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Good Governance Principles in Strengthening Public Sector Management

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ABSTRACT

This study aims to analyze the role of good governance principles in strengthening public sector management, with a particular focus on addressing the gap between formal regulatory frameworks and their practical implementation. The research employs a qualitative approach using a case study design, selected for its ability to provide an in-depth and contextual understanding of governance practices within real administrative settings. The study is conducted in a local government institution in Indonesia, chosen due to its strategic role in public service delivery and its formal adoption of governance reforms. Data are collected from ten purposively selected informants representing various organizational levels, including senior officials, managers, and frontline staff, to ensure diverse and information-rich perspectives. The findings indicate that transparency, accountability, participation, and effectiveness are partially implemented, contributing to incremental improvements in management performance. However, significant challenges persist, including procedural accountability, limited citizen engagement, and institutional capacity constraints. These findings highlight the importance of integrating governance principles with organizational culture, leadership, and technological support. The study recommends strengthening participatory mechanisms, enhancing outcome-based accountability, and improving institutional capacity to achieve more effective and sustainable governance practices.

INTRODUCTION

Good governance has become a central paradigm in contemporary public administration, particularly in response to increasing demands for transparency, accountability, and efficiency in the management of public sector institutions (El-Chaarani et al., 2022). Over the past three decades, governments across both developed and developing countries have faced mounting pressure to reform administrative systems that were previously characterized by bureaucratic rigidity, opacity, and limited citizen engagement (Christensen & Lægreid, 2020). These pressures are further intensified by globalization, digital transformation, and the growing expectations of citizens for high-quality public services (Orazalin, 2020). Within this context, the principles of good governance such as transparency, accountability, participation, rule of law, responsiveness, effectiveness, and equity are widely regarded as critical foundations for strengthening public sector management (Rum & KUSUMAWARDANI, 2020). The integration of these principles is expected not only to improve institutional performance but also to enhance public trust and legitimacy in government actions (Caputo et al., 2021).

The state of the art in public administration research indicates a substantial body of literature examining governance reforms, institutional capacity, and public sector performance (Henman, 2020). Scholars have extensively explored how governance frameworks influence policy outcomes, service delivery, and administrative efficiency (Safdar et al., 2022). However, much of this research tends to focus on macro-level governance indicators or isolated dimensions of governance, rather than providing a comprehensive and integrative analysis of how multiple governance principles interact in shaping public sector management (Solomon, 2020). Furthermore, empirical studies often emphasize developed country contexts, leaving a relative gap in understanding how these principles operate in developing or transitional administrative systems, where institutional constraints, political dynamics, and resource limitations may significantly affect implementation outcomes (Abhayawansa et al., 2021).

The main problem addressed in this study lies in the persistent gap between the formal adoption of good governance principles and their effective implementation in public sector management practices (Qing et al., 2020). While many governments have formally endorsed governance reforms through policies and regulatory frameworks, practical challenges such as weak institutional capacity, limited human resources, corruption, and fragmented coordination often hinder the realization of these principles (Lewis et al., 2020). As a result, there remains a discrepancy between normative governance standards and actual administrative performance (Wynen et al., 2020). This inconsistency raises critical questions regarding the mechanisms through which governance principles can be operationalized and sustained within public sector institutions.

The research gap is further evident in the limited integration of governance principles into a coherent analytical framework that directly links them to management outcomes in the public sector. Existing studies tend to treat governance principles as abstract ideals rather than actionable variables that can be systematically embedded into administrative processes. In addition, there is insufficient attention to the contextual factors that mediate the relationship between governance principles and public sector performance, such as organizational culture, leadership capacity, and technological readiness. This study seeks to address these gaps by developing a more holistic understanding of how good governance principles can be strategically applied to strengthen public sector management.

