New Public Management rhetoric in developing country: will agencification and management control lead to organisational culture transformation?

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Abstract: Agencification and granting managerial autonomy to public sector organisations are believed to change organisational cultures. This study used path and factor analysis on a sample of 600 public sector personnel in Indonesia to evaluate the role of agencification in the New Public Management (NPM) framework. The study revealed that agencification regarding personnel and financial management autonomy promotes a result-oriented culture while encouraging improved public organisation performance. However, it contradicted traditional NPM concepts by proving that more than management control alone is needed to promote a results-oriented culture among public sector personnel naturally. These findings show that its discourse and application must be modified to realise NPM's promise in the Indonesian setting fully. Future research should investigate the impact of external influences on agency formation and managerial control and ways for cultivating a results-oriented culture in public sector organisations. The study's limitations, such as its concentration on Indonesia and its temporal scope, necessitate comparative analysis across areas and longitudinal studies better to understand the dynamics of agencification and management control. The study's conclusions have ramifications for public sector reform in Indonesia and other nations. Governments must know the intricate interplay between autonomy,

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management control, and a results-oriented culture. They should also examine the importance of a pragmatic and context-aware approach to NPM.

Keywords: agencification, managerial autonomy, organisational culture, public sector.

Introduction

New Public Management (NPM) doctrines have contributed to increased delegation of tasks from government ministries to arm's length agencies. The NPM discourse proposes a separation between policy formulation and policy implementation (Sewerin et al., 2020) and introducing business management techniques into these agencies (Zekić-Sušac et al., 2021). Consequently, governments across continents have delegated administrative duties to semi-autonomous agencies, a process known as agencification (Doberstein, 2022). A swiftly expanding body of academic literature on agency autonomy and control has accompanied the agencification epidemic. Most recent research on these topics still concentrates on institutional structures and human resources autonomy (Xanthopoulou & Plimakis, 2021). Several studies (e.g. Sześciło, 2020; Lampropoulou,2021; Bonini Baraldi et al., 2022) have addressed the context of Western nations. However, little research has been conducted on the financial autonomy practices of organisations in developing countries. Considering that the NPM doctrines are based on Western administration assumptions (Pistone et al., 2023), observing agencification in developing countries is crucial.

On the other hand, although organisational culture can be viewed as an essential aspect of reforms in the public sector, the literature on the relationship between managerial autonomy and organisational culture is in its infancy (Kumar et al., 2023). Farooqi and Forbes, (2019) define managerial autonomy as the level of decision-making competencies (discretion) an organisation has vis-à-vis superior levels, entities, and actors. By delegating or devolving decision-making responsibilities from external entities (i.e., parent ministries, ministers) to the organisation, greater managerial autonomy can be granted to a public sector organisation. Managerial autonomy is also defined as the extent to which an organisation can choose and use resources independently from political and administrative principals (Han & Wang, 2022) and thus alludes to the managerial decisions made by senior managers.

Since culture and organisational performance are believed to be inextricably intertwined (Pradana et al., 2022; Lorincova et al., 2022; Mishra & Kasim, 2021; Grondys et al., 2021), organisational changes intended to enhance performance are also intertwined with organisational culture. Nonetheless, Tangi et al. (2021) argue that culture occasionally impedes perspective shifts. This is consistent with Anh Vu

et al. (2021) findings, who concluded that comprehension of organisational culture and cultural types aids in comprehending why managerial reforms may have varying effects within and between organisations. Certain organisational cultures are more adaptable to these changes than others. Consequently, culture can impact reforms as a driver or an obstacle (Kitsios et al., 2023).

Indonesian municipalities have been under constant pressure to implement NPM-based management, including agencification while maintaining sufficient autonomy to resist or shape this pressure. This has resulted in unintended consequences of NPM, such as corruption and a decline in public interest (Harun et al ., 2019; Satispi et al., 2023). This sample of Indonesian municipalities provides a unique opportunity to study the spectrum of NPM adoption, from true adopters to organisations that have preserved traditional modes of internal governance. Observing agencification in developing nations is crucial for understanding how this concept operates in different political and administrative contexts. This study examines the personnel management autonomy (PA) and financial management autonomy (FA) aspects of agencification in Indonesia, the fastest-growing developing nation, where agencification has been adopted over the past decade (Waluyo, 2018). Since understanding organisational culture in the public sector can help us explain and evaluate the effectiveness of reform processes, this article aims to increase our understanding of the impact of managerial autonomy on organisational cultures within public sector organisations. In particular, we examine whether public sector organisations with increased managerial autonomy will rebel against traditional cultures and adopt more innovative cultures.

