



Digital Governance and Public Value Creation: A Conceptual Review of Public Sector Transformation

Fedrik¹, Andri Putra²

¹Universitas Terbuka, Indonesia

²Universitas Cenderawasih, Papua, Indonesia

Corresponding author: fedrik1156@gmail.com

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ABSTRACT

Digital transformation has fundamentally reshaped public sector governance by shifting the focus from technology-driven administrative modernization toward public value-oriented governance. However, existing studies remain fragmented, often examining digital governance, public value, collaborative governance, and digital transformation as separate research streams. This study aims to develop an integrative conceptual framework explaining how digital governance capabilities contribute to public value creation and support sustainable public sector transformation. The study employs an integrative literature review approach by synthesizing recent scholarly publications on digital governance, public value, collaborative governance, digital transformation, and artificial intelligence in the public sector. The analysis identifies recurring concepts, governance mechanisms, and theoretical relationships across the selected literature. The findings indicate that public value is not generated solely through digital technology adoption but through the interaction of digital leadership, organizational readiness, data governance, collaborative governance, digital service innovation, and citizen co-production. These capabilities are transformed into public value through governance mechanisms that enhance service quality, transparency, accountability, public trust, social inclusion, and government responsiveness, ultimately strengthening institutional resilience and sustainable public sector transformation. This study proposes an integrative conceptual framework that unifies fragmented theoretical perspectives and positions digital governance as a strategic capability for creating sustainable public value. The framework contributes to public administration literature by extending Public Value Theory within the context of digital governance while offering practical guidance for policymakers in designing citizen-centered and value-driven digital transformation strategies.

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1. INTRODUCTION

The rapid advancement of digital technologies has fundamentally reshaped the landscape of public administration, positioning digital transformation as a strategic imperative rather than merely a technological modernization agenda. Emerging technologies including artificial intelligence (AI), big data analytics, cloud computing, blockchain, the Internet of Things (IoT), and digital platforms have significantly transformed how governments formulate policies, deliver public services, manage public resources, and interact with citizens. Consequently, digital transformation has become one of the defining characteristics of public sector reform in the era of the Fourth Industrial Revolution, influencing administrative effectiveness, institutional resilience, governance capacity, and democratic legitimacy (Vigoda-Gadot & Mizrahi, 2024; Kuhlmann & Heuberger, 2021; Yukhno, 2022). These technological developments have also shifted the focus of governments from merely digitizing administrative procedures toward redesigning governance systems that are increasingly integrated, data-driven, collaborative, and citizen-centered (Mergel et al., 2019; Eom & Lee, 2022; Dunleavy & Margetts, 2023).

The emergence of digital governance reflects a broader transformation in public administration paradigms. Earlier reforms under the New Public Management (NPM) emphasized efficiency, managerial performance, and market-oriented service delivery. Although these reforms improved organizational effectiveness, they have been criticized for their limited capacity to address complex governance challenges characterized by increasing uncertainty, policy interdependence, and growing public expectations. Contemporary public administration therefore recognizes that governmental performance should also be evaluated through institutional legitimacy, public trust, collaborative capacity, democratic participation, and long-term societal outcomes rather than operational efficiency alone (Lindquist, 2022; Rodríguez Bolívar, 2026). Within this evolving paradigm, the concept of public value has become a central theoretical foundation for understanding governmental success. Public value emphasizes the collective benefits generated through governance processes, public services, and interactions among governments, citizens, and other stakeholders (Panagiotopoulos et al., 2019; Scupola & Mergel, 2021).

Digital governance and public value creation have consequently become increasingly interconnected. Digital technologies enable governments to redesign administrative processes, improve accessibility and responsiveness of public services, strengthen transparency and accountability, and support evidence-based policymaking through artificial intelligence and advanced data analytics (Charles et al., 2022; Valle-Cruz & García-Contreras, 2023; Djatmiko et al., 2025). The COVID-19 pandemic further accelerated this transformation by demonstrating that governments possessing stronger digital capabilities were more resilient in maintaining essential public services and coordinating responses during periods of uncertainty (Eom & Lee, 2022). Accordingly, digital governance is now widely viewed as a strategic governance capability rather than merely a technological infrastructure, with its ultimate objective being the creation of sustainable public value (Panagiotopoulos et al., 2019).