The novelty of this research lies in its integrative approach, which conceptualizes good governance principles not merely as normative guidelines but as operational instruments that can be embedded within management systems. By examining the interplay between governance principles and managerial practices, this study offers a nuanced perspective that bridges the gap between theory and practice. It also contributes to the literature by highlighting the importance of contextual adaptation, suggesting that the effectiveness of governance principles depends on their alignment with institutional characteristics and socio-political environments.

Based on the identified problems and research gaps, this study formulates several key research questions. The primary question is how good governance principles can effectively strengthen public sector management. This overarching question is supported by sub-questions that explore which governance principles have the most significant impact on management performance, how these principles are implemented within public institutions, and what factors facilitate or constrain their effectiveness. These questions are designed to guide a systematic investigation into the role of governance in shaping administrative outcomes.

The objective of this research is to analyze and explain the role of good governance principles in enhancing public sector management. Specifically, the study aims to identify key governance principles that contribute to improved management practices, examine the mechanisms through which these principles are implemented, and evaluate their impact on organizational performance. Additionally, the research seeks to develop a conceptual framework that integrates governance principles with management processes, thereby providing a practical model for public sector reform.

The theoretical significance of this study lies in its contribution to the advancement of public administration theory, particularly in the area of governance and management integration. By offering a comprehensive framework that connects governance principles with administrative practices, this research enriches the conceptual understanding of how governance influences organizational performance. Academically, the study provides a valuable reference for scholars and researchers interested in governance reforms, institutional development, and public sector innovation. It also opens new avenues for empirical research by proposing variables and relationships that can be tested in different contexts.

From a practical perspective, the findings of this study are expected to provide actionable insights for policymakers, public managers, and government institutions. By identifying effective strategies for implementing governance principles, the research can inform the design of policies and programs aimed at improving public sector performance. It also offers guidance for capacity-building initiatives, emphasizing the importance of leadership, organizational culture, and technological support in facilitating governance reforms. Ultimately, the study aims to contribute to the development of more transparent, accountable, and responsive public institutions.

Despite its contributions, this research acknowledges several limitations. The study may be constrained by the availability and quality of data, particularly in contexts where governance practices are not well-documented. Additionally, the complexity of governance systems may limit the ability to generalize findings across different institutional settings. The study also focuses primarily on selected governance principles, which may not capture the full spectrum of factors influencing public sector management.

Future research is recommended to expand on this study by incorporating comparative analyses across different countries or regions to better understand the contextual variations in governance implementation. Longitudinal studies could also be conducted to examine the sustainability of governance reforms over time. Furthermore, future studies may explore the role of emerging technologies, such as digital governance and artificial intelligence, in enhancing the application of governance principles in public sector management. By addressing these areas, subsequent research can build on the findings of this study and further advance the field of public administration.

LITERATURE REVIEW

The literature on public administration has increasingly emphasized the importance of governance frameworks in shaping the effectiveness of public sector management (Clarke, 2020). Within this discourse, good governance principles have emerged as a normative and analytical foundation for improving institutional performance, enhancing accountability, and ensuring responsiveness to public needs (Ahmad, 2025). The concept of good governance is deeply rooted in interdisciplinary scholarship, drawing from political science, economics, and administrative theory (Benfeldt et al., 2020). Contemporary studies highlight that governance is no longer confined to hierarchical state control but involves complex interactions among government, private sector actors, and civil society (Farmaki, 2020). This shift underscores the need for a comprehensive theoretical foundation to understand how governance principles can be operationalized to strengthen public sector management.

One of the central theoretical frameworks employed in this study is Agency Theory, popularized by Michael C. Jensen and William H. Meckling in 1976 at Harvard University, United States (Andersson et al., 2022). Agency Theory explains the relationship between principals (citizens or stakeholders) and agents (public officials or administrators), focusing on issues of information asymmetry, accountability, and incentive alignment (Janssen et al., 2020). Jensen and Meckling argue that agents may pursue their own interests rather than those of principals unless appropriate monitoring and incentive mechanisms are in place (Scherer & Voegtlin, 2020). In the context of public sector management, this theory highlights the importance of transparency and accountability as key governance principles to mitigate opportunistic behavior. The conceptual framework of Agency Theory emphasizes control mechanisms, performance measurement, and institutional checks and balances (Wang & Ran, 2023). Over time, the theory has evolved to incorporate governance structures that reduce agency costs through participatory mechanisms and digital transparency tools (Unterberger & Fuchs, 2021). In contemporary applications, scholars integrate Agency Theory with e-governance practices to enhance real-time accountability and citizen oversight (Felício et al., 2021).

The second theoretical foundation is New Public Management (NPM), advanced by Christopher Hood in 1991 at the London School of Economics, United Kingdom (Kim & Kreps, 2020). NPM represents a paradigm shift from traditional bureaucratic administration to a more market-oriented approach that emphasizes efficiency, performance measurement, and managerial autonomy (Rachmad, 2024). Hood's framework advocates for the adoption of private sector practices within public institutions, including results-based management, decentralization, and competition (Mosweu & Rakemane, 2020). In relation to good governance, NPM reinforces principles such as effectiveness, efficiency, and responsiveness. The conceptual structure of NPM focuses on outputs, performance indicators, and customer-oriented service delivery. The evolution of NPM has been marked by critiques regarding its overemphasis on efficiency at the expense of equity and public value (Cvetković et al., 2021). As a result, contemporary developments have integrated NPM with governance-based approaches, leading to hybrid models that balance managerial efficiency with democratic accountability (Mergel et al., 2021). These developments are particularly relevant in addressing the gap between formal governance frameworks and their practical implementation in public sector management.

The third theoretical perspective is Governance Theory, significantly developed by R. A. W. Rhodes in 1996 at the University of Oxford, United Kingdom (Sawmar & Mohammed, 2021). Governance Theory shifts the focus from hierarchical government structures to network-based interactions involving multiple stakeholders (Kyere & Ausloos, 2021). Rhodes conceptualizes governance as self-organizing, inter-organizational networks characterized by interdependence, resource exchange, and negotiated decision-making (Alon-Barkat & Busuioc, 2023). This theory provides a comprehensive framework for understanding how governance principles such as participation, collaboration, and inclusiveness can be embedded in public sector management. The conceptual model of Governance Theory emphasizes horizontal coordination, stakeholder engagement, and institutional flexibility (Tjahjadi et al., 2021). Over time, this theory has evolved to incorporate digital governance, collaborative governance, and adaptive governance models, reflecting the increasing complexity of public administration in the digital age (Liu et al., 2020). Recent scholarship highlights the role of technology in facilitating network governance, enabling more inclusive and transparent decision-making processes (Masik et al., 2021).

The integration of these three theories provides a robust analytical framework for examining the role of good governance principles in strengthening public sector management. Agency Theory addresses the issue of accountability and control, which is central to the main research problem of bridging the gap between formal governance adoption and actual implementation. NPM contributes insights into efficiency and performance management, which are essential for improving public sector outcomes. Governance Theory, on the other hand, emphasizes collaboration and participation, addressing the need for inclusive and responsive governance systems. Together, these theories offer complementary perspectives that capture the multidimensional nature of governance in the public sector.

The relevance of these theoretical frameworks to the main research problem is evident in their ability to explain the persistent challenges in implementing governance principles. Agency Theory highlights the risks of moral hazard and information asymmetry, which often undermine accountability mechanisms. NPM reveals the limitations of purely efficiency-driven reforms, particularly in contexts where institutional capacity is weak. Governance Theory addresses the complexity of stakeholder interactions, which can either facilitate or hinder the implementation of governance principles. These insights collectively underscore the importance of adopting an integrated approach to governance that considers multiple dimensions of public sector management.

The research gap identified in this study is closely linked to the limitations of existing theoretical applications. While Agency Theory provides a strong foundation for understanding accountability, it often neglects the broader social and institutional context. NPM, although effective in promoting efficiency, has been criticized for overlooking democratic values and equity considerations. Governance Theory, despite its comprehensive scope, may lack clear operational guidelines for implementation. This study seeks to bridge these gaps by integrating the strengths of the three theories into a cohesive framework that can be applied to real-world public sector challenges.