1. Literature review

Public sector managers and academic researchers are becoming increasingly interested in organisational culture (Triguero-Sánchez et al., 2022). The fact that organisational culture is recognised as a significant factor in the efficacy and performance of public sector organisations (Suzuki & Hur, 2019; Lee, 2021; Putro et al., 2021) is one of the primary reasons for this increased interest. According to Boselie et al. (2019), the culture of traditional public administration is characterised by strict adherence to regulations and procedures, a strong emphasis on implementing general rules to individual decisions, a high level of attention to detail, and precision as the primary criteria for accountability. This compliance-focused emphasis on minutiae led to excessive regulation, inflexible work attitudes, risk-averse quality deficits, and inefficiency (Liston-Heyes & Juillet, 2020). For public sector reforms that seek to increase organisational performance, culture manipulation is, therefore, one of the first actors to be considered (Klein et al., 2021). According to Cao et al. (2023), a conducive environment for the development of enterprising leaders must be created to facilitate innovative initiatives and establish an entrepreneurial culture in the public sector. The successful implementation of NPM reforms is predicated on changing structures and systems and encouraging people to consider and work beyond institutional boundaries (Klindt et al., 2023).

Thus, administrative reforms necessitate a compatible organisational culture but can also alter organisational culture (Kaur Bagga et al., 2023; Basuki et al., 2022).

According to Schein (2003), culture is a pattern of shared basic assumptions that a group learned as it solved its problems of external adaptation and internal integration, and that has worked well enough to be considered valid and taught to new members as the correct way to perceive, think, and feel to those problems. Thus, culture is founded on internal (internal integration) and external (external adaptation) processes, specifically the relationship between an organisation and its environment. The preceding definition of organisational culture is used in what follows. Consequently, agencification and managerial autonomy can impact organisational culture.

Agencification generally refers to developing semi-autonomous bodies (Hajnal & Hajnal, 2023). These agencies are separated from the parent ministries' hierarchies and democratic governance (Trondal & Haslerud, 2023; Androniceanu, 2021). An agency is a permanent administrative structure proposed by government actors that is formally distinct from a ministry or department, performs public functions, and is staffed by public workers (Cohen & Sabah, 2023). Agencies are public bodies established under public law, funded mainly by the state budget but with some financial flexibility (Di Carlo, 2022; Cera et al., 2020). In general, autonomy underlines the level of decisions that an organisation can make in managing resources through its discretion and policies (Capano & Toth, 2022).

The rationale behind the assertion that agencification and enhanced managerial autonomy would foster a customer-oriented culture can be elucidated via social identity theory. Social identity theory, proposed by Tajfel (1979), explains how people's self-concepts are shaped by their membership in social groups, such as sports teams, religions, nationalities, occupations, sexual orientations, ethnic groups, and genders. When new organisations are created through agencification, they must establish a unique identity that distinguishes them from their parent departments (Mustaniemi-Laakso et al., 2022). Social identity theory suggests that groups emphasise their differences from other similar groups to strengthen their internal cohesion and claim superiority (Bingley et al., 2021; Androniceanu et al., 2023). In the case of agencification, newly created autonomous agencies will emphasize organisational cultures that differ from their parent departments. Instead, agencies will emphasize customer-oriented, flexible, innovative, and risk-taking cultures. These agencies will present themselves to the outside world by emphasizing these distinctive features. Research supports this view. For example, Dahlström & Lapuente (2022) found that agencies with more managerial autonomy exhibit more managerial values associated with private sector organisations, such as customer focus, than traditional departments or public sector bodies with less autonomy.