Nevertheless, digital transformation does not automatically generate public value. A growing body of literature consistently argues that technological adoption alone is insufficient because the realization of public value depends on organizational capabilities, institutional arrangements, governance mechanisms, and resource configurations (Mergel et al., 2019; Rodríguez Bolívar, 2026; Latupeirissa et al., 2024). Governments continue to encounter significant barriers, including fragmented information systems, weak interoperability, inadequate data governance, limited digital competencies among civil servants, and uneven implementation across administrative levels

(Janssen et al., 2020; Alvarenga et al., 2020; Kuhlmann & Heuberger, 2021). These findings indicate that digital technologies function as enabling resources whose contribution to public value depends largely on the quality of governance surrounding their implementation.

Despite the remarkable progress of digital transformation, the adoption of digital technologies does not automatically generate public value. Existing studies consistently demonstrate that the relationship between digital governance and public value creation is mediated by institutional capacity, organizational readiness, leadership, data governance, and collaborative arrangements rather than technology alone (Mergel et al., 2019; Rodríguez Bolívar, 2026; Latupeirissa et al., 2024). In many countries, fragmented information systems, weak interoperability, inadequate digital competencies, and insufficient governance mechanisms continue to limit the effectiveness of digital transformation initiatives (Janssen et al., 2020; Kuhlmann & Heuberger, 2021). These findings indicate that digital technologies function primarily as enabling resources whose contribution to public value depends on the quality of governance surrounding their implementation.

Furthermore, digital transformation introduces new governance challenges related to digital inclusion, algorithmic transparency, data privacy, and public trust. While digital technologies improve service accessibility and administrative responsiveness, unequal digital access and limited digital literacy may reinforce social exclusion among vulnerable communities (Djarmiko et al., 2025; Waara, 2025). Likewise, the increasing adoption of artificial intelligence in public administration raises concerns regarding accountability, fairness, explainability, and ethical governance, highlighting the importance of trustworthy data governance and responsible AI implementation (Zuiderwijk et al., 2021; Janssen et al., 2020; Charles et al., 2022).

Recent scholarship therefore conceptualizes digital governance as a governance ecosystem in which technological infrastructure, organizational capabilities, knowledge management, collaborative governance, and citizen participation interact to produce governance outcomes (Vigoda-Gadot & Mizrahi, 2024; Panagiotopoulos et al., 2019; Scupola & Mergel, 2021). Within this perspective, citizens are no longer passive recipients of public services but active partners in co-producing public value through digital participation and collaborative policymaking (Sadat, 2025). Consequently, the success of digital governance depends not only on technological advancement but also on governments' ability to integrate institutional capacity, stakeholder collaboration, and citizen-centered governance into the digital transformation process.

Although research on digital governance has grown substantially, the literature remains fragmented across themes such as e-government, artificial intelligence, public value, collaborative governance, and digital service innovation. Existing studies generally examine these issues separately, providing limited explanation of how digital governance capabilities collectively contribute to sustainable public value creation (Mergel et al., 2019; Rodríguez Bolívar, 2026). Addressing this gap, this article develops a conceptual framework that integrates digital governance, public value theory, and collaborative governance to explain the mechanisms through which digital transformation creates public value and supports sustainable public sector transformation.

2. METHODS

This study employed an integrative literature review approach to develop a comprehensive conceptual understanding of the relationship between digital governance and public value creation in the context of public sector transformation. Unlike a traditional narrative review, an integrative literature review enables the synthesis of diverse theoretical perspectives and empirical findings to

generate new conceptual insights and theoretical frameworks (Torraco, 2005; Snyder, 2019). This approach is particularly appropriate for emerging research areas where knowledge remains fragmented and conceptual integration is required.

The review process consisted of four sequential stages. The first stage involved identifying the scope of the review by focusing on studies addressing digital governance, digital transformation, public value, collaborative governance, artificial intelligence in government, digital public services, and public sector innovation. These themes were selected because they represent the principal theoretical foundations explaining how digital transformation contributes to public value creation.

The second stage involved a systematic search of scholarly publications indexed in Scopus, Web of Science, ScienceDirect, SpringerLink, Taylor & Francis Online, and Google Scholar. The search employed combinations of keywords, including *digital governance*, *digital government*, *public value*, *public value creation*, *digital transformation*, *collaborative governance*, *artificial intelligence in government*, and *public sector transformation*. To ensure the relevance of the review, priority was given to peer-reviewed journal articles published between 2019 and 2026, while several seminal publications were included to strengthen the theoretical foundation.