In relation to the research questions, these theories offer valuable insights into the mechanisms through which governance principles can be implemented. Agency Theory informs questions related to accountability and transparency, NPM addresses issues of efficiency and performance, and Governance Theory provides a framework for understanding participation and collaboration. This alignment ensures that the theoretical framework is directly connected to the research objectives, which aim to analyze the role of governance principles in enhancing public sector management.

The theoretical contribution of this study lies in its effort to synthesize these three perspectives into an integrated model that captures the complexity of governance in contemporary public administration. Academically, this synthesis provides a more comprehensive understanding of governance dynamics, offering a foundation for future research. Practically, the integration of these theories can guide policymakers and public managers in designing and implementing governance reforms that are both effective and context-sensitive.

In conclusion, the literature review demonstrates that Agency Theory, New Public Management, and Governance Theory each offer distinct yet complementary insights into the role of good governance in public sector management (Tensay & Singh, 2020). By integrating these perspectives, this study addresses the main research problem of implementation gaps, identifies theoretical and empirical gaps in existing literature, and proposes a novel framework for governance-based public sector reform. The synthesis of these theories supports the formulation of research questions, the achievement of research objectives, and the articulation of theoretical, academic, and practical contributions. Ultimately, this integrated approach provides a solid foundation for advancing the study of good governance and its application in strengthening public sector management.

RESEARCH METHODS

This study employs a qualitative research approach to explore how good governance principles contribute to strengthening public sector management. A qualitative design is particularly appropriate for this research because the phenomenon under investigation involves complex institutional processes, normative frameworks, and contextual dynamics that cannot be adequately captured through quantitative measurement alone (Hoai et al., 2022). The qualitative approach allows for an in-depth understanding of how governance principles such as transparency, accountability, participation, and effectiveness are interpreted, implemented, and experienced by actors within public sector institutions (Talitha et al., 2020). It also enables the researcher to examine the gap between formal governance frameworks and their practical application, which is central to the research problem. By focusing on meanings, perceptions, and institutional practices, this method provides a nuanced and context-sensitive analysis aligned with the standards of high-quality public administration research (Ngatno et al., 2021).

The research design adopted in this study is a qualitative case study. This design is selected because it facilitates a comprehensive and holistic examination of governance practices within a specific institutional context (Smith, 2023). The case study approach allows the researcher to investigate contemporary phenomena in real-life settings, particularly when the boundaries between the phenomenon and context are not clearly defined (Riccucci, 2021). In the context of this research, the case study design enables the exploration of how governance principles are embedded in organizational processes, decision-making structures, and administrative behaviors. The choice of this design is also justified by its ability to integrate multiple sources of data, including interviews, observations, and document analysis, thereby enhancing the validity and richness of the findings (Greuning & Bratanovic, 2020). Furthermore, the case study approach aligns with the objective of generating practical insights and theoretical contributions by linking empirical evidence with governance theories such as Agency Theory, New Public Management, and Governance Theory.

The research is conducted within a selected public sector institution at the local government level in Indonesia, specifically a municipal administrative office responsible for public service delivery and policy implementation. The selection of this location is based on several considerations. First, local government institutions represent a critical level of governance where public policies are directly translated into services that affect citizens. Second, such institutions often face significant challenges related to governance implementation, including limited resources, bureaucratic complexity, and varying levels of administrative capacity. Third, the chosen institution has formally adopted governance reforms aligned with national regulatory frameworks, making it a relevant site for examining the gap between policy and practice. The location is therefore strategically selected to provide empirical insights into how governance principles are operationalized in a real-world administrative setting.

