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THE IMPACT OF MANAGEMENT CONTROL ON PUBLIC SECTOR ORGANIZATIONS IN INDONESIA

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Abstract

Using motivation crowding and self-determination theories, this study examines the relationship between elements of management control, intrinsic and extrinsic motivation, and the performance of public sector organizations in Indonesia. We used the Structural Equation Model (SEM) with a survey method on 187 employees of district/city governments in Indonesia to see if results, action, personnel, and cultural controls have an effect on employee motivation. Our study provides empirical evidence that motivation is influenced not only by results control, but also by other control elements such as action control and personnel control. This study also provides empirical evidence that intrinsic and extrinsic motivation can co-exist in improving organizational performance. This study contributes to the development of literature in the field of management accounting that shows the relationship between management control, employee motivation and organizational performance, as well as motivation as a mediator of the relationship between management control and organizational performance. The implications of this study include providing practitioners with information on which management control elements are most appropriate for enhancing employee motivation and performance in public sector organizations.

Keywords: *management control, intrinsic motivation, extrinsic motivation, organizational performance, public sector, mediator*

Abstrak

Penelitian ini menguji hubungan antara berbagai elemen pengendalian manajemen, motivasi intrinsik dan ekstrinsik, serta kinerja organisasi sektor publik di Indonesia. Untuk membuktikan hipotesis, peneliti menggunakan motivation crowding theory dan self-determination theory. Kami menggunakan Structural Equation Model (SEM) dengan metode survei pada 187 pegawai pada pemerintah kabupaten/kota di Indonesia untuk menguji hubungan pengendalian hasil, aksi, personel, dan kultural terhadap motivasi pegawai. Hasil pengujian menunjukkan tidak hanya pengendalian hasil yang berpengaruh terhadap motivasi, melainkan juga pengendalian personel dan aksi. Penelitian ini juga memberi bukti empiris bahwa motivasi intrinsik dan ekstrinsik secara bersama-sama dapat meningkatkan kinerja organisasi. Penelitian ini berkontribusi dalam pengembangan literatur di bidang akuntansi manajemen yang membuktikan adanya hubungan antara pengendalian manajemen, motivasi pegawai dan kinerja organisasi, serta bagaimana motivasi memediasi hubungan antara pengendalian manajemen dengan kinerja organisasi. Implikasi dari penelitian ini diharapkan dapat menjadi masukan bagi para praktisi untuk memilih elemen pengendalian manajemen mana yang paling tepat diterapkan dalam rangka peningkatan motivasi pegawai dan kinerja organisasi sektor publik.

Kata kunci: *pengendalian manajemen, motivasi intrinsik, motivasi ekstrinsik, kinerja organisasi, sektor publik, mediasi*

INTRODUCTION

Over the last few decades, public sector organizations have been under increasing pressure to improve their performance (Pee and Kankaanhalli 2016). To improve the accountability of public sector performance, a major shift in the public management paradigm known as the New Public Management (NPM) has occurred. According to Kober et al. (2007), NPM was expected to improve the efficiency, effectiveness, and accountability of public sector organizations' activities.

The NPM movement encouraged reforms in the management of public sector organizations based on the concept of a competitive market and the application of private sector management to improve administration and management in the public sector (Hood 1995; Pollitt 2002; Andrews et al. 2011). This reform emphasizes the ability of competitive management to provide better public services, with performance improvement being an important component and the organization's goal.

Several seminal studies have established the link between management control and organizational performance improvement. Simons (1995) introduced four types of control that can be used to manage organizational performance, known as Levers of Control (LoC). Furthermore, according to Langfield-Smith (1997), managers should create a management control system that is tailored to the needs of the organization in order to encourage strategies that result in high-quality performance. Govindarajan and Gupta in Ferreira and Otley (2009) stated that the presence of a match between the environment, strategy and management control system has a relationship with a better level of organizational performance. Jermias and Gani (2005) stated that the performance of a business unit is influenced by strategic priorities, the level of centralization, the type of management accounting system, and also the type of management control applied. Mundy (2010) also proposed a link between

management control systems and performance. This study examined the importance of balancing various types of management control to obtain the optimum incentives to improve organizational performance. Widener (2007) outlined that the elements of management control have a positive relationship with performance. This study also demonstrated that the elements of management control have a complementary and interdependent relationship.

This management control system can be used for a variety of purposes, such as decision-making, employee empowerment, managerial direction, and employee motivation (Speklé et al. 2022). The effectiveness of management control for these various purposes is interrelated, for example increasing empowerment will increase employee motivation. Furthermore, Merchant and Van der Steede (2017) explained that control issues are linked to motivation issues, and that if individual and organizational goals do not align, employees may behave in a way that is detrimental to the organization's goals.

Human resources are an important element in the success of an organization. The effective utilization of human resources will contribute to the improvement of organizational performance and reputation (Bhatti et al. 2011). Organizational performance is also dependent on the employees who work as a team to achieve organizational goals (Almatrooshi et al. 2016).

Given the importance of human resources, organizations need to continue to manage employee commitment and motivation. Employees will feel valued and motivated if they believe the organization recognizes their efforts and work. According to Osabiya (2015), every organization will focus on how to achieve high-level performance by utilizing its human resources. This means that organizations must consider how to motivate these resource individuals in a number of ways, such as through incentives, rewards, or other means. When employees are more motivated, they will perform their duties more

responsibly and efficiently. The improvement of individual employee performance will have an impact on organizational performance. This is consistent with Shin and Konrad (2017), who used strategic resource management theory to demonstrate the link between individual employee performance and increased productivity and organizational performance. Thus, when an organization wants to improve its performance, it can take one of two approaches: the direct path, by implementing a management control system, or the indirect path, which involves increasing employee motivation.

Organizations in both the public and private sectors can use a combination of management control categories to encourage desired employee behavior (Van der Kolk et al. 2019). Merchant and Van der Steede (2017) stated that the selection of a combination of these control categories is influenced by a variety of factors tailored to the organization's needs and characteristics. Managers need to identify and balance the combination of these control elements to obtain optimal results.

Merchant and Van der Stede (2017) defined management control categories based on the object of control, which includes results, action, personnel, and cultural controls. Results control focuses on whether the results achieved by employees are in accordance with the desired results of the organization. Furthermore, action control is intended to ensure that employees carry out an activity in accordance with the organization's interests and do not do anything that is detrimental to the organization. Personnel controls can be implemented through employee recruitment and training. Moreover, cultural control is intended to encourage mutual monitoring among employees, and it is built on traditions, norms, values, and behaviors.

Our study focuses on employees in public sector organizations in Indonesia. One of the important things to consider in management control in the public sector is how to balance the implementation of each element of control (Van der Kolk et al.

2020). Kober et al. (2003) suggested that the fit of the selection of different management control mechanisms with the organization's strategy will depend on the environment around the organization. The public sector operates in a different business environment than the private sector, with public sector organizations responsible for providing community services but also having more bureaucracy than the private sector. As a result, it is interesting to learn how management control is used in the public sector to improve organizational performance.

According to Van der Kolk et al. (2019), the Merchant and Van der Steede concept framework focuses more on the object to be controlled and provides a clear classification of control elements so that it can be identified which control elements are related to organizational aspects. Meanwhile, Simons' control framework is commonly used to investigate how the Lever of Control elements interact with one another in the organization. Because the object of this research is individual employees, this study uses the conceptual framework of management control by Merchant and Van der Stede (2017) which is more suitable to examine how management control has an impact on employee motivation.

Previous studies on employee motivation and performance were influenced by psychological theories in the development of their hypotheses. Some researchers divided work motivation into two categories: intrinsic motivation and extrinsic motivation (Gagné and Deci 2005; Cerasoli et al. 2014). According to Cerasoli et al. (2014), behavior driven by extrinsic motivation is motivated by the presence of an instrument/tool such as an incentive. While intrinsically motivated behavior is related to how an individual feels from within, such as pleasure when doing a job, it is not driven by external instruments/factors obtained after completing the job. Koestner and Losier in Gagné and Deci (2005) stated that intrinsic motivation leads

to good performance on interesting tasks, whereas extrinsic motivation leads to high performance on tasks that are not as interesting for employees but are important and require seriousness in the process. Van der Kolk et al. (2019) documented a positive relationship between intrinsic and extrinsic motivation on organizational performance. Motivation is often not considered as the goal of a job, but motivation is an important tool for achieving high performance.

Although the goal of NPM to improve organizational performance is closely related to the characteristics of results control (Hood 1995), it is also critical to consider the impact of other management control elements on organizational motivation and performance, such as personnel or cultural controls (Van der Stede 2011). Van der Kolk et al. (2019) suggested that elements of personnel and cultural control can improve the creation of employees' intrinsic motivation. Furthermore, according to Georgellis et al. (2011), personnel control and cultural control are very relevant to public sector organizations where the characteristics of public sector employees are more affected by intrinsic motivation than extrinsic incentives.

Previous studies on the relationship between motivation and performance focused on a specific aspect of control, such as De Baerdemaeker and Bruggeman (2015), who looked at budgeting, and Groen et al. (2012), who looked at operational performance measurement. However, there are not many study that explore at the relationship between employee motivation and multiple aspects of management control simultaneously. Previous studies also stated that there is still a lack of research examining the impact of the choice of management control elements on organizational performance in the public sector (Chenhall 2003; Van Helden and Reichard 2019; Verbeeten and Speklé 2015; Van der Kolk et al. 2019). Some empirical studies still focus on the results of the disclosure of

performance indicators on employee performance in the future (Vogel and Hattke 2018), or incentives based on employee performance (Frey et al. 2013). Felicio (2021) addressed the scarcity of research in this area by investigating the relationship between contingent variables and the determinants of management control systems on organizational performance. Meanwhile, Chen et al. (2020) used Simons' (1995) Levers of Control to investigate the relationship between management control design and employee autonomous motivation. However, these studies have not considered the impact of employee motivation, which can act as a mediator in the relationship between management control systems and organizational performance.

Furthermore, previous studies on the relationship between management control systems and organizational performance in Indonesia have been dominated by private companies and state-owned enterprises (Lekatompessy 2012; Wardi 2018; Hinaya 2018). From the limited research on management control in the context of the public sector in Indonesia, we find a study by Sutoyo and Mahardhika (2015) that uses the Levers of Control Simons element to examine the influence of management control systems and organizational culture on the performance of the Yogyakarta Provincial Government. Their study examined the relationship from the perspective of the manager, i.e. the division head or the leader of the Regional Government Working Unit. There is also Aghsya et al. (2021) who examined the management control system on organizational performance at the Tanjung Karang District Court, Lampung. However, these studies also have not examined the relationship between management control and motivation. Therefore, this study aims to fill the research gap by examining the relationship between elements of management control and employee motivation in the public sector, as well as how motivation mediates the relationship between management

control systems and organizational performance in Indonesia.

Some earlier studies looked at the relationship between management control and motivation from the standpoint of a manager (De Baerdemaeker and Bruggemen 2015; Christiani 2014). However, according to Sánchez-Vidal et al. (2012), there are gaps or differences between managers' and employees' perceptions, which will have an impact on organizational activities. Furthermore, Tessier and Otley (2012) showed that there will be differences in views between managers and employees in viewing a management control. Manager perceptions, whether related to encouraging or constraining control, are things that managers want to achieve when designing or implementing a management control. Meanwhile, the employee's perception investigates the employee's interpretation of the advantages of a control. Adler and Chen (2011) stated that employees have an emotional response to the applied controls. This response can be either positive or negative.

Christiani (2014) who used a sample of company managers, failed to prove employee motivation as a mediating variable between management control and organizational performance. This can be caused by differences in perceptions between managers and employees regarding motivation. Therefore, in this study we would like to examine the relationship between management control, motivation, and organizational performance from employees' perspective.

Although the goal of NPM to improve organizational performance is closely related to results control, according to Frey et al. (2013), results control implementation may not be able to provide consistent outcome in public sector organizations. This may be due to the complexity and ambiguity of employment contracts in the public sector. Employees in the public sector are frequently required to perform tasks outside of their primary responsibilities, which they frequently do not

understand or are unaware of the purpose of performing. This is also consistent with Speklé and Verbeeten (2014), who stated that if goals are not clearly defined, it is difficult to determine precisely what the desired outcome is. Therefore, this study also wants to confirm the role of result control on employee motivation in public sector organizations.

This study builds on the findings of Van der Kolk et al. (2019), who investigated the relationship between management control, motivation, and performance in Dutch local government municipalities, with a few modifications for the context of local government in Indonesia. This study must be conducted in Indonesia because the findings of Van der Kolk et al. (2019) in the Netherlands may yield a different conclusion when applied to the Indonesian public sector. These differences could be attributed to institutional differences, characteristics, and work cultures between civil servants in the Netherlands and in Indonesia. This is consistent with Lloyd's (1999) study, which discovered differences in organizational institutional and regulatory environments across countries. This is supported by Leisink and Greenwood (2007), who demonstrated that differences in institutional frameworks and superior support for organizations in the Netherlands and the United Kingdom have an effect on employee development, whether through training or education. Van Helden and Johnsen (2002), who compared the development of performance-based management systems in the Netherlands and Norway, also stated that differences in country characteristics and contingent factors such as financial pressure, opportunity for change, and organizational size will influence the development of the organizational management system. Furthermore, we hope that this study will be able to address Van der Kolk et al.'s (2019) research expectations, which called for generalization of research related to the relationship between management control,

motivation, and organizational performance in different settings.

To test the hypotheses of the relationship between elements of management control, employee motivation and organizational performance, we use theories from psychology, namely motivation crowding theory and self-determination theory. These theories are expected to explain the impact of management control implementation on employee motivation individually. This study contributes in management accounting literature which shows the relationship between management control elements, motivation and organization performance. We also contribute to provide empirical evidence that other control elements, in addition to results control, have roles in the motivation of public sector employees. Furthermore, this study also has implications for providing an understanding for public sector managers regarding the effect of management control choices on employee motivation and organizational performance.

The finding shows that there is a relationship between management control and organizational performance with employee motivation as a mediation. We found that result control can enhance extrinsic motivation, and there is no evidence that this control will reduce the intrinsic motivation of employees in public sector organizations. This study also shows that, in addition to results control, other controls, such as personnel and action control, have an effect on employee motivation. This study provides information for practitioners in public-sector organizations about what controls to implement to encourage intrinsic and extrinsic employee motivation.

In the next section, we describe the literature review and development of hypotheses. The research method is presented in section three. We present the results of the research and discussion in section four. Finally, we highlight the contribution and future research in the conclusion.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Literature Review

New Public Management

The concept of New Public Management (NPM) emerged in the Organization for Economic Cooperation and Development (OECD) countries in the late 1970s and early 1980s. This movement began in the United Kingdom, as well as in a few states in the United States (Groot and Budding 2008). Later, New Zealand and Australia adopted the NPM agenda, which then spread to other countries around the world. NPM brings reforms to changes in the concept of accountability and public administration. This reform promotes public-sector management by drawing inspiration from how the private sector conducts its operations and emphasizing the practice of management control (Felicio et al. 2021).

Hood (1995) stated that there are seven dimensions of change related to the NPM doctrine which consist of unbundling public sector organizations into separate cost centers unit, higher competition, adoption of private sector management styles, frugality in resources use, more active top management, more measurable performance indicators, and greater emphasis on output controls. The first four elements focus on the differences between the public and private sectors, while the other three elements focus on to what extent managerial and professional discretion should be protected by clear standards and rules. Although currently there are still limitations and shortcomings in the application of NPM, this concept has encouraged public sector organizations to adopt the values and practices used in private sector organizations in order to improve the effectiveness and efficiency of their activities (Battistelli and Ricotta 2005).

Management control in public sector organizations has grown rapidly in response to the NPM reform. Hood (1995) suggested

one of the NPM doctrines is that management must play an active role with a clear separation of functions and authority. Top management has the discretionary power to choose the most appropriate decisions and organization control according to the conditions and needs of the organization. Furthermore, one of the NPM doctrines is a measurable performance evaluation. Langfield-Smith (1997) stated that this performance measurement will motivate employees to act towards the organizational goals. This performance measurement is an important component in every condition of the organization's various strategies, as it measures progress toward strategic goals.

Management Control Framework

The Management Control System (MCS), according to Merchant and Van der Stede (2017), is a tool or system that acts through empowerment or "coercion" of its personnel to accomplish performance in accordance with the organization's goals. MCS is a form of organizational communication pattern that fosters a cohesive way of thinking and assists organizations in managing interrelationships in various parts of the organizations. Furthermore, MCS also assists organizations to develop and realize the planned organizational change (Chenhall and Euske 2007). Merchant and Van der Stede (2017) stated that MCS is very important for organizations, where failure to implement MCS will lead to financial losses, reputational damage, and inability to meet the organizations goals.

Merchant and Van der Stede (2017) categorized the elements of management control based on the object to be controlled, which consists of:

1. Results Control

Results control is often used to control employee behavior by informing employees of what the organization expects of them and motivating them to generate the desired results. For example, using performance reports to evaluate target achievement.

An important factor in controlling these results is the decentralization of the delegation of decision rights to managers, as well as the existence of an incentive system to motivate the achievement of targets. Results control not only needs to be implemented at the managerial level, but also needs to be implemented at lower organizational levels.

Results control will inform employees of their performance objectives and motivate them to meet those expectations. Implementing good results control entails four steps: defining performance dimensions that balance the interests of various stakeholders, determining performance measures for each performance dimension, setting performance targets, and rewarding achievement of targets.

2. Action Control

This control aims to ensure that employees carry out their duties in accordance with the best interests of the organization. Defining activities that may (or may not) be conducted in order to benefit (or harm) the organization's interests is one example. This form of control includes behavior constraint, review of work plans, and accountability for actions taken. Prior to implementation, identifying which acts are acceptable or unacceptable is required. After that, action control is carried out through dissemination of the action categorization to employees, observing the implementation of the control, and giving rewards for good actions or punishment for bad actions.

3. Personnel Control

This control seeks to ensure that employees have a natural tendency to control and motivate themselves by clarifying the organizations' expectations to employee, ensuring each employee has the capabilities to perform their responsibilities successfully, and

self-monitoring. Self-monitoring is an internal encouragement for individuals to carry out their responsibilities and be committed to their work. Personnel control includes transparent recruitment process, training, and proper assignment in work design.

4. Cultural Control

Cultural control is designed to encourage mutual monitoring and employee's relatedness within an organization. This control is a form of group pressure on individuals when they deviate from the norms and values held by the group. This cultural control can be in written form or unwritten rules including organizational norms and values, statements of the organization's vision and mission, social arrangements, as well as directions from top management.

Motivation

The term "motivation" is derived from the Latin word "movere," which means "to encourage or move." According to McInerney (2019), motivation is defined as a mechanism that encourages individuals or groups of people to choose a specific behavior. Porter and Lawler in Gagné and Deci (2005) suggested a model of intrinsic and extrinsic work motivation. Intrinsic motivation encourages people to participate in an activity or work because they find it interesting and provides them with spontaneous satisfaction. Extrinsic motivation (incentives), on the other hand, requires the use of an intermediary instrument between the behaviors carried out and the expected outcome in order to create satisfaction. Therefore, satisfaction does not come from the activity itself but from external consequences. For example, financial incentives or rewards in the form of verbal praise.

Public Sector Organizations Performance

Stolovitch and Keeps in Tehuayo and Labusab (2016) stated performance is a set of results achieved and refers to the act of

achieving and carrying out the requested work. According to Herminingsih (2009), the performance of local government organizations describes the level of implementation of a program/activity in order to achieve the goals and objectives of the organization. In line with the implementation of NPM in Indonesia, in the last few decades there has been an increasing number of efforts to improve the performance of the public sector. Budget performance, which was previously less important in public sector organizations than in private sector organizations, is now receiving increased attention as a means of measuring the effectiveness and efficiency of organizations' programs. Changes in the organizational environment also contribute to the development of the performance of public sector organizations, as leaders seek to develop the most effective and efficient approaches to improving organizational performance on an ongoing basis.

The concept of NPM encourages the adoption of management control practices similar to those found in the private sector, such as more effective resource utilization, the establishment of management control tools, clear contracts, and the use of formal and measurable standards to control the organization (Hood 1995). This reform encourages the establishment of performance measurement as a priority in public sector organizations in Indonesia, which is expected to lead the performance improvement in public sector organizations.

Motivation Crowding Theory

Motivation Crowding Theory is a theory that combines elements of social psychology and economics. This theory suggests that the use of rewards or external controls will reduce the impact of intrinsic motivation (Deci et al. 1999; Chervier et al. 2019; De Pril and Godfroid 2020). The crowding-out effect implies that offering incentives in the form of rewards for a job decreases the intrinsic drive for carrying out the work. In contrast, if an external incentive enhances intrinsic motivation, this is

referred to as crowding-in (Osterloh and Frey 2000).

This theory is formulated from self-perception theory (Bem in De Pril and Godfroid 2020) and Cognitive Evaluation theory (Ryan and Deci 2000b). According to self-perception theory, an individual does not fully comprehend why they are performing a particular task. When there is no incentive, employees will perform their tasks for the inherent satisfaction of having the task completed. However, when there is an incentive, employees will do the task in pursuit of rewards and will be less intrinsically motivated.

According to the motivation crowding theory, external intervention, such as the establishment of regulating procedures or external rewards, always has a controlling and informative aspect (Osterloh and Frey 2000). This controlling element will increase a person's feelings of being pushed or pressed from outside, whilst the informing aspect will strengthen a person's sense of competence and internal control. When the controlling aspect dominates, a person's intrinsic motivation will decrease. Meanwhile, the intrinsic motivation will increase if the informative element is more prominent.

According to Cognitive Evaluation theory (Deci in Osterloh and Frey 2000), when incentives are considered as a controlling aspect, intrinsic motivation will be reduced. As a result, according to Frey (2012), organizations need to be careful in implementing incentives payment to both private companies and the public sector, because external intervention can reduce some employees' intrinsic motivation.

Self-determination Theory (SDT)

Gagné and Deci (2005) defined motivation into autonomous motivation and controlled motivation. Behavior that is driven by intrinsic motivation is usually autonomous, in which a person engages in an activity because they believe it is interesting and fun, and they will do it wholeheartedly. Meanwhile, extrinsic

motivation is prototype of controlled motivation. A person performs an activity because there is pressure or encouragement from external to do so

According to SDT, an individual will behave in accordance with their interests and values. This theory argues that the satisfaction of fulfilling basic human needs is an important thing that drives intrinsic motivation (Ryan and Deci 2020). The needs highlighted in this SDT theory are Autonomy (initiative and ownership of action), Competence (feeling of having expertise and being able to develop), and Relatedness (feelings of belonging and connected to a group).

Ryan and Connell (1989) proposed an orientation-related framework based on the relative autonomy of each motivation. This motivational orientation is very relevant for designing accounting control systems, where each type of control will be used to achieve different outcomes for the organization. According to Chen et al. (2020), an increasingly autonomous motivational orientation will be directly correlated with employee's trust and job satisfaction, employee welfare, and inversely related to the desire to leave the organization or psychological pressure.

Previous studies had used SDT in examining the role of motivation. SDT was used by De Baerdemaeker and Bruggeman (2015) in a study on the role of autonomous motivation in management participation in the creation of budgetary slack. In addition, Groen et al. (2017) also used SDT in a study on employee participation in the development of performance appraisals.

According to this theory, an individual with intrinsic drive will engage in an activity for the sake of self-satisfaction or personal achievement rather than for external rewards or external pressures. On the other hand, according to Cheng (2019), an individual with extrinsic motivation will do activity due to external encouragement, including providing incentives or the existence of rules and regulations.

Hypothesis Development

Relationship between Results Control and Motivation

Results control is used to ensure that the results achieved by an individual or group of employees are as planned. Individual performance reports, which contain the number of activities completed and the quality of the work produced, are one example of results control in the public sector. Superiors can observe a comparison between the expected targets based on the work agreement at the beginning of the period and the actual results attained. The performance report can be used to enquire why a target was not met, as well as to provide incentives if the results are in line with the target. Frey (2012) and Van der Kolk et al. (2019), stated that in accordance with Crowding's theory, the use of this results control will change the employees' individual perception where they will react by lowering their intrinsic motivation. Results control in the form of performance evaluation related to rewards can reduce the employee's intrinsic motivation to do a task.

According to Osterloh and Frey (2000), results control is a form of outside intervention which has controlling and informing elements. The controlling aspect will increase a sense of encouragement from external sources. Meanwhile, the informing aspect will encourage feelings of competence and increase the autonomy feeling. Results control will encourage a feeling of competence if the employee achieves the target, and vice versa if the individual does not meet the target, their sense of competence will decline. When employees believe their autonomy is limited, they may take the initiative, but only for items for which there are no standard rules relating to the performance targets being measured. This demonstrates that the controlling aspect is more dominant than the informing aspect in this control element. When employees view results control more as a controlling aspect, then according to motivation crowding theory

and SDT, results control will reduce intrinsic motivation.

Furthermore, when results control relates to external incentives focused on achieving the targets, external motivation is increased. Employees put in greater effort to meet performance targets, which affects the rewards or monetary incentives they receive. Based on the above explanation, we examine the following hypotheses.

H_{1a}: Results control has a negative relationship with intrinsic motivation.

H_{1b}: Results control has a positive relationship with extrinsic motivation.

Relationship between Action Control and Motivation

Merchant and Van der Stede (2017) defined action control as a type of management control that seeks to ensure that employees act in the best interests of the organization. According to Christ et al. (2012), organizations use preventive and detective controls to reduce risks and achieve organizational objectives. Action controls can take the form of controls that limit employee behavior both physically and administratively, such as the use of computer passwords, restrictions on work access, and limits on decision-making authorization. Aiello (1993) suggested that an electronic work monitoring system will increase employee stress levels and limit feelings of autonomy and empowerment at the individual level of employees.

According to Van der Kolk et al. (2019), when the controlling and informing aspects of the Motivation Crowding Effect theory are associated with action control, the controlling aspect will be more dominant. Action control according to SDT theory will also limit employee autonomy so that this will cause a decrease in intrinsic motivation. On the other hand, the implementation of action control will create external pressure for employees to carry out a certain task (Merchant and Van der Stede 2017). Furthermore, because action control

is associated with the relationship between an action and its outcome, such as superior approval, efforts to avoid procedural error, and rewards, action control will increase the extrinsic motivation of employees in public sector organizations. Based on this reason, we test the following hypotheses.

H2a: Action control has a negative relationship with intrinsic motivation.

H2b: Action control has a positive relationship with extrinsic motivation.

Relationship between Personnel Control and Motivation

Personnel control seeks to encourage employees to control and motivate themselves. As a result, employees must understand what the organization expects of them, and the organization must define controls to encourage that employees carry out their duties properly in accordance with these expectations. Personnel control in public sector organizations can be implemented through a selection process to find employees who are well qualified and in accordance with the needs of the organization. Furthermore, employee control is carried out with continuous training and job design that can motivate employees to achieve success.

Agboola et al. (2021) stated that training plays an important role in achieving organizational goals through improving individual employee performance, which will be reflected in competence and work behavior. Moreover, an organization that pays attention to personnel control will also give employees more autonomy and trust to manage their duties. According to Gagné and Deci (2005), these competence and autonomy factors are related to internal motivation, and stronger personnel controls are expected to increase employee intrinsic motivation. Based on the above explanation, the research hypothesis is as follows:

H3: Personnel control has a positive relationship with intrinsic motivation.

Relationship between Cultural Control and Motivation

Organizations use cultural controls to promote mutual monitoring among employees. Organizational culture is built from the common norms, values, behaviors and traditions adopted. Examples of cultural control in the public sector include statements of code of ethics, tone of the top, and the implementation of providing feedback between employees (Merchant and Van der Stede 2017, Van der Kolk 2019).

It is expected that cultural control will increase employee connectedness by increasing emotional bonds between employees and to the organization. This control is consistent with SDT theory, which states that the need for relatedness can be met when an employee feels connected to other employees or the organization where he works. According to Ryan and Deci (2000a), when this need is met, intrinsic motivation is expected to increase. Based on the above, the research hypothesis to be tested is:

H4: Cultural control has a positive relationship with intrinsic motivation.

We did not test the hypotheses of the relationship between personnel control, cultural control, and extrinsic motivation because they were not supported by the Motivation Crowding Theory and SDT, which is consistent with Van der Kolk et al.'s (2019) study.

Relationship between Motivation and Performance

This study also examines the relationship between motivation and performance. Tomal and Jones (2015) defined organizational performance as the actual output of the organization compared to the expected output. Furthermore,

Almatrooshi et al. (2016) stated that employee performance is a success factor of an organization. Therefore, the increase in employee performance will lead to an increase in organizational performance.

Cerasoli and Ford (2014) proposed that intrinsic motivation will improve performance in the public sector by encouraging employees to set challenging goals for themselves in order to develop their competence as well as the performance. Grant in Kuvaas and Dysvik (2009) stated that employees who are intrinsically motivated will feel they have the freedom to act autonomously to provide benefits to others. In addition, they also feel competent when they succeed in helping others and have a feeling of relatedness in connecting the results of their work with benefits for the community. This is consistent with Houston's (2006) contention that public sector employees are more intrinsically motivated than private sector employees. Tasks in the public sector provide numerous services to the community. This causes intrinsic motivation in the form of employee satisfaction to be higher in the public sector.

Previous studies have also provided empirical evidence regarding a positive relationship between extrinsic motivation and performance, including studies by Brownell and McInnes (1986), Diefenbach (2009), and Verbeteen (2008). Turner's (2017) study also concluded that extrinsic motivation is commonly used to encourage employee performance. Organizations can manage the use of external motivation by determining the best method of rewarding employees.

Cerasoli et al. (2014) documented a relationship between intrinsic motivation and extrinsic incentives with performance. Their study's findings demonstrated that, while extrinsic motivation in the form of incentives has an effect on the impact of employee intrinsic motivation on performance, intrinsic motivation still has a significant impact on performance. Therefore, these two motivations can be present simultaneously depending on the

type of performance and the contingencies of these incentives. Hendijani et al. (2016), who used the experimental method, also stated that external rewards and intrinsic motivation can complement and add to each other to increase overall motivation, which will then affect performance. This was also stated earlier by Amabile (1993) who suggested a good synergy between extrinsic motivation and intrinsic motivation, especially when the level of intrinsic motivation is high. This combination of motivation will be able to encourage increased employee satisfaction and performance. Therefore, the following research hypotheses will be tested:

H_{5a}: Intrinsic motivation has a positive relationship with performance.

H_{5b}: Extrinsic motivation has a positive relationship with performance.

A summary of the hypothesized relationship between the four elements of management control and intrinsic and extrinsic motivation, as well as the relationship between these motivations and organizational performance can be seen in Figure 1. In this study, we included the direct relationship of four types of management control systems and organizational performance as control variables.

RESEARCH METHODS

Research Design

This study uses a survey method with research questions referring to the study of Van der Kolk (2019) which examines the relationship between management control, motivation and performance in local government municipalities in the Netherlands, with a number of adjustments to the context of local government in Indonesia. We use the four elements of management control from Merchant and Van der Stede (2017) to build four constructs consisting of results control, action control, personnel control, and cultural control. Each construct

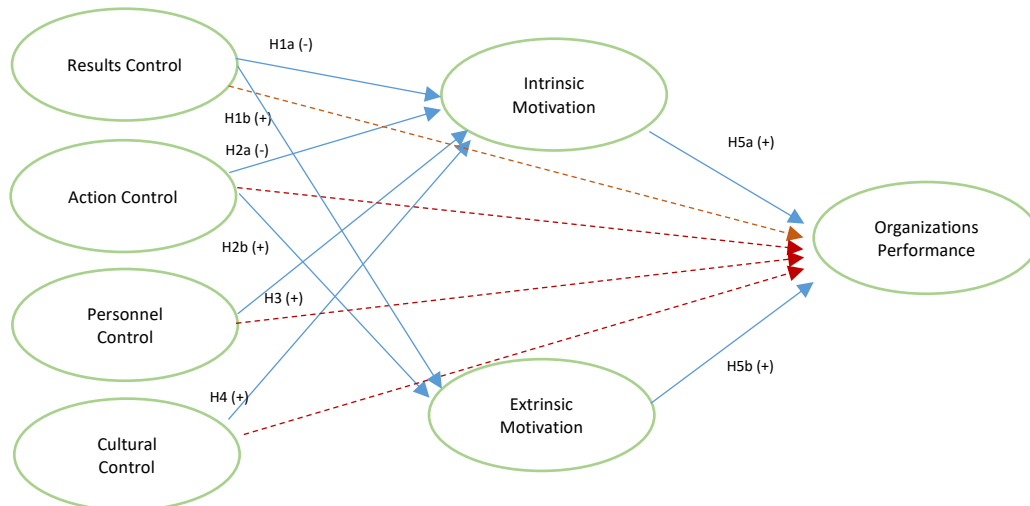


Figure 1.
Summary of the Relationship

is made up of five question items. Furthermore, there are four questions for the construct of intrinsic motivation and four questions for extrinsic motivation. As for the organizational performance construct, it was built with seven questions. Measurement data using a Likert scale 1-6. A value of 1 is for strongly disagree and a value of 6 is strongly agree with the statement submitted in the questionnaire.

To maintain the validity of the study, we piloted the questionnaire on three local government employees and two academics. We also added a reverse question to the questionnaire to obtain a valid test. The complete list of questionnaire questions can be found in **Appendix 1**.

Research Sample

The setting of this study is that the local government in this case is the city/district level government in Indonesia, namely the administrative area that is given the authority to regulate and manage its own government affairs other than the provincial level. Previous studies on the relationship between management control and motivation have focused on the manager's perspective (De Baerdemaeker and Bruggemen 2015, Christiani 2014), whereas Sanchez-Vidal et al. (2012) stated that there is a difference between managers'

and employees' perceptions. This difference in perception will undoubtedly influence managers' and employees' perspectives on management control (Tessier and Otley 2012). As a result, we wanted to examine the relationship between management control, motivation, and performance from the perspective of the employee in this study, so we used a sample of respondents at level of staff and the lowest level of managers (Section Head which is equivalent to Echelon IV positions).

In contrast to the study on management control and employee motivation in municipalities in the Netherlands (Van der Kolk et al. 2019), which focuses on testing one regional government working office, namely the licensing office in various municipalities, our respondents came from a variety of working offices in some district/city governments in Indonesia. This sampling method is carried out to address a weakness identified in previous study, namely, the limitations on the generalization of research findings.

In May 2021, after piloting and revising the questionnaire questions, we distributed the online questionnaire via google form to district/city government employees. As a response to the distribution of the questionnaire from May 21 to June 28, 2021, we obtained 187 valid answers.

Table 1
Respondent Characteristics

Variable	Number	%
Region (n = 187)		
Java	76	41%
Sumatera	49	26%
Kalimantan	22	12%
Sulawesi	10	5%
Bali & Nusa Tenggara	13	7%
Moluccas	16	9%
Papua	1	1%
Gender (n = 187)		
Female	83	44%
Male	104	56%
Education (n = 187)		
High School	5	3%
Diploma/Bachelor	120	64%
Post Graduate	62	33%
Age (n = 187)		
Under 25 years	5	3%
25-35 years	37	20%
36-45 years	107	57%
Over 45 years	38	20%
Working Experience (n = 187)		
Under 5 years	10	5%
5-10 years	34	18%
11-20 years	109	58%
Over 20 years	34	18%
Office Based on Government Affairs (n = 187)		
Education	5	3%
Health	10	5%
Public Works, Spatial Planning, Environment	8	4%
Development Planning	10	5%
Transportation	1	1%
Population and Civil Registration	3	2%
Social, Women Empowerment, Culture	3	2%
Unity of Nation and Politics	1	1%
Cooperatives and Small & Medium Enterprises	8	4%
Regional Autonomy, General Administration, Regional Financial Administration, Regional Apparatus, Licensing, Staffing and Encoding (including District)	96	51%
Agriculture, Marine, Fisheries, Industry and Trade	7	4%
Inspectorate	35	19%
Working Position (n = 187)		
Staff	160	86%
Echelon IV	27	14%

Table 2
Descriptive Statistics

Variable	Mean	Min	Max	Standard Deviation
Results Control	23.57754	5	30	4.45384
Action Control	25.47059	10	30	4.00004
Personnel Control	25.32086	5	30	4.93002
Cultural Control	24.16578	10	30	4.27034
Intrinsic Motivation	21.73262	4	24	3.08711
Extrinsic Motivation	18.63102	4	24	4.17593
Organizational Performance	32.94118	7	42	6.64958

We did not have any incomplete data because there is a menu in the google form that can automatically confirm whether the respondent has filled all of the items in the research question construct. This data satisfies the sample requirements for Structural Equation Modeling (SEM) testing, which, according to Bentler and Chou (1987), require 5 times the estimated parameters. The total number of question items in the questionnaire was 35, so our sample size was greater than the required minimum of 175 samples.

RESEARCH RESULTS AND DISCUSSION

Descriptive Statistics

Table 1 shows the characteristics of the respondents as the sample. The majority of respondents (41%) live on the island of Java, followed by Sumatra island (26%) and Kalimantan island (12 percent). In terms of gender, 56% of respondents are male and 44% are female. The education level of the majority of respondents is Diploma/Bachelor degree (64%). The majority of respondents is 36-45 years old (57%). In line with the purpose of the study, the respondents consisted of local government staffs (86 percent) and Echelon IV officials (14 percent).

Table 2 presents descriptive statistics from respondents' questionnaire responses. This analysis is used to describe data in variables based on the mean (average), minimum, maximum, and standard deviation values. As can be seen, all variables have a standard deviation value

that is less than the average value, implying that the respondents' responses are diverse. Table 2 shows that respondents' responses to research statements on extrinsic motivation have the lowest mean value. Meanwhile, the respondent's response to the statement of intrinsic motivation has the smallest standard deviation.

Structural Equation Modeling (SEM)

We used SEM statistical tools to test the hypotheses, which are a type of path analysis and multiple regression development. This tool was used because the dependent and independent variables were based on the respondents' perceptions. This model also has a number of advantages, such as the ability for researchers to build a research model with multiple constructs simultaneously. Furthermore, researchers can examine constructs that cannot be directly observed (unobserved) and see the complex interrelationships between constructs. We can see the relationship between the four control element constructs and the two types of motivation using this method at the same time. The complete modeling illustration can be seen in **Appendix 2**.

We tested the validity using the item correlation test. For the value of r table with 187 observations with a two-way test significance level of 0.05 is 0.1435. Furthermore, from the test results, it is known that all the correlation values of the questionnaire questions are above 0.1435, which means that the questionnaire questions are valid.

The reliability test results in Table 3 show that all constructs have Cronbach's

Table 3
Reliability Test

Construct	Cronbach Alpha	Description
Results Control	0.6516	Reliable
Action Control	0.7350	Reliable
Personnel Control	0.8208	Reliable
Cultural Control	0.7501	Reliable
Intrinsic Motivation	0.9051	Reliable
Extrinsic Motivation	0.7754	Reliable
Organizational Performance	0.9435	Reliable

Table 4
Structural Equation Modeling Test

Relations	Coefficient	t-stat
Hypotheses Test		
RESULTS CONTROL --> INTRINSIC MOTIVATION	0.08295	0.480
ACTION CONTROL --> INTRINSIC MOTIVATION	0.70643	0.000**
PERSONNEL CONTROL --> INTRINSIC MOTIVATION	0.17531	0.038**
CULTURAL CONTROL --> INTRINSIC MOTIVATION	0.00562	0.963
RESULTS CONTROL --> EXTRINSIC MOTIVATION	0.36241	0.013**
ACTION CONTROL --> EXTRINSIC MOTIVATION	0.41967	0.020**
INTRINSIC MOTIVATION --> ORGANIZATION PERFORMANCE	0.27376	0.004**
EXTRINSIC MOTIVATION --> ORGANIZATION PERFORMANCE	0.13069	0.082*
Non-Hypotheses Test		
RESULTS CONTROL --> ORGANIZATION PERFORMANCE	0.03792	0.752
ACTION CONTROL --> ORGANIZATION PERFORMANCE	0.42196	0.009**
PERSONNEL CONTROL --> ORGANIZATION PERFORMANCE	-0.02223	0.799
CULTURAL CONTROL --> ORGANIZATION PERFORMANCE	-0.05825	0.637

Note: ** significance level 0.05 * significance level 0.10

Alpha values greater than 0.6. According to Ghozali (2011), based on these results, all constructs in the model are reliable.

The test results in Table 4 show that the results control with extrinsic motivation has a significant positive relationship (H_{1b} is supported). This is due to the existence of measurements to assess the achievement of performance results based on the target, which is cascaded to the staff level and becomes an extrinsic motivation for employees. In addition, as part of bureaucratic reform, some Indonesian local governments have imposed performance allowances based on the results of performance appraisals. Our findings also

show that, while results control increases extrinsic motivation, it does not necessarily decrease (crowd out) intrinsic motivation (Deci et al. 1999). The test result shows H_{1a} is not supported. This result was also found in Van der Kolk's (2019). This is possible when the level of controlling aspects of results control is low. This is achieved in Indonesian local governments context because the targets set are generally not difficult to meet, so employees are not put under pressure.

Results control is used to ensure that the results achieved by an individual or group of employees are as expected. Individual performance reports are

examples of results control in the public sector. Superiors can compare the expected targets based on the work agreement at the start of the period with the actual results achieved in the report. This report can be used to ask why a target was not met, as well as to provide incentives if the results are in line with the target.

The relationship between action control and intrinsic motivation is significant, but it is opposite the hypothesis, which states that action control is negatively related to intrinsic motivation. H_{2a} is not supported. The explanation of this finding, according to motivation crowding theory, the outcomes of this action control have a more dominant informing aspect, which can actually encourage intrinsic motivation in individual employees. Employees do not feel pressured by this control and instead feel more competent in their work with clear procedures and assignments. This can be understood in the context of the implementation of public sector programs/activities in Indonesia, where there are many rigid provisions and guidelines that regulate them, and there is an obligation to follow these provisions.

Furthermore, the test results show that H_{2b} is supported where there is a significant positive relationship between action control and extrinsic motivation. Action control at local governments in Indonesia has proven to encourage external pressure for employees to carry out certain tasks. Complying with work procedures or having approval from superiors on a work process creates motivation from outside the employee to carry out the assigned work. In addition, the review of work plans and demands for accountability for the work carried out are also external controls that increase employee motivation.

From the results of the testing, H_3 is supported, meaning that there is a significant positive relationship between personnel control and intrinsic motivation. This demonstrates that personnel control plays an important role in motivating employees in the public sector, where this

control has succeeded in instilling a sense of competence and autonomy in order to create a work environment that fosters intrinsic motivation in employees. Furthermore, the recruitment process for local government civil servants is now open to the public and more transparent, with clear requirements based on organization's need. Employees also have the opportunity to improve their competence through various trainings and continuing education.

However, the test results show that there is no significant relationship between cultural control and intrinsic motivation, so H_4 is not supported. Unlike Van der Kolk et al. (2019), who were successful in proving the role of cultural control on motivation, no evidence was found in this study to support this hypothesis. This can be explained by the differences in contexts between municipalities in the Netherlands and district/city governments in Indonesia. This explanation is consistent with Peterson and Ruiz-Quintanilla's (2003) study, which stated that intrinsic motivation is also influenced by the socialization of work culture values that prevail in society that encourage employee behavior and performance, where the culture of this community varies by country.

In municipalities in the Netherlands, an organizational culture has been formed that reflects the existence of cultural control as described by Merchant and Van der Steede (2017). Employees are accustomed to providing input/feedback to their coworkers, there are values that have been well disseminated to staff, and staff understand the benefits of a work culture demonstrated by their superiors. Meanwhile, in line with the adoption of NPM, which is still slow and has not been implemented by all government agencies in Indonesia (Hartarti 2020), not all units in the city/district government have adequate cultural control, such as the organization's vision and mission, which is socialized and internalized within employee. Control in the form of providing feedback to fellow staff in an organizational unit is also not

commonly applied, due to reluctance and the absence of an appropriate mechanism. Furthermore, a feeling of relatedness has not been formed, either with other employees or a feeling of attachment to the organizational unit, so that the existing cultural control has not been able to encourage employees' intrinsic motivation. The finding that cultural control has no significant effect on intrinsic motivation is also due to the lack of a supportive organizational culture in Indonesia. This is consistent with Lumbanraja (2009), who stated that socialization programs and leadership actions in Indonesia have not aided in the internalization of cultural values in local government organizations.

Moreover, the relationship between intrinsic motivation and organizational performance shows a significant positive value (H_{5a} is supported), as well as the relationship between extrinsic motivation and organizