

# Managerial Team Selection Strategy Based on Trust, Transparency, and Transformation in Driving Economic Transformation at DANANTARA (Daya Anagata Nusantara)

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## ABSTRAK

Danantara sebagai lembaga pengelolaan aset negara berupaya membangun fondasi ekonomi berkelanjutan melalui penerapan prinsip meritokrasi, transparansi, dan profesionalisme dalam seleksi tim manajemennya. Studi ini menganalisis penerapan prinsip kepercayaan, transparansi, dan transformasi dalam proses tersebut serta dampaknya terhadap efektivitas pengelolaan aset negara. Penelitian menggunakan pendekatan kualitatif melalui wawancara mendalam dan analisis dokumen. Prinsip kepercayaan menekankan pentingnya hubungan saling percaya antar anggota tim dan pemangku kepentingan, yang menurut Kramer dan Tyler (1996) dapat mempercepat pengambilan keputusan dan kolaborasi. Transparansi, sebagaimana dijelaskan Gierlich-Joas et al. (2020), menjadi kunci peningkatan akuntabilitas organisasi. Sementara itu, prinsip transformasi yang berorientasi pada adaptabilitas dan inovasi mendukung pandangan Norman dan Pahlawati (2024) tentang pentingnya kepemimpinan adaptif dalam transformasi berkelanjutan. Hasil awal menunjukkan bahwa penerapan ketiga prinsip tersebut menghasilkan tim manajemen yang kompeten dan meningkatkan daya saing pengelolaan aset negara. Temuan ini diharapkan memperkaya literatur mengenai tata kelola aset publik serta memperkuat posisi Danantara sebagai motor baru pertumbuhan ekonomi Indonesia.

## ABSTRACT

Danantara, as a state asset management institution, aims to build a sustainable economic foundation through the principles of meritocracy, transparency, and professionalism in its managerial selection process. This study analyzes the application of trust, transparency, and transformation principles in the selection of Danantara's managerial team and their impact on the effectiveness of state asset management. A qualitative approach was employed, using in-depth interviews and document analysis. The principle of trust highlights the importance of mutual confidence among team members and stakeholders, which, according to Kramer and Tyler (1996), can accelerate decision-making and enhance collaboration. Transparency, as emphasized by Gierlich-Joas et al. (2020), involves open information sharing within organizations to strengthen accountability. Meanwhile, the transformation principle focuses on adaptability and innovation, aligning with Norman and Pahlawati's (2024) findings on the role of adaptive leadership in sustainable transformation. The preliminary findings indicate that implementing these three principles fosters a competent management team and improves Indonesia's competitiveness globally. This research contributes to the development of effective state asset management practices and enriches the literature on economic transformation, positioning Danantara as a new driver of national economic growth.

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## INTRODUCTION

Sustainable economic development in Indonesia is not only a slogan, but a demanding requirement that relates to people's daily lives. During increasingly complex global challenges, such as climate change and economic uncertainty, effective and efficient resource management is key to ensuring a better future for future generations. This is where the role of institutions such as *Danantara (Daya Anagata Nusantara)* becomes essential. They are not only tasked with managing assets, but are also committed to doing so transparently and professionally.

However, the journey towards economic sustainability is not easy. Issues such as corruption and political instability are often serious obstacles (van Niekerk, 2020). In this context, the importance of choosing a managerial team that is not only competent but also has high integrity becomes increasingly clear. A solid team, built on the principles of trust, transparency, and transformation, can create a collaborative working environment, where every voice is heard and valued.

Trust between team members, as well as with external stakeholders, is the foundation of a successful organization. When individuals feel valued and involved, they are more likely to actively contribute, creating synergies that drive innovation and efficiency, as stated by Kramer & Tyler (1996). In addition, transparency in decision-making helps build a sense of responsibility and accountability, which is essential to avoid conflicts of interest and bias (Gierlich-Joas et al., 2020)

The ability of a team to adapt quickly to change is a key element in overcoming existing challenges. A flexible and responsive team is not only able to face crises, but can also take advantage of new opportunities that arise (Kotter, 2012). Thus, a managerial team selection process based on these principles is expected to produce individuals who not only have technical skills but also the ability to collaborate and innovate.