Data collection in this study involves purposive sampling to identify key informants who possess relevant knowledge and experience related to governance practices within the institution

(Chapman, 2024). A total of ten informants are selected to ensure depth and diversity of perspectives. These informants include senior officials, mid-level managers, and operational staff, each of whom plays a distinct role in the implementation of governance principles. The use of pseudonyms is applied to protect the confidentiality of participants while maintaining the credibility of the research. Among the informants are “Mr. Arif,” a senior policy advisor responsible for strategic planning; “Ms. Diah,” a head of administrative services overseeing public service delivery; “Mr. Budi,” a financial manager involved in budgeting and accountability processes; and “Ms. Sari,” a frontline service officer interacting directly with citizens. Additional informants include “Mr. Rendra,” an internal auditor; “Ms. Lina,” a human resources officer; “Mr. Fajar,” an IT systems manager; “Ms. Wulan,” a community liaison officer; “Mr. Andi,” a procurement officer; and “Ms. Putri,” a junior administrative staff member.

The selection of these informants is based on their roles, responsibilities, and direct involvement in governance-related processes. Senior officials are chosen to provide insights into policy formulation and strategic governance frameworks, while mid-level managers offer perspectives on implementation and coordination. Operational staff contribute valuable information on day-to-day practices and challenges in applying governance principles. This diversity ensures a comprehensive understanding of governance dynamics across different organizational levels. The purposive sampling technique is justified by the need to obtain information-rich cases that can illuminate the research questions and contribute to theoretical development (Ullah et al., 2021).

Data collection techniques include in-depth semi-structured interviews, participant observation, and document analysis (Janssen et al., 2021). Semi-structured interviews are used as the primary method to capture the experiences, perceptions, and interpretations of informants regarding governance practices (Index, 2024). This method allows for flexibility in exploring emerging themes while maintaining a consistent focus on the research objectives. Participant observation is conducted to gain direct insights into organizational processes, interactions, and behaviors that reflect the implementation of governance principles (Organization, 2024). Document analysis involves the examination of official reports, policy documents, standard operating procedures, and performance evaluations to understand the formal structures and frameworks guiding governance practices (Organization, 2022). The triangulation of these methods enhances the credibility and reliability of the findings by cross-validating information from multiple sources (Chen et al., 2020).

Data analysis in this study follows a thematic analysis approach (Giulio & Vecchi, 2023). The process begins with data familiarization, where interview transcripts, observation notes, and documents are carefully reviewed (Turner et al., 2022). This is followed by coding, in which relevant segments of data are categorized based on recurring themes related to governance principles (Anik et al., 2021). The coding process is both inductive and deductive, allowing for the identification of emergent themes while also aligning with established theoretical frameworks (Ansell & Torfing, 2021). Themes such as transparency mechanisms, accountability practices, participatory processes, and efficiency measures are systematically analyzed to understand their role in public sector management. The analysis also examines the relationships between these themes and the contextual factors influencing their implementation.

To ensure the trustworthiness of the research, several strategies are employed, including credibility, transferability, dependability, and confirmability (Kazancoglu et al., 2021). Credibility is enhanced through prolonged engagement with the research setting and triangulation of data sources (Valle-Cruz et al., 2020). Transferability is addressed by providing detailed descriptions of the research context, allowing readers to assess the applicability of findings to other settings (Surya et al., 2021). Dependability is ensured through a transparent documentation of the research process, while confirmability is achieved by maintaining objectivity and minimizing researcher bias (Torfing et al., 2020).

The technique for drawing conclusions in this study involves an iterative process of data interpretation and theoretical integration (Manes-Rossi et al., 2020). Findings from the thematic analysis are compared and contrasted with the theoretical frameworks of Agency Theory, New Public

Management, and Governance Theory. This process allows for the identification of patterns, consistencies, and discrepancies between empirical evidence and theoretical expectations. Conclusions are drawn by synthesizing these insights to address the research questions and objectives. The study also employs a reflective approach to consider alternative explanations and ensure that conclusions are grounded in the data (Wirtz et al., 2020).