Similarly, Voorn et al. (2023) found that managers from organisations with more managerial autonomy are more likely to adopt business-like values. This is consistent with managerialist theory, which expects public bureaucrats to behave like private sector managers when given sufficient flexibility and autonomy to manage as they see fit and when freed from bureaucratic procedures and regulations

(Jiang et al., 2022). Under sufficient autonomy and flexibility conditions, senior civil servants in autonomous agencies will emphasize performance and customer orientation in their organisations. Managers in these agencies can develop the right incentives to encourage their staff to act customer-oriented and innovatively (Callens et al., 2022).

The NPM doctrines emphasize managerial autonomy as crucial in establishing a customer-centric culture. However, they also emphasize the need for government result control to curb the opportunistic behaviour of public agencies and improve their performance (Xiong et al., 2021). This is because the relationship between a public sector organisation and its overseeing government is a classic principal-agent relationship, in which the public sector organisation functions as the agent of its political and administrative principals. The principal-agent theory posits that agents may use their autonomy to act in their interests instead of the principals (Maurya & Srivastava, 2022).

Therefore, NPM doctrines require autonomous agencies to have a robust result control system (Wockelberg & Ahlbäck Öberg, 2021). Ministers should provide agencies with defined objectives, and their performance should be monitored, evaluated, and sanctioned in the event of underperformance.

Górska et al. (2022) argue that in the context of NPM, it is crucial to balance managerial autonomy with control. While autonomy can lead to efficiency, it does not guarantee that agency managers will behave efficiently. Therefore, political and administrative leaders must apply pressure to monitor agencies effectively. One way to do this is through results-based control, which applies market-like pressure.

This article will examine the impact of managerial autonomy, personal autonomy and result control on the evolution of a customer-centric culture. We anticipate that all factors will have a positive influence. We define result control as the degree to which the Chief Executive Officer (CEO) is accountable for results and whether or not this accountability is correlated with sanctions or rewards.

NPM's depiction of organisational culture is simplistic, with two dichotomies: entrepreneurial/customer-centric vs. bureaucratic. This view is often criticised as naive, as culture is resilient and difficult to change intentionally (Ongaro & Sancino, 2023). Wilson and Mergel (2022) found that cultural change programs in public sector organisations often fail even with strong management support. Empirical evidence on the relationship between culture and performance is limited. However, some studies have found a positive relationship between a results-oriented culture and performance (Thi Tran et al., 2020; Puppatz et al., 2023), mediated by accountability and communication. Boyd and Larson (2022) found that organisations with a culture that focuses on the needs of the organisation and the ability to change are more effective in the eyes of their employees. Therefore, the study's theoretical model considers different dimensions and how culture may influence performance.

Figure 1. Theoretical model

Source: Author's contribution
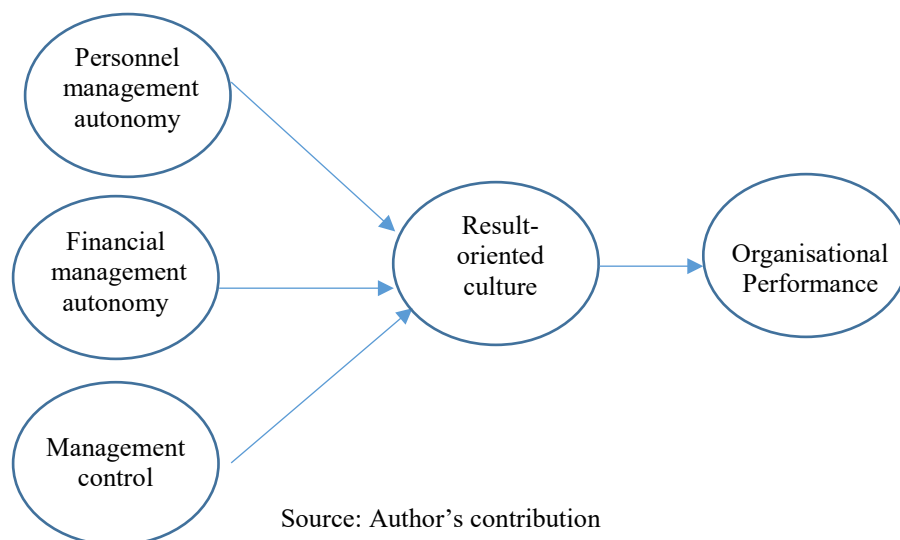
Thus, we hypothesised:

H1: Personnel management autonomy is positively correlated with a result-oriented culture.

