

## The Mediating Role of Public Service Managerial Capability and Adaptive Service Innovation in the Relationship between Citizen Orientation and Public Entrepreneurship toward Public Service Performance: Evidence from Creative Public Service Organizations in West Java, Indonesia

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### ABSTRAK

Penelitian ini mengkaji pengaruh orientasi warga dan kewirausahaan publik terhadap kinerja layanan publik dengan menempatkan kemampuan manajerial layanan dan inovasi layanan adaptif sebagai mekanisme perantara. Berlandaskan Resource-Based View, Dynamic Capabilities Theory, dan Public Value Theory, studi ini menegaskan bahwa orientasi strategis yang berfokus pada warga dan kewirausahaan hanya akan menghasilkan kinerja layanan yang lebih baik apabila diwujudkan dalam kapasitas manajerial dan kemampuan inovatif. Penelitian menggunakan pendekatan kuantitatif eksplanatori dengan data yang dikumpulkan dari 334 manajer dan administrator organisasi layanan publik di sektor kreatif dan budaya pada 27 kota dan kabupaten di Jawa Barat, Indonesia. Objek penelitian mencakup pusat kebudayaan pemerintah, lembaga pelatihan vokasi publik, badan pengembangan ekonomi kreatif daerah, serta kemitraan publik-swasta. Data dianalisis menggunakan Structural Equation Modeling (SEM) dengan AMOS 24. Hasil analisis menunjukkan bahwa orientasi warga dan kewirausahaan publik berpengaruh positif dan signifikan terhadap kemampuan manajerial dan inovasi layanan adaptif, yang selanjutnya meningkatkan kinerja layanan publik. Temuan ini mengonfirmasi adanya mediasi parsial dan berurutan, serta memperkaya pemahaman mengenai peran kemampuan dinamis dalam peningkatan nilai layanan publik.

### ABSTRACT

This study examined how citizen orientation and public entrepreneurship affect public service performance through public service managerial capability and adaptive service innovation. Guided by the Resource-Based View, Dynamic Capabilities Theory, and Public Value Theory, it argued that citizen-centric and entrepreneurial orientations improved service outcomes when converted into managerial and innovative capacities. Using a quantitative explanatory design, data were collected from 334 managers and administrators in creative and cultural public service organizations across 27 cities and regencies in West Java, Indonesia. These included government cultural centers, vocational training institutions, creative economy agencies, and public-private partnerships. Structural Equation Modeling (SEM) with AMOS 24 tested the hypothesized relationships. The findings indicated that citizen orientation and public entrepreneurship significantly strengthen managerial capability and adaptive service innovation, which subsequently improve service performance. Both mediators exhibit significant partial and sequential mediation effects, confirming their joint role as dynamic mechanisms linking strategy to performance. The study expanded understanding of how creative public organizations can translate strategic orientations into improved service delivery and provides insights for policymakers and administrators to develop managerial capability and foster innovation in public service systems.

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## INTRODUCTION

Public service organizations worldwide face increasing pressure to improve service quality, enhance efficiency, and respond effectively to evolving citizen needs (Osborne, 2010). In the context of Indonesia's ongoing public sector reform, there is a growing emphasis on transforming traditional bureaucratic approaches into more responsive, innovative, and citizen-centric service delivery models (Dwiyanto, 2021). The creative and cultural sector represents a particularly dynamic domain where public service organizations must balance their public service mandate with the need to remain relevant, adaptive, and responsive to diverse stakeholder expectations. West Java, as one of Indonesia's most populous and economically significant provinces, hosts numerous public service organizations in the creative sector, including government cultural centers, public museums, vocational training institutions, and regional creative economy development agencies. These organizations play a crucial role in preserving cultural heritage, developing human capital in creative industries, promoting regional creative economies, and providing accessible cultural and educational services to citizens. However, many of these public service entities struggle with limited resources, bureaucratic rigidity, and challenges in adapting to rapid technological and social changes (Ministry of Education and Culture, 2022).

The principles of New Public Management (NPM) and subsequent public governance reforms have emphasized the importance of adopting private sector management practices while maintaining public service values (Hood, 1991). Two critical strategic orientations have emerged in this context: citizen orientation (analogous to market orientation in the private sector) and public entrepreneurship (analogous to entrepreneurial orientation). Citizen orientation refers to the systematic generation, dissemination, and responsiveness to citizen needs and expectations (Aberbach & Christensen, 2005), while public entrepreneurship involves proactive, innovative, and risk-taking behaviors within public sector constraints (Klein et al., 2010). While extensive research has examined market orientation and entrepreneurial orientation in private sector organizations, particularly small and medium enterprises (SMEs), there remains limited empirical investigation of how these strategic orientations function in public service contexts (Meynhardt & Diefenbach, 2012). Specifically, the mechanisms through which citizen orientation and public entrepreneurship translate into improved public service performance remain underexplored.

Furthermore, the public sector literature has largely focused on direct relationships between strategic orientations and performance, with insufficient attention to mediating mechanisms such as managerial capability and innovation capacity (Walker et al., 2011). Understanding these mediating pathways is crucial because public service organizations operate under unique constraints, including political oversight, regulatory requirements, and public accountability, that may influence how strategic orientations are implemented and how they ultimately affect performance outcomes. The research question is how do citizen orientation and public entrepreneurship influence public service performance through public service managerial capability and adaptive service innovation in creative public service organizations in West Java, Indonesia?

In the Indonesian context, while government policies increasingly emphasize innovation and citizen-centric service delivery, based on Presidential Regulation No. 95/2018 on Electronic-Based Government Systems, empirical evidence on the effectiveness of these approaches and the mechanisms underlying their success remains scarce. This is particularly true for public service organizations in the creative sector, which face unique challenges in balancing public service missions with the dynamic nature of creative industries. This study purposed to address

these gaps by investigating:

- a. The direct effects of citizen orientation and public entrepreneurship on public service performance in creative public service organizations.
- b. The mediating role of public service managerial capability in the relationship between strategic orientations (citizen orientation and public entrepreneurship) and public service performance.
- c. The mediating role of adaptive service innovation in the relationship between strategic orientations and public service performance.
- d. The sequential mediation effects of managerial capability and adaptive service innovation in translating strategic orientations into performance outcomes

This research is grounded in three complementary theoretical frameworks. First, Resource-Based View (RBV) which refers to the organizational performance determined by the unique bundle of resources and capabilities an organization possesses (Barney, 1991). In the public service context, citizen orientation and public entrepreneurship can be viewed as strategic resources that, when combined with managerial capabilities, create distinctive competencies leading to superior service performance. Second, Dynamic Capabilities Theory (DCT); building on RBV, DCT emphasizes the ability of organizations to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments (Teece, 2018). Public service organizations require dynamic capabilities, particularly managerial capability and innovation capacity, to effectively respond to evolving citizen needs and policy environments. Last, Public Value Theory which proposed by (Moore, 1995), suggested that public organizations create value by meeting citizen needs, achieving policy objectives, and maintaining legitimacy. The theory emphasizes that public service performance should be evaluated not only by efficiency metrics but also by the public value created through responsive, innovative service delivery.