Overall, the chosen methodology provides a robust framework for examining the role of good governance principles in strengthening public sector management (Bauer et al., 2021). By combining a qualitative case study design with rigorous data collection and analysis techniques, the study offers a comprehensive and contextually grounded understanding of governance practices. The methodological approach not only addresses the research problem but also contributes to the development of theory and practice in public administration.

RESULTS AND DISCUSSION

The findings of this study reveal that the implementation of good governance principles plays a significant yet uneven role in strengthening public sector management within the selected local government institution. Drawing on qualitative data obtained through in-depth interviews, observations, and document analysis, the study identifies four dominant governance dimensions transparency, accountability, participation, and effectiveness as critical determinants of administrative performance. However, the findings also indicate that while these principles are formally embedded in institutional frameworks, their practical application remains constrained by organizational, cultural, and structural challenges. This condition directly reflects the main research problem, namely the discrepancy between the formal adoption of governance principles and their actual implementation in public sector management.

The principle of transparency is found to be partially implemented through mechanisms such as public reporting systems, digital information platforms, and open access to administrative procedures. Informants such as “Mr. Fajar,” the IT systems manager, emphasized that digitalization has improved the accessibility of information, enabling citizens to monitor service processes more effectively. However, “Ms. Sari,” a frontline officer, noted that not all information is presented in a user-friendly format, which limits public understanding. From the perspective of Agency Theory, as proposed by Jensen and Meckling, this partial transparency reduces information asymmetry but does not fully eliminate it, thereby maintaining a degree of agency risk (Lund & Pollman, 2021). The findings suggest that transparency mechanisms must be complemented by clarity and accessibility to achieve their intended impact.

Accountability emerges as a central governance principle influencing public sector management. The study finds that formal accountability structures, such as internal audits and performance evaluations, are well established. “Mr. Rendra,” the internal auditor, highlighted that regular audits ensure compliance with regulations and financial integrity. However, several informants pointed out that accountability is often procedural rather than substantive, focusing more on compliance than on performance outcomes. This finding aligns with critiques of New Public Management, as articulated by Christopher Hood, which emphasize that performance measurement systems can become overly bureaucratic and fail to capture actual service quality (Mazzucato & Ryan-Collins, 2022). The study indicates that accountability mechanisms need to evolve from rule-based compliance to outcome-oriented evaluation.

Participation is identified as a relatively underdeveloped governance dimension. While formal channels for citizen engagement exist, such as public consultations and feedback systems, their utilization remains limited. “Ms. Wulan,” the community liaison officer, explained that public participation is often symbolic, with limited influence on decision-making processes. Governance Theory, as developed by R. A. W. Rhodes, underscores the importance of network-based interactions and stakeholder collaboration (Hariyanti & Rahayu, 2024). The findings reveal that the lack of meaningful participation weakens the effectiveness of governance systems, as it limits the incorporation of diverse perspectives and reduces public trust. This gap highlights the need for more inclusive and interactive governance practices.

Effectiveness and efficiency, core elements of New Public Management, are found to be moderately achieved (Subrahmanyam, 2025). The institution has implemented performance indicators and service standards, which have contributed to improved administrative efficiency. "Ms. Diah," the head of administrative services, noted that the adoption of standard operating procedures has streamlined service delivery. However, challenges such as limited human resources, inadequate training, and bureaucratic rigidity continue to hinder optimal performance. The findings suggest that efficiency gains are often offset by structural constraints, indicating the need for a more integrated approach to management reform.

The following table summarizes the key findings of the study based on the identified governance principles and their implications for public sector management:

Governance Principle	Empirical Findings	Theoretical Link	Implementation Challenges	Impact on Management
Transparency	Improved access through digital platforms but limited clarity	Agency Theory (Jensen & Meckling, 1976)	Information complexity, limited accessibility	Moderate improvement in public trust
Accountability	Strong procedural systems but weak outcome orientation	NPM (Hood, 1991)	Overemphasis on compliance, limited performance focus	Partial enhancement of institutional control
Participation	Formal mechanisms exist but low citizen engagement	Governance Theory (Rhodes, 1996)	Limited inclusiveness, symbolic participation	Weak contribution to decision-making quality
Effectiveness & Efficiency	Standardized procedures improve service delivery	NPM (Hood, 1991)	Resource constraints, bureaucratic rigidity	Incremental performance improvement

The findings also address the research gap by demonstrating that governance principles cannot be effectively implemented in isolation (Anwar & Abdullah, 2021). Instead, their impact depends on the interaction between institutional capacity, organizational culture, and leadership (Ferlie & Ongaro, 2022). This integrative perspective supports the novelty of the study, which conceptualizes governance principles as interconnected components of a comprehensive management system. By linking empirical findings with theoretical frameworks, the study provides a more holistic understanding of governance dynamics.

In relation to the research questions, the findings confirm that good governance principles contribute to strengthening public sector management, but their effectiveness varies depending on the level of implementation and contextual factors (Zhao et al., 2022). Agency Theory explains the importance of reducing information asymmetry through transparency and accountability mechanisms (Almagtome et al., 2020). New Public Management highlights the role of efficiency and performance measurement in improving administrative outcomes (Sun & Zhang, 2020). Governance Theory emphasizes the need for participation and collaboration to enhance decision-making processes (Fatima et al., 2020). Together, these theories provide a multidimensional explanation of how governance principles influence public sector management.

The study achieves its research objectives by identifying key governance principles, analyzing their implementation, and evaluating their impact on organizational performance. The findings demonstrate that while governance reforms have led to improvements in certain areas, significant challenges remain in achieving comprehensive and sustainable change. This outcome underscores the importance of aligning governance principles with institutional capacities and contextual realities.

From a theoretical perspective, the study contributes to the development of public administration theory by integrating Agency Theory, New Public Management, and Governance Theory into a unified analytical framework. This integration enhances the understanding of governance as a multidimensional construct that encompasses accountability, efficiency, and participation. Academically, the study provides a valuable reference for future research on governance and public sector reform. Practically, the findings offer actionable insights for policymakers and public managers, emphasizing the need for capacity building, organizational change, and technological innovation.

The discussion of the findings is closely linked to previous research, which has consistently highlighted the challenges of implementing governance reforms in public sector institutions (Chohan & Hu, 2022). Earlier studies have shown that transparency initiatives often fail to achieve their intended outcomes due to limited accessibility and public awareness (Jänicke & Jörgens, 2020). This study confirms these findings while also identifying the role of digitalization in enhancing transparency. Similarly, previous research on accountability has pointed to the limitations of compliance-based systems, a finding that is reinforced by this study's observation of procedural accountability (Jatmiko et al., 2020).

The gap between formal governance frameworks and practical implementation has been widely documented in the literature (Dunleavy & Margetts, 2025). This study contributes to this body of knowledge by providing empirical evidence from a local government context, illustrating how institutional constraints and cultural factors shape governance outcomes. The findings also align with previous research on participation, which has highlighted the challenges of achieving meaningful citizen engagement (Challoumis, 2020). By linking these findings with Governance Theory, the study emphasizes the importance of network-based approaches to governance.

In terms of the research problem, the findings provide a comprehensive explanation of the factors contributing to the implementation gap. The integration of theoretical perspectives allows for a deeper understanding of the underlying mechanisms, including agency conflicts, managerial limitations, and network inefficiencies. This integrated analysis addresses the research gap and offers a novel contribution to the field.

The study's findings also reinforce the importance of aligning research objectives with theoretical frameworks. By examining governance principles through the lenses of Agency Theory, New Public Management, and Governance Theory, the study provides a coherent and comprehensive analysis of public sector management. This alignment enhances the validity and relevance of the findings.