H2: Financial management autonomy is positively correlated with a result-oriented culture.

H3: Management control is positively correlated with a result-oriented culture.

H4: Result-oriented culture is positively correlated with the performance of public sector employees.

2. Research methodology

The data collection was from April 25 to August 24, 2023, employing a snowball sampling technique that used the authors' networks and social media platforms. Data was collected from a sample of 650 Indonesian public officials through the utilisation of a web-based questionnaire. The process of agencification has been observed in Indonesia since 2005, characterised by a significant proliferation of semi-autonomous entities known as *Badan Layanan Umum* (BLU), which means Public Service Agencies. The government has implemented measures to grant financial autonomy and establish control systems for the BLU. Agencification has predominantly been implemented within educational institutions in this nation. Implementing the new financial autonomy and control system has compelled universities, which once operated in a bureaucratic manner, to embrace a more business-oriented strategy. The survey resulted in 600 valid responses from lecturers with the university with BLU status, which represents a completion rate of 92.3%.

The selection of the minimum sample size for this inquiry was derived from the parameters proposed by Hair et al. (2020). When the number of latent variables does

not exceed seven, ensuring that a minimum of three observable variables evaluate each hidden variable is crucial. Therefore, the minimum sample size should be at most 150 cases. The present study utilised a comprehensive set of 20 observable variables and incorporated a sample size of 700, above the minimum threshold of 150.

A four-item measurement instrument for result-oriented culture developed by Tepeci & Bartlett (2002) was used in the survey. The items organizati quality of service delivery, giving customers what they expect, valuing customers, and relations with customers. Two distinct forms of managerial autonomy were considered: personnel management autonomy (PA) and finance management autonomy (FA). To measure PA autonomy, we organiza three items that assessed how an agency can make decisions regarding the compensation level, promotion, and evaluation of employees without ministry interference.

We used three items to assess the agency's ability to shift personnel and running cost budgets, shift the personnel-running cost and investment budgets, and set tariffs for services and products to measure FA. The investigation conducted by Wynen and Verhoest (2013) yielded measurements of both PA and FA.

Verbeeten and Speklé (2015) proposed a management control system encompassing three functions: monitoring, attention-focusing, and strategic decision-making. Monitoring involves comparing outcomes to expectations, while attention-focusing enables discussion of policy assumptions and results. Strategic decision-making aims to uncover cause-and-effect relationships. The assessment of organizationol performance in public sector organisations is conducted using a widely organizati tool created by Price et al. (1981). The seven items were quantity of work, quality of work, number of innovations, reputation of work excellence, attainment of service, efficiency and morale of unit personnel.

The respondents expressed their degree of concurrence with each assertion by employing a seven-point Likert-style continuum from 1 (strongly disagree) to 7 (strongly agree). According to Hair et al. (2020), it is advisable to employ a factor-loading model to assess discriminant validity. In this model, only items that exhibit a factor loading over the threshold of 0.50 should be preserved. According to the findings of Bonett and Wright (2014), it is recommended that the coefficient alpha should possess values equal to or exceeding 0.60 in order to evaluate the dependability of a measure. The hypotheses were evaluated by the calculation of t-statistics and p-values in order to ascertain the influence of different factors. Similarly, Hair et al. (2020) state that the hypothesis is accepted when the p-value is less than 0.05.

3. Research results and discussions

The demographic profiles of the respondents were examined in terms of their gender, age, educational attainment, and length of current work. The majority of participants (55%) identified as male. A significant proportion of participants (62%) were aged 35 or older. Most participants, precisely 66%, held a master's degree, while the

remaining 34% possessed a doctoral degree. A significant proportion of participants (60%) had accumulated more than ten years of experience in governmental employment. The survey revealed that a significant fraction of participants, precisely 35%, reported five years of affiliation with various organisations. A mere 30 respondents (5%) indicated that their tenure with the organization was shorter than five years.

Table 1. Validity and reliability measurement

Construct	Items	Factors Loading	Cronbach's alpha
Result-oriented culture (ROC)	1. Emphasis on quality of service delivery. 2. Giving customers what they expect. 3. Valuing customers. 4. Relations with customers.	0.857 0.851 0.692 0.521	0.807 0.801 0.816 0.715
Personnel management autonomy (PA)	1. Compensation level 2. Promotion. 3. Evaluation of employees.	0.668 0.671 0.610	0.712 0.731 0.711
Finance management autonomy (FA)	1. Shifting personnel and running cost budgets. 2. Shifting personnel-running cost and investment budgets. 3. Setting tariffs for services and products.	0.781 0.609 0.702	0.703 0.606 0.605
Management control (MC)	1. Monitoring. 2. Attention-focusing. 3. Strategic decision-making.	0.685 0.618 0.664	0.709 0.708 0.713
Organisational performance (OP)	1. Quantity of work. 2. Quality of work. 3. The number of innovations. 4. Reputation of work excellence. 5. Attainment of service. 6. Efficiency. 7. Morale of unit personnel.	0.616 0.612 0.625 0.653 0.630 0.610 0.640	0.721 0.725 0.702 0.701 0.700 0.713 0.711

Source: Author's contribution

The operationalising and validation of the instrument are outlined in Table 1. All factor loadings in the Confirmatory Factor Analysis (CFA) for all items are above the criterion of 0.50. Furthermore, it is noteworthy that Cronbach's alpha coefficient for each construct is above the predetermined threshold values. Hence, the established standards for assessing validity and reliability have been satisfied.

The outcome of the path analysis is presented in Table 2.

Table 2. Summary of relationship among constructs

Path	Coefficient	SE.	t-Statistics	P.	Conclusion
PA → ROC	0.317	0.043	7.340	0.000	Significant
FA → ROC	0.493	0.046	10.613	0.000	Significant
MC → ROC	0.095	0.038	2.510	0.012	Insignificant
ROC → OP	0.770	0.040	19.269	0.000	Significant
R = 0.742, R^2 = 0.550, limit of p-values ≤ 0.005 and t-statistics ± 2.581					

Source: Author's contribution

The statistical analysis supports the first two hypotheses, which postulate positive correlations between personnel autonomy (PA) and result-oriented culture (ROC) and between financial autonomy (FA) and ROC. At the 0.005 significance level, the t-test values for PA and FA are markedly greater than the critical values. The statistical analysis does not support the third hypothesis, which proposes a positive correlation between management control (MC) and ROC. At the 0.012 significance level, the t-test value for MC is not significantly greater than the critical value. The statistical analysis supports the fourth hypothesis, which proposes a positive correlation between ROC and organisational performance (OP). ROC's t-test value is considerably greater than the critical value at the 0.000 level of a significance test.

Most studies on organisational culture in the public sector have focused on how culture influences organisational structure. While there is some literature on how organisational structure affects culture (e.g., Pradana et al., 2022; Mishra & Kasim, 2021), there needs to be more empirical evidence on how public sector reforms affect organisational culture. The study's findings suggest that there has been a transition in the culture of Indonesian public organisations away from conventional public administration cultures characterised by a focus on meticulousness, attentiveness to detail, precision, and accuracy. The organisation's current culture focuses on prioritising service quality, meeting customer expectations, appreciating customers, and nurturing customer relationships. These outcomes are attributed to the autonomy granted to personnel management and finance management. Therefore, the finding supports the concept that when implementing public sector reforms to enhance organisational performance, culture manipulation should be prioritised. This is because reforms require an organisational culture compatible with the desired changes (Klein et al., 2021; Cao et al., 2023; Klindt et al., 2023; Kaur Bagga et al., 2023). The shift from conventional public administration cultures to result-oriented cultures, as echoed in NPM, might be also due to coercive pressure to achieve a "world-class" bureaucracy by 2025 (Satispi et al., 2023).

Personnel management autonomy, which refers to an agency's ability to make decisions about employee salary, advancement, and evaluation without ministry intervention, favorably influences an agency's result-oriented culture. This is in line with NPM philosophies; increased managerial autonomy can foster a more

innovative culture in the public sector (Voorn et al., 2023; Dahlström & Lapuente, 2022; Jiang et al., 2022; Callens et al., 2022).

Because it is consistent with Indonesian cultural norms, the concept of personnel management autonomy is relevant for Indonesia. Hard effort, achievement, and meritocracy are valued in Indonesian society. Employees are more likely to be driven to work hard and achieve outcomes when given autonomy over their work and rewarded for their achievements. Furthermore, autonomy in personnel management can assist in addressing some of the difficulties that have traditionally hampered a result-oriented culture in the Indonesian public sector. For example, personnel management autonomy can help minimise bureaucracy and streamline decision-making. This allows people to concentrate on their tasks and achieve outcomes.

Supporting previous studies (Voorn et al., 2023; Mustaniemi-Laakso et al., 2022; Bingley et al., 2021), financial autonomy can impact an agency's identity and employees' behaviour and performance. Employees may be more driven to produce high-quality services and goods for clients if an agency has a strong sense of identity and autonomy since they feel pride and ownership in their job (Dahlström & Lapuente, 2022; Jiang et al., 2022). This can result in a result-oriented culture emphasizing service quality, offering consumers what they expect, valuing customers, and customer interactions (Callens et al., 2022).

However, an agency needs more financial autonomy. In that case, its staff may feel more driven and invested in their work, resulting in better quality service delivery and more robust client relations. This can lead to a culture focusing more on results and meeting consumer expectations.

People in Indonesia are often proud of their homeland and culture. Since their fight for independence from the Dutch, Indonesians have been influenced by nationalism (Zara, 2021). They value harmony and cooperation and support their government and institutions in general. Financial autonomy provides agencies with more control over their resources and operations. This can instil a sense of pride and ownership in employees, motivating them to strive harder to attain outcomes. Indonesia also has a solid collectivist culture. This signifies that people value the group's needs more than the needs of the individual. Financial autonomy helps agencies focus on their consumers' needs and provide high-quality services. This can result in a more results-driven culture.

Overall, social identity theory suggests that financial autonomy can lead to a more result-oriented culture in Indonesia by giving agencies more control over their resources and operations, instilling a stronger sense of identity and ownership among employees, providing more opportunities for employees to achieve their goals, and encouraging competition among agencies.

Against the findings of Górska et al. (2022), Xiong et al. (2021), and Wockelberg & Ahlbäck Öberg, (2021), management control centred on monitoring, attention-focusing and strategic decision-making are detrimental to results-oriented culture in Indonesia. Previous research indicates that Indonesia's internal control systems have severe flaws. A country's insufficient control structure has led to unintended consequences of NPM, such as corruption and a drop in public interest. This is due

to the possibility of individuals abusing their position and the resulting lack of
responsibility (Harun et al., 2019; Satispi et al., 2023).

Monitoring is a type of distrust contrary to Indonesian culture. Indonesians place a
high importance on harmony and cooperation (Rajiani & Kot, 2020), and they like
collaborating to achieve common goals. When supervisors continually scrutinise
their employees, it can breed friction and distrust. Due to this, employees may need
help to feel comfortable taking chances and inventing. Tunnel vision and disregard
of other essential regions can result from excessive attention focusing. The holistic
approach to issue solutions is highly valued in Indonesian society. Before making a
decision, Indonesians want to consider all elements of a subject. Managers who are
overly focused on one area may miss crucial opportunities or make mistakes that
have harmful effects in other areas. Strategic decision-making without employee
input might result in a lack of buy-in and motivation. Indonesians place a high
priority on consensus and collaboration. They desire to be part of decision-making
processes, even if they do not make the final call. When managers make strategic
decisions without consulting with employees, it might be challenging to implement
the decisions efficiently.

Aside from cultural concerns, there are also practical reasons why management
control based on monitoring, attention focus, and strategic decision-making may
need to be more effective. Indonesia is a vast and diverse country with a complex
bureaucracy. Management control can be challenging to create and enforce across
various organisations and personnel. Management control that promotes
collaboration and teamwork and allows employees more autonomy and decision-
making ability, for example, maybe more effective in establishing a result-oriented
culture.

Given the scarcity of empirical data on the positive association between a results-
oriented culture and performance (Thi Tran et al., 2020; Puppatz et al., 2023), the
findings support the assumption that a results-oriented culture significantly impacts
organisational performance. However, within the Indonesian context, where
organisational performance is reflected in the quantity and quality of work, the
number of innovations, the reputation of work excellence, service attainment,
efficiency, and morale of unit personnel, a balance must be struck between achieving
results and maintaining a healthy work environment.

Work quantity and quality: In Indonesian culture, harmony and cooperation are
valued. A results-oriented culture prioritising quantity over quality can leave
employees stressed and overworked, negatively impacting their relationships with
coworkers and overall well-being.

A number of innovations: Consensus and teamwork are also valued in Indonesian
culture. A results-oriented culture encouraging employees to focus on specific goals
can suffocate creativity and innovation.

Work excellence reputation: The Indonesian culture values long-term relationships
and reputation. A results-oriented culture that prioritises short-term profits might
harm an organisation's reputation in the long run.

Service attainment: Customer service is highly valued in Indonesian society. A results-oriented culture focused on attaining specific goals may cause staff to pay attention to the necessity of providing exceptional customer service.

Efficiency: Relationships and social harmony are essential in Indonesian culture. A results-driven culture that pushes employees to focus on reaching specific goals as soon as possible can lead to a lack of attention to detail and a decline in overall efficiency.

The morale of unit personnel: Personal relationships and societal harmony are valued in Indonesian culture. A high-pressure, results-oriented culture can contribute to low morale and high turnover rates.

Overall, a results-oriented culture can benefit Indonesian organisations; nevertheless, it is critical to be aware of the potential negative implications and take steps to mitigate them. This can be accomplished through fostering a workplace culture that promotes creativity, innovation, and long-term partnerships. It is equally critical to equip personnel with the resources they require to fulfil their objectives and recognise and reward their contributions.

This study offers valuable insights into the complex relationship between autonomy and control in the Indonesian public sector. Personnel and financial autonomy are clear catalysts that drive organisations towards a result-oriented culture. This, in turn, leads to excellent organisational performance. However, the most significant realisation is found in the contrast: management control, although necessary, does not automatically foster a culture of achieving results among public sector employees. This observation challenges traditional governance paradigms and emphasises the importance of adopting a balanced approach incorporating autonomy and accountability. The main lesson to be learned from Indonesia's changing field of public administration is that giving employees and agencies the authority to make decisions and manage resources can lead to a culture that prioritises achieving results. However, achieving the highest level of organisational excellence requires a thoughtful balance of this newfound freedom, clear objectives and strong accountability measures. This study urges us to reconsider the future of public administration. It suggests that autonomy should not be seen as a goal but rather as a tool to promote innovation, collaboration, and a determined focus on achieving results. As we navigate the complexities of governance, we must consider the need for a harmonious balance between autonomy and control. This equilibrium is crucial for developing a truly result-oriented public sector in Indonesia.

4. Conclusions

The agencification of NPM can promote autonomy and empowerment, fostering creativity and innovation, resulting in improved public outcomes and a more efficient and effective public sector. However, the finding that management control does not necessarily produce a results-oriented culture among public sector employees is provocative because it contradicts the tenets of NPM.

Indonesia's state-centric structure, colonial bureaucracy, and postcolonial military rule have made it challenging to adopt NPM's result-oriented model on a large scale. Turner's (2002) metaphor of three categories of diners in Southeast Asia exemplifies the need for pragmatic and contextual adaptation of NPM in various cultures. Indonesia, a careful diner, has selectively adopted NPM components pertinent to its societal contexts and people's requirements, learning from Western models and analysing their potential advantages and disadvantages. The NPM's rhetoric and application must be modified to reach its maximum potential in Indonesia.

The limitations of this study include context-specific findings for Indonesia's possible short-term focus, reliance on quantitative data, and limited examination of external influencing factors. Future research should consider comparative analyses across regions, longitudinal studies, qualitative methodologies for a deeper understanding, and the impact of external factors on agency formation and management control. In addition, cross-cultural research and policy recommendations are essential for optimising the implementation of NPM in diverse contexts. In addition to employee engagement, performance measurement, and strategies to cultivate a results-oriented culture in public sectors, additional research should focus on these topics. Ultimately, these efforts will contribute to a more comprehensive comprehension of effectively adapting NPM principles and agencification in diverse cultural and organisational contexts.

Conflict of Interest Statement
The authors declare no conflict of interest.

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Not the case.

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