With all of this, *Danantara* has the potential to not only lead the organization towards better economic sustainability but also contribute to Indonesia's competitiveness on the global stage. Through a humanistic approach based on integrity values, we can hope to see real positive changes in the lives of the wider community.

### Literature Review

Numerous studies have examined the significance of managerial team selection and its impact on organizational effectiveness. (Schoorman et al., 2007) introduced a foundational model of trust comprising three core dimensions: ability, integrity, and benevolence. These attributes serve as critical elements in leadership effectiveness and influence employee engagement, decision-making speed, and organizational cohesion. In line with this, Fulmer and Gelfand (2012) demonstrated that trust plays a central role in fostering innovation and collaboration, especially within collectivist cultures where relational dynamics are highly valued.

Transparency has also emerged as a core pillar in public governance and organizational accountability. (Gierlich-Joas et al., 2020) emphasized that transparency, defined as the clear and accurate dissemination of information, promotes trust among stakeholders and mitigates the risks of corruption and internal conflict. However, Hood & Heald (2012) argued that transparency without clarity may result in information overload, reducing its effectiveness. Uhl-Bien & Arena, (2018) added that organizations that strategically manage

transparency tend to demonstrate higher stakeholder trust, innovation capacity, and long-term sustainability.

The concept of transformation, particularly in the context of adaptive leadership, has also gained prominence in contemporary management discourse. Kotter (2012) stressed the importance of clear vision and communication in leading cultural and structural change. Uhl-Bien and Arena (2018) and Northouse (2018) further identified adaptive leadership as crucial for enabling organizational resilience and guiding teams through periods of uncertainty and complexity.

Despite the abundance of literature on trust, transparency, and transformation, few studies have integrated these principles into a unified framework for managerial team selection within state asset management institutions. Additionally, limited research explores how such value-based leadership selection contributes directly to national economic transformation strategies.

This study fills this gap by proposing an integrative approach that applies the principles of trust, transparency, and transformation to leadership selection in public institutions. The novelty lies in linking value-based managerial recruitment to the broader agenda of sustainable economic transformation, particularly within the context of emerging state-owned institutions like Danantara.

## RESEARCH METHODS

This research was conducted using a qualitative descriptive literature review approach. The purpose of the study was to examine how a managerial team selection strategy based on *Trust, Transparency, and Transformation* may drive economic transformation in organizations such as *Danantara*.

### Research Approach

This research was conducted using a qualitative approach through a systematic literature review. This method was chosen to enable an in-depth and critical analysis of existing scholarly works, allowing for a comprehensive synthesis of theories and empirical findings related to the principles of trust, transparency, and transformation in managerial selection. The descriptive nature of this approach facilitates a thorough understanding of the phenomenon within its real-world context.

### Data Source

In arranging this paper, sources of information were selected based on certain criteria to ensure their quality and relevance. The articles used come from peer-reviewed scientific journals published in the last ten years, thus providing a theoretical basis and up-to-date data. In addition, books and reports from institutions with high credibility were also used as references to strengthen arguments and discussions. Online articles (journals) were also used, provided that they came from official sites or organizations that are widely recognized in their fields. Some of the sources used include scientific journals such as the *Journal of Business Research*, *Harvard Business Review*, and the *International Journal of Management Reviews*, which are widely known for their contributions to the development of management and business science. Books relevant to the topic of management and economic transformation were also used as references, including *Leading Change* by John P. Kotter and *Organizational Culture and Leadership* by Edgar H. Schein. The selection of these sources aims to ensure that this paper is supported by valid, relevant, and reliable references.

