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The Influence of a Results-Oriented Culture on the Performance of Public Sector Organizations with Financial Accountability as an Intervening Variable

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Abstract

Purpose – This research aims to empirically test the mediating role of financial accountability in the relationship between results-oriented culture and the performance of public sector organizations in Tanjung Jabung Timur Regency.

Methodology – This research uses quantitative methods with survey techniques. The survey sample of 130 respondents came from employees who work in the Regional Apparatus Organization (OPD) of Tanjung Jabung Timur Regency. The sampling technique uses purposive sampling. Data analysis in the form of CMB test, descriptive statistics

Findings – The research results show that a results-oriented culture has a positive impact on organizational performance, and financial accountability plays a mediating role in the relationship between a results-oriented culture and the performance of public sector organizations in the OPD of Tanjung Jabung Timur Regency.

Originality/value – This research was first carried out in Indonesia within the scope of public sector organizations in developing countries and made several contributions. First, filling the gap in the literature by providing empirical evidence about the influence of a results-oriented culture on the performance of public sector organizations through financial accountability, especially in Indonesia. Second, it supports NPM theory in confirming the positive influence of a results-oriented culture on financial accountability and performance of public sector organizations.

Limitations/implications – The scope of the research is still limited, so the research results cannot be generalized. In addition, collecting data using surveys allows for honesty factors from respondents which can influence data quality. Future research could expand the research sample and add interview methods. This research provides practical implications for public sector organizations, especially for the Tanjabtim Regency OPD who want to improve their performance through implementing a results-oriented culture and effective financial accountability.

Keywords: Results Oriented Culture, Financial Accountability, Organizational Performance, Public Sector Organizations, New Public Management (NPM), Tanjung Jabung Timur Regency.

Article Type: Research Paper



Introduction

Public sector organizations are part of a country's economic system which has the main function of providing services to improve or maintain the welfare of its citizens (Rumere et al., 2022; Tran et al., 2020). In carrying out their functions, public sector organizations are funded mainly through the state budget, for this reason they are accountable to the public for their activities (Tran et al., 2020). The public sector has a large role and influence on society, this is proven by the wide coverage of the public sector's work area from big cities to remote village corners (Fitriyani, 2014). However, strong criticism of public sector organizations began to emerge, such as low quality, always making losses, unproductive and inefficient (Antwi et al., 2008; Satriawan, 2018; Supriyanto, 2016; Suryani et al., 2020). The public sector is seen as overstretched with limited resources and therefore unable to carry out many of its functions efficiently and effectively (Nyamori et al., 2017).

In recent years, the performance of the public sector has been considered poor and has not shown satisfactory results (Antwi et al., 2008; Chikwawawa, 2019; Rohayatin et al., 2017). The existing phenomenon also shows that the performance of the public sector has not been completely successful. This can be seen from the many complaints about public services reported in the mass media, such as roads and bridges that have been damaged for years, damaged schools, extortion and poor people who do not receive poor rice are one of the real indicators of the low level of public services provided to the community (Ombudsman, 2017). In addition, the PANRB (State Apparatus Empowerment and Bureaucratic Reform) ministry recorded budget inefficiencies in ministries, central government and regional governments in 2015-2016 amounting to IDR 392.87 trillion. Yusuf Ateh, a Deputy for Bureaucratic Reform, Apparatus Accountability and Supervision, stated that the main cause of this inefficiency was because many programs were not in line with targets, and 50% of the agency's programs were not in line with targets (Manurung, 2018).

The disclosure of several of the cases above could reduce the credibility and trust of the public in public institutions (Jauhari, 2016). For this reason, the current performance of public sector organizations, especially government organizations, is something worth discussing. In this regard, New Public Management (NPM) emerged as an alternative to improve public sector performance (Satriawan, 2018). NPM is a public management theory that operates on the premise that private sector management practices are superior to public sector practices. Consequently, various management practices and approaches from the private sector must be adopted to improve public sector performance (Hughes, 1998 in Mahmudi, 2003). This theory emphasizes the importance of accountability and cultural change in the public sector (Alamsyah, 2016; Nitzl et al., 2019; Tran et al., 2020). A new results-oriented culture must replace the traditional and conservative culture that is only concerned with compliance with rules and procedures (Tran et al., 2020). A traditional culture that only focuses on procedures and processes rather than results will make the use of public resources wasteful (Sudarmanto et al., 2020). The implication of this theory is that to obtain good organizational performance, the organization must implement a results-oriented culture. Having a results-oriented culture will make each member of the organization more loyal and motivated to see that the organization's efforts produce anticipated results and performance (Tran et al., 2020).

According to the NPM doctrine, a results-oriented culture and accountability are related, where public sector organizations that want to improve results must adopt a results-oriented culture that will encourage the organization to increase financial accountability and be responsible for the results achieved (Nitzl et al., 2019). When public sector organizations seek to be accountable for results, they will make greater efforts to improve operations to achieve goals. Specifically, when public sector organizations successfully implement financial accountability, they use public funds economically, efficiently and effectively and in turn improve organizational performance (Barth, 2015). In addition, public sector organizations that seek to increase their financial accountability require changes in organizational culture that are rooted in changes in the thought processes of the organization's leaders (Tran et al., 2020). Organizational culture is considered an important factor for influencing change in

organizations (Chia and Koh, 2007 in Tran et al., 2020). According to the OECD, a results-oriented culture is the first step towards improving performance in public sector organizations (Verbeeten and Speklé, 2015). Besides that, Tran et al., (2020) also suggests further research regarding the impact of culture in general and performance or results-oriented culture. Research on the influence of a results-oriented culture on performance in public sector organizations has been studied throughout the world (e.g., Nitzl et al., 2019; Rizzi et al., 2018; Verbeeten and Speklé, 2015). However, research on the direct influence of results-oriented culture on financial accountability and the indirect influence of results-oriented culture on organizational performance through financial accountability is barely mentioned in previous research (Tran et al., 2020) and still rarely receives attention from academics, especially in Indonesia.

Explicitly, the aim of this research is to empirically test the mediating role of financial accountability in the relationship between results-oriented culture and the performance of public sector organizations in Tanjung Jabung Timur Regency. This research is important to carry out because there are many performance-related case phenomena that occur in public sector organizations, especially government organizations, and based on NPM theory, to improve public sector performance, they must implement a new culture, namely a results-oriented culture. This theory also emphasizes the importance of financial accountability. In this case financial accountability plays a mediating role. Financial accountability is important because it relates to the responsibility for managing public funds which is in the public or community spotlight.

This research will be carried out in Tanjung Jabung Timur Regency (Tanjabt看) which is one of the regencies in Jambi Province which is sovereign and under the auspices of the government of the Republic of Indonesia. This research is important to carry out in Tanjabtim Regency considering that this district has implemented NPM, since regional autonomy was implemented. However, based on existing phenomena, it shows that the performance of the Tanjabtim district government has not been completely successful, this can be seen from the many complaints about public services reported in the mass media. Furthermore, the results of the evaluation of the government agency performance accountability system (SAKIP) in 2021 also show that Tanjabtim Regency received a relatively low predicate when compared to other districts, namely the CC predicate¹. This means that Tanjabtim Regency still has to increase accountability for its performance. (Nyamori et al., 2017) also stated that implementing NPM in developing countries with ineffective government institutions and weak regulatory frameworks would make the use of accounting tools to increase accountability unlikely to be successful, because any system implemented must be appropriate to the national environment in which it operates. Apart from that, no similar research has been carried out by previous researchers in Tanjung Jabung Timur Regency, making Tanjabtim Regency the first research to discuss the variables used for this research.

This research contributes to enriching the literature on performance and provides practical implications. In relation to the contribution to the literature, first, this research fills the gap in the literature by providing empirical evidence about the influence of a results-oriented culture on the performance of public sector organizations through financial accountability, especially in Indonesia. Second, this research supports NPM theory in confirming the positive influence of a results-oriented culture on financial accountability and performance of public sector organizations. In terms of practical implications, the results of this research can help public sector organizations, especially the Tanjabtim Regency OPD who want to improve their performance through implementing a results-oriented culture and effective financial accountability.

The SAKIP PEMDA assessment consists of seven categories, namely AA (very satisfactory), A (satisfactory), BB (very good), B (good), CC (fair), C (poor), D (very poor). The CC predicate provides an illustration that government performance accountability is quite good. However, much improvement is still needed, especially in performance accountability.

