

The Mediating Role of Business Sustainability in the Relationship Between Dynamic Capabilities and Competitiveness: Evidence from a Private Healthcare Clinic in Indonesia

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Abstract

This study aims to examine the effect of dynamic capabilities namely sensing capability, seizing capability, and reconfiguring capability on business sustainability and the competitiveness of Ibnu Sina Clinic, Balikpapan City. Furthermore, this study investigates the mediating role of business sustainability in the relationship between dynamic capabilities and competitiveness. A quantitative research design was employed using a survey method, with all employees of Ibnu Sina Clinic serving as respondents. The collected data were analyzed using Structural Equation Modeling Partial Least Squares (SEM-PLS). The findings reveal that dynamic capabilities exert a positive and significant effect on both business sustainability and competitiveness. Moreover, business sustainability is confirmed to mediate the relationship between dynamic capabilities and clinic competitiveness. These results highlight that the organizational ability to sense opportunities, seize them effectively, and reconfigure resources adaptively constitutes a critical determinant of business sustainability and competitive advantage in private healthcare clinics. This study contributes to the dynamic capability literature and offers practical implications for healthcare service management.

Keywords

Dynamic Capabilities; Business Sustainability; Competitiveness; Healthcare Services.

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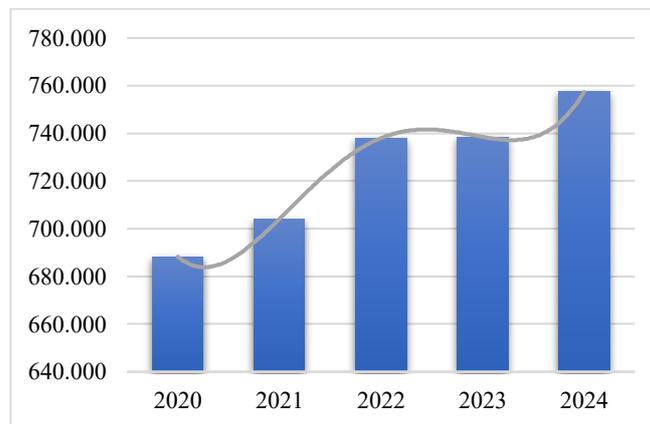
1. INTRODUCTION

The healthcare industry in Indonesia is showing increasingly complex dynamics as public awareness of the importance of access, quality, and efficiency of medical services increases (Vergunst et al., 2020). The growth of digital technology, changes in patient behavior patterns, and increasing expectations for healthcare services are pushing service providers to make continuous strategic adaptations. On the other hand, competition between service providers, both private clinics, hospitals, and public facilities, occurs in various elements such as service quality, facility comfort, and speed of response to patient needs. This condition demands business continuity as a critical aspect; not just survive, but also develop and maintain an edge in the midst of fierce competition (Alim & Sulley, 2024)



Concept *business sustainability* in the health sector becomes very important because it emphasizes not only financial sustainability, but also a balance between social and environmental responsibility. As explained by (Porter, 1985) through the *shared value*, business sustainability in the health sector can be achieved when organizations are able to create economic value while providing social benefits to society. This is in line with the idea (Elkington, 1997) About *Triple Bottom Line*, which places a balance between the aspects *people*, *planet*, and *profit* as the foundation of the long-term success of health service institutions.

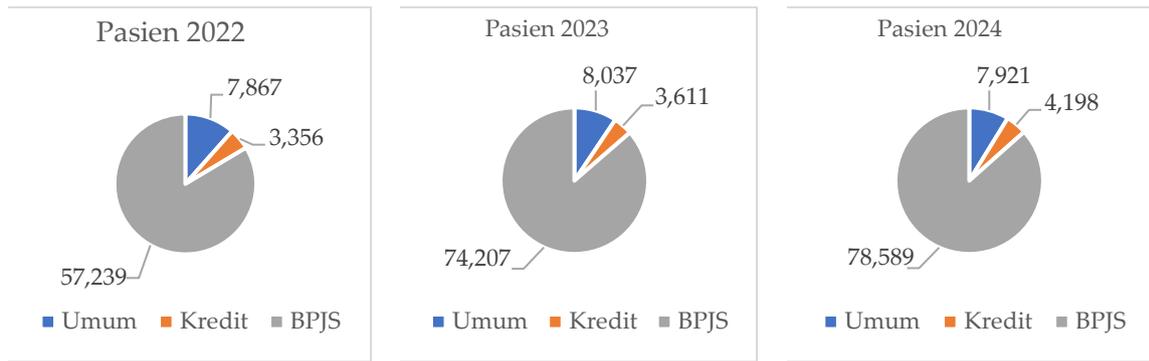
The city of Balikpapan as one of the growth centers in East Kalimantan is facing a significant phenomenon in the form of an increase in the number of health facilities and increasing demand for services. According to the data, it shows population growth from 688,318 people in 2020 to 757,418 people in 2024, which shows the potential for a large demand for health services. But at the same time, there is strong competitive pressure for private clinics, including Ibnu Sina Clinic, to be able to adapt to these changes. Clinics not only compete in terms of patient visit volume, but also have to think about aspects of service sustainability, cost efficiency, use of digital technology, and improving patient quality in order to remain relevant in the market BPS City Balikpapan (2024) (González-Rodríguez et al., 2015).