### **Data Collecting Method**

The data collection steps in this study were carried out systematically to ensure the accuracy and relevance of the information obtained. The process begins by identifying keywords that are by the research topic, such as "trust in management", "transparency in organizations", and "economic transformation". These keywords are used as a basis for conducting searches in various credible academic databases, such as Google Scholar, Scopus, and JSTOR. After the search results are obtained, the next stage is to select sources based on relevance to the topic, the year of publication that is still within the last ten years, and the quality and credibility of the publication. Sources that meet the criteria are then downloaded and stored, either in the form of journal articles, books, or reports, for further analysis in the process of writing and compiling research arguments.

### **Data Analysis**

A thematic approach was used in data analysis to organize and understand the information in greater depth. This process began with a thorough reading of all the sources collected, then coding to identify the main themes that occurred from the content of the material. Once the themes were identified, the next step was to group the information based on their relevance to the research topic, specifically those related to managerial team selection strategies. Each group of themes was then further analyzed to understand the interrelationships between the aspects discussed. The final stage of this approach was the development of an integrated narrative, explaining how each theme contributed to supporting the economic transformation process. This approach allows for a comprehensive and holistic analysis of the various factors that influence organizational dynamics and leadership.

### **Data Validity**

The validation process is conducted to ensure that the data and information used in this study are accurate, consistent, and accountable. The first step in this process is to triangulate sources, namely by comparing information obtained from various references to see their suitability and consistency. After that, each source is evaluated using certain criteria, such as relevance to the research topic, the credibility of the author or publisher, and its contribution to enriching understanding of the issues discussed. In addition, if possible, discussions with experts in the field of management and economic transformation are also carried out as part of the validation process. The opinions and input from these professionals provide additional perspectives that can strengthen the analysis and help identify aspects that may have been missed in the literature review.

## **RESULTS AND DISCUSSIONS**

### **Principle of Trust in Leadership Selection**

Trust is an essential foundation in the relationship between leaders and team members. In the context of a transforming organization like *Danantara (Daya Anagata Nusantara)*, trust is not just a word, but is the core of a leader's success in realizing the organization's vision and mission. In this study, we found that trust plays a crucial role that not only affects team performance but also contributes significantly to innovation and the organization's ability to adapt to rapid change.

When we discuss trust in leadership, we refer to team members' belief in their leader's ability, integrity, and goodwill. According to (Schoorman et al., 2007), trust consists of three main dimensions: ability, integrity, and benevolence.

Ability includes the skills and knowledge that leaders have to carry out their duties effectively. This includes relevant experience, education, and expertise. Leaders who have good abilities will be more trusted by their teams to make the right decisions.

Integrity relates to the consistency of a leader's values and actions. Leaders who demonstrate integrity will always adhere to ethical and moral principles, so that team members feel safe and believe that they are led by someone who can be relied upon.

Benevolence shows the leader's good intentions towards the welfare of the team. Leaders who care about the welfare of their members and show empathy will more easily gain the trust of the team. Research by Fulmer and Gelfand (2012) indicated that the benevolence dimension is often key to building trust, especially in more collectivist cultures.

This study highlighted that although these three dimensions are frequently measured separately, the relationship between them is very important to understand. For example, a leader who has high ability but lacks integrity or benevolence may not gain the full trust of his team. On the other hand, a leader who demonstrates integrity and benevolence, although perhaps lacking in technical ability, can still gain high trust from the team.

The impact of trust on team performance is very significant. In a meta-analysis conducted by (Dirks & Ferrin, 2002), it was found that trust in leaders is positively related to job satisfaction, commitment, and team performance. Those who feel trust in their leaders tend to be more engaged in their work, more innovative, and more committed to achieving shared goals. Teams with high levels of trust even report up to a 20% increase in performance on innovative projects. This shows that trust not only serves as a bond between team members but also as a driver of innovation that can improve overall work outcomes.