Literature Review

Underlying theory

New Public Management (NPM) theory serves as the theoretical foundation for this research. Christopher Hood originally introduced New Public Management in 1991. The New Public Management (NPM) school of thought in public management argues that private sector management techniques are superior to those used in the public sector. Consequently, various management practices and approaches from the private sector must be adopted to improve public sector performance (Hughes, 1998 in Mahmudi, 2003). NPM theory has a multidimensional concept and is relevant to underlying mechanisms in public sector organizations. According to the Organization of Economic Co-operation and Development (OECD), NPM theory revolves around three issues. First, public sector organizations that want to improve their business results must change their organizational culture. A new results-oriented culture must replace the traditional and conservative culture that is only concerned with compliance with rules and procedures. Second, public sector employees must be held accountable and encouraged to think about results. Third, public sector organizations must increase the empowerment of their employees to take appropriate action in pursuit of results (Tran et al., 2020).

New Public Management (NPM) emphasizes the importance of accountability and cultural change in the public sector (Alamsyah, 2016; Nitzl et al., 2019; Tran et al., 2020). According to the NPM doctrine, a results-oriented culture and accountability are related, where public sector organizations that want to improve results must adopt a results-oriented culture that will encourage the organization to increase financial accountability and be responsible for the results achieved (Nitzl et al., 2019). When public sector organizations seek to be accountable for results, they will make greater efforts to improve operations to achieve goals. Specifically, when public sector organizations successfully implement financial accountability, they use public funds economically, efficiently, and effectively (Barth, 2015).

The influence of a results-oriented culture on performance

Results-oriented culture is one part of organizational culture in the public sector, results-oriented culture is seen as a culture that emphasizes accountability, commitment to the organization, and recognition of individual achievements. Public sector organizations that adopt a results-oriented culture will put pressure on managers and motivate employees to complete work quickly, which increases productivity and helps business success (Verbeeten and Speklé, 2015). In addition, the existence of a results-oriented culture will make each member of the organization stronger in their desire to see that the organization's efforts produce the required results and performance (Tran et al., 2020). The OECD also says that a results-oriented culture is the first step towards improving performance in public sector organizations (Verbeeten and Speklé, 2015). Governments with a results-oriented culture are considered to perform better (Ouda, 2015 in Tran et al., 2020). This is in accordance with the NPM theory which states that to improve performance in the public sector, the organizational culture must change, namely a new culture that is results-oriented (Tran et al., 2020).

Several studies have been conducted regarding the relationship between results-oriented culture and the performance of public sector organizations (Rizzi et al., 2018; Tran et al., 2020; Verbeeten and Speklé, 2015). However, empirical evidence of this relationship is limited (Nitzl et al., 2019). Most relevant research shows that a results-driven culture directly and positively influences performance (Rizzi et al., 2018; Verbeeten and Speklé, 2015) or indirectly influence it through other variables (Nitzl et al., 2019). (Cameron and Freeman, 1991 in Tran et al., 2020) also confirmed that a results-oriented culture is a predictor of organizational performance, namely organizational effectiveness. In connection with this justification, the researcher proposed the following hypothesis:

H1: A results-oriented culture has a positive effect on the performance of public sector organizations

The influence of a results-oriented culture on financial accountability

NPM theory is used to explain the introduction of accrual accounting in the public sector or the use of modern management accounting practices as part of public finance reforms (Bowrey, 2007 and Chia and Koh, 2007 in Tran et al., 2020). The use of accrual accounting can provide accurate accounting information to assess general accountability and financial accountability in public sector organizations (Mack and Ryan, 2006). According to the NPM doctrine, a results-oriented culture will make it easier for public sector organizations to adapt to new accounting practices (Baird et al., 2007). Financial accounting is very important for financial accountability (Barth, 2015).

Financial accountability is a form of accountability where to prevent waste, leakage and corruption, government institutions must spend taxpayers' money wisely and efficiently (Zeyn, 2011). In public sector organizations with a results-oriented culture, senior managers will make a strong commitment to achieving set goals, and take responsibility for their results (Verbeeten and Speklé, 2015). Since senior managers are willing to take responsibility, it will help increase their financial accountability. This is supported by research (Tran et al., 2020) who found that a results-oriented culture had a positive effect on financial accountability. Based on this explanation, the researcher proposed the following hypothesis:

H2: A results-oriented culture has a positive effect on financial accountability

The effect of financial accountability on performance

Better accountability is often assumed to result in greater transparency and improved performance (Dubnick, 2005 in Ahyaruddin and Akbar, 2017). Christensen and Lægreid, 2015) emphasizes that an important premise for better organizational performance will emerge from the effective implementation of accountability. NPM theory, as a basis for the importance of accountability in the public sector, focuses on financial accountability (Browrey, 2007 in Tran et al., 2020). Public sector accountability assessments often emphasize financial outcomes, that is, financial accountability, which is easier to evaluate (Pollit and Bouckaert, 2017 in Tran et al., 2020).

An effective financial accountability process will increase awareness of legitimacy, limit fraud and corruption, and increase the responsibility of government institutions. They will increase citizens' understanding of why performance goals are not being achieved and ultimately build trust among stakeholders (Benito and Bastida, 2009; Halachmi and Holzer, 2010; Lindquist and Huse, 2017 in Tran et al., 2020). Stakeholder trust allows an organization to garner more financial resources to develop and improve its performance (Navimipour et al., 2018; Rodríguez Bolívar et al., 2013). In general, public sector organizations where senior managers increase accountability and take responsibility for their financial results will improve their organizational performance. This is supported by previous research which found that financial accountability has a positive effect on the performance of public organizations (Christensen and Lægreid, 2015; Tran et al., 2020; Tran et al., 2020). Based on this explanation, the researcher proposed the following hypothesis:

H3: Financial accountability has a positive effect on the performance of public sector organizations

The mediating role of financial accountability in the relationship between results-oriented culture and performance

According to the NPM doctrine, public institutions that wish to improve results must adopt a results-oriented culture that will encourage the organization to increase accountability and be responsible for the results achieved (Nitzl et al., 2019). When public sector organizations seek to be accountable for results, they make greater efforts to improve operations to achieve goals. Specifically, when public sector organizations successfully implement financial accountability, they use public funds economically, efficiently, and effectively (Barth, 2015). According to the US General Accounting Office,

public organizations with results-oriented cultures have seen their performance benefit by encouraging accountability through results-oriented executive performance agreements, namely financial accountability. Thus, financial accountability plays a mediating role in the relationship between results-oriented culture and the performance of public entities. This is supported by research conducted by [Tran et al., \(2020\)](#). Based on this explanation, the researcher proposed the following hypothesis:

H4: Financial accountability mediates the relationship between results-oriented culture and public sector organizational performance

Method

Data and Sample

Based on the data studied, this research uses primary data. Data was obtained using a survey method by distributing questionnaires directly to research subjects, namely employees of Regional Apparatus Organizations (OPD) in Tanjung Jabung Timur Regency with a total of 43 OPDs. Samples were taken using a purposive sampling technique with the following criteria: (a) occupying positions as head of OPD, secretary, treasurer, head of division/section/sub-department and one of the employees who carries out accounting or financial management functions (b) has worked for at least one year in the organization where he works and find out the performance achievements in the organization. ([Hair et al., 2014](#)) stated that a minimum sample size of 100 is recommended. Typically, a sample size of at least 5 times the number of questions analyzed is considered adequate. There were a total of 17 questions in this study, requiring a minimum sample size of $17 \times 5 = 85$ participants. Therefore, a total of 130 participants used in this analysis met the sample size criteria for the analysis technique in SemPLS.

Population and sample

The population in this study were employees who worked in the Tanjung Jabung Timur Regency OPD, with a total of 43 OPDs. Samples were taken from the population using a purposive sampling technique with the following criteria: (a) occupying positions as head of OPD, secretary, treasurer, head of division/section/sub-department and one of the employees who carries out accounting or financial management functions (b) has worked for at least one years in the organization where he works and knowing the performance achievements in the organization. ([Hair et al., 2014](#)) stated that a minimum sample size of 100 is recommended. Typically, a sample size of at least 5 times the number of questions analyzed is considered adequate. There were a total of 17 questions in this study, requiring a minimum sample size of $17 \times 5 = 85$ participants. Therefore, a total of 130 participants used in this analysis met the sample size criteria for the analysis technique in SemPLS.

Operational Definition and Variable Measurement

Performance is the amount of work carried out by a work unit in relation to predetermined goals ([Van de Vend and Ferry, 1980 in Munawaroh, 2018](#)). This variable is measured by asking respondents for their opinion on statements related to the performance of public sector organizations using a seven-item scale developed by Van de Vend and Ferry (1980). Respondents' answers were categorized on a five-point Likert scale ranging from one, "very poor", to five, "very good".