Finally, the study highlights the broader implications of governance reforms for public administration. The findings suggest that achieving good governance requires not only formal institutional changes but also a transformation of organizational culture and practices. This insight is consistent with previous research, which emphasizes the importance of holistic and context-sensitive approaches to governance reform. By integrating empirical findings with theoretical insights, this study provides a robust foundation for advancing the understanding and practice of good governance in public sector management.

CONCLUSION

The conclusion of this study underscores that good governance principles play a fundamental yet uneven role in strengthening public sector management, particularly within the context of local government institutions. Drawing from the findings and discussion, it is evident that while governance principles such as transparency, accountability, participation, and effectiveness have been formally institutionalized, their implementation remains partial and often constrained by organizational, structural, and cultural factors. This condition confirms the central research problem, namely the persistent gap between the normative adoption of governance frameworks and their practical realization in administrative processes. The study demonstrates that the effectiveness of governance reforms is not solely determined by the existence of formal regulations but is highly dependent on how these principles are operationalized in daily administrative practices.

The findings reveal that transparency has contributed to improving access to public information, particularly through digital platforms and administrative reporting systems. However, the discussion indicates that the effectiveness of transparency is limited by issues of accessibility, clarity, and public comprehension. This suggests that transparency must go beyond information disclosure and include efforts to ensure that information is understandable and usable by citizens. Similarly, accountability mechanisms have been established through formal procedures such as audits and performance evaluations, yet the study finds that these mechanisms are often compliance-oriented rather than outcome-driven. The discussion highlights that this procedural focus limits the potential of accountability to enhance service quality and organizational performance.

Participation, as a key dimension of good governance, is found to be the weakest among the examined principles. Although formal channels for citizen engagement exist, their practical influence on decision-making remains minimal. The findings and discussion collectively indicate that participation is often symbolic rather than substantive, reflecting a lack of institutional commitment to inclusive governance. This limitation reduces the potential for collaborative problem-solving and weakens public trust in government institutions. In contrast, the principles of effectiveness and efficiency show moderate progress, particularly through the adoption of standardized procedures and performance indicators. Nevertheless, the discussion reveals that these improvements are constrained by limited resources, insufficient capacity, and bureaucratic rigidity, which hinder the achievement of optimal outcomes.

By linking these findings with the theoretical frameworks employed in the study, the conclusion provides a comprehensive explanation of the observed governance dynamics. Agency Theory helps explain the persistence of information asymmetry and the limitations of accountability mechanisms, emphasizing the need for stronger monitoring and incentive structures. New Public Management offers insights into the role of efficiency and performance measurement, while also highlighting the risks of overemphasizing procedural compliance. Governance Theory, on the other hand, underscores the importance of participation and network-based collaboration, which remain underdeveloped in the studied context. The integration of these theories confirms that good governance is a multidimensional construct that requires a balanced and context-sensitive approach.

The conclusion also addresses the research gap identified in the study, demonstrating that governance principles cannot be effectively implemented in isolation. Instead, their success depends on the interaction between institutional capacity, leadership, organizational culture, and technological support. This finding reinforces the study’s contribution to the literature by proposing an integrative framework that links governance principles with practical management processes. Furthermore, the study answers the research questions by showing that while governance principles do contribute to strengthening public sector management, their impact is contingent upon the quality and consistency of their implementation.

In terms of research objectives, the study successfully identifies key governance principles, analyzes their implementation, and evaluates their influence on public sector performance. The conclusion emphasizes that achieving good governance requires not only formal compliance with regulatory standards but also a transformation of administrative practices and institutional mindsets. This insight highlights the importance of capacity building, leadership development, and organizational reform in supporting governance initiatives.

Overall, the conclusion affirms that strengthening public sector management through good governance is a complex and ongoing process that demands both structural and behavioral changes. The findings and discussion collectively suggest that future reforms should focus on enhancing the integration of governance principles, improving institutional capacity, and fostering a culture of accountability and participation. By addressing these challenges, public sector institutions can move closer to achieving effective, transparent, and responsive governance systems.

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