This study makes several important contributions; this extends the application of RBV and DCT to public service organizations, demonstrating their relevance beyond private sector contexts. Develops and tests an integrated model linking strategic orientations, dynamic capabilities, and public service performance. Furthermore, this study provided empirical evidence for the mediating mechanisms through which citizen orientation and public entrepreneurship influence performance. In addition, this paper offered actionable insights for public service managers seeking to enhance service quality and efficiency. Moreover, it also provided evidence-based guidance for policymakers designing public sector reform initiatives. This paper demonstrated the importance of investing in managerial capability development and innovation capacity in public organizations. On the other hand, it offers insights relevant to other developing countries pursuing similar public sector reforms.

Eventhough extensive research on market orientation and entrepreneurial orientation in private-sector organizations, empirical evidence explaining how analogous strategic orientations operate in public service contexts remains limited. The previous studies in public administration have predominantly focused on the direct effects of strategic orientations on performance, with insufficient attention to the internal mechanisms that translate these orientations into improved service outcomes. In particular, little is known about how managerial capability and adaptive service innovation function as mediating and sequential mechanisms in creative public service organizations, especially in developing country contexts such as Indonesia. This study addresses this gap by empirically testing a dual and sequential mediation model grounded in Resource-Based View, Dynamic Capabilities Theory, and Public Value Theory.

## Literature Review

Citizen orientation represents the systematic generation, dissemination, and responsiveness to citizen needs and expectations within public service organizations (Aberbach T., 2005). This concept parallels market orientation in the private sector but is adapted to the unique context of public service delivery, where the primary objective is creating public value rather than profit maximization. Citizen orientation encompasses three key dimensions (adapted from (Narver & Slater, 1990).

1. The systematic collection and analysis of information about current and future citizen needs, preferences, and satisfaction levels.
2. The sharing of citizen-related information across departments and organizational levels.
3. The design and implementation of services based on citizen intelligence.

Research in public administration suggests that citizen-oriented organizations achieve higher levels of service quality, citizen satisfaction, and organizational legitimacy (Yang & Pandey, 2009). By understanding and responding to citizen needs, public service organizations can allocate resources more effectively, design more relevant services, and build stronger relationships with the communities they serve. In the context of creative public service organizations, citizen orientation enables these entities to understand diverse stakeholder needs, including artists, cultural practitioners, students, community groups, and the general public, and tailor their programs, services, and initiatives accordingly.

Public service managerial capability and adaptive service innovation are conceptualized as dynamic capabilities that activate strategic orientations and transform them into performance outcomes. Drawing on Dynamic Capabilities Theory, managerial capability represents a “seizing” capability that enables managers to orchestrate resources, align stakeholders, and implement strategic initiatives effectively. Adaptive service innovation, in contrast, reflects a “transforming” capability that allows public organizations to reconfigure service processes, delivery models, and organizational practices in response to evolving citizen needs. Without these capabilities, strategic orientations such as citizen orientation and public entrepreneurship are unlikely to generate sustained performance improvements.

## Public Entrepreneurship

It refers to the application of entrepreneurial principles, which are innovation, proactivity, and calculated risk-taking, within the public sector context (Solano-Flores, 2006). While traditional public administration emphasized rule-following and stability, contemporary public management recognizes the need for entrepreneurial behavior to address complex social challenges and adapt to changing environments. Public entrepreneurship includes several dimensions adapted from (Solano-Flores, 2006).

- a. The tendency to engage in and support new ideas, experimentation, and creative processes in service delivery.
- b. Forward-looking perspective and willingness to anticipate and act on future citizen needs and policy changes.
- c. Willingness to commit resources to initiatives with uncertain outcomes, within acceptable public sector constraints.
- d. The degree of independence and discretion exercised by managers and

employees in pursuing new initiatives.

e. The intensity of efforts to outperform peer organizations and achieve service excellence.

Research suggests that public entrepreneurship contributes to organizational innovation, improved service delivery, and enhanced organizational performance ((Meynhardt & Diefenbach, 2012); (Bernier & Hafsi, 2007)). In creative public service organizations, entrepreneurial orientation enables adaptation to rapidly changing cultural trends, adoption of new technologies, and development of innovative programs that engage diverse audiences.

### **Public Service Managerial Capability**

Managerial capability in the public sector refers to the skills, knowledge, and competencies of managers to effectively plan, organize, lead, and control organizational resources in pursuit of public service objectives ((Qin et al., 2024); (Adner C. E., 2003)). This includes both technical management skills and the ability to navigate the unique political, regulatory, and accountability requirements of the public sector.

Public service managerial capability encloses:

- a. Strategic Planning and Execution that refers to ability to develop and implement strategies aligned with public policy objectives.
- b. Efficient allocation and utilization of limited public resources.
- c. Effective engagement with diverse stakeholders including citizens, political leaders, partner organizations, and employees.
- d. Capacity to lead organizational change and innovation initiatives.
- e. Ability to establish performance metrics, monitors progress, and drive continuous improvement.

Managerial capability serves as a critical link between strategic orientations and organizational outcomes (Kor & Mesko, 2013). Managers with strong capabilities can better translate citizen intelligence into actionable service improvements and implement entrepreneurial initiatives effectively. In public service organizations, where resources are often constrained and accountability requirements are high, managerial capability becomes even more critical for achieving desired outcomes. Based on that, the author brings out several hypothesis as follows:

H1a: Citizen Orientation has a positive and significant effect on public service managerial capability.

H1b: Public entrepreneurship has a positive and significant effect on public service managerial capability.

H2: Public service managerial capability has a positive and significant effect on public service performance.

### **Adaptive Service Innovation**

Adaptive service innovation in the public sector refers to the continuous development and implementation of new or significantly improved services, processes, or organizational methods in response to changing citizen needs, technological advances, and policy environments (De Vries et al., 2016). Unlike private sector innovation driven primarily by competitive pressures, public service innovation is motivated by the need to create public

value, improve service quality, and enhance efficiency within resource constraints. Adaptive service innovation encloses several key dimensions within public service organizations. Service innovation involves creating new or significantly improved services that better meet citizen needs. Process innovation refers to the introduction of new or enhanced methods for delivering services and managing administrative tasks. Organizational innovation includes changes in organizational structures, management practices, or models of collaboration. In addition, technological innovation involves adopting and integrating new technologies to support and improve service delivery. The sustainability and adaptive-ness of these innovations are essential. Innovation must be sustainable, meaning it should remain financially feasible within public budget constraints and align with long-term policy goals. At the same time, it must be adaptive, allowing public organizations to respond effectively to evolving citizen needs, advances in technology, and shifting policy priorities. Research indicated that innovation in public sector organizations contributed to improved service quality, greater efficiency, increased citizen satisfaction, and strengthened organizational legitimacy ((Walker, 2014); (Sørensen & Torfing, 2011)).