Source: <https://balikpapankota.bps.go.id>

Figure 1. Number of Residents of Balikpapan City in 2020-2024

The Ibn Sina Clinic over the past few years has shown important characteristics that reflect the strategic challenges of sustainability and competitiveness. Internal clinic data shows that visits from BPJS Kesehatan participants dominate (> 80%), but the contribution of income is much lower than that of general patients. Based on Ibnu Sina Clinic patient data, in 2024 78,589 BPJS patients will generate revenue of IDR 5.4 billion, while general patients will only be 7,921 people but will generate IDR 19.5 billion. This phenomenon shows that business continuity is not only about the number of patients, but also about how clinics are able to maximize resources, adjust business models, and respond to external changes adaptively to maintain profitability and competitiveness.



Source: Ibnu Sina Clinic Report Data

Figure Patient Data 2022-2024 Ibnu Sina Clinic

Seeing these conditions, Ibnu Sina Clinic's ability to adapt to changes in the business environment is very important. Clinics need to have adaptive capabilities to respond quickly and appropriately to market dynamics, technology, and patient needs. It is in this context that the concept of dynamic capability (*dynamic capability*) It becomes relevant to explain how organizations can maintain business sustainability as well as strengthen competitiveness amid competitive pressures in the healthcare industry. (D. Teece, 2007a; D. J. Teece et al., 1997) declare that an organization that is able to *Sensing* (detecting opportunities and threats), *seizing* (seizing opportunities through innovation and strategy), and *reconfiguring* (rearranging organizational resources and structures to match change) has a greater chance of maintaining performance and competitive advantage. This concept underscores that in a rapidly changing and uncertain business environment such as in the healthcare sector, where adaptive capabilities are not just an advantage, but a strategic need for sustainability and competitiveness (Chatterjee et al., 2022)

The healthcare sector has special characteristics that set it apart from other industries, as it operates in a complex system and relies heavily on the quality of human resources, infrastructure, and strict regulations (Eikelenboom & Jong, 2019) with competition from government-run facilities and large hospitals, as well as with challenges of human resources, technology, and payment models (such as the BPJS capitation scheme). Research in the context of healthcare shows that organizations that develop *dynamic capability* able to adapt faster to changes in the environment, both in terms of patient satisfaction, digital technology advancements, and adjustments to regulatory policies. (Nurchahyo, 2024) emphasized that strengthening dynamic capabilities in clinics plays an important role in improving service performance and operational effectiveness through digital innovation and adaptive leadership. However, there is still limited research that examines the specific application of the framework to private clinics in Indonesia, as well as how the relationship between dynamic capabilities, business sustainability, and competitiveness can be systematically integrated at the level of primary healthcare organizations.

Previous literature review confirms that dynamic capabilities play an important role in improving organizational sustainability and competitive advantage. (Bari et al., 2022) found that adaptive and absorbent capabilities have a positive effect on the company's sustainable performance. Meanwhile, it shows that organizational adaptability in the health sector contributes significantly to the sustainability and performance of private hospitals. However, there is a research gap (Liu et al. (2024) *research gap*) that needs to be filled. First, most studies still focus on the manufacturing sector or large hospitals, rather than on private clinics as primary health care units. Second, there is still little research that places business continuity as a mediating variable between dynamic capabilities and competitiveness; Most simply research direct relationships without considering such intermediary mechanisms.

This research offers the value of novelty through two main things. First, applying the dynamic capability framework (sensing, seizing, reconfiguring) comprehensively in the context of private clinics in Indonesia (Ibnu Sina Clinic), which is relatively rarely researched. Second, test the influence model by including business continuity as a mediator between dynamic capabilities and competitiveness, so as to not only explore *whether* dynamic capabilities have an effect, but *how* the mechanism of influence occurs within the framework of sustainability and competitiveness.

This research aims to analyze the role of dynamic capabilities in supporting business sustainability and strengthening the competitiveness of Ibnu Sina Clinic in the midst of increasing competition and regulatory dynamics in the healthcare sector. Specifically, this study identifies and tests the relationship between dynamic capabilities, business sustainability, and organizational competitiveness to build an empirical model that explains the mechanism of creating competitive advantage based on adaptive capabilities. The model developed reflects the process of recognizing opportunities and threats (sensing), utilizing opportunities through service innovation and operational efficiency (seizing), as well as transformation and restructuring of resources and organizational processes (transforming) to remain competitive and sustainable. In addition to providing strategic recommendations for clinic management in designing adaptive strategies, this research also contributes to the development of strategic management literature in the Indonesian healthcare sector through the integration of the concepts of dynamic capability and business continuity in the formation of organizational competitiveness.

2. METHODS

This study uses a quantitative approach with a descriptive and verifiable design to analyze the influence of dynamic capability on competitiveness by mediating business sustainability. The location of the research was conducted at the Ibnu Sina Clinic located in Balikpapan. The data used is in the form of quantitative data sourced from primary data and secondary data. Primary data was obtained through

the distribution of questionnaires to clinic employees, while secondary data came from internal documents, performance reports, and other supporting sources. The research population amounted to 119 employees, with sampling techniques using purposive sampling and sample size determination based on the Slovin formula so that 92 respondents were obtained who met the criteria for a minimum working period of one year and were involved in operational and managerial activities.

The data collection technique was carried out through an online questionnaire using a five-point Likert scale to measure the variables of dynamic capability (sensing, seizing, reconfiguring), business sustainability (economic, social, and environmental dimensions), and competitiveness (performance, profitability, and excellence). The collected data was analyzed using Structural Equation Modeling–Partial Least Square (SEM-PLS) with the help of SmartPLS software. The analysis was carried out through the evaluation of the outer model (validity and reliability test) and the inner model (R-square, f-square, Q-square, and bootstrapping-based hypothesis test) to test the causal relationship between variables simultaneously and assess the strength of the research model.

3. FINDINGS AND DISCUSSION

F-square value (f^2)

To assess the strength of influence of each variable in the research model, an *F-Square* (f^2) analysis was carried out which aimed to measure the contribution of each construct to the dependent variable. The value of f^2 gives an idea of the degree of influence of a variable, whether it is small, medium, or large in explaining variations in other variables. Therefore, the following *F-Square* test results are used as a basis for evaluating the extent to which each relationship between variables makes a significant contribution to the overall research model.

Table 1. F-Square Test Results

	Business Sustainability	Competitiveness
Business Sustainability		0,125
Reconfiguring Capability	0,198	0,306
Seizing Capability	0,423	0,086
Sensing Capability	0,156	0,045

Source: Data processed by researchers (2025).

Based on the results of the *F-square* (f^2) test, it can be known the contribution rate of each exogenous construct to the endogenous construct in the research model. The effect of *Reconfiguring Capability* on *Business Sustainability* shows an f^2 value of 0.198 which is included in the category of moderate influence, while *Seizing Capability* on *Business Sustainability* has an f^2 value of 0.423 which indicates a large influence. Meanwhile, the influence of *Sensing Capability* on *Business Sustainability* is shown by the f^2 value of 0.156, which is in the category of small to close to medium influence.

For the *Competitiveness* variable, *Reconfiguring Capability* has an f^2 value of 0.306 which indicates a moderate influence, while *Seizing Capability* and *Sensing Capability* have f^2 values of 0.086 and 0.045, respectively, which are classified as small influence categories. Thus, it can be concluded that *Seizing Capability* is a construct that contributes the strongest influence to *Business Sustainability*, while *Reconfiguring Capability* has a relatively more dominant role in influencing *Competitiveness*, while other constructs tend to contribute less.

Hypothesis Test Results

Hypothesis testing in this study was carried out by analyzing the value of *path coefficients* through *the bootstrapping* technique using SmartPLS software. The analysis aims to identify the amount of direct influence between latent variables, both the influence of independent variables on dependent variables and on mediating variables. The *bootstrapping method* was chosen because it was able to produce a more reliable estimate of the significance of the relationship between variables through *t-statistical* and *p-value*. This study set a significance level of 0.05, so that a relationship is declared significant if it has a *p-value* of less than 0.05. The results of the hypothesis testing are directly presented in Table 4.16

Table 2. Direct Hypothesis Test Results

	Original Sample	Standard Deviation	T Statistics	P Values
Sensing Capability → Business Sustainability	0,255	0,081	3,129	0,002
Seizing Capability → Business Sustainability	0,460	0,072	6,372	0,000
Reconfiguring Capability → Business Sustainability	0,297	0,100	2,987	0,003
Sensing Competitiveness →	0,131	0,063	2,073	0,039
Seizing Capability → competitiveness	0,221	0,111	1,985	0,048
Reconfiguring Capability → competitiveness	0,361	0,087	4,166	0,000
Business Sustainability → Competitiveness	0,315	0,104	3,034	0,003

Source: Data processed by researchers (2025).

