management level, supervisors, route managers, and core operational staff. The sampling technique used purposive sampling with the following respondent criteria:

- a) Have a minimum of two years of service;
- b) Involved in digital-based services;
- c) Understanding the ongoing organizational transformation process at Transjakarta.

Based on the guidelines of Hair et al. (2019), the minimum sample size was determined to be 5–10 times the number of research indicators. With 31 indicators, the minimum sample size required was 155 respondents. This study successfully obtained 157 respondents who met the research criteria, with a questionnaire return rate of 78.5%.

### *Research Instrument*

The research instrument used a structured questionnaire with a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). All constructs were measured using indicators adapted from previous research that had been tested for validity and reliability.

The research variables included:

- 1) Human Capital Development (X1)
- 2) Strategic Leadership (X2)
- 3) Digital Capability (X3)
- 4) Service Culture (X4)
- 5) Dynamic Capability (Z)
- 6) Public Value (Y)

Before being used in the main study, the instrument was piloted on 30 respondents. The test results showed that all variables had Cronbach's Alpha values above 0.80, thus meeting the reliability criteria. The instrument's content validity was ensured through an expert judgment process involving three experts in the fields of strategic management and public administration.

### *Operational Definition of Variables*

- Human Capital Development (X1) : is an organizational effort to improve employee competency, skills and abilities through education, training and career development.
- Strategic Leadership (X2) : is the ability of a leader to direct an organization, build a strategic vision, and drive sustainable organizational change.
- Digital Capability (X3) : is the ability of an organization to utilize digital technology, information systems, and data to support decision-making processes and service innovation.

- Service Culture (X4) : are organizational values, norms, and behaviors that are oriented towards customer service and improving service quality.
- Dynamic Capability (Z) : is the ability of an organization to sense, seize, and transform in the face of environmental changes.
- Public Value (Y)** : are the social, economic and service benefits felt by the community as a result of the activities of public organizations.

**Data Analysis Technique**

Data were analyzed using the Structural Equation Modeling–Partial Least Squares (SEM-PLS) approach with the assistance of SmartPLS 4 software. The analysis was conducted in two main stages.

The first stage was the evaluation of the measurement model (outer model), which included:

- a) Convergent validity with the criteria of factor loading > 0.70 and Average Variance Extracted (AVE) > 0.50;
- b) Discriminant validity using an HTMT value < 0.90;
- c) Composite Reliability (CR) > 0.70;
- d) Cronbach's Alpha > 0.70.

The second stage was the evaluation of the structural model (inner model), which included:

- a) Coefficient of determination (R<sup>2</sup>);
- b) Predictive relevance (Q<sup>2</sup>);
- c) Effect size (f<sup>2</sup>);
- d) Hypothesis testing using a bootstrapping procedure on 5,000 subsamples.

Testing of the mediation effect was carried out using the Variance Accounted For (VAF) method to determine the type of mediation that occurred in the research model.

**RESULTS AND DISCUSSION**

**Respondent Characteristics**

A total of 157 respondents participated in this study. The majority of respondents were male (61.8%), aged 31–40 years (43.9%), had 6–10 years of service (45.2%), and held a bachelor's degree (49.0%). These characteristics indicate that respondents have sufficient experience in understanding the organizational transformation process and the implementation of technology-based public services at PT Transportasi Jakarta.

**Evaluation of the Measurement Model (Outer Model)**

The results of validity and reliability testing show that all constructs meet the required measurement criteria.

**Table 1. Convergent Validity and Reliability Results**

Variable	AVE	Composite Reliability	Cronbach's Alpha
Human Capital Development (X1)	0.651	0.881	0.842
Strategic Leadership (X2)	0.678	0.892	0.856
Digital Capability (X3)	0.701	0.905	0.871
Service Culture (X4)	0.634	0.873	0.828
Dynamic Capability (Z)	0.667	0.889	0.849
Public Value (Y)	0.689	0.896	0.862

*Source: Processed Primary Data, 2026*

All Average Variance Extracted (AVE) values were above 0.50, while Composite Reliability and Cronbach's Alpha values exceeded the minimum limit of 0.70. Thus, all constructs were declared valid and reliable. Furthermore, the HTMT values for all construct pairs were below 0.90, thus meeting the discriminant validity criteria.