Results-oriented culture is a form of organizational culture that focuses on the extent to which a manager is accountable for the results of an entity, as well as recognition of employees' contributions as they help the organization achieve its goals ([Verbeeten & Spekle, 2015](#)). This variable was measured by asking respondents for their opinion on statements related to results-oriented culture using a four-item scale developed by ([Verbeeten and Speklé, 2015](#)). Respondents' answers were categorized on a five-point Likert scale ranging from one, "strongly disagree," to five, "strongly agree."

Financial accountability is accountability regarding financial activities and financial performance (Mack and Ryan, 2006). This variable is measured by asking respondents for their opinion on statements related to financial accountability using a six-item scale developed by (Mack and Ryan, 2006). Respondents' answers were categorized on a five-point Likert scale ranging from one, "strongly disagree," to five, "strongly agree."

Data Collection Techniques and Instruments

This research uses survey methodology to obtain data by asking a series of questions or presenting a series of statements to respondents in writing, then the questionnaires that have been answered will be selected so they can be analyzed. To anticipate bias, researchers protect respondents' confidentiality, reduce evaluation fears, avoid unclear concepts, and break down questions that may have multiple meanings.

The instrument in this research adopted the instrument from Van de Ven (1980) for the performance variable of public sector organizations. Then, for the financial accountability variable, adopt the instrument from (Mack and Ryan, 2006). The instruments in this research have been tested by previous researchers and modified for use in Indonesia, namely (Munawaroh, 2018) And (Seputro and Muhammad, 2022). Meanwhile, for the results-oriented culture variable, we adopted an instrument developed by (Verbeeten and Speklé, 2015). For results-oriented culture instruments, researchers carried out a back translation and pilot test process first.

Table 1. Research Instrument

No	Variable	Measurement	Reference
1	Performance of public sector organizations	This variable is measured by asking respondents for their opinion on statements related to the performance of public sector organizations using a seven-item scale developed by Van de Vend and Ferry (1980). Respondents' answers were categorized on a five-point Likert scale ranging from one, "very poor", to five, "very good".	Van de Ven and Ferry (1980)
2	Results oriented culture	This variable was measured by asking respondents for their opinion on statements related to results-oriented culture using a four-item scale developed by Verbeeten and Speklé (2015). Respondents' answers were categorized on a five-point Likert scale ranging from one, "strongly disagree," to five, "strongly agree."	Verbeetan and Spekle (2015)
3	Financial accountability	This variable is measured by asking respondents for their opinion on statements related to financial accountability using a six-item scale developed by Mack and Ryan (2006). Respondents' answers were categorized on a five-point Likert scale ranging from one, "strongly disagree," to five, "strongly agree."	Mack and Ryan (2006)

Source: Primary data processed in 2023

Data analysis technique

In this research, the collected data will be examined using the SPSS program to provide output in the form of descriptive statistics and CMB (Common Method Bias). To verify the measurement model and structural model, this research also uses PLS (Partial Least Square) data analysis techniques using smartPLS ver. program 4.0. A multivariate statistical approach called PLS analysis compares several

dependent variables and many independent variables. PLS is a statistical technique based on structural equation modeling (SEM) that is used to solve multiple regression when certain problems arise with the data. SEM integrates component analysis and path analysis to assess and estimate causal relationships. The results of this strategy, which concentrates on the interaction between prediction and theory testing, should be confirmed. Researchers can exploit the high level of statistical power of this method by using SEM-PLS (Hair et al., 2018).

Results

Common Method Bias

When questionnaire data is obtained from one source at the same time, this will potentially give rise to common method bias, and can lead to incorrect results (Podsakoff et al., 2003). In this study, researchers used Harman's single factor test to overcome the problem of common method bias. The analysis results show that the single factor value is $42.26\% < 50\%$. So general method bias does not significantly interfere with the validity of research results and is not a serious problem in this research.

Descriptive statistics

Descriptive statistics in this research are intended to provide an overview of the characteristics of respondents and descriptions of research variables. Table 2 presents an overview of the general characteristics of respondents including things such as gender, education, position and length of service. Then, in Table 3 a summary of respondents' answers to the research variables is displayed.

Table 2. Respondent Characteristics

Classification	Frequency	Percentage
Gender		
Man	84	64.6%
Woman	46	35.4%
Age		
<25	-	0%
25-40	44	33.8%
41-55	76	58.5%
>56	10	7.7%
Level of education		
High school or equivalent	10	7.7%
Diploma	2	1.5%
S1	98	75.4%
S2	20	15.4%
S3	-	0%
Position		
Head of Department/Agency/Office	14	10.7%
Department/Agency/Office Secretary	20	15.4%
Head of Division/Section/Subsection	47	36.2%
Treasurer	10	7.7%
Staff	39	30%
Working Period		
<1	14	10.8%
1-5	54	41.5%
6-10	26	20%
11-20	29	22.3%
>20	7	5.4%

Source: Primary data processed in 2023

Based on Table 2, it can be concluded that the respondents in this study were mostly male (64.6%), age range 41-55 years (58.5%), Bachelor's education level (75.4%), position as Head of Division/Section/Subdivision (36.2%), and with a service period of 11-20 years (22.3%). This shows that

research respondents are relevant in providing an overview of the research object. Some respondents had a working period of <1 year due to changes in the organizational structure of several OPDs when the research was conducted.

Table 3. Descriptive Statistics Results

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Results oriented culture	130	14.00	20.00	17.3923	1.69127
Financial accountability	130	18.00	30.00	25.4615	2.56135
Performance of public sector organizations	130	21.00	35.00	28.8923	3.08094
Valid N (listwise)	130				

Source: Primary data processed in 2023

Based on Table 3, it can be concluded that the standard deviation of the data shows normal results and does not cause bias, this is because the standard deviation for each research variable is smaller than the mean value of each research variable.

Validity test

Convergent validity

Convergent validity is used to ensure indications that each variable has a strong correlation. Table 4 shows that all statement items for each variable have met the convergent validity requirements as evidenced by the outer loading value above 0.50 (Hair et al., 2014). Apart from that, the results-oriented culture variables, financial accountability and performance of public sector organizations also meet the validity requirements, because they have an AVE value above 0.5.

Table 4. Convergent Validity and AVE Analysis

Code	Variables and Items	Outer Loading
Results-oriented culture (RC) AVE = 0.590		
RC1	The highest leadership in my organization is strongly committed to achieving the formulated goals	0.719
RC2	Leaders in my organization are accountable for the results they achieve	0.837
RC3	Leaders in my organization are asked to provide explanations when they are unsuccessful in realizing their targets	0.748
RC4	Employees in my organization receive recognition (appreciation) when they help achieve organizational goals	0.763
Financial accountability (FA) AVE = 0.601		
FA1	Your organization is accountable and responsible for financial sustainability	0.798
FA2	Your organization is accountable and responsible for its ability to pay short-term obligations	0.838
FA3	Your organization is accountable and responsible for its ability to pay long-term obligations	0.767
FA4	Your organization is accountable and responsible for budget compliance	0.676
FA5	Your organization is accountable and responsible for achieving the set goals	0.825
FA6	Your organization is accountable and responsible for its results when compared with other organizations	0.734

Public sector organizational performance (PER) AVE = 0.582		
PER1	Achievement of performance targets for each activity resulting from a program	0.824
PER2	The accuracy of the results of an activity with a predetermined program	0.867
PER3	The level of program achievement that has been determined	0.806
PER4	The impact of the results of each activity on people's lives	0.777
PER5	Budget realization is in accordance with the established budget	0.765
PER6	Operational efficiency (achievement of expenditure realization with expenditure standards)	0.688
PER7	Morale of each work unit personnel (changes in employee behavior in performance)	0.573

Source: Primary data processed in 2023

Discriminant Validity

Discriminant validity is used to ensure that each indicator of each different variable is not highly correlated (Hair et al., 2014). Table 5 shows that the correlation indicator value for the variable is greater than the correlation indicator value for the other variables, meaning that the discriminant validity is very good.

Table 5.Discriminant Validity Results

	Results oriented culture (RC)	Performance of public sector organizations (PER)	Financial accountability (FA)
RC1	0.719	0.460	0.478
RC2	0.837	0.560	0.424
RC3	0.748	0.590	0.490
RC4	0.763	0.481	0.482
PER1	0.582	0.824	0.481
PER2	0.580	0.867	0.509
PER2	0.504	0.806	0.471
PER3	0.463	0.777	0.556
PER4	0.473	0.765	0.587
PER5	0.490	0.688	0.518
PER76	0.383	0.573	0.602
FA1	0.603	0.576	0.798
FA2	0.515	0.618	0.838
FA3	0.410	0.500	0.767
FA4	0.419	0.443	0.676
FA5	0.458	0.600	0.825
FA6	0.397	0.501	0.734

Source: Primary data processed in 2023

Reliability Test

Cronbach's alpha and Composite reliability is used to determine the level of dependency, the value must be more than 0.7, as recommended by Hair et al., (2014). However, a value of 0.6 is also sufficient. Cronbach's alpha value and Composite reliability value > 0.7 for all variables in the estimation model are shown in Table 6.

Table 6. Cronbach's Alpha and Composite Reliability Results

	Cronbach's Alpha	Composite Reliability
Results oriented culture	0.866	0.900
Financial accountability	0.767	0.852
Performance of public sector organizations	0.876	0.906

Source: Primary data processed in 2023

Hypothesis test

After the validity test and reliability test have fulfilled all the rules of thumb, hypothesis testing can be carried out. Before testing the hypothesis, the researcher tested the structural model first, by looking at the R-square (R²) for each dependent latent variable. The results show that R² for both variables is higher than the minimum threshold of 0.10 (financial accountability 0.37, and public sector organizational performance 0.57). Thus the structural model is classified as a moderate level (Chin et al., 2003). Table 7 presents the results of hypothesis testing in this study.

Table 7. Path Coefficient

	Hypothesis	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Conclusion
Results-oriented culture -> Public sector performance	H1	0.362	0.363	0.073	4,939	0,000	supported
Results-oriented culture -> Financial accountability	H2	0.610	0.613	0.059	10,369	0,000	supported
Financial accountability -> public sector performance	H3	0.481	0.484	0.070	6,870	0,000	supported
Results-oriented culture -> Performance accountability -> public sector performance	H4	0.293	0.297	0.051	5,745	0,000	supported

Source: Primary data processed in 2023

Discussion

The Influence of Results-Oriented Culture on the Performance of Public Sector Organizations

The results of testing the first hypothesis show that public sector organizations in Tanjung Jabung Timur Regency perform better when they have a results-oriented culture. This implies that sector organizations that implement a results-oriented culture will improve their organizational performance compared to those that do not. In line with the New Public Management (NPM) theory which states that to improve performance in the public sector a change in organizational culture is needed, namely a new culture that is results-oriented. If managers of public sector organizations, especially organizational leaders, have a strong commitment to building and encouraging a results-oriented culture, then they will work together well to achieve goals. When a results-oriented environment is created by providing genuine attention to employees and providing rewards or recognition for employee performance, a results-oriented culture will be effective in encouraging increased organizational performance. Therefore, the results of this research provide empirical evidence about the direct influence of results-oriented culture on the performance of public sector organizations in

Tanjung Jabung Timur Regency. This research adds empirical evidence about the positive influence of results-oriented culture on organizational performance that has been conducted by previous research outside Indonesia (for example, [Nitzl et al., 2019](#); [Rizzi et al., 2018](#); [Tran et al., 2020](#); [Verbeeten and Speklé, 2015](#)).

Apart from providing empirical evidence, this research helps public sector organizations, especially the OPD of Tanjung Jabung Timur Regency, to realize that a results-oriented culture has been implemented in the organization such as leadership commitment to achieving organizational goals, accountability for the results achieved and giving rewards to employees in the form of material and non-material can help the Tanjung Jabung Timur Regency government improve its performance. Thus, when the Tanjabtim Regency OPD continues to improve the implementation of a better results-oriented culture, the government's reform efforts to improve the quality of its performance to the maximum will be achieved.

The Influence of a Results-Oriented Culture on Financial Accountability

A results-oriented culture has a positive effect on financial accountability, as shown by the results of hypothesis testing for the two public sector organizations in the OPD of Tanjung Jabung Timur Regency. This means that if the Tanjung Jabung Timur Regency OPD improves its results-oriented culture, its financial accountability will also increase. As explained in the NPM theory, a results-oriented culture will make it easier for public sector organizations to adapt to modern management accounting practices (accrual accounting) as part of public financial reform. The use of accrual accounting will provide accurate and useful accounting information for assessing financial accountability in the organization. In this case, public sector organizations that promote a results-oriented culture will have organizational leaders strongly committed to achieving the goals they have set and be responsible for the results of their organization. Because organizational leaders are willing to take responsibility, this will help increase the organization's financial accountability. This finding is supported by research conducted by ([Tran et al., 2020](#)) which states that the results-oriented culture implemented in public sector organizations in Vietnam has a positive influence on financial accountability. Thus, this research contributes to the literature by presenting evidence that a results-oriented culture influences financial accountability in the Indonesian context.

The Effect of Financial Accountability on Public Sector Performance

The findings from the third hypothesis test show that financial accountability improves the performance of public sector organizations. This means that if public sector organizations in the OPD of Tanjung Jabung Timur Regency increase their financial accountability and are responsible for their financial results, their organizational performance will improve. ([Christensen and Læg Reid, 2015](#)) emphasizes that an important premise for better organizational performance will emerge from the effective implementation of accountability. A financial accountability process with effective procedures will increase awareness of legitimacy, reduce fraud and corruption, and increase the accountability of government institutions. They will ultimately increase stakeholder trust by helping people understand why performance goals are not being met ([Tran et al., 2020](#)). Stakeholder trust allows an organization to garner more financial resources to develop and improve its performance ([Navimipour et al., 2018](#); [Rodríguez Bolívar et al., 2013](#)). The results of this research are supported by the concept that transparency and increased performance will be the result of increased accountability ([Dubnick, 2005](#) in [Ahyaruddin and Akbar, 2017](#)). This research also provides empirical evidence and supports the findings ([Han, 2019](#)) about the positive influence of financial accountability on organizational performance.

The Influence of a Results-Oriented Culture on the Performance of Public Sector Organizations through Financial Accountability

The results of hypothesis testing show that a results-oriented culture has a positive effect on the performance of public sector organizations through financial accountability as a mediating variable. This means that the results-oriented culture implemented by the Tanjung Jabung Timur Regency OPD can have a direct influence on organizational performance, but a results-oriented culture will be even better if followed by effective financial accountability, so that it can have an even better influence on the performance of the Tanjung Jabung Timur Regency OPD. This finding is in line with research conducted by (Tran et al., 2020) that financial accountability plays a mediating role in the relationship between results-oriented culture and performance. This shows that the implementation of sustainable reforms with a focus on increasing accountability and a results-oriented culture that is being promoted in Indonesia has a positive impact on performance. In addition, this research also confirms the NPM theory which proposes that public sector organizations must change their organizational culture in a results-oriented way. In particular, leaders need to make a strong commitment to achieving targets and assume responsibility for the efficient allocation of public funds. This will help public organizations to strengthen financial accountability in particular and accountability in general, and ultimately improve performance. One interesting thing, this research found that these results are the first for public sector organizations in Indonesia, especially in Tanjung Jabung Timur Regency.

Conclusion

This research examines the influence of a results-oriented culture on the performance of public sector organizations with financial accountability as an intervening variable. According to research findings and hypothesis testing, a results-oriented culture has a beneficial effect on organizational performance, and financial accountability plays a mediating role in the relationship between results-oriented culture and public sector organizational performance in the OPD of Tanjung Jabung Timur Regency. This shows that the implementation of a results-oriented culture followed by the implementation of effective financial accountability in public sector organizations will encourage increased performance of the organization.

The results of this research confirm the NPM theory which proposes that public sector organizations must change their organizational culture by results-oriented way. In particular, when an organization implements a results-oriented culture, leaders will be strongly committed to achieving targets and be responsible for the effective use of public resources. This will help public sector organizations to strengthen financial accountability in particular and accountability in general, and ultimately improve performance. The findings of this study have real-world applications for public sector organizations seeking to improve their performance to pay greater attention to implementing a results-oriented culture and effective financial accountability.

In this research there are certain limitations. First, the number of samples used was still minimal, this was due to the limited scope of the research and not all respondents who met the researchers' criteria were willing to fill out the questionnaire. For this reason, further research can expand the sample so that the research results can be generalized to a larger population. Second, collecting data using a questionnaire allows for answers that are not in accordance with practice, this is due to the honesty factor of the respondent which is beyond the control of the researcher. Although CMB has been used to overcome this bias, researchers recommend that future research add interview methods.

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