Based on the results of the structural model evaluation (hypothesis test) through path coefficient analysis with the bootstrapping procedure, the following results were obtained:

H1	The test results showed that <i>Sensing Capability</i> had a positive and significant effect on <i>Business Sustainability</i> ($\beta = 0.255$; $t = 3.129$; $p = 0.002$). This shows that an organization's ability to detect opportunities and market changes can improve business sustainability. Thus, hypothesis 1 is accepted.
H2	<i>Seizing Capability</i> has been shown to have a positive and significant effect on <i>Business Sustainability</i> ($\beta = 0.460$; $t = 6.372$; $p = 0.000$). These findings indicate that strategic utilization of opportunities contributes strongly to business sustainability. Therefore, hypothesis 2 is accepted
H3	The results of the analysis showed that <i>Reconfiguring Capability</i> had a positive and significant effect on <i>Business Sustainability</i> ($\beta = 0.297$; $t = 2.987$; $p = 0.003$).

	This confirms that the ability to adjust internal resources supports business sustainability. Thus, hypothesis 3 is accepted
H4	<i>Sensing Capability</i> had a positive and significant effect on Competitiveness ($\beta = 0.131$; $t = 2.073$; $p = 0.039$). These findings show that the ability to identify opportunities and threats improves the competitiveness of companies. Hypothesis 4 is accepted.
H5	<i>Seizing Capability</i> has a positive and significant influence on Competitiveness ($\beta = 0.221$; $t = 1.985$; $p = 0.048$). This shows that effectiveness in executing market opportunities increases competitive advantage. Thus, hypothesis 5 is accepted
H6	<i>Reconfiguring Capability</i> has a positive and significant effect on Competitiveness ($\beta = 0.361$; $t = 4.166$; $p = 0.000$). These findings confirm the importance of internal adaptability in improving competitiveness. Hypothesis 6 is accepted.
H7	<i>Business Sustainability</i> has a positive and significant effect on Competitiveness ($\beta = 0.315$; $t = 3.034$; $p = 0.003$). Business sustainability has proven to be able to strengthen the company's competitiveness. Thus, hypothesis 7 is accepted.

Overall, the results of the hypothesis test show that all relationships between variables in this research model are proven to be significant and in line with the hypothesis proposed. These findings strengthen the theoretical foundation that *Sensing Capability*, *Seizing Capability*, and *Reconfiguring Capability* play an important role in improving *Business Sustainability* and *Competitiveness*.

In addition to testing the direct influence, this study also analyzed the *indirect effects* between variables through *the Business Sustainability* mediation variable using *the bootstrapping* procedure on SmartPLS software. This test aims to find out the extent to which *Sensing Capability*, *Seizing Capability*, and *Reconfiguring Capability* affect *Competitiveness* indirectly through improving *Business Sustainability*. This mediation analysis is important to understand the mechanism of the relationship between variables in the conceptual model, where *Business Sustainability* acts as a connecting variable that strengthens or bridges the influence of dynamic capabilities on competitiveness. A relationship is declared to have a significant mediating effect if the *p-value* < 0.05. The results of the indirect hypothesis testing are presented in Table 4.17.

Table 3. Indirect Hypothesis Test Results

	Original Sample	Standard Deviation	T Statistics	P Values
Sensing Business Capability → Sustainability → Competitiveness	0,080	0,036	2,245	0,025
Seizing Capability → Business Sustainability → Competitiveness	0,145	0,053	2,756	0,006
Reconfiguring Capability → Business Sustainability → Competitiveness	0,094	0,047	1,978	0,048

Source: Data processed by researchers (2025).

Based on the results of the mediation test, the following findings were obtained:

H8	The test results showed that the indirect influence of <i>Sensing Capability</i> on Competitiveness through <i>Business Sustainability</i> was significant ($\beta = 0.080$; $t = 2.245$; $p = 0.025$). This shows that increasing <i>Sensing Capability</i> can strengthen Competitiveness through <i>Business Sustainability</i> . Thus, hypothesis 8 is accepted.
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H9	significant influence of <i>Seizing Capability</i> on <i>Competitiveness</i> ($\beta = 0.145$; $t = 2.756$; $p = 0.006$). These findings indicate that effective use of opportunities increases competitiveness through strengthening business sustainability. Therefore, hypothesis 9 is accepted
H10	The test results showed that the indirect effect of <i>Reconfiguring Capability</i> on <i>Competitiveness</i> through <i>Business Sustainability</i> was significant ($\beta = 0.094$; $t = 1.978$; $p = 0.048$). This confirms the role of <i>Business Sustainability</i> as a mediating variable in the relationship. Thus, hypothesis 10 is accepted.

The results of the hypothesis test showed that *Sensing Capability* had a positive and significant effect on *Business Sustainability* ($\beta = 0.255$; $t = 3.129$; $p = 0.002$), so that Hypothesis 1 was declared accepted. These findings indicate that an organization's ability to detect opportunities, market changes, and the dynamics of customer needs early can improve business sustainability. Organizations that have good *sensing capabilities* tend to be more responsive to environmental changes, so they can maintain operational continuity and long-term performance.

