

The Role of Intellectual Capital in Supporting the Sustainability Of Public Organizations

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ABSTRACT: The dynamic changes in the public sector require organizations to optimize intellectual capital as a strategic asset to achieve organizational sustainability. This study aims to examine the role of human capital, structural capital, and relational capital in supporting the sustainability of public organizations at LPP RRI Denpasar. A qualitative approach with a critical perspective was employed. Data were collected through in-depth interviews, participant observation, and document analysis, and analyzed using critical thematic analysis with source and method triangulation to ensure trustworthiness. The findings reveal that human capital enhances employee competence, innovation, and cultural preservation; structural capital strengthens organizational systems, knowledge transfer, and service quality; while relational capital fosters public trust through strong relationships with communities and stakeholders. The study also identifies the Bali Arts Family (Keluarga Kesenian Bali/KKB) as a culture-based intellectual capital that provides a distinctive strategic advantage in sustaining public organizational performance.

KEYWORDS: Intellectual Capital, Human Capital, Structural Capital, Relational Capital, Public Organizational Sustainability

INTRODUCTION

The rapid changes in the public sector environment require public organizations to continuously adapt to digital transformation, increasing public expectations, and demands for transparency, accountability, and sustainable public service delivery. Organizational sustainability has therefore become a strategic priority, requiring organizations not only to manage tangible resources but also to effectively utilize intangible assets that generate long-term value. Among these intangible assets, intellectual capital has been recognized as one of the most important drivers of sustainable organizational performance. According to Edvinsson and Malone (1997), intellectual capital consists of human capital, structural capital, and relational capital, which collectively determine an organization's capability to create, preserve, and utilize knowledge for achieving sustainable competitive advantage.

The theoretical foundation of this study is the Resource-Based View (RBV) proposed by Barney (1991), which argues that sustainable organizational advantage is achieved through strategic resources that are valuable, rare, inimitable, and non-substitutable (VRIN). Within this perspective, intellectual capital represents a strategic organizational resource capable of enhancing innovation, organizational learning, service quality, and institutional resilience. The conceptual framework of this study positions intellectual capital as the primary strategic resource supporting the sustainability of public organizations.

Although numerous studies have investigated intellectual capital in private organizations, most have focused on financial performance, firm value, or competitive advantage using quantitative methods. Consequently, relatively little attention has been devoted to understanding how intellectual capital contributes to the sustainability of public organizations through qualitative inquiry. Furthermore, previous studies have rarely examined the integration of local cultural knowledge as a strategic form of intellectual capital within public institutions, leaving an important gap in the literature.

LPP RRI Denpasar provides a distinctive setting for addressing this research gap. As Indonesia's public broadcasting institution, LPP RRI Denpasar is responsible not only for disseminating public information but also for preserving Balinese cultural heritage through broadcasting activities and community engagement. One of its unique organizational resources is the *Keluarga Kesenian Bali* (KKB), which represents a form of culture-based intellectual capital. The combination of employees' competencies (human capital), institutionalized organizational systems (structural capital), and strong relationships with communities and stakeholders (relational capital) enables LPP RRI Denpasar to maintain its organizational identity while strengthening public trust and long-term sustainability.

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Drawing upon the Intellectual Capital Theory of Edvinsson and Malone (1997) and the Resource-Based View (RBV) of Barney (1991), this study employs a qualitative approach with a critical perspective to explore how human capital, structural capital, and relational capital interact in supporting the sustainability of public organizations. Unlike previous studies that primarily emphasize measurable organizational outcomes, this research highlights the social and cultural processes through which intellectual capital is developed, institutionalized, and transformed into sustainable organizational capabilities.

Therefore, this study aims to analyze the role of intellectual capital in supporting the sustainability of public organizations at LPP RRI Denpasar. The findings are expected to contribute to the development of intellectual capital literature in the public sector while providing practical insights for public managers and policymakers on strengthening organizational sustainability through the effective management of strategic intangible resources.