The third stage consisted of literature screening and selection. Publications were included when they (1) discussed digital governance or public value within the public sector, (2) presented conceptual or empirical findings relevant to public sector transformation, and (3) were published in reputable peer-reviewed journals. Conversely, conference papers, editorials, opinion articles, and studies lacking clear theoretical relevance were excluded from the review. Following the screening process, the selected literature was organized according to recurring concepts, theoretical perspectives, and governance dimensions.

The final stage involved qualitative thematic analysis. Rather than statistically aggregating findings, the analysis synthesized concepts across the selected literature to identify recurring themes, theoretical relationships, and emerging patterns. The synthesis focused on four analytical dimensions: (1) digital governance capabilities, (2) organizational and institutional enablers, (3) governance mechanisms, including collaboration and citizen participation, and (4) public value outcomes. These dimensions were subsequently integrated into a conceptual framework explaining the mechanisms through which digital governance contributes to sustainable public value creation in the public sector.

The methodological outcome of this study is not the testing of causal relationships but the development of an integrative conceptual framework that consolidates fragmented knowledge into a coherent explanation of public sector transformation. Accordingly, the proposed framework is expected to provide a theoretical foundation for future empirical research while offering strategic insights for policymakers seeking to strengthen digital governance and public value creation.

3. RESULTS AND DISCUSSION

The Evolution of Digital Governance toward Public Value Creation

The literature reviewed demonstrates that digital governance has evolved substantially over the last two decades. Initially, digital transformation in the public sector was primarily associated with electronic government (e-government), where information and communication technologies (ICT) were introduced to digitize administrative procedures and improve operational efficiency. Early digital initiatives focused on reducing bureaucratic complexity, increasing administrative productivity, and expanding online public service delivery (Mergel et al., 2019). Although these

initiatives improved accessibility to government services, their primary orientation remained technology-centered, emphasizing automation rather than governance transformation.

Recent scholarship, however, indicates a significant conceptual shift from e-government toward digital governance. Unlike e-government, which largely focuses on digitalizing government functions, digital governance emphasizes the integration of digital technologies into governance processes, institutional collaboration, public participation, and strategic decision-making (Vigoda-Gadot & Mizrahi, 2024; Dunleavy & Margetts, 2023). Digital governance therefore represents a governance paradigm rather than merely a technological innovation. Within this paradigm, digital technologies function as institutional capabilities that enable governments to coordinate actors, integrate information, facilitate evidence-based policymaking, and strengthen democratic governance.

This transformation has also altered the indicators used to evaluate governmental performance. Earlier public sector reforms predominantly emphasized efficiency, effectiveness, and administrative productivity. Contemporary digital governance literature argues that these indicators are no longer sufficient to capture the broader societal impacts of digital transformation. Governments are increasingly expected to generate public value, including improved service quality, transparency, accountability, citizen trust, social inclusion, and institutional resilience (Panagiotopoulos et al., 2019; Lindquist, 2022). Consequently, digital transformation should be assessed not only by technological adoption but also by its contribution to collective societal outcomes.

The reviewed literature consistently identifies public value creation as the principal objective of digital governance. Panagiotopoulos et al. (2019) argue that digital technologies create value when they enhance relationships between governments and citizens through greater accessibility, transparency, and collaborative interactions. Similarly, Scupola and Mergel (2021) demonstrate that digital co-production enables citizens to participate actively in designing and delivering public services, thereby expanding the sources of public value beyond government organizations themselves. These findings suggest that public value emerges through interactions among governments, technologies, institutions, and citizens rather than through technological innovation alone.

The evolution of digital governance has also been accelerated by the increasing adoption of artificial intelligence, big data analytics, and digital platforms. AI-supported decision-making enables governments to process large-scale information more efficiently, improve policy responsiveness, and optimize public resource allocation (Charles et al., 2022). Likewise, smart data management strengthens policy formulation by providing more accurate and timely evidence for governmental decision-making (Valle-Cruz & García-Contreras, 2023). Nevertheless, technological sophistication alone does not guarantee successful governance outcomes. Digital transformation requires complementary institutional capacities, including adaptive leadership, knowledge management, inter-organizational collaboration, and data governance (Alvarenga et al., 2020; Janssen et al., 2020).

These findings indicate that digital governance has gradually shifted from a technology-oriented approach toward a public value-oriented governance model. In this model, technological innovation serves as an enabling mechanism rather than an end in itself. Governments create sustainable public value when digital capabilities are integrated with collaborative governance, organizational learning, institutional adaptability, and meaningful citizen engagement. Therefore,

public sector transformation in the digital era should be understood as a multidimensional governance process that combines technological advancement with institutional reform and democratic innovation.