The empirical findings are in line with the actual conditions that occurred at the Ibnu Sina Clinic as the object of the research. Ibnu Sina Clinic shows good *sensing capability* in reading opportunities and responding to changes in the external environment, especially during the Covid-19 pandemic. During this period, the clinic management quickly identified the potential for increased operational costs due to the decrease in patient visits, thus implementing efficiency policies through the arrangement of *work from home* (WFH) work patterns for some non-medical personnel. This policy is carried out to maintain operational continuity so as not to experience excessive cost overruns.

In addition, Ibnu Sina Clinic is also able to capture business opportunities arising from government policies in the health sector during the pandemic, especially through the Covid-19 vaccination program. The clinic proactively establishes cooperation in the implementation of vaccination by taking care of licensing to the local Health Office, so that they can officially participate in the service of the Covid-19 vaccine to the community. This step not only contributes to public health efforts, but also becomes a source of sustainability of clinic income in the midst of crisis conditions.

Furthermore, the *sensing capability* of the Ibnu Sina Clinic is also reflected in the response to the Ministry of Health's regulation that requires meningitis and polio vaccines for prospective Umrah pilgrims. Ibnu Sina Clinic carefully reads these opportunities by collaborating and taking care of licensing to the Port Health Office (KKP) and the Health Office, so that it can provide meningitis and polio vaccination services legally and standardized.

Overall, these various adaptive strategies show that Ibnu Sina Clinic has good ability to detect opportunities, understand regulatory changes, and respond to market needs dynamics. This ability is an important factor that supports the sustainability of the clinic's business, so that it is able to *survive* and maintain operational continuity in uncertain environmental conditions.

Theoretically, the results of this study are in line with the concept of *dynamic capabilities* who puts *sensing capability* as a fundamental ability in facing a dynamic business environment. (Eikelenboom & Jong, 2019) states that organizations with strong sensing capabilities are able to adapt sustainably, thus supporting *business sustainability*. These findings are also consistent with research (Shang et al., 2020) which shows that the ability to monitor and anticipate changes in the external environment has a positive effect on the company's sustainability performance.

The results of this study support the findings (Bhadra et al., 2024b) which affirms that *sensing capability* plays an important role in building *dynamic sustainability capability* through innovation and improvement of operational efficiency. In the context of the health sector, these findings are also relevant to research (Alamgir & Shan, 2023) which shows that the organization's ability to recognize changing patient needs and health policies improves hospital adaptability and sustainability. Thus, *sensing capability* can be seen as a strategic factor that contributes to the improvement of *business sustainability* on an ongoing basis.

The Influence of Seizing Capability on Business Sustainability

The results of the hypothesis test showed that *Seizing Capability* had a positive and significant effect on *Business Sustainability* ($\beta = 0.460$; $t = 6.372$; $p = 0.000$), so Hypothesis 2 was declared accepted. These findings indicate that an organization's ability to capture and utilize opportunities strategically has a strong contribution to business sustainability. Taking advantage of opportunities through innovation, strategic investment, and rapid decision-making allows organizations to maintain business performance and sustainability in the long term.

The implementation of the organization's ability to seize opportunities (*sensing capability*) at the Ibnu Sina Clinic is reflected in its ability to identify changes in regulations and community behavior after the pandemic. One of the tangible forms of this ability is the foresight of the Ibnu Sina Clinic in reading government regulations related to the obligation of meningitis and polio vaccines for prospective Umrah pilgrims. This policy change is understood as a strategic opportunity, so the clinic is preparing meningitis and polio vaccine services to meet the growing market needs.

Furthermore, Ibnu Sina Clinic is also able to detect operational problems faced by the community, especially related to long queues at registration services. In response to these conditions, Ibnu Sina Clinic developed an online queue *system* that is integrated with the BPJS Kesehatan system. Through this innovation, people can register for health services online from home without having to come in person and wait in long lines at the clinic. This step reflects the organization's ability to identify unmet customer needs as well as the potential for improving service quality.

In addition, changes in people's behavior patterns due to the Covid-19 pandemic, such as the

increasing preference to stay at home when sick, were also successfully captured as an opportunity by the Ibnu Sina Clinic. The clinic responds to these conditions by developing *home care* services as a new service innovation that provides easy access to health services directly to patients' homes. This innovation shows the organization's sensitivity to changing habits and public expectations for health services.

The ability to sensing *capabilities* of Ibnu Sina Clinic is also reflected in the understanding of changes in communication patterns and health information in the community. Clinics actively utilize digital media, such as Instagram, Facebook, and TikTok, as a means of health promotion and education. The use of this digital channel is carried out in response to the increasing consumption of health information through social media, so that clinics can reach the community more widely and effectively.

Overall, these various strategies show that Ibnu Sina Clinic has good ability to detect changes in regulations, customer needs, and the dynamics of community behavior. This *sensing capability* is an important foundation for the next stage, namely *seizing capability*, where the opportunities that have been identified can be optimally utilized to support the sustainability of the clinic's business in the long term.