H3: Citizen Orientation and public entrepreneurship jointly have a positive and significant effect on adaptive service innovation.

H4: Adaptive service innovation has a positive and significant effect on public service performance.

Public service performance is a multidimensional concept that captures how effectively public organizations achieve their objectives in delivering services to citizens (Boyne, 2002). Unlike performance in the private sector, which is typically assessed through financial indicators, public service performance incorporates several broader dimensions. These include service quality, referring to the standard and reliability of services provided; efficiency, which reflects how well resources are utilized to produce outputs; and effectiveness, or the degree to which organizational goals and policy targets are met. It also involves citizen satisfaction, representing how satisfied service users are with the services they receive; responsiveness, which concerns the timeliness and appropriateness of organizational responses to citizen needs; and equity, which ensures fairness and inclusiveness in service delivery across different population groups. In creative public service organizations, performance may further expand to include additional dimensions relevant to innovation and adaptability.

Public service performance in creative sectors also includes cultural, educational, community, and economic dimensions. These encompass cultural impact, such as preserving cultural heritage and promoting artistic expression; educational outcomes, including skill development and knowledge transfer; community engagement, reflected in participation rates and strengthened community cohesion; and economic contribution, such as supporting creative industries and fostering regional development. Evaluating public service performance therefore requires balancing these multiple dimensions and acknowledging potential trade-offs between them ((Boyne, 2002); (Walker, 2014)). The mediating role of public service managerial capability is rooted in Dynamic Capabilities Theory, which argues that strategic orientations alone do not directly produce performance outcomes; instead, they must be activated through organizational capabilities (Teece, 2018). In the public service context, citizen orientation and public entrepreneurship function as strategic orientations that require effective managerial action to translate into improved performance. Managerial capability is essential because

it performs several critical functions. It provides a translation mechanism, enabling managers to convert citizen insights and entrepreneurial ideas into actionable plans. It also supports resource orchestration, ensuring that resources are allocated and coordinated to implement citizen-responsive and innovative programs. Additionally, managerial capability involves stakeholder alignment, allowing managers to navigate political, bureaucratic, and community expectations while pursuing strategic goals. Finally, it enhances implementation effectiveness, ensuring that organizational intentions lead to tangible results. Research across sectors reinforces this mediating role, showing that managerial capability strengthens the link between strategic orientations and performance outcomes ((Zhao & Jia, 2021); (Kor & Mesko, 2013)). In public service organizations—where regulatory constraints and diverse stakeholder demands complicate implementation—managerial capability becomes even more vital.

#### **Hypothesis Development:**

H5: Public service managerial capability mediates the relationship between citizen orientation, public entrepreneurship, and public service performance.

The mediating role of adaptive service innovation is essential in explaining how strategic orientations translate into public service performance. Innovation acts as a key mechanism through which citizen orientation and public entrepreneurship influence organizational outcomes. Citizen orientation provides the insights and understanding of unmet needs and service gaps, forming the foundation for needs-based innovation. Meanwhile, public entrepreneurship contributes the proactive, opportunity-seeking, and risk-taking mindset required to initiate and implement innovative solutions (De Vries et al., 2016). Adaptive service innovation enhances performance by improving service quality, efficiency, and responsiveness, while also enabling continuous adaptation to changing environments. Research has consistently shown that innovation mediates the relationship between strategic orientations and organizational performance across various sectors (Sawaeen & Ali, 2020); (Guo et al., 2018). In public service organizations—where resource limitations and complex societal problems are common—innovation becomes even more critical as a mechanism for achieving meaningful and sustainable improvements.

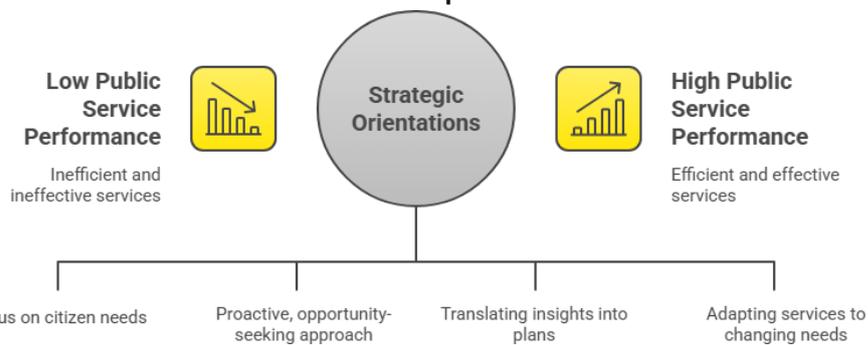
H6: Adaptive service innovation mediates the relationship between citizen orientation, public entrepreneurship, and public service performance.

The sequential mediating roles of managerial capability and adaptive service innovation build on Dynamic Capabilities Theory, which suggests that organizational capabilities operate in a layered, cumulative manner to translate strategic orientations into performance outcomes. In this sequence, citizen orientation and public entrepreneurship first enhance managerial capability, equipping managers with the skills to sense opportunities, allocate resources, and coordinate strategic initiatives. Strong managerial capability then enables adaptive service innovation by identifying innovation opportunities, securing necessary resources, and ensuring that innovation efforts are effectively managed and aligned with organizational objectives. As a result, innovation can be implemented in ways that improve service quality, responsiveness, and overall performance. This sequential process reflects the broader dynamic capabilities framework, where sensing capabilities shaped by strategic orientations lead to seizing capabilities embodied in managerial actions, which subsequently support transformation capabilities expressed through innovation—together producing superior organizational performance (Teece, 2018).

H7: Public service managerial capability and adaptive service innovation sequentially mediate the relationship between citizen orientation, public entrepreneurship, and public service performance.

The conceptual framework of this study is developed based on the literature review and the hypotheses formulated earlier. It integrates the key strategic orientations—citizen orientation and public entrepreneurship—and positions them as drivers of public service performance. These orientations are theorized to influence performance both directly and indirectly through two critical organizational mechanisms: public service managerial capability and adaptive service innovation.

**Figure 1.**  
**Public Service Improvement**



Source: Author Processed

First, the framework incorporates direct pathways, illustrating how strategic orientations can independently enhance managerial capability, stimulate innovation, and improve public service performance. This reflects the argument that organizations with a strong external focus on citizens and a proactive, opportunity-seeking entrepreneurial orientation are more likely to achieve superior outcomes. Second, the framework highlights mediating pathways, where managerial capability and adaptive service innovation function as intermediaries between strategic orientations and performance. Managerial capability translates strategic insights into actionable plans, while innovation allows organizations to adapt services to changing needs, thereby improving performance. Finally, the framework presents a sequential mediation pathway, combining both mediators. This pathway suggests that strategic orientations first strengthen managerial capability, which subsequently fosters adaptive service innovation. Together, these mechanisms produce a cumulative and synergistic effect on public service performance.

## RESEARCH METHODS

The research design of this study adopts a quantitative explanatory approach to examine the hypothesized relationships among citizen orientation, public entrepreneurship, public service managerial capability, adaptive service innovation, and public service performance. A cross-sectional survey method was applied to gather data from public service organizations operating in the creative and cultural sector in West Java, Indonesia. This design allows for statistical testing of direct, mediating, and sequential effects proposed in the conceptual framework.