**Evaluation of the Structural Model (Inner Model)**

**Table 2. R-Square and Q-Square Results**

Endogenous Variable	R <sup>2</sup>	Adjusted R <sup>2</sup>	Q <sup>2</sup>
Dynamic Capability (Z)	0.712	0.706	0.478
Public Value (Y)	0.742	0.738	0.512

Source: Processed Primary Data, 2026

The R<sup>2</sup> value of 0.712 indicates that Human Capital Development, Strategic Leadership, Digital Capability, and Service Culture can explain 71.2% of the variation in Dynamic Capability. Meanwhile, the R<sup>2</sup> value of 0.742 indicates that the research model can explain 74.2% of the variation in Public Value. A positive Q<sup>2</sup> value indicates that the model has good predictive ability.

**Hypothesis Testing**

**Table 3. Path Coefficients and Hypothesis Testing**

Hypothesis	Relationship	Path Coefficient (β)	T-Statistic	P-Value	Decision
H1	X1 → Z	0.281	3.231	0.001	Accepted
H2	X2 → Z	0.315	4.091	0.000	Accepted
H3	X3 → Z	0.342	4.560	0.000	Accepted
H4	X4 → Z	0.267	3.000	0.002	Accepted
H5	Z → Y	0.611	7.188	0.000	Accepted

Source: Processed Primary Data, 2026

The test results show that all hypotheses are accepted because they have a p-value smaller than 0.05. Digital Capability has the most dominant influence on Dynamic Capability (β = 0.342), followed by Strategic Leadership (β = 0.315), Human Capital Development (β = 0.281), and Service Culture (β = 0.267). In addition, Dynamic Capability is proven to have a very strong influence on Public Value (β = 0.611).

**Mediation Analysis**

**Table 4. Mediation Effect Using VAF Method**

Relationship	Indirect Effect	Total Effect	VAF	Mediation Type
X1 → Z → Y	0.172	0.281	61.2%	Partial
X2 → Z → Y	0.192	0.315	61.0%	Partial
X3 → Z → Y	0.209	0.342	61.1%	Partial
X4 → Z → Y	0.163	0.267	61.0%	Partial

Source: Processed Primary Data, 2026

The VAF value ranges from 61.0% to 61.2%, indicating that Dynamic Capability acts as a partial mediator in the relationship between strategic resources and Public Value. These results indicate that the transformation of resources into public value occurs not only directly but also through the mechanism of dynamic capabilities.

**Discussion**

**The Effect of Human Capital Development on Dynamic Capability**

The research results show that Human Capital Development has a positive and significant impact on Dynamic Capability. This finding supports the view that employee competency development enhances an organization's ability to detect opportunities, respond to change, and

sustainably transform. The training and development programs implemented through the Transjakarta Academy contribute to improving employee adaptive capacity, thereby strengthening the organization's dynamic capability.

These findings align with research by Ployhart et al. (2023), which states that human capital resources are the primary foundation for building an organization's ability to adapt to environmental changes. These findings also support Wright et al.'s (1994) view that human resource development is a source of sustainable organizational excellence.

### ***The Effect of Strategic Leadership on Dynamic Capability***

Strategic leadership has been shown to have a positive influence on dynamic capability. Strategic leadership plays a role in developing a vision for change, creating organizational flexibility, and coordinating the transformation of an organization's resources. The shift in orientation from "passenger" to "customer" at Transjakarta demonstrates how leadership can shape a more adaptive and service-oriented organizational culture.

These results are consistent with research by Ireland and Hitt (2005) and Rowe (2001) which emphasizes that strategic leadership plays a role in building organizational flexibility and directing resource transformation to achieve organizational goals.

### ***The Effect of Digital Capability on Dynamic Capability***

Digital Capability is the most dominant factor influencing Dynamic Capability. These results indicate that the use of digital technology, real-time data integration, artificial intelligence, GPS, fleet sensors, and operational monitoring systems are key factors in improving an organization's sensing, seizing, and transforming capabilities. Digital infrastructure enables organizations to respond to environmental changes more quickly and accurately.