Theoretically, the results of this study are in line with the view that (Liang et al., 2022) which states that *seizing capability* function converts sensing results (*Sensing*) to be tangible actions that create sustainable value and competitive advantage. These findings support research (Al Dhaheri et al., 2024) which shows that *seizing capability* has a significant effect on *business sustainability* through increased innovation and efficiency of resource management. Thus, the organization's ability to follow up on identified opportunities is an important factor in maintaining business stability and sustainability.

The results of this study are also consistent with the findings of the (Chatterjee et al., 2022) explains that an organization with *seizing capability* Capable of designing adaptive strategies to maintain economic, social, and environmental stability. Research by Min and Kim (2022) confirms that *opportunity-seizing capability* It is very important for companies, especially small and medium-sized businesses, to develop new markets amid the uncertainty of the business environment. Study (Wu et al., 2022) It also strengthens these findings by showing that organizations' ability to capture digital innovation opportunities directly contributes to improving long-term business efficiency and resilience, thereby supporting *business sustainability* on an ongoing basis.

The Effect of Reconfiguring Capability on Business Sustainability

The results of the hypothesis test showed that *Reconfiguring Capability* had a positive and significant effect on *Business Sustainability* ($\beta = 0.297$; $t = 2.987$; $p = 0.003$), so that Hypothesis 3 was declared accepted. These findings confirm that an organization's ability to effectively reorganize and adjust

internal resources plays an important role in supporting business sustainability. Organizations that are able to reconfigure resources adaptively tend to be better able to maintain operational stability in the midst of changing business environments.

Theoretically, the results of this study are in line with the concept of *dynamic capabilities* put forward by Teece (2007), which places *reconfiguring capability* as the core of an organization's ability to adapt to market and technological changes. These findings support the research of Chatterjee et al. (2022) and Shang et al. (2020) who show that the ability to reconfigure organizational resources and processes has a positive effect on *business sustainability*, particularly through increased operational efficiency and continuous innovation.

The results of this study are also consistent with the findings of Bhadra et al. (2024) who stated that *reconfiguring capability* strengthens business sustainability through improving managerial capabilities and adapting to environmental turbulence. Teece's (2018) view also strengthens this finding by emphasizing that organizations that are flexible in adjusting internal structures, technologies, and processes will be more resilient to market uncertainty. The study by Artika et al. (2024) also shows that the ability to reconfigure resources is a key factor in maintaining company sustainability in the digital era because it encourages innovation and efficiency across functions.

The Influence of Sensing Capability on Competitiveness

The results of the hypothesis test showed that *Sensing Capability* had a positive and significant effect on *Competitiveness* ($\beta = 0.131$; $t = 2.073$; $p = 0.039$), so that Hypothesis 4 was declared accepted. These findings indicate that the organization's ability to accurately identify market opportunities and threats is able to increase the company's competitiveness. Organizations that have *good sensing capabilities* tend to be more responsive to changes in the external environment, so they are able to maintain their position in the competition.

Theoretically, the results of this study are in line with the view of Teece (2007) who states that *sensing capability* is the first step in building a competitive advantage. These findings support research (Saputra et al., 2024b)(Al Dhaheri et al., 2024) which shows that the ability to detect market trends, customer needs, and technological developments encourages innovation and digitalization of business processes, thereby increasing the competitiveness of organizations. Thus, sensing ability is an important factor in creating differentiation from competitors.

The results of this study are also consistent with the findings of the (Tjahjadi et al., 2021) which states that the ability to identify digital innovation opportunities contributes directly to competitive advantage through accelerating responses to market changes. In the context of the health sector, research (Artika et al., 2024) emphasized that the ability to recognize patient needs and operational risks

has a positive effect on the competitiveness of hospitals in Indonesia. In line with the context of the Ibnu Sina Clinic in Balikpapan City, *sensing capability* A strong system helps management understand healthcare trends, medical technology developments, and government policies, thereby supporting the creation of innovative, efficient, and patient-oriented services

The Influence of *Seizing Capability* on Competitiveness

The results of the hypothesis test showed that *Seizing Capability* had a positive and significant effect on *Competitiveness* ($\beta = 0.221$; $t = 1.985$; $p = 0.048$), so that Hypothesis 5 was declared accepted. These findings indicate that the effectiveness of organizations in executing market opportunities appropriately contributes to increased competitive advantage. Organizations that are able to capitalize on opportunities quickly and strategically tend to have a stronger competitive position than their competitors.

Theoretically, the results of this study are in line with the view of Teece (2007) who states that *seizing capability* Determine the organization's ability to convert identified opportunities into sustainable sources of competitive advantage. These findings support research (Saputra et al., 2024a) Saputra et al. (2024) show that the ability to capture strategic opportunities through innovation, digitalization, and business strategy adjustments has a positive effect on organizational competitiveness. Thus, *seizing capability* It is an important factor in creating added value in the midst of increasingly fierce competition.