The population of the study consists of public service organizations engaged in creative and cultural activities across West Java. These include government cultural and community art centers (Balai Budaya), public museums and galleries, government vocational training centers

specializing in creative industries such as fashion, textile, crafts, and design, regional creative economy development agencies (Badan Ekonomi Kreatif Daerah), public–private partnership organizations supporting creative industry development, public libraries with strong cultural programming, and government-supported cultural preservation institutions. To ensure relevance and comparability, a purposive sampling method was used. Organizations were selected based on criteria such as being officially registered as public service entities, operating in the creative or cultural sector, being located in West Java, having operated for at least three years, and employing a minimum of five staff members. Based on the data, five to ten observations per estimated parameter, the study targeted a minimum sample size of 300 due to the model’s complexity of roughly sixty parameters. Ultimately, data were collected from 334 respondents representing organizations across 27 cities and regencies in West Java. Respondents consisted of individuals directly involved in strategic decision-making and service delivery, including directors, deputy directors, program managers, department heads, service delivery coordinators, and senior administrators with at least two years of experience (Rimbawati & Putra, 2022).

Data collection was conducted between March and August 2024 using structured questionnaires distributed both online (via Google Forms) and in printed form. Prior to the main data collection phase, the instrument was pre-tested with 30 respondents to ensure clarity, reliability, and ease of understanding. Necessary permissions were also secured from relevant government authorities and organizational leaders. The questionnaire consisted of a cover letter outlining the research purpose and confidentiality assurance, demographic and organizational items, standardized measurement scales for the study variables, and an optional open-ended question for additional comments. The overall response rate was approximately 68%, and a total of 334 completed questionnaires were deemed valid and included in the final analysis.

The measurement instruments for this study were developed using established scales that were adapted to fit the public service context. All items were measured using a 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). This approach allowed for consistent and reliable assessment of perceptions across all constructs.

Citizen Orientation (CO) was measured using items adapted from (Narver & Slater, 1990) and (Abdi & Irandoust, 2013) revised to align with public sector characteristics. The items assessed the extent to which organizations gather, share, and respond to citizen information. Sample statements include: “Our organization systematically collects information about citizen needs and expectations,” “We regularly assess citizen satisfaction with our services,” and “Our service development decisions are driven by citizen feedback.” A total of ten items were used to measure this construct.

Public Entrepreneurship (PE) was measured using items adapted from (Avdelidou-Fischer, 2013), modified for public service organizations. These items captured innovativeness, proactiveness, and risk-taking behaviors in public service delivery. Examples include: “Our organization emphasizes innovation in service delivery,” “We actively seek new opportunities to serve citizens better,” and “Our organization is willing to take calculated risks to improve services.” Twelve items were included to measure public entrepreneurship.

Public Service Managerial Capability (MC) was measured using items adapted from (Adner C. E., 2003) and (Kor & Mesko, 2013), contextualized for the public sector. The items assessed managerial skills in resource allocation, coordination, strategic implementation, stakeholder management, and adaptability. Sample items include: “Our managers effectively allocate resources to priority programs,” “Our management team successfully implements strategic plans,” and “Our managers adapt quickly to policy and regulatory changes.” This construct

consisted of ten items.

Adaptive Service Innovation (ASI) was measured using items adapted from (De Vries et al., 2016) and (Janssen et al., 2021), focusing specifically on innovation within public service organizations. Public Service Performance (PSP) was assessed using items adapted from (Boyne, 2002) reflecting multiple dimensions such as quality, efficiency, effectiveness, satisfaction, responsiveness, and equity.

The data analysis techniques consisted of several preliminary steps. Data screening was conducted to identify missing values, outliers, and assess normality. Descriptive statistics, including means, standard deviations, and correlations, were calculated to understand the distribution and relationships among variables. Reliability analysis using Cronbach's alpha ensured that each scale demonstrated acceptable internal consistency, with  $\alpha > 0.70$  used as the threshold. Validity testing was carried out using Confirmatory Factor Analysis (CFA) to assess convergent and discriminant validity, ensuring that all constructs were measured accurately and distinctively.

Structural Equation Modeling (SEM) using AMOS 24 was employed to test the hypothesized relationships. Model Evaluation Criteria:

- a. Chi-square ( $\chi^2$ ): Non-significant preferred, but sensitive to sample size
- b. Chi-square/df ratio:  $< 3.0$  acceptable,  $< 2.0$  good
- c. CFI (Comparative Fit Index):  $> 0.90$  acceptable,  $> 0.95$  good
- d. TLI (Tucker-Lewis Index):  $> 0.90$  acceptable,  $> 0.95$  good
- e. RMSEA (Root Mean Square Error of Approximation):  $< 0.08$  acceptable,  $< 0.05$  good
- f. SRMR (Standardized Root Mean Square Residual):  $< 0.08$  acceptable

The main analysis employed Structural Equation Modeling (SEM) using AMOS 24 to evaluate the hypothesized relationships among the study variables. SEM was selected because it allows the simultaneous testing of multiple complex relationships, accounts for measurement error, and enables the examination of both direct and indirect (mediated) effects. Additionally, SEM provides a comprehensive set of model fit formulas to assess how well the proposed model aligns with the observed data. Model evaluation relied on several criteria, including the chi-square statistic ( $\chi^2$ ), the chi-square/df ratio, CFI, TLI, RMSEA, and SRMR. Acceptable thresholds for these formulas include a  $\chi^2$ /df ratio below 3.0, CFI and TLI values above 0.90, RMSEA below 0.08, and SRMR below 0.08, with more stringent values indicating a particularly well-fitting model.

Mediation analysis was conducted using a bootstrapping technique with 5,000 bootstrap samples to generate bias-corrected confidence intervals for all indirect effects. Mediation was considered supported when the indirect effect was statistically significant ( $p < 0.05$ ) and the 95% confidence interval did not include zero. Three types of mediation were examined: partial mediation (significant direct and indirect effects), full mediation (only indirect effect significant), and sequential mediation (effects passing through two mediators in a specified sequence). This approach provided a rigorous assessment of the role of managerial capability and adaptive service innovation in explaining the pathways between strategic orientations and public service performance.

The study followed strict ethical considerations, ensuring adherence to established research ethics protocols. All participants provided informed consent prior to completing the survey, and their confidentiality and anonymity were fully protected. Participation was voluntary, with respondents free to withdraw at any time without consequence. Ethical approval was obtained

from the institutional ethics committee, and all data were stored securely to prevent unauthorized access or misuse.

By those explanations, the methodological approach adopted in this study provides a robust framework for examining the complex relationships among strategic orientations, managerial capabilities, innovation processes, and public service performance in the creative and cultural sector. Through carefully designed measurement tools, rigorous analytical techniques, and adherence to ethical standards, this research ensures the reliability, validity, and integrity of its findings. The combination of SEM, mediation testing, and a comprehensive sampling strategy strengthens the study's ability to generate meaningful insights that can inform policy and managerial practices within public service organizations.