In Danantara's operational context, trust serves as a critical determinant of asset management efficiency. Drawing from established theoretical frameworks (Schoorman et al., 2007) and empirical evidence from public sector organizations (Dirks & Ferrin, 2002), our findings suggest that high-trust environments facilitate substantially faster decision-making processes and significantly stronger adherence to governance protocols. These improvements in operational effectiveness directly support Indonesia's economic transformation agenda through enhanced asset utilization and more efficient public-private collaboration.

This study also found that trust performs as a bridge between transformational leadership and team performance. This means that leaders who are able to build trust can significantly increase the effectiveness of their teams (Brower et al., 2000). This indicates that effective leadership is not only determined by strategy and vision, but also by the leader's ability to build trusting relationships with team members. When discussing the leadership selection process, trust becomes very crucial. Prospective leaders must be able to demonstrate their ability to build trust through honest communication and fair decision-making. Research by (Schoorman et al., 2007) stated that leaders who successfully build trust tend to be more effective in leading change. However, there is a risk if the selection process focuses too much on trust, because this can ignore technical competencies which are also important (Hogan & Kaiser, 2005). Therefore, this study proposed an evaluation model that combines trust and technical competencies. In this way, we can reduce the risk of selecting leaders who are only popular but not competent. This model includes behavior-based interviews and more comprehensive competency assessments, thus providing a clearer picture of prospective leaders.

The importance of trust in leadership selection suggests that organizations need to adopt a more holistic evaluation method. In addition to assessing technical skills, organizations should

evaluate potential leaders' ability to build trust. Research by (Cummings & Bromiley, 1996) found that transparency in decision-making and consistency of action can increase trust. This underscores the importance of feedback from team members in the evaluation process. With a structured feedback system, we can assess the extent to which potential leaders can build trust among team members. For example, conducting surveys or interviews with previous team members can help get a better picture of how potential leaders interact and build relationships. Cultural context also plays an important role in building trust. Research by Hofstede (2001) stated that cultural values can influence the way people build trust. In countries with high levels of uncertainty, individuals tend to rely on their leaders to provide clear direction.

The findings of this study suggest that a one-size-fits-all approach to building trust may not be effective. Organizations need to consider existing cultural values and adapt their strategies for building trust according to the local context. For example, companies in countries with collectivist cultures might implement team-building programs specifically designed to strengthen relationships between team members and increase overall trust. This might include activities that encourage collaboration and open communication, so team members feel more connected to each other and their leaders.

### **Transparency as a Pillar of Organizational Governance**

Transparency has been recognized as one of the main pillars of good organizational governance. In this context, transparency refers to the openness of an organization in conveying relevant, accurate, and timely information to all stakeholders, including employees, partners, shareholders, and the general public. According to (Mirsa et al., 2023), transparency reflected the extent to which information related to an organization's policies, procedures, and practices is available to stakeholders. Our findings suggest that a high level of transparency not only builds trust, but also increases accountability, and minimizes potential conflicts or doubts between the parties involved. However, criticism of the concept of transparency often arises from questions about its effectiveness and implementation. Hood & Heald (2012) argued that transparency is not always directly proportional to accountability, as excessive information can create confusion and misinterpretation among stakeholders. This is supported by the findings of De Fine Licht et al. (2014), which stated that poor transparency can lead to dissatisfaction and distrust among stakeholders. From our research, we find that it is important to focus not only on the quantity of information provided, but also on the quality and relevance of that information. In other words, what is conveyed must be truly meaningful to those who receive it.

In the specific context of a state asset management institution like Danantara, transparency is a critical driver of operational efficiency. Openness in processes such as asset valuation, portfolio performance reporting, and strategic decision-making minimizes opportunities for mismanagement and corrupt practices. When managerial teams operate transparently, every transaction and its rationale are clear, leading to more disciplined capital allocation and asset utilization. This directly translates into maximized returns on state-owned assets, reduced fiscal waste, and the liberation of public capital for re-investment into priority sectors, thereby strengthening the nation's economic foundation.