METHOD

This study employed a qualitative research approach with a critical perspective to explore the role of intellectual capital in supporting the sustainability of public organizations. A qualitative design was selected because it enables an in-depth understanding of the processes, meanings, and interactions underlying the management of intellectual capital within a public-sector context. The study was conducted at LPP RRI Denpasar, Indonesia, with an additional comparative perspective involving a public broadcasting organization in Bacolod City, Philippines, to enrich the interpretation of the findings.

Informants were selected using the snowball sampling technique. The sampling process began with members of the organizational management and was subsequently expanded through participant recommendations to include broadcasters, program managers, and members of the Arja RRI (Keluarga Kesenian Bali), who possess extensive knowledge and experience related to intellectual capital management within the organization.

Data were collected through three complementary techniques: in-depth interviews, participant observation, and document analysis. In-depth interviews were conducted to explore participants' experiences and perspectives regarding human capital, structural capital, and relational capital. Participant observation enabled the researcher to examine organizational practices, cultural activities, and knowledge-sharing processes directly. Documentary evidence, including organizational reports, operational documents, and broadcasting records, was used to corroborate and enrich the primary data.

Data were analyzed using critical thematic analysis, following the procedures proposed by Braun and Clarke (2006). The analytical process involved familiarization with the data, coding, categorization, theme development, critical interpretation, and conclusion drawing. The identified themes were developed based on the three dimensions of intellectual capital human capital, structural capital, and relational capital—as conceptualized by Edvinsson and Malone (1997), while the interpretation of the findings was guided by the Resource-Based View (RBV) proposed by Barney (1991). To ensure the trustworthiness of the findings, source triangulation and method triangulation were employed. Source triangulation involved comparing information obtained from different groups of informants, including management personnel and cultural practitioners, whereas method triangulation compared findings from interviews, observations, and documentary evidence. These validation procedures enhanced the credibility, consistency, and dependability of the research findings while minimizing potential researcher bias.

RESULT AND DISCUSSION

1. Human Capital as the Foundation of Organizational Sustainability

The findings indicate that human capital constitutes the primary driver of organizational sustainability at LPP RRI Denpasar. Employees possess not only technical competencies in broadcasting but also tacit knowledge, professional experience, creativity, and a strong commitment to preserving Balinese culture through public broadcasting. Continuous participation in education, professional training, and cultural activities has strengthened employees' capabilities to respond to technological changes and evolving public expectations. Furthermore, knowledge sharing among senior and junior employees facilitates organizational learning and supports knowledge continuity across generations.

From the perspective of Intellectual Capital Theory (Edvinsson & Malone, 1997), these findings demonstrate that employees' knowledge and competencies represent strategic intangible assets that generate organizational value. Similarly, according to the Resource-Based View (Barney, 1991), human capital at LPP RRI Denpasar fulfills the characteristics of valuable and difficult-to-imitate resources, thereby contributing to sustainable organizational capabilities. Beyond technical expertise, employees' understanding of local cultural values creates a distinctive organizational competence that cannot be easily replicated by competing broadcasting institutions.

2. Structural Capital Strengthens Organizational Capability

The study reveals that structural capital plays an essential role in institutionalizing organizational knowledge through

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standardized procedures, broadcasting regulations, information systems, archival management, and organizational routines. These institutional mechanisms ensure that organizational knowledge remains accessible despite employee turnover and support consistency in public service delivery.

LPP RRI Denpasar has also developed organizational systems that facilitate knowledge transfer through documentation, internal coordination, and operational guidelines. Such systems enhance organizational efficiency while preserving institutional memory accumulated over decades of public broadcasting activities.

These findings support Edvinsson and Malone's (1997) proposition that structural capital transforms individual knowledge into organizational assets capable of generating sustainable value. From the RBV perspective, organizational systems, routines, and accumulated institutional knowledge constitute strategic resources that strengthen organizational resilience and enable continuous adaptation to environmental changes.

3. Relational Capital Enhances Public Trust and Organizational Legitimacy

The findings further demonstrate that relational capital significantly contributes to organizational sustainability by strengthening relationships with stakeholders, local communities, cultural organizations, educational institutions, and government agencies. Public trust has been established through continuous community engagement, cultural broadcasting programs, and collaborative activities that reflect the organization's public service mission.