## RESULTS AND DISCUSSIONS

### Results

Before presenting the results of hypothesis testing, it is essential to first provide an overview of the characteristics of the respondents and organizations included in the study. This contextual information helps clarify the representativeness of the sample and strengthens the interpretation of subsequent statistical analyses. By examining demographic profiles, organizational attributes, and descriptive statistics of the main constructs, the foundation is established for understanding how the data reflect the conditions of creative and cultural public service organizations in West Java. The following sections present the respondent profile, descriptive statistics, measurement model assessment, and structural model results in a structured manner.

### Respondent Profile

Table 1 presents the demographic characteristics of respondents and organizational profiles.

**Table 1.**  
**Respondent and Organizational Profile (N=334)**

Characteristic	Category	Frequency	Percentage
<b>Gender</b>	Male	178	53.3%
	Female	156	46.7%
<b>Age</b>	25-35 years	89	26.6%
	36-45 years	142	42.5%
	46-55 years	87	26.0%
	> 55 years	16	4.8%
<b>Education</b>	Bachelor's	198	59.3%
	Master's	124	37.1%
	Doctoral	12	3.6%
<b>Position</b>	Director/Head	67	20.1%
	Deputy Director	45	13.5%
	Program Manager	112	33.5%
	Department Head	78	23.4%
	Senior Administrator	32	9.6%
<b>Experience</b>	2-5 years	98	29.3%
	6-10 years	156	46.7%
	> 10 years	80	24.0%
<b>Organization Type</b>	Cultural Center	98	29.3%
	Vocational Training	87	26.0%
	Museum/Gallery	54	16.2%

Characteristic	Category	Frequency	Percentage
	Creative Economy Agency	62	18.6%
	Other Public Service	33	9.9%
Organization Size	5-20 employees	134	40.1%
	21-50 employees	142	42.5%
	> 50 employees	58	17.4%
Years of Operation	3-10 years	123	36.8%
	11-20 years	145	43.4%
	> 20 years	66	19.8%

Source: Author result analysis (2025)

To provide a clearer understanding of the overall data structure and initial relationships among the variables, descriptive statistics and correlation analyses were conducted prior to testing the structural model. Descriptive statistics offer insights into the central tendencies and variability of each construct, while correlation coefficients reveal the strength and direction of associations between key variables. These preliminary analyses are essential for assessing whether the data align with theoretical expectations and for identifying potential multicollinearity issues before proceeding with more complex modeling. The results of these analyses are presented in Table 2, followed by an interpretation of the observed statistical patterns.

**Table 2.**  
The means, standard deviations, and correlations among the study variables

Variable	Mean	SD	1	2	3	4	5
1. Citizen Orientation (CO)	3.82	0.641					
2. Public Entrepreneurship (PE)	3.71	0.680	0.61**1				
3. Managerial Capability (MC)	3.76	0.620	0.58**	0.64**1			
4. Adaptive Service Innovation (ASI)	3.68	0.660	0.56**	0.67**	0.63**1		
5. Public Service Performance (PSP)	3.79	0.590	0.54**	0.59**	0.68**	0.66**1	

Note: \*\* p < 0.01 (two-tailed)

Source: Author result analysis (2025)

**Reliability Analysis**

All variables show moderate to high positive correlations, supporting the hypothesized relationships. The mean scores indicate that respondents generally perceive their organizations as moderately to highly oriented toward citizens and entrepreneurship, with corresponding levels of managerial capability, innovation, and performance.

Before testing the structural relationships among the study variables, it was essential to evaluate the quality of the measurement model to ensure that the constructs were measured reliably and accurately. Measurement model assessment provides evidence that the survey items consistently represent the underlying theoretical constructs and that the indicators collectively form a valid basis for subsequent structural analysis. As part of this assessment, reliability analysis was conducted to examine the internal consistency of each construct, followed by an evaluation of their composite reliability. Table 3 summarizes the results of this analysis.

**Table 3.**  
**Reliability Analysis**

Construct	Number of Cronbach's Alpha		Composite Reliability
	Items	Alpha	
<b>Citizen Orientation</b>	10	0.912	0.915
<b>Public Entrepreneurship</b>	12	0.928	0.931
<b>Managerial Capability</b>	10	0.905	0.908
<b>Adaptive Service Innovation</b>	11	0.921	0.924
<b>Public Service Performance</b>	12	0.934	0.936

Source: Author result analysis (2025)

All constructs exceed the recommended threshold of 0.70 for Cronbach's alpha and composite reliability, indicating excellent internal consistency.

### Validity Analysis

Before proceeding to structural model testing, it was crucial to evaluate the validity of the measurement model to ensure that each construct accurately represents the theoretical concept it is intended to measure. Confirmatory Factor Analysis (CFA) was employed to assess the adequacy of item loadings, model fit, and the overall structure of the latent constructs. This step ensures that the relationships tested in the structural model are based on sound and validated measurement foundations. Table 4 presents the model fit formulas used to evaluate the CFA results.

**Table 4**  
**Measurement Model**

Fit Index	Value	Recommended Threshold	Interpretation
$\chi^2$	1847.32	-	-
df	1142	-	-
$\chi^2/df$	1.618	< 3.0	Good
CFI	0.961	> 0.90	Excellent
TLI	0.957	> 0.90	Excellent
RMSEA	0.043	< 0.08	Excellent
SRMR	0.048	< 0.08	Excellent

Source: Author result analysis (2025)

All factor loadings exceeded 0.60, and Average Variance Extracted (AVE) for all constructs exceeded 0.50 (range: 0.587 to 0.648), indicating adequate convergent validity. The square root of AVE for each construct exceeded its correlations with other constructs, confirming discriminant validity (Fornell-Larcker criterion). The results of the CFA provide strong evidence supporting the validity of the measurement model. The excellent model fit, high factor loadings, and satisfactory AVE values demonstrate that the indicators meaningfully represent their respective constructs. Furthermore, the discriminant validity results confirm that each construct is empirically distinct from the others. These findings collectively indicate that the measurement model is robust and reliable, establishing a solid foundation for subsequent structural analysis and hypothesis testing.

**Structural Model and Hypothesis Testing**

After confirming the reliability and validity of the measurement model, the next step was to evaluate the structural model to test the hypothesized relationships among the study variables. Structural Equation Modeling (SEM) using AMOS 24 was employed because it allows the simultaneous analysis of multiple dependent relationships, incorporates measurement error, and provides a comprehensive assessment of direct, indirect, and sequential mediation effects. Figure 2 illustrates the structural model with standardized path coefficients, and Table 5 summarizes the model fit formulas. The structural model was tested using SEM in AMOS 24. Figure 2 presents the structural model with standardized path coefficients.