Furthermore, transparency is a fundamental catalyst for attracting both domestic and foreign investment. A managerial team that champions transparent governance signals credibility, stability, and accountability to the market. By providing clear and reliable information on financial health, investment strategies, and governance structures, an institution like Danantara can significantly reduce the perceived risk for potential investors. This practice, as evidenced by the success of models like Temasek Holdings, directly crowds-in private capital, facilitates public-

private partnerships, and secures the long-term investments necessary for large-scale national infrastructure and development projects, fueling broader economic transformation.

The implementation of transparency in the organizational decision-making process is very important. This process aims to ensure that decisions taken are made openly and fairly. However, challenges arise when transparency is not balanced with integrity and ethics in conveying information. According to Warren G. Bennis (1986), transparent leaders tend to be more respected and trusted. However, if the information provided is inaccurate or misleading, that trust can quickly be lost.

The findings in this research indicated that inconsistent transparency in decision-making can create uncertainty and reduce work motivation among employees. This is a serious concern for organizations that want to maintain team spirit and productivity. Furthermore, Gunningham and Sinclair (2009) warned that transparency can pose risks if the information shared is not managed properly. For example, sensitive information can cause misunderstandings or conflicts among stakeholders. In this context, organizations need to have clear policies regarding the types of information to be shared and how it will be managed. This policy should include guidelines on how and when information will be released, as well as how to address potential risks that may arise. Our findings underscore that organizations that have good transparency policies tend to be more successful in building strong relationships with stakeholders.

On the other hand, transparency can serve as a strategic tool to enhance innovation and learning in organizations. Research by Jenkins (2009) argued that organizations that are open in sharing information tend to be more adaptive to change and better able to identify new opportunities. However, this can only be realized if the organization has a culture that supports openness and honesty. According to Schein (2010), a strong organizational culture can encourage effective transparency practices. If the culture is weak, transparency efforts can be in vain. Our findings show that organizations that actively build a culture of transparency perform better in terms of innovation and response to change.

Recent research by Uhl-Bien and Arena (2018) said that transparency also contributed to organizational sustainability. Transparent organizations tend to be better able to attract and retain talent and build better relationships with stakeholders. However, to achieve these benefits, organizations must implement transparency carefully, ensuring that the information conveyed is relevant, accurate, and well-managed. This includes training employees on the importance of transparency and how to convey information in a clear and effective manner.

Overall, transparency as a pillar of organizational governance has great potential to increase trust and accountability. However, to achieve these benefits, organizations need to implement transparency with a more careful approach. Openness must be balanced with integrity and ethics in conveying information so as not to cause confusion or dissatisfaction among stakeholders. With the right approach, transparency can be a powerful tool to drive sustainable transformation and organizational success.

### **Concept of Transformation and Adaptive Leadership**

Organizational transformation is a comprehensive change process that includes structure, culture, strategy, and technology to adapt to the dynamics of the ever-changing external environment. In this context, (Cosa, 2024) emphasized the importance of transformation as a crucial adaptation strategy in today's digital era, where changes occur rapidly and often unexpectedly. The findings reinforce this view, showing that transformation is not only structural but also touches on aspects of organizational culture. Vientiany et al. (2024) revealed

that an adaptive and modern organizational culture is essential to increasing flexibility and innovation, which in turn can strengthen the competitiveness of the organization. However, challenges in implementing cultural change often arise, especially resistance from employees who feel threatened by the change. Kotter (2012) noted that clear communication about the benefits of transformation and employee involvement in the change process is fundamental to overcoming these obstacles. Our findings show that when employees feel involved and understand the benefits of transformation, they tend to be more supportive of the change. Leaders need to explain in detail how this change will benefit individuals and the organization as a whole, so that employees feel valued in the process.

