


Behavioral and Digital Capabilities in Enhancing Digital Asset Management Performance in Indonesian Public Organizations

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ABSTRACT

This study examined how behavioral and digital factors influenced digital asset management performance in local government institutions in Aceh, Indonesia. Drawing on literature relevant to digital government and public sector information systems, the study investigated the roles of knowledge sharing, digital competence, employee engagement, faith-based values, and digital asset management systems. Using survey data from 275 public asset officers and PLS–SEM analysis, the findings showed that knowledge sharing, digital competence, and digital asset management affected performance positively, while employee engagement mediated these relationships. In addition, the results showed that faith-based values and digital asset management systems strengthened the relationship between digital competence and performance. Overall, effective digital governance depended not only on technological capability, but also on employee involvement and ethical support.

KEYWORDS

Digital Asset Management, Digital Competence, Digital Government, Employee Engagement, Faith-Based Values, Knowledge Sharing, Public Sector Information Systems

INTRODUCTION

Public asset management has represented a core pillar of public sector governance because it has directly supported fiscal accountability, administrative effectiveness, and the sustainable provision of public services. Fixed assets owned by local governments—particularly immovable assets such as land and buildings—have been expected to create long-term economic and social value when managed transparently, accurately, and in an integrated manner (Lima & Costa, 2019). Empirical evidence from many developing countries, however, has indicated that the performance of public asset

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management has been inconsistent, even where comprehensive regulatory frameworks and formal accounting standards were in place.

In response to these administrative challenges, governments around the world have adopted digital technologies to modernize internal administrative systems and strengthen public sector management. Digital asset management systems were expected to improve inventory accuracy, support more reliable valuation procedures, enhance inter-departmental coordination, and strengthen audit quality. From the perspective of digital government and public sector digital administration, such systems have been expected to strengthen public sector performance by promoting transparency, administrative standardization, institutional coordination, and integrated information management within routine governmental processes (Abu-Shanab, 2017; Hanisch et al., 2023; Naidu et al., 2022;). Nevertheless, growing evidence has suggested that successful digital transformation has extended beyond the mere adoption of technology and required broader organizational, cultural, and administrative adaptation to produce meaningful public sector outcomes (Mergel et al., 2019). This concern has long been emphasized in e-government literature from developing countries, where implementation failures have been linked to institutional, organizational, and contextual mismatches (Dada, 2006). In many Global South public administrations, weaknesses in digital asset management system have been associated with fragmented information systems, bureaucratic coordination constraints, limited administrative transparency, and persistent risks of inefficiency and corruption (Cordella & Tempini, 2015; Faura-Martínez & Cifuentes-Faura, 2020; Sayogo & Yuli, 2018; Naidu et al., 2022). These conditions have reinforced the importance of strengthening digital government systems—not only to improve operational effectiveness but also to enhance institutional accountability and public trust (Tolbert & Mossberger, 2006).

Studies on digital government implementation have demonstrated consistently that performance improvements were shaped by organizational, behavioral, and institutional conditions. Cultural context, administrative arrangements, and employee capabilities significantly influenced whether digital initiatives generated substantive governance benefits (Franke et al., 2015; Nurdin, 2018). Evidence from subnational governments has indicated that inadequate digital literacy, weak organizational acceptance, and resistance to change frequently undermined digital reform initiatives, even when technological infrastructure was already available (Inakefe et al., 2023). These findings suggest that digital government performance should be understood not just as a technological achievement, but as a human-centered public sector outcome. This interpretation has been consistent with the broader public administration 2.0 perspective, which has viewed digital government as a process of institutional and administrative transformation, rather than merely the implementation of technological systems (Lips, 2012).

This challenge has become particularly significant within decentralized administrative systems. In Indonesia, local governments have exercised substantial authority over public asset administration, yet audit findings have repeatedly revealed weaknesses in inventory accuracy, valuation practices, and system utilization. In Aceh Province, reports issued by the Supreme Audit Board during 2021–2023 consistently identified deficiencies in fixed asset management, including the underutilization of digital asset management applications and the limited integration of information systems into routine administrative activities (Dajwi et al., 2025; Sayogo & Yuli, 2018; Tirayoh et al., 2021). Such shortcomings have affected the credibility of financial reporting and audit quality, and the broader capacity of public assets to support regional development and public service delivery.

Beyond audit assessments, empirical research on asset governance in Aceh has documented persistent structural challenges in asset optimization, inventory structuring, and inter-agency coordination (Faridah et al., 2020). In response, provincial and regency/city governments have intensified digitalization efforts by implementing asset information systems aimed at improving reporting accuracy, legal verification, and data integration. Despite these initiatives, unresolved issues—particularly those related to asset certification and effective system utilization—have suggested that technological reform alone may have been insufficient to achieve sustained improvements in

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