**Table 5.**  
**Structural Model Fit Formula**

<b>Fit Index</b>	<b>Value</b>	<b>Recommended Threshold</b>	<b>Interpretation</b>
$\chi^2$	1923.45	-	-
df	1148	-	-
$\chi^2/df$	1.676	< 3.0	Good
CFI	0.958	> 0.90	Excellent
TLI	0.954	> 0.90	Excellent
RMSEA	0.045	< 0.08	Excellent
SRMR	0.051	< 0.08	Excellent

Source: Author result analysis (2025)

The structural model demonstrates excellent fit to the data. The results of the structural model analysis provide strong empirical support for the proposed relationships in the conceptual framework. All direct paths were significant, indicating that citizen orientation and public entrepreneurship influence both managerial capability and adaptive service innovation, which in turn shape public service performance.

**Direct Effects**

To understand the fundamental relationships among the core variables in the model, the direct effects of citizen orientation, public entrepreneurship, managerial capability, and adaptive service innovation were first examined. These direct paths provide essential insights into how strategic orientations shape internal capacities and performance outcomes before considering the role of mediation. Table 6 summarizes the standardized coefficients, significance levels, and hypothesis test results for each direct relationship.

**Table 6.**  
**Direct Effects (Standardized Coefficients)**

<b>Hypothesis</b>	<b>Path</b>	<b><math>\beta</math></b>	<b>SE</b>	<b>CR</b>	<b>P</b>	<b>Result</b>
<b>H1a</b>	CO → MC	0.287	0.056	5.125	***	Supported
<b>H1b</b>	PE → MC	0.468	0.054	8.667	***	Supported
<b>H2</b>	MC → PSP	0.412	0.058	7.103	***	Supported
<b>H3a</b>	CO → ASI	0.214	0.052	4.115	***	Supported
<b>H3b</b>	PE → ASI	0.523	0.051	10.255	***	Supported
<b>H4</b>	ASI → PSP	0.368	0.056	6.571	***	Supported
-	CO → PSP	0.156	0.048	3.250	0.001	Significant

Hypothesis	Path	$\beta$	SE	CR	P	Result
-	PE $\rightarrow$ PSP	0.1420	0.047	3.021	0.003	Significant

Note: \*\*\*  $p < 0.001$ ; CO = Citizen Orientation; PE = Public Entrepreneurship; MC = Managerial Capability; ASI = Adaptive Service Innovation; PSP = Public Service Performance

Source: Author Processed

The direct effects analysis demonstrates that both citizen orientation and public entrepreneurship significantly influence managerial capability and adaptive service innovation, with public entrepreneurship showing stronger effects across both pathways. Additionally, managerial capability and adaptive service innovation both emerge as strong direct predictors of public service performance. The significant direct paths from citizen orientation and public entrepreneurship to performance further indicate that these orientations exert both direct and indirect impacts. These findings provide a strong empirical foundation for exploring the mediating and sequential mediating mechanisms tested in the subsequent section of the analysis.

The results of the hypothesis testing provide a detailed understanding of how strategic orientations, internal capabilities, and innovation contribute to public service performance. Each direct relationship was examined to determine whether the proposed hypotheses were supported and to evaluate the strength of these effects within the structural model. The following findings summarize the empirical evidence for each hypothesized direct path.

The results provide full support for the hypotheses related to the direct effects. H1 is supported, showing that both citizen orientation ( $\beta = 0.287$ ,  $p < 0.001$ ) and public entrepreneurship ( $\beta = 0.468$ ,  $p < 0.001$ ) have significant positive effects on public service managerial capability, with public entrepreneurship demonstrating a notably stronger influence. H2 is also supported, indicating that public service managerial capability significantly enhances public service performance ( $\beta = 0.412$ ,  $p < 0.001$ ). Furthermore, H3 is supported as both citizen orientation ( $\beta = 0.214$ ,  $p < 0.001$ ) and public entrepreneurship ( $\beta = 0.523$ ,  $p < 0.001$ ) positively affect adaptive service innovation, again with public entrepreneurship showing a stronger effect. Finally, H4 is supported, revealing that adaptive service innovation has a significant positive effect on public service performance ( $\beta = 0.368$ ,  $p < 0.001$ ). These findings underscore the importance of both strategic orientations and internal capabilities in driving performance outcomes.

To conclude, these findings highlight the central role of public entrepreneurship and citizen orientation as strategic drivers of capability development, innovation, and performance outcomes. The consistently strong effects of public entrepreneurship across multiple pathways indicate its importance in fostering adaptive, innovative, and high-performing public service organizations. While direct effects are significant, the presence of partial mediation suggests that managerial capability and adaptive service innovation act as vital mechanisms that translate strategic orientations into enhanced public service performance. These results establish a robust foundation for examining the indirect and sequential mediation effects presented in the next section.

### Mediation Effects

To further understand the mechanisms through which strategic orientations influence public service performance, mediation analyses were conducted using a bootstrapping approach with 5,000 resamples. This method provides a robust estimation of indirect effects and allows for precise confidence interval calculations without assuming normality. Table 7 summarizes the indirect effects for all proposed mediating pathways, including single and sequential mediations,

offering deeper insight into how managerial capability and adaptive service innovation function as internal drivers of performance improvements. Mediation effects were tested using bootstrapping with 5,000 samples. Table 7 presents the indirect effects and mediation analysis results.

**Table 7.**  
**Indirect Effects and Mediation Analysis**

Hypothesis	Path	Indirect Effect ( $\beta$ )	SE	95% CI		P	Mediation Type
				Lower	Upper		
<b>H5a</b>	CO → MC → PSP	0.118	0.028	0.068	0.178	0.001	Partial
<b>H5b</b>	PE → MC → PSP	0.193	0.032	0.135	0.261	0.001	Partial
<b>H6a</b>	CO → ASI → PSP	0.079	0.022	0.040	0.126	0.001	Partial
<b>H6b</b>	PE → ASI → PSP	0.192	0.033	0.132	0.262	0.001	Partial
<b>H7a</b>	CO → MC → ASI → PSP	0.036	0.012	0.016	0.063	0.002	Sequential
<b>H7b</b>	PE → MC → ASI → PSP	0.059	0.016	0.031	0.094	0.001	Sequential

Note: Bootstrap samples = 5,000; CI = Confidence Interval Source: Author result analysis (2025)

Source: Author Processed

The results indicate strong support for all proposed mediation hypotheses. First, H5 is supported, showing that public service managerial capability significantly mediates the relationships between both citizen orientation ( $\beta = 0.118$ ,  $p = 0.001$ ) and public entrepreneurship ( $\beta = 0.193$ ,  $p = 0.001$ ) with public service performance. Because the direct effects remain significant, this mediation is classified as partial. Similarly, H6 is supported, demonstrating that adaptive service innovation also serves as a significant partial mediator in the relationships between citizen orientation ( $\beta = 0.079$ ,  $p = 0.001$ ) and public entrepreneurship ( $\beta = 0.192$ ,  $p = 0.001$ ) with performance outcomes. Finally, H7 is supported, confirming that sequential mediation through managerial capability followed by adaptive service innovation significantly explains the effects of both citizen orientation ( $\beta = 0.036$ ,  $p = 0.002$ ) and public entrepreneurship ( $\beta = 0.059$ ,  $p = 0.001$ ) on public service performance. These findings collectively highlight the essential role of both single and sequential mediating patterns in strengthening the influence of strategic orientations on performance.