To summarize this conceptual evolution, the reviewed studies reveal four major phases of digital governance development, as presented in Table 1.

Table 1. Evolution of Digital Governance toward Public Value Creation

Phase	Primary Orientation	Dominant Characteristics	Expected Outcomes
E-Government	Digitalization of administrative services	ICT adoption, online services, automation	Administrative efficiency
Digital Government	Data integration and digital service delivery	Interoperability, integrated services, digital platforms	Better service quality
Digital Governance	Collaborative and data-driven governance	AI, big data, cross-sector collaboration, citizen participation	Public trust, transparency, accountability
Public Value-Oriented Governance	Sustainable public value creation	Co-production, institutional resilience, digital inclusion, collaborative governance	Public value, social inclusion, resilient public sector

Source: Developed by the authors based on Mergel et al. (2019), Panagiotopoulos et al. (2019), Scupola and Mergel (2021), Dunleavy and Margetts (2023), Vigoda-Gadot and Mizrahi (2024), and Rodríguez Bolívar (2026).

Digital Governance Capabilities as Strategic Enablers of Public Value Creation

The literature consistently demonstrates that digital technologies alone are insufficient to generate sustainable public value. Instead, public value emerges from the interaction between technological resources, organizational capabilities, institutional arrangements, and collaborative governance mechanisms (Panagiotopoulos et al., 2019; Vigoda-Gadot & Mizrahi, 2024). This finding reflects a growing consensus that digital governance should be understood as an organizational capability rather than merely a technological innovation. In this perspective, digital transformation is not simply the process of adopting digital technologies but a comprehensive institutional change that reconfigures governance structures, managerial practices, public service delivery, and relationships between governments and citizens (Vial, 2019; Mergel et al., 2019).

A fundamental capability identified across the literature is digital leadership. Successful digital transformation requires leaders who possess strategic vision, adaptive decision-making capacity, and the ability to coordinate organizational change across institutional boundaries. Rather than acting solely as technology adopters, public leaders are expected to promote innovation, encourage inter-agency collaboration, and build organizational cultures that support continuous learning and experimentation (Eom & Lee, 2022; Rodríguez Bolívar, 2026). Adaptive leadership also plays an essential role in managing uncertainty associated with emerging technologies such as artificial intelligence and big data analytics, ensuring that technological innovation remains aligned with democratic values and public interests (Lindquist, 2022).

The second capability concerns organizational readiness and knowledge management. Digital transformation requires organizational structures capable of integrating technological innovation with administrative processes and institutional learning. Alvarenga et al. (2020) argue that knowledge management significantly enhances governments' ability to absorb technological change, facilitate knowledge sharing, and improve evidence-based decision-making. Similarly, Vial (2019) emphasizes that organizational transformation occurs only when digital technologies are accompanied by changes in organizational routines, governance structures, and institutional culture. Consequently, digital capability should be interpreted as a combination of technological infrastructure, human competencies, organizational learning, and institutional adaptability rather than technological investment alone.

Another critical dimension is data governance, which has become increasingly important as governments rely on large-scale data ecosystems and artificial intelligence to support public decision-making. Effective data governance encompasses data quality management, interoperability, privacy protection, algorithmic accountability, and institutional stewardship over public data (Janssen et al., 2020). Without appropriate governance mechanisms, data-driven technologies may produce unintended consequences such as algorithmic bias, discriminatory decision-making, privacy violations, and declining public trust (Zuiderwijk et al., 2021). Accordingly, trustworthy digital governance requires governments to establish transparent regulatory frameworks, ethical standards, and institutional safeguards that ensure digital innovation contributes positively to societal well-being (OECD, 2023).

The reviewed literature also identifies collaborative governance as a central mechanism linking digital transformation with public value creation. Contemporary governance increasingly depends on collaboration among governments, private organizations, civil society, academia, and citizens to address complex public problems that cannot be solved through hierarchical administration alone (Bryson et al., 2017). Digital platforms facilitate these collaborative relationships by enabling information sharing, participatory policymaking, and co-production of public services (Scupola & Mergel, 2021). Consequently, digital governance strengthens public value not only by improving administrative efficiency but also by expanding opportunities for collective problem-solving and shared responsibility among multiple stakeholders.