These findings support research by Panagiotopoulos et al. (2023) and Guenduez et al. (2025), which showed that the use of digital technology can improve the ability of public organizations to adapt, innovate, and transform services.

### ***The Effect of Service Culture on Dynamic Capability***

Service culture has also been shown to significantly influence dynamic capability. A customer-centric organizational culture encourages all work units to be more responsive to customer needs and changes in the service environment. This shift from capacity-driven to customer-driven orientation demonstrates the critical role service culture plays in supporting organizational adaptability.

### ***The Effect of Dynamic Capability on Public Value***

Dynamic Capability has the greatest influence on Public Value. This finding reinforces the Dynamic Capability theory, which states that an organization's ability to integrate, build, and reconfigure resources is a key factor in creating value for society. Organizations that are able to effectively sense, seize, and transform will be more successful in producing valuable and sustainable public services.

The results of this study reinforce the findings of Karttunen et al. (2024) that dynamic capability is the primary mechanism linking organizational resources to the creation of sustainable public value.

### ***The Mediating Role of Dynamic Capability***

The results of the mediation test indicate that Dynamic Capability acts as a partial mediator in the relationship between Human Capital Development, Strategic Leadership, Digital Capability, Service Culture, and Public Value. This finding confirms that strategic

resources do not automatically generate public value. Transformation mechanisms in the form of dynamic capabilities are needed to enable organizations to convert resources into tangible benefits for society.

### ***Managerial Implications***

The research findings offer practical implications for PT Transportasi Jakarta and other public sector organizations. The primary priority is strengthening digital capabilities through the development of real-time data-based monitoring systems and the use of artificial intelligence technology. Furthermore, organizations need to strengthen strategic leadership capable of driving cultural change and developing employee competencies to better adapt to the dynamics of the public service environment.

### **CONCLUSION**

This study aims to analyze the role of Dynamic Capability as a strategic resource transformation mechanism in creating Public Value at PT Transportasi Jakarta. Based on the results of the SEM-PLS analysis, all research problem formulations were successfully answered.

First, Human Capital Development has been shown to have a positive and significant impact on Dynamic Capability. This finding indicates that developing employee competencies, skills, and capacities can enhance an organization's ability to detect opportunities, respond to change, and sustainably transform.

Second, Strategic Leadership has a positive and significant impact on Dynamic Capability. Strategic leadership plays a crucial role in guiding the organization's vision, creating organizational flexibility, and driving the changes necessary to address the dynamics of the public service environment.

Third, Digital Capability has a positive and significant effect on Dynamic Capability. This variable is the most dominant factor in the research model. These results indicate that the use of digital technology, data integration, and information systems are key factors in strengthening an organization's ability to sense, seize, and transform.

Fourth, Service Culture has a positive and significant impact on Dynamic Capability. A customer-oriented service culture has been shown to improve an organization's ability to adapt to changing community needs and the service environment.

Fifth, Dynamic Capability has a positive and significant impact on Public Value. This finding indicates that an organization's ability to integrate, develop, and transform strategic resources is a critical factor in creating social, economic, and service benefits for the public.

Sixth, Dynamic Capability has been shown to mediate the relationship between Human Capital Development, Strategic Leadership, Digital Capability, and Service Culture on Public Value. The results of the mediation test indicate that Dynamic Capability acts as a partial mediator, meaning that public value creation is not only directly influenced by strategic resources but also through the organization's ability to transform these resources into service excellence.

The findings confirm that Dynamic Capability serves as the primary transformational mechanism through which strategic resources are converted into Public Value within public sector organizations. Therefore, strengthening digital capability, strategic leadership, human capital development, and service culture is essential for improving organizational adaptability and ensuring sustainable public value creation in public transportation services.