The mediation analysis reveals that strategic orientations do not exert their influence on public service performance through direct pathways alone. Instead, their effects are amplified through internal organizational mechanisms—specifically, through the development of managerial capability and the implementation of adaptive service innovations. These mediating pathways highlight the importance of strengthening managerial competencies and fostering innovative practices as essential strategies for maximizing performance outcomes. The significant sequential mediation further emphasizes that improvements in innovation capabilities are often contingent upon robust managerial foundations, underscoring the interconnected nature of organizational development processes.

**Total Effects**

In measuring the overall influence of each predictor on public service performance, total effects which combine both direct and indirect pathways, were calculated. Examining total effects provides a more comprehensive understanding of how strategic orientations and internal organizational capabilities jointly contribute to performance outcomes. Table 8 presents these

total effects, offering insight into the strength and composition of each variable's impact on public service performance. Table 8 summarizes the total effects (direct + indirect) of strategic orientations on public service performance.

**Table 8.**  
**Total Effects on Public Service Performance**

Predictor	Direct Effect	Indirect Effect	Total Effect
<b>Citizen Orientation</b>	0.156	0.233	0.389
<b>Public Entrepreneurship</b>	0.142	0.444	0.586
<b>Managerial Capability</b>	0.412	0.126*	0.538
<b>Adaptive Service Innovation</b>	0.368	-	0.368

Note: Indirect effect of MC through ASI Source: Author result analysis (2025)

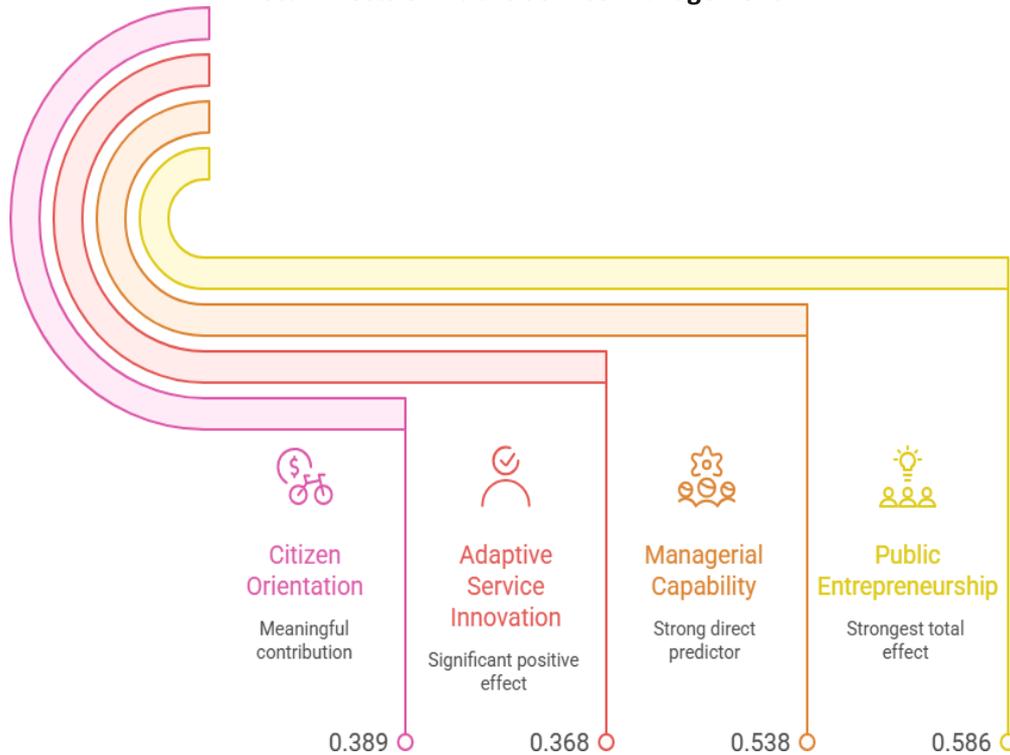
Source: Author Processed

The results show that public entrepreneurship has the strongest total effect on public service performance ( $\beta = 0.586$ ). This influence is driven primarily by its indirect effects ( $\beta = 0.444$ ), which are substantially larger than its direct effects ( $\beta = 0.142$ ). This indicates that the impact of public entrepreneurship on performance is significantly enhanced when transmitted through other mediating variables. Citizen orientation also demonstrates a meaningful contribution to performance, with a total effect of  $\beta = 0.389$ . Similar to public entrepreneurship, its indirect effects ( $\beta = 0.233$ ) exceed its direct effects ( $\beta = 0.156$ ), suggesting that citizen-focused strategies become more influential when channeled through managerial and innovative capabilities.

Managerial capability emerges as the strongest direct predictor of public service performance, with a direct effect of  $\beta = 0.412$ . In addition to its immediate influence, managerial capability also contributes indirectly to performance through adaptive service innovation, further highlighting its pivotal role in driving organizational outcomes. Collectively, these findings underscore the critical importance of mediating mechanisms—particularly innovation and managerial practices—in translating strategic orientations into tangible performance improvements.

The explanatory power of the structural model is also notably strong. The model accounts for 54.7% of the variance in managerial capability ( $R^2 = 0.547$ ), driven by the combined effects of citizen orientation and public entrepreneurship. It explains 61.2% of the variance in adaptive service innovation ( $R^2 = 0.612$ ), influenced by the three strategic antecedents. Finally, the model explains 68.3% of the variance in public service performance ( $R^2 = 0.683$ ), indicating that the predictors collectively provide substantial explanatory strength. These  $R^2$  values confirm that the model is robust and capable of capturing the key drivers of performance within public service organizations.

**Figure 2.**  
**Total Effects on Public Service Management**



Source: Author Processed

The image illustrates the overall influence of each key predictor on public service performance by comparing their total effects. The visualization clearly shows that public entrepreneurship exerts the strongest total impact (0.586), highlighting its central role in driving performance improvements across public service organizations. Managerial capability follows as a powerful contributor (0.538), reinforcing its importance as both a direct predictor and a channel through which other strategic orientations create value. Citizen orientation demonstrates a meaningful contribution (0.389), indicating that responsiveness to public needs remains essential but operates largely through mediating mechanisms. Adaptive service innovation also provides a significant positive effect (0.368), underscoring its role as a transformative capability that enhances outcomes. Overall, the image conveys that while all four variables positively influence public service performance, entrepreneurial orientation and managerial capability are the most influential drivers within the model.