On the other hand, adaptive leadership becomes a central element in directing organizational transformation. (Fridayani, 2021) identified four main aspects of adaptive leadership: anticipation, articulation, adaptation, and accountability. Adaptive leaders not only create a supportive organizational climate but also build a positive culture that increases employee commitment. According to Yonasta and Tung (2024), adaptive leadership performed an important role in developing an organizational culture that is responsive to change. Our findings show that effective leaders function as change agents who can identify transformation needs and mobilize resources to achieve organizational goals. Research by Northouse (2018) added that adaptive leaders must have the ability to understand and manage group dynamics and facilitate collaboration among team members. This is in line with the findings of Uhl-Bien and Arena (2018) which showed that effective leadership in the context of complexity and uncertainty requires a more collaborative and inclusive approach. Therefore, it is important for leaders to create space for employees to innovate and experiment. Heifetz and Laurie (2001)

suggest that leaders provide autonomy while still providing support and guidance. Our findings suggest that in this way, organizations can create an environment that encourages creativity and innovation, aspects that are critical in the transformation process.

Furthermore, research by (Waldman & Stahl, 2019) argued that adaptive leaders can significantly improve organizational resilience by developing strong social networks and facilitating effective communication across organizational levels. This suggested that adaptive leadership focused not only on strategy and decisions, but also on interpersonal relationships built within the organization. The findings emphasized that leaders who are able to build strong relationships with team members can create a sense of mutual trust that supports collaboration and innovation.

Overall, effective organizational transformation relies heavily on adaptive leadership that is able to guide change with flexible and responsive strategies. Therefore, organizations need to develop adaptive leaders through continuous training so that they can face change with more confidence and successfully achieve their transformation goals. With the right approach, organizations can not only survive but also thrive in the face of challenges in this ever-changing era.

### **Value and Competence-Based Managerial Selection**

The managerial selection process is a fundamental step that greatly influences the direction and success of an organization. In practice, the competency-based approach is often the primary method. However, this approach often ignores the personal value dimension that is crucial for alignment with organizational values. Misalignment between individual values and organizational values can lead to a variety of problems, including job discomfort, ethical conflicts, and high employee turnover rates. According to research by (Brewster et al., 2016) organizations that do not pay attention to value alignment in selection tend to face challenges

in retaining talented employees. The competency-based approach, as proposed by Boyatzis (2008), emphasized identifying key behaviors, knowledge, and skills needed for success in a managerial role. This includes cognitive aspects, such as problem-solving abilities, emotional aspects, such as empathy, and social aspects, such as influence and collaboration. Although these competencies are very important, they cannot stand alone without considering the values held by the individual. These values, according to Schwartz et al. (2012), serve as a guide in decision making and action, meaning that managers who are not aligned with organizational values can disrupt team cohesion and reduce collective motivation.

Alignment between personal and organizational values not only increases job satisfaction but also contributes to better performance and higher employee loyalty. Research by Azam Khan et al. (2024) shows that managers who understand and live the values of the organization can be more effective in motivating their teams, able to communicate the vision and goals of the organization more clearly and inspiringly, thereby creating a positive work environment. O'Reilly and Chatman (1996) also emphasize that value alignment increases social integration within the team, which is essential for effective collaboration.

Recent research results by Azam Khan et al. (2024) indicated that the use of technology in the selection process, such as AI-based assessment tools, can increase the accuracy of assessing value alignment and competency. This technology helps reduce bias in the selection process and ensures that the selected candidates truly fit the organizational culture.

Therefore, organizations need to develop assessment tools that evaluate not only competencies but also the personal values of prospective managers. For example, behavioral-based interviews that integrate questions about competency experiences as well as personal values can provide a more comprehensive picture of a potential manager. The use of values-based assessments in the selection process can help organizations find candidates who are a better cultural fit, as suggested by Lievens and Chapman (2010).

In addition, training for HR teams to understand the importance of values in managerial selection is essential to improve the quality of the selection process. With this more holistic approach, organizations can find not only competent candidates but also individuals who are in line with the values adopted by the organization. This will create a managerial team that is not only effective in achieving business goals but also able to build a strong and sustainable organizational culture.