Citizen participation represents another strategic capability within digital governance. Recent studies emphasize that citizens should no longer be regarded merely as users of digital public services but as active contributors to policy formulation, service innovation, and governance evaluation (Sadat, 2025; Waara, 2025). Citizen-centric governance enhances governmental legitimacy because public policies become more responsive to societal needs while strengthening trust in public institutions (Schmidhuber et al., 2020). This perspective aligns with Public Value Theory, which argues that public value is created through continuous interaction between governments and citizens rather than through unilateral governmental action (Moore, 1995; Benington & Moore, 2011).

These findings indicate that digital governance capabilities are multidimensional and mutually reinforcing. Digital leadership enhances organizational readiness; organizational capability supports effective data governance; data governance strengthens transparency and accountability; collaborative governance facilitates stakeholder engagement; and citizen participation reinforces legitimacy and public trust. Together, these capabilities create an institutional environment in which

digital technologies generate sustainable public value rather than merely improving administrative efficiency.

Based on the synthesis of the reviewed literature, this study identifies five interrelated strategic capabilities underpinning public value creation through digital governance (Table 2).

Table 2. Strategic Digital Governance Capabilities for Public Value Creation

Strategic capability	Primary function	Expected contribution to public value	Key references
Digital leadership	Directing institutional transformation and innovation	Adaptive governance, strategic coordination	Eom & Lee (2022); Lindquist (2022); Rodríguez Bolívar (2026)
Organizational capability	Organizational learning, digital competence, institutional readiness	Administrative effectiveness and innovation	Alvarenga et al. (2020); Vial (2019)
Data governance	Managing data quality, interoperability, ethics, and privacy	Trustworthy AI, accountability, transparency	Janssen et al. (2020); Zuiderwijk et al. (2021); OECD (2023)
Collaborative governance	Cross-sector coordination and co-production	Shared problem-solving and policy effectiveness	Bryson et al. (2017); Scupola & Mergel (2021)
Citizen participation	Public engagement and co-creation	Public trust, legitimacy, social inclusion	Schmidhuber et al. (2020); Sadat (2025); Waara (2025)

Source: Developed by the authors based on the reviewed literature.

Mechanisms of Public Value Creation in Digital Public Sector Transformation

The literature synthesis indicates that public value creation should not be interpreted as the direct consequence of digital technology adoption. Instead, public value emerges through dynamic interactions among digital capabilities, institutional arrangements, collaborative governance, and citizen engagement. This finding challenges the technology-centric perspective that has long dominated digital government research and supports a governance-oriented view in which technology serves as an enabler of institutional transformation rather than an end in itself (Panagiotopoulos et al., 2019; Vigoda-Gadot & Mizrahi, 2024; Rodríguez Bolívar, 2026).

From a public administration perspective, digital transformation creates value when technological innovation improves governments' ability to deliver services that are more responsive, transparent, accountable, inclusive, and evidence-based. In this regard, public value extends beyond operational efficiency to encompass broader societal outcomes, including increased public trust, democratic legitimacy, social inclusion, institutional resilience, and citizen well-being (Moore, 1995; Benington & Moore, 2011; Bryson et al., 2017). Consequently, evaluating digital governance solely through technological adoption or administrative productivity provides an incomplete understanding of its contribution to public sector transformation.

The reviewed literature identifies service innovation as the first mechanism through which digital governance contributes to public value creation. Digital platforms, integrated information systems, cloud-based public services, and artificial intelligence enable governments to redesign administrative processes, reduce bureaucratic complexity, shorten service delivery time, and improve policy responsiveness (Charles et al., 2022; Valle-Cruz & García-Contreras, 2023). These improvements increase citizens' access to public services while enhancing administrative effectiveness. Nevertheless, technological innovation generates sustainable value only when digital services are designed according to citizens' needs rather than organizational convenience, thereby reinforcing the principle of citizen-centered governance (Waara, 2025).

The second mechanism concerns transparency and accountability. Digital governance enhances governmental openness by facilitating access to public information, improving budget transparency, strengthening monitoring systems, and enabling real-time public oversight. Open government initiatives, digital reporting systems, and integrated public information platforms increase institutional accountability while reducing information asymmetry between governments and citizens (Schmidhuber et al., 2020). Greater transparency also contributes to higher levels of public trust, provided that governments maintain data integrity, institutional credibility, and procedural fairness throughout digital governance processes.