The results of this study are also consistent with the findings of the (Bhadra et al., 2024a) which affirms that *seizing capability* Contributing to the improvement of innovation and organizational resilience as a key element in maintaining competitive advantage. The research of Wu et al. (2022) also strengthens these findings by showing that the ability to implement digital innovation opportunities accelerates value creation and increases competitiveness. In the context of the Ibnu Sina Clinic in Balikpapan City, strengthening *seizing capability* It allows management to take advantage of opportunities for healthcare innovation, medical technology development, and more efficient service strategies, so that clinics are able to maintain competitiveness in the midst of health industry dynamics.

The Effect of *Reconfiguring Capability* on Competitiveness

The results of the hypothesis test showed that *Reconfiguring Capability* had a positive and significant effect on *Competitiveness* ($\beta = 0.361$; $t = 4.166$; $p = 0.000$), so that Hypothesis 6 was declared accepted. These findings confirm that the ability of organizations to effectively adapt internally has an important role in increasing competitiveness. Organizations that are able to reorganize internal resources, processes, and structures in a responsive manner tend to have an edge in the face of competitive dynamics.

Theoretically, the results of this study are in line with the concept of dynamic capabilities put

forward by (Ferreira et al., 2020; Nurcahyo, 2024), which places reconfiguring capability as a core capability in maintaining a competitive position in the market. These findings support the research of Chatterjee et al. (2022) and Bhadra et al. (2024) who show that resource reconfiguration capabilities contribute to increased innovation, efficiency, organizational flexibility, and adaptability to environmental turbulence, which ultimately strengthens the competitiveness of companies.

The results of this study are also consistent with the findings of the (Funston, 2008; Harun et al., 2023) which affirms that the ability to dynamically adjust structures, processes, and technologies, including the management of digital resources, plays an important role in creating a sustainable competitive advantage. In the context of the Ibnu Sina Clinic in Balikpapan City, reconfiguring capability is a strategic need to adjust service strategies, information technology systems, and operational flows to remain in harmony with patient needs and health policy developments. Thus, strengthening this capability is an important basis in maintaining and improving the competitiveness of clinics in the midst of changes in the healthcare industry.

The Influence of Business Sustainability on Competitiveness

The results of the hypothesis test showed that *Business Sustainability* had a positive and significant effect on *Competitiveness* ($\beta = 0.315$; $t = 3.034$; $p = 0.003$), so that Hypothesis 7 was declared accepted. These findings confirm that a well-maintained business continuity can strengthen the company's competitiveness. Organizations that consistently apply sustainability principles tend to have more stable performance and a sustained competitive advantage.

Theoretically, the results of this study are in line with the view that (Porter & Kramer, 2011) which states that the integration of economic, social, and environmental aspects in a business strategy can create shared value (*shared value*) which is the basis of competitive advantage. These findings support research (Olaleye et al., 2024) and (Ferreira et al., 2020) which shows that sustainability practices have a positive effect on competitive advantage through increased innovation, operational efficiency, and organizational resilience. In addition, (González-Rodríguez et al., 2015) It also emphasizes that commitment to social and environmental sustainability can increase differentiation and customer loyalty.

In the context of the Ibnu Sina Clinic in Balikpapan City, *business sustainability* is reflected in the provision of quality health services, the implementation of energy efficiency, responsible management of medical waste, and the implementation of social programs for the community. Such sustainability practices not only increase patient trust and loyalty, but also strengthen the clinic's reputation and competitive position amid competition in the healthcare industry. Thus, *business sustainability* can be seen as a strategic factor that plays an important role in improving the competitiveness of the

organization in a sustainable manner.

The Influence of *Sensing Capability* on Competitiveness through *Business Sustainability*

The results of the hypothesis test show that Sensing Capability has a positive and significant indirect influence on Competitiveness through Business Sustainability ($\beta = 0.080$; $t = 2.245$; $p = 0.025$), so that Hypothesis 8 is declared accepted. These findings indicate that improving the organization's ability to detect opportunities and environmental changes not only has a direct impact, but also strengthens competitiveness through strengthening business sustainability. In other words, business sustainability acts as a mechanism that bridges the relationship between sensing capability and competitiveness.

Theoretically, the results of this study are in line with the view that (D. Teece, 2007b) which confirms that sensing capabilities allow organizations to design sustainability strategies that create efficiency, reputation, and innovation as a source of competitive advantage. These findings support research (Shang et al., 2020) which shows that business sustainability mediates the influence of dynamic capabilities on the performance and competitive position of the organization. In addition, the research of González-Rodríguez et al. (2015) also strengthens these findings by proving that social and environmental sustainability practices improve the image and loyalty of customers, which has a positive impact on competitiveness.