## REFERENSI

- Almazrouei, F., Ameen, N., Isaac, O., & Willis, R. (2024). Organizational structure, agility, and public value-driven digital transformation in public services. *Heliyon*, *10*(23), e39292. <https://doi.org/10.1016/j.heliyon.2024.e39292>
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, *17*(1), 99–120.
- Budiman. (2024). *Pengaruh kebijakan kepemimpinan, kapabilitas dinamis dan ambidexterity organisasi terhadap kinerja keberlanjutan di Badan Usaha Milik Daerah (BUMD) Indonesia* (Disertasi Doktor, Universitas Indonesia).
- Creswell, J. W., & Creswell, J. D. (2018). *Research design: Qualitative, quantitative, and mixed methods approaches* (5th ed.). SAGE Publications.
- Fariz, F., & Winarsih, T. (2025). A conceptual framework for intellectual capital to drive digital transformation in Indonesia's transportation sector. *Asia Pacific Management and Business Application*, *13*(3), 245–260.
- Guenduez, A. A., Mettler, T., & Schedler, K. (2025). Digital innovation strategies in the public sector. *Technological Forecasting and Social Change*, *214*, 123945.
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, *31*(1), 2–24.
- Ireland, R. D., & Hitt, M. A. (2005). Achieving and maintaining strategic competitiveness in the 21st century: The role of strategic leadership. *Academy of Management Executive*, *19*(4), 63–77.
- Karttunen, E., Jääskeläinen, A., Malacina, I., Lintukangas, K., Kähkönen, A.-K., & Vos, F. G. S. (2024). Dynamic capabilities view on value creation in public procurement. *Journal of Public Procurement*, *24*(1), 114–134. <https://doi.org/10.1108/JOPP-05-2023-0035>
- LPEM FEB UI. (2025). *Studi dampak ekonomi PT Transportasi Jakarta periode 2015–2024*. Lembaga Penyelidikan Ekonomi dan Masyarakat Fakultas Ekonomi dan Bisnis Universitas Indonesia.
- Meutia, K. I., & Husada, C. (2019). Pengaruh budaya organisasi dan komitmen organisasi terhadap kinerja karyawan. *Jurnal Riset Manajemen dan Bisnis (JRMB)*, *4*(1), 119–126.
- Moore, M. H. (1995). *Creating public value: Strategic management in government*. Harvard University Press.
- Narver, J. C., & Slater, S. F. (1990). The effect of a market orientation on business profitability. *Journal of Marketing*, *54*(4), 20–35.
- Panagiotopoulos, P., Protogerou, A., & Caloghirou, Y. (2023). Dynamic capabilities and ICT utilization in public organizations: An empirical testing in local government. *Long Range Planning*, *56*(1), 102251. <https://doi.org/10.1016/j.lrp.2022.102251>
- Ployhart, R. E., Nyberg, A. J., Reilly, G., & Maltarich, M. A. (2023). Human capital is dead: Long live human capital resources. *Journal of Management*, *49*(1), 5–38.
- Romadhona, I., & Munawar, A. (2011). *The application of value creation in promoting sustainable public transportation* (Master's Thesis, Universitas Gadjah Mada).
- Rowe, W. G. (2001). Creating wealth in organizations: The role of strategic leadership. *Academy of Management Executive*, *15*(1), 81–94.
- Schein, E. H. (2010). *Organizational culture and leadership* (4th ed.). Jossey-Bass.
- Teece, D. J. (2007). Explicating dynamic capabilities: The nature and microfoundations of sustainable enterprise performance. *Strategic Management Journal*, *28*(13), 1319–1350.
- Teece, D. J. (2018). Business models and dynamic capabilities. *Long Range Planning*, *51*(1), 40–49.
- van Roekel, H., Meijer, A., & van der Voort, H. (2025). Digital transformation leadership: A public value-centered scale for public organizations. *Government Information Quarterly*, *42*(3), 102056. <https://doi.org/10.1016/j.giq.2025.102056>

- Wright, P. M., McMahan, G. C., & McWilliams, A. (1994). Human resources and sustained competitive advantage: A resource-based perspective. *International Journal of Human Resource Management*, 5(2), 301–326.
- Zhang, H., Zhao, K., Zhang, S., & Li, W. (2023). How organizational agility promotes digital transformation performance: The roles of dynamic capabilities and organizational agility in government organizations. *Sustainability*, 15(14), Article 11304. <https://doi.org/10.3390/su151411304>