A third mechanism involves collaborative governance and co-production. Contemporary governance increasingly relies on collaboration among governments, private organizations, academia, civil society organizations, and citizens to address complex policy problems. Digital platforms facilitate these collaborative interactions by enabling knowledge sharing, collective decision-making, and co-production of public services (Scupola & Mergel, 2021). Rather than treating citizens as passive recipients, digital governance positions them as active partners who contribute ideas, monitor policy implementation, and participate in service improvement. This collaborative relationship broadens the sources of public value because societal benefits emerge from shared responsibilities among multiple governance actors rather than from government intervention alone.

Another important mechanism is institutional learning and adaptive governance. Digital transformation generates large volumes of administrative and societal data that enable governments to continuously evaluate policy effectiveness and organizational performance. Evidence-based policymaking supported by artificial intelligence and big data analytics allows governments to identify emerging challenges, predict policy outcomes, and allocate public resources more efficiently (Charles et al., 2022; OECD, 2023). However, adaptive governance depends not only on technological sophistication but also on organizational learning, leadership commitment, and institutional flexibility that enable public organizations to respond effectively to rapidly changing environments (Alvarenga et al., 2020; Vial, 2019).

Despite these opportunities, the literature consistently emphasizes that public value creation remains vulnerable to various governance risks. Weak interoperability, fragmented digital infrastructure, insufficient digital competencies, algorithmic bias, cybersecurity threats, and unequal digital access may undermine the societal benefits expected from digital transformation (Janssen et al., 2020; Zuiderwijk et al., 2021; Djatmiko et al., 2025). Furthermore, excessive emphasis on technological efficiency without corresponding attention to democratic values may weaken public trust and institutional legitimacy. Therefore, governments should balance technological

innovation with ethical governance, citizen participation, data protection, and institutional accountability to ensure that digital transformation contributes to sustainable public value.

Based on the synthesis of the reviewed literature, this study proposes that public value creation in digital governance is generated through four interconnected governance mechanisms: (1) digital service innovation, (2) transparency and accountability, (3) collaborative governance and citizen co-production, and (4) adaptive governance supported by organizational learning and evidence-based policymaking. These mechanisms operate simultaneously and reinforce one another, transforming digital capabilities into broader societal outcomes such as improved service quality, strengthened public trust, enhanced social inclusion, institutional resilience, and sustainable public sector performance. Accordingly, public value should be understood as the cumulative outcome of governance processes that integrate technological innovation with institutional capacity and democratic governance rather than as a direct product of digital technology itself.

To clarify the relationship between governance capabilities and governance outcomes, Table 3 summarizes the principal mechanisms identified in the literature.

Table 3. Mechanisms Linking Digital Governance to Public Value Creation

Governance Mechanism	Strategic Role	Public Value Outcomes	Supporting References
Digital service innovation	Redesigning public services through digital technologies	Service quality, accessibility, responsiveness	Charles et al. (2022); Valle-Cruz & García-Contreras (2023)
Transparency and accountability	Strengthening openness and public oversight	Public trust, accountability, institutional legitimacy	Schmidhuber et al. (2020); OECD (2023)
Collaborative governance and co-production	Facilitating multi-actor collaboration and citizen engagement	Social inclusion, citizen participation, collective problem-solving	Scupola & Mergel (2021); Bryson et al. (2017); Sadat (2025)
Adaptive governance and organizational learning	Supporting evidence-based policymaking and institutional resilience	Policy effectiveness, innovation capacity, sustainable governance	Alvarenga et al. (2020); Vial (2019); OECD (2023)

Source: Developed by the authors based on the reviewed literature.

An Integrative Conceptual Framework for Public Value Creation through Digital Governance

The synthesis of the reviewed literature indicates that the relationship between digital governance and public value creation cannot be adequately explained through a linear technology-performance perspective. Instead, public value emerges through a multidimensional governance process in which digital technologies interact with institutional capabilities, organizational readiness, collaborative governance, and citizen participation. Based on this synthesis, this study proposes an integrative conceptual framework that positions digital governance as a strategic governance capability enabling governments to transform technological resources into sustainable public value.

The proposed framework consists of four interconnected dimensions. The first dimension comprises digital governance capabilities, including digital leadership, organizational readiness, digital competencies, data governance, and technological infrastructure. These capabilities represent the institutional resources that enable governments to implement digital transformation effectively. Previous studies consistently demonstrate that governments with stronger organizational capabilities are better positioned to integrate emerging technologies into administrative processes while maintaining institutional adaptability and policy responsiveness (Mergel et al., 2019; Alvarenga et al., 2020; Eom & Lee, 2022; Rodríguez Bolívar, 2026).