Furthermore, the integration of values and competencies in the managerial selection process is the key to achieving long-term success. When employees feel engaged and motivated to give their best contribution, the organization will be better able to adapt and thrive in a changing business environment. Thus, a selection process that considers both dimensions not only improves individual performance but also creates a broad positive impact on the organization as a whole.

### **Economic Transformation and the Role of State Asset Management Institutions**

Economic transformation is a very important agenda for many countries around the world, especially in efforts to maintain growth and fiscal sustainability. In this context, the establishment of a state asset management institution appears as an attractive solution. This institution plays a vital role in separating the ownership function from policy setting, thus allowing for more efficient and accountable asset management. According to research by (Baker et al., 2020) Temasek Holdings in Singapore has demonstrated how an active ownership model can create value and attract private investment, as stated by Lee & Mwebaza (2020)

However, this journey is not always smooth. Major challenges often arise, especially from political intervention that can hinder effective management. Political uncertainty can undermine market confidence, which is crucial to attracting investment. Zhang (2021) reminded us that many state asset management institutions face serious problems related to human resource capacity. Azam Khan et al. (2024) found that the lack of experts who are able to manage assets optimally can reduce the potential for value creation.

Public trust also plays a very important role. Research by Tanny & Al-Hossienie (2019) stated that distrust of government institutions can hinder private investor participation. Therefore, it is important for this institution to build transparency and accountability in every step of its operations to increase public trust. Another challenge that is no less important is aligning short-term performance with long-term goals. Zopounidis and Lemonakis (2024) contributed on short-term results, the investment needed for long-term growth can be neglected.

Recent research by (Chen, 2022) shows that asset management institutions that apply sustainability principles in their management not only increase public trust but also attract more investment. Sustainability and accountability can be key drivers in attracting private investment.

A real example of this challenge can be seen in Khazanah Nasional in Malaysia. Research by Rahman (2021) indicated that although this institution functions as a strategic investment for national development, it still faces problems in terms of transparency and accountability. In China, the State-owned Assets Supervision and Administration Commission (SASAC) attempts to balance state control with market-based reforms, but is often caught in bureaucracy that slows down decision-making, as explained by (Chen, 2022).

With all these challenges and potentials, the existence of a state asset management institution offers a new approach that emphasizes professional ownership and strategic oversight. The success of this institution depends heavily on good institutional design, operational independence, and the ability to align national economic interests. Further research is needed to explore how these institutions can address existing challenges and adapt to global economic dynamics, so that they can serve as important pillars in sustainable economic transformation and provide broader benefits to society.

## CONCLUSIONS

This study demonstrates that the strategic integration of trust, transparency, and transformation principles in Danantara's managerial selection process directly enhances state asset management effectiveness and contributes to Indonesia's economic transformation. Three key findings emerge from this research

First, trust-based selection criteria significantly improve operational efficiency in state asset management. Candidates selected for their proven integrity and ability to build stakeholder trust demonstrate faster decision-making capabilities and stronger compliance with governance protocols, leading to optimized asset utilization and reduced fiscal leakage.

Second, transparency in selection processes serves as a dual mechanism for institutional reform. By implementing open recruitment procedures and clear competency assessments, Danantara not only identifies qualified leaders but also builds market confidence, facilitating public-private partnerships and attracting crucial investment for national development projects.

Third, transformation-focused leadership selection enables Danantara to navigate complex economic transitions. Managers chosen for their adaptive capabilities and change management

experience drive organizational innovation, positioning state assets as strategic tools for Indonesia's competitive advancement in global markets.

The practical implication of this research is the development of an integrated selection framework that balances technical competence with value alignment specific to state asset management institutions. This approach addresses Indonesia's historical challenges in public sector governance while supporting sustainable economic transformation through professional state asset management.

Future research should examine the long-term economic impact of this selection model and its applicability across different state-owned enterprises in emerging economies.

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