### Discussions

This study investigated the relationships among citizen orientation, public entrepreneurship, public service managerial capability, adaptive service innovation, and public service performance in creative public service organizations in West Java, Indonesia. The results provide strong support for all hypothesized relationships, revealing important insights into how public service organizations can enhance their performance through strategic orientations and dynamic capabilities. The findings of this study reinforce the applicability of Resource-Based View and Dynamic Capabilities Theory within public service organizations. The strong mediating and sequential effects observed confirm that strategic orientations alone are insufficient to improve performance; instead, they must be operationalized through managerial and innovative capabilities. This supports recent public management studies emphasizing capability-based explanations of performance rather than direct strategy–performance linkages.

### **1. Extension of RBV and DCT to Public Service Context**

This study has proven the Resource-Based View and Dynamic Capabilities Theory to the public service context, demonstrating that these frameworks originally developed for private sector organizations, are highly relevant for explaining public service performance. The findings confirm that strategic orientations, such as citizen orientation and public entrepreneurship, function as valuable strategic resources within public organizations. Moreover, dynamic capabilities, including managerial capability and innovation capacity, play a critical role in transforming these strategic resources into meaningful performance outcomes. The mechanisms through which resources and capabilities influence performance appear to operate in ways similar to those observed in the private sector, although their specific manifestations may differ due to the unique characteristics of public administration. This extension contributes to the ongoing debate about the applicability of private sector management theories to public organizations, suggesting that although contextual differences exist, the core principles of strategic resource management and capability development hold relevance across sectors.

### **2. Citizen Orientation as a Strategic Resource**

The significant positive effects of citizen orientation on both managerial capability ( $\beta = 0.287$ ) and adaptive service innovation ( $\beta = 0.214$ ) demonstrate that systematic attention to citizen needs serves as a foundation for organizational capability development and innovation. This finding aligns with public value theory, which emphasizes that understanding and responding to citizen needs is central to public service effectiveness. The finding that citizen orientation influences performance primarily through mediating mechanisms (indirect effect  $\beta = 0.233$  vs. direct effect  $\beta = 0.156$ ) suggests that simply collecting citizen feedback is insufficient. Organizations must translate this intelligence into enhanced managerial practices and innovative service solutions. This highlights the importance of organizational learning and knowledge management in public service organizations.

### **3. Public Entrepreneurship as a Performance Driver**

Public entrepreneurship emerged as the strongest predictor of public service performance (total effect  $\beta = 0.586$ ), with particularly strong effects on both managerial capability ( $\beta = 0.468$ ) and adaptive service innovation ( $\beta = 0.523$ ). This finding has several theoretical implications, which are:

#### **a. Relevance of Entrepreneurial Principles in Public Sector**

Despite traditional emphasis on stability and rule-following in public administration, entrepreneurial behaviors—innovation, proactivity, and calculated risk-taking—significantly contribute to performance. This supports the New Public Management perspective that public organizations can benefit from entrepreneurial approaches.

#### **b. Complementarity with Public Service Values**

The success of public entrepreneurship in this sample suggests that entrepreneurial behaviors can coexist with public service values and accountability requirements. This addresses concerns that entrepreneurialism might conflict with public service ethos.

#### **c. Mechanism of Influence**

The predominantly indirect effects of public entrepreneurship ( $\beta = 0.444$  indirect vs.  $\beta = 0.142$  direct) indicate that entrepreneurial orientation drives performance primarily by enhancing organizational capabilities and fostering innovation, rather than through direct

effects.

#### 4. Dual Mediation Mechanisms

The finding that both managerial capability and adaptive service innovation serve as significant mediators provides strong empirical support for the dynamic capabilities perspective within public organizations. The results highlight several important theoretical insights. First, managerial capability and innovation function as complementary mechanisms, with managerial capability emphasizing effective resource deployment and strategic execution, while innovation focuses on service improvement and adaptation; together, these mechanisms are essential for translating strategic orientations into meaningful performance outcomes. Second, the significant sequential mediation effects (H7a and H7b) suggest that capability development precedes innovation, aligning with (Teece, 2018) dynamic capabilities framework in which organizations move through processes of sensing (strategic orientations), seizing (managerial capability), and transforming (innovation). Third, the partial nature of the mediation effects indicates that although strategic orientations exert some direct influence on performance, most of their impact operates through managerial capability and innovation, demonstrating the existence of multiple interconnected pathways linking strategic orientations to public service performance.

#### 5. Integration of Multiple Theoretical Perspectives

This study successfully integrates the Resource-Based View (RBV), Dynamic Capabilities Theory (DCT), and Public Value Theory (PVT), demonstrating how these perspectives collectively explains public service performance. Strategic resources derived from RBV—particularly strategic orientations—serve as the foundational inputs that shape organizational direction. These resources are then transformed through dynamic capabilities, as described in DCT, specifically managerial capability and innovation capacity, which enable organizations to effectively deploy resources and adapt to changing public needs. Ultimately, this transformation leads to public value creation, consistent with PVT, with enhanced service performance emerging as the final outcome. By linking these theoretical perspectives, the study provides a comprehensive and integrated framework that explains public service performance more fully than any single theory could achieve on its own.

## CONCLUSIONS

This study provides potential and empirical evidence that citizen orientation and public entrepreneurship significantly enhance public service performance through the mediating mechanisms of public service managerial capability and adaptive service innovation. The findings demonstrate that public service organizations, particularly those in the creative and cultural sector, can substantially improve their performance by:

- a. Adopting citizen-centric approaches that systematically gather, disseminate, and respond to citizen needs and expectations.
- b. Fostering public entrepreneurship through innovation, proactivity, and calculated risk-taking within public sector constraints.
- c. Developing managerial capabilities that enable effective strategy execution, resource management, and stakeholder engagement.
- d. Building innovation capacity to continuously adapt and improve services in response to changing citizen needs and environmental conditions.

The study created essential theoretical contributions by extending Resource-Based View and

Dynamic Capabilities Theory to the public service context, demonstrating the relevance of these frameworks for understanding public sector performance. The identification of dual mediating mechanisms, managerial capability and innovation, provides insights into the processes through which strategic orientations translate into performance outcomes.

In the context of Indonesia's ongoing public sector reform and the growing importance of creative and cultural industries, this study demonstrates that public service organizations can play a vital role in supporting regional development while achieving their own performance objectives. The success of entrepreneurial and citizen-centric approaches in Indonesian public organizations suggests that cultural and institutional contexts, while important, need not be barriers to public service innovation and excellence. As public service organizations worldwide face increasing demands for quality, efficiency, and responsiveness, this study provides evidence that strategic orientations, when combined with strong capabilities and innovation capacity, offer a pathway to sustainable performance improvement.

The findings point out that effective public service delivery in the recent century requires not only cohesive to traditional public administration principles but also the adoption of dynamic, entrepreneurial, and citizen-focused approaches that enable continuous adaptation and value creation. From a managerial perspective, the findings suggest that public service leaders should invest systematically in managerial capability development through leadership training, strategic planning competencies, and stakeholder management skills. At the policy level, governments should design reform initiatives that incentivize innovation and entrepreneurial behavior while providing managers with sufficient autonomy to implement adaptive service solutions. Given the regional focus on West Java, future research should replicate this model in other public service sectors and national contexts to enhance generalizability.

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