An important finding is that stakeholder relationships extend beyond formal cooperation and evolve into long-term partnerships based on mutual trust, shared cultural values, and reciprocal commitment. Such relationships improve organizational legitimacy and reinforce public confidence in LPP RRI Denpasar as Indonesia's public broadcasting institution.

Consistent with Intellectual Capital Theory, relational capital functions as an intangible asset that enhances organizational performance through external collaboration and stakeholder engagement. Likewise, the RBV suggests that long-term stakeholder relationships are socially complex resources that are difficult for competitors to imitate, thereby strengthening sustainable organizational advantage.

4. Culture-Based Intellectual Capital as the Study's Novel Contribution

One of the most significant findings of this study is the identification of the *Keluarga Kesenian Bali* (KKB) as a unique form of culture-based intellectual capital. Unlike previous intellectual capital studies that primarily emphasize organizational knowledge and managerial capabilities, this research demonstrates that local cultural heritage can also function as a strategic organizational resource.

The KKB integrates the three dimensions of intellectual capital simultaneously. Human capital is reflected in the artistic competencies and cultural knowledge of employees. Structural capital is represented by institutional mechanisms that preserve and transmit cultural knowledge through broadcasting programs, documentation, and organizational routines. Relational capital emerges from the strong relationships established between LPP RRI Denpasar, local artists, cultural communities, educational institutions, and society.

This integration creates a distinctive organizational capability that enhances organizational sustainability while preserving Balinese cultural heritage. From the Resource-Based View, KKB satisfies the VRIN criteria because it is valuable, rare, socially embedded, and difficult for other organizations to replicate. Consequently, culture-based intellectual capital becomes a sustainable strategic asset that simultaneously strengthens organizational identity, public legitimacy, and long-term institutional resilience.

5. Implications for Public Organizational Sustainability

Overall, the findings indicate that organizational sustainability is achieved through the interaction of human capital, structural capital, and relational capital rather than through any single dimension independently. Human capital generates knowledge and innovation; structural capital institutionalizes and preserves organizational knowledge; and relational capital transforms organizational capabilities into public trust and stakeholder support. The integration of these three dimensions creates sustainable organizational capabilities that enable LPP RRI Denpasar to adapt to environmental changes while maintaining its cultural identity and public service mission.

The study extends Intellectual Capital Theory by demonstrating that intellectual capital in public organizations encompasses not only organizational knowledge but also local cultural assets that generate sustainable public value. Furthermore, the findings reinforce the Resource-Based View by showing that culture-based intellectual capital represents a strategic intangible resource capable of producing long-term organizational sustainability within the public sector.

CONCLUSION

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This study demonstrates that intellectual capital plays a fundamental role in supporting the sustainability of public organizations through the integrated contributions of human capital, structural capital, and relational capital. Human capital enhances employees' competencies, innovation, and commitment to preserving organizational knowledge and local cultural values. Structural capital strengthens organizational sustainability by institutionalizing knowledge through organizational systems, standardized procedures, and knowledge management practices. Meanwhile, relational capital reinforces public trust, stakeholder collaboration, and organizational legitimacy, enabling LPP RRI Denpasar to maintain its public service mission in a dynamic environment.

The study further identifies the *Keluarga Kesenian Bali* (KKB) as a distinctive form of culture-based intellectual capital that integrates human, structural, and relational capital into a unique strategic resource. This finding extends the application of Intellectual Capital Theory by Edvinsson and Malone (1997) and supports the Resource-Based View of Barney (1991) by demonstrating that local cultural knowledge constitutes a valuable, rare, inimitable, and non-substitutable resource that contributes to sustainable organizational capability.

The findings contribute to the intellectual capital literature by providing qualitative evidence from the public sector and highlighting the strategic importance of culture-based intangible assets in achieving organizational sustainability. Practically, the study suggests that public organizations should strengthen intellectual capital management by investing in employee development, institutional knowledge systems, stakeholder engagement, and the preservation of local cultural assets to ensure long-term organizational sustainability.

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