In the context of Ibnu Sina Clinic in Balikpapan City, management's ability to recognize health service trends, changing patient needs, and health policy dynamics will be more effective in increasing competitiveness if followed by the implementation of a consistent sustainability strategy. The implementation of sustainability in service, social, and environmental aspects allows clinics to increase patient trust, operational efficiency, and institutional reputation. Thus, business sustainability plays an important role in optimizing the contribution of sensing capability to increasing the competitiveness of clinics in a sustainable manner.

The Influence of *Seizing Capability* on Competitiveness through *Business Sustainability*

The results of the hypothesis test showed that *Seizing Capability* had a positive and significant effect on *Competitiveness* through *Business Sustainability* ($\beta = 0.145$; $t = 2.756$; $p = 0.006$), so that Hypothesis 9 was declared accepted. These findings indicate that an organization's ability to effectively utilize opportunities not only has a direct impact, but also increases competitiveness through strengthening business sustainability. Thus, *business sustainability* acts as a connecting channel that strengthens the influence of *seizing capability* on competitiveness.

Theoretically, the results of this study are in line with the view of Teece (2007) who states that *seizing capabilities* allow organizations to convert strategic opportunities into value through innovation and adaptive decision-making. These findings support the research of Bhadra et al. (2024) who show

that *seizing capabilities* significantly affect *business sustainability*, and that sustainability ultimately strengthens organizational competitiveness. In addition, research by Olaleye et al. (2024) and González-Rodríguez et al. (2015) also confirms that sustainability strategies are able to increase innovation, organizational resilience, and customer image and loyalty as a source of competitive advantage.

In the context of Ibnu Sina Clinic in Balikpapan City, management's ability to take advantage of service development opportunities, medical technology adoption, and increase operational efficiency will be more effective in increasing competitiveness if followed by consistent sustainability practices. The implementation of sustainability oriented towards patient satisfaction and social responsibility allows clinics to build trust, improve reputation, and maintain a competitive advantage amid the dynamics of the healthcare industry. Thus, *business sustainability* plays an important role in mediating the influence of *seizing capabilities* on the competitiveness of clinics.

The Influence of Reconfiguring Capability on Competitiveness through Business Sustainability

The results of the hypothesis test show that the indirect influence of *Reconfiguring Capability* on *Competitiveness* through *Business Sustainability* is proven to be significant ($\beta = 0.094$; $t = 1.978$; $p = 0.048$), so that Hypothesis 10 is declared accepted. These findings confirm that *business sustainability* plays a role as a mediating variable that connects an organization's ability to reorganize resources with increased competitiveness. Thus, the ability to reconfigure resources not only has a direct impact, but also strengthens competitiveness through business sustainability.

Theoretically, these results are in line with the view of Teece (2018) who states that organizations that are able to dynamically adjust structures, processes, and technologies will have a stronger level of sustainability and competitiveness. The findings of this study support the results of (Bhadra et al., 2024a; Savitz & Weber, 2006; Shang et al., 2020) which shows that *reconfiguring capability* Have a positive effect on *business sustainability performance* through increased adaptability and organizational efficiency. In addition, Lozano (2018), (Ferreira et al., 2020)(Hu, 2024) affirms that the integration of adaptive and innovative processes in sustainability strategies drives increased internal efficiency, reputation, innovation, and customer value that are the basis for long-term competitive advantage.

In the context of the Ibnu Sina Clinic in Balikpapan City, the ability of management to rearrange service flows, information technology systems, and the sustainable use of human resources will improve the efficiency and quality of services. The consistent implementation of *business sustainability*, such as optimizing operational processes, managing medical waste, and improving services based on patient needs, allows clinics to strengthen their competitiveness amid changing regulations and dynamics in the healthcare industry. Thus, *business sustainability* has been proven to play an important role in mediating the influence of *reconfiguring capability* on clinical competitiveness.

4. CONCLUSION

The results of the study show that *sensing capability*, *seizing capability*, and *reconfiguring capability* have an important role in shaping *business sustainability*, which is further a key factor in increasing the competitiveness of Ibnu Sina Clinic in Balikpapan City. These findings confirm that a clinic's competitive advantage is not only determined by the ability to respond quickly to market changes, but also by the ability to strategically seize opportunities and reorganize internal resources in an adaptive and sustainable manner. Thus, the implementation of *dynamic capabilities* that are integrated with the principles of business sustainability is the main foundation in strengthening competitiveness, maintaining patient trust, and ensuring the sustainability of health services at Ibnu Sina Clinic in Balikpapan City in the midst of the dynamics of the health industry that continues to grow. Although it contributes, this study has limitations. The study focused on a single health clinic, which can limit generalization. Future studies suggest expanding the sample to different healthcare institutions and incorporating longitudinal designs to better capture the evolution of capabilities over time. Dynamic capabilities and sustainability integration are strategic paths for healthcare organizations seeking to maintain competitiveness in an increasingly complex environment.

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