The second dimension encompasses governance mechanisms that translate digital capabilities into institutional practices. These mechanisms include digital service innovation, collaborative governance, transparency, accountability, evidence-based policymaking, and citizen co-production. Rather than functioning independently, these mechanisms reinforce one another to improve coordination across public organizations and strengthen interactions between governments and citizens (Panagiotopoulos et al., 2019; Scupola & Mergel, 2021; Bryson et al., 2017). Consequently, digital governance should be viewed as a governance process that combines technological innovation with institutional collaboration and democratic participation.

The third dimension represents public value outcomes, which constitute the immediate results of effective digital governance. The literature identifies several key dimensions of public value, including improved public service quality, greater accessibility, increased transparency, stronger accountability, enhanced citizen trust, broader social inclusion, and improved governmental responsiveness (Moore, 1995; Benington & Moore, 2011; Schmidhuber et al., 2020; Djatmiko et al., 2025). Unlike conventional public management approaches that primarily emphasize efficiency, the proposed framework recognizes public value as a multidimensional construct reflecting both administrative performance and societal well-being.

The final dimension concerns long-term public sector transformation. Sustainable public value contributes to broader institutional outcomes, including resilient public institutions, adaptive governance, strengthened democratic legitimacy, improved policy effectiveness, and sustainable development. These outcomes indicate that digital transformation should be understood not as a one-time technological initiative but as a continuous governance process requiring institutional learning, organizational innovation, and continuous collaboration among governments, citizens, and other stakeholders (Vigoda-Gadot & Mizrahi, 2024; OECD, 2023; United Nations, 2024).

Accordingly, this study argues that digital governance creates public value through a sequential yet dynamic process. Digital capabilities provide the institutional foundation for governance innovation; governance mechanisms transform these capabilities into collaborative administrative practices; these practices generate multidimensional public value; and sustained public value ultimately supports long-term public sector transformation. The framework therefore extends previous studies by integrating fragmented theoretical perspectives into a coherent explanation of how digital governance contributes to sustainable public value creation.

Figure 1 illustrates the proposed conceptual framework developed from the synthesis of the reviewed literature.

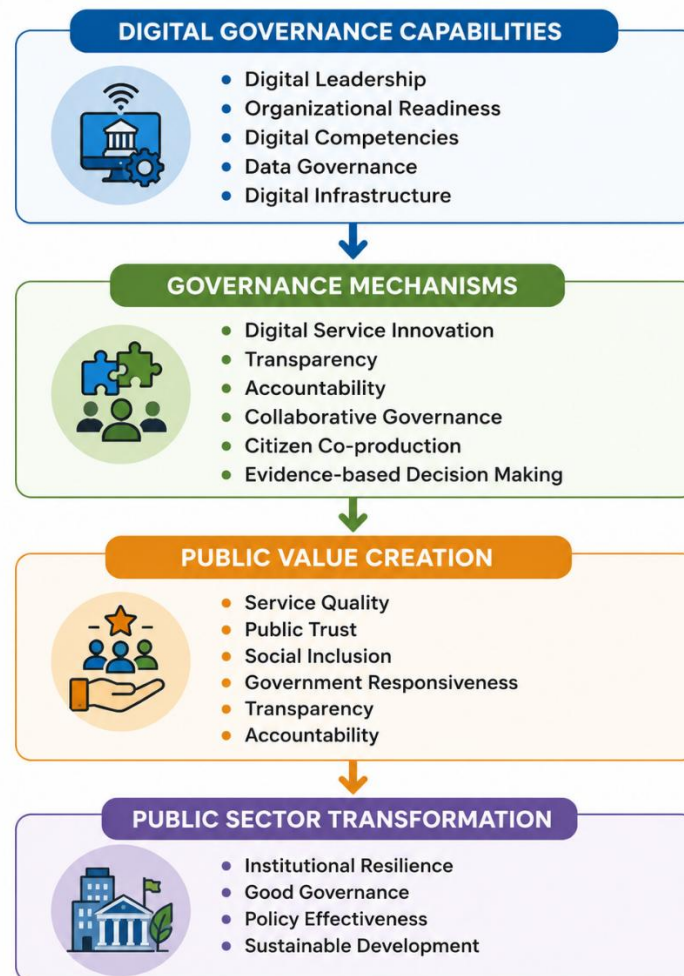


Figure 1. Conceptual Framework of Digital Governance for Public Value Creation

The proposed framework contributes to the literature in three important ways. First, it integrates Public Value Theory, Digital Governance Theory, Collaborative Governance, and Digital Transformation into a unified analytical model. Second, it explains the governance mechanisms through which digital capabilities are translated into public value, thereby addressing the theoretical fragmentation identified in previous studies. Third, the framework provides a practical reference for policymakers by identifying strategic capabilities that should accompany digital transformation initiatives to ensure that investments in digital technologies generate meaningful societal outcomes rather than merely improving administrative efficiency.

Theoretical and Practical Implications

From a theoretical perspective, this study enriches the digital governance literature by repositioning public value as the central outcome of digital transformation. Previous studies have frequently examined digital governance from technological, managerial, or organizational perspectives. In contrast, the proposed framework demonstrates that technological innovation generates sustainable value only when supported by organizational capability, collaborative governance, effective data governance, and active citizen participation. This perspective extends Public Value Theory by incorporating digital governance capabilities as strategic antecedents of public value creation in contemporary public administration.

From a practical perspective, the framework provides strategic guidance for governments implementing digital transformation. Policymakers should recognize that investments in digital infrastructure alone are insufficient to improve governance performance. Equal attention should be directed toward strengthening digital leadership, developing civil servants' competencies, improving data governance, encouraging inter-organizational collaboration, and expanding opportunities for citizen participation. By integrating these governance dimensions, governments are more likely to achieve higher service quality, greater public trust, stronger institutional resilience, and more sustainable public sector transformation.

The findings also imply that future digital government policies should adopt a citizen-centered and public value-oriented approach. Performance indicators should move beyond measuring the number of digital applications or online services toward evaluating broader outcomes such as public trust, inclusiveness, accountability, and societal well-being. Consequently, digital transformation should be regarded as a long-term governance reform that combines technological innovation with institutional change and democratic values to achieve sustainable public value.

4. CONCLUSION

This study develops an integrative conceptual understanding of how digital governance contributes to public value creation in the context of public sector transformation. The review demonstrates that digital transformation should not be viewed merely as the adoption of digital technologies or the digitalization of administrative processes, but rather as a multidimensional governance reform that integrates digital leadership, organizational capability, data governance, collaborative governance, and citizen participation. The synthesis further reveals that public value is created through a series of interconnected governance mechanisms, including digital service innovation, transparency, accountability, evidence-based policymaking, and co-production, which collectively improve service quality, strengthen public trust, promote social inclusion, and enhance institutional resilience. Accordingly, this article proposes an integrative conceptual framework that positions digital governance capabilities as strategic enablers of sustainable public value creation, thereby extending the existing literature that has often examined digital governance and public value as separate domains.

The proposed framework contributes theoretically by integrating Public Value Theory, Digital Governance, Collaborative Governance, and Digital Transformation into a coherent conceptual model that explains the mechanisms linking digital capabilities with public value outcomes. From a practical perspective, the findings highlight that successful digital transformation requires more than technological investment; it also depends on adaptive leadership, institutional readiness, robust data governance, cross-sector collaboration, and meaningful citizen engagement. These insights provide strategic guidance for policymakers seeking to design digital governance initiatives that generate measurable societal benefits and support sustainable public sector transformation. As this study is conceptual in nature, future research is encouraged to empirically validate the proposed framework across different governmental contexts using quantitative, qualitative, or mixed-method approaches to further refine the relationships among digital governance capabilities, governance mechanisms, and public value creation.

DECLARATIONS

Author Contributions

F.F: Literature review and synthesis, analysis and interpretation, writing original draft, and writing review and editing.

A.P: Conceptualization, methodology, visualization, writing, review and editing, supervision, and project administration.

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Conflict of Interest

The authors declare no conflict of interest.

Ethical Approval

Ethical approval was not required because this study is a conceptual research based on systematic literature review and conceptual synthesis and did not involve human participants, animals, or the collection of primary data.

Data Availability

No new primary data were generated or analyzed in this study. The study was based on the analysis and synthesis of published literature and publicly available scholarly sources.

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AI-Assisted Tools Disclosure

The authors used AI-assisted tools to support the preparation of Figure 1 and limited language refinement of the manuscript. All AI-assisted outputs were reviewed, edited, and verified by the authors, who remain fully responsible for the accuracy, originality, interpretation, and final content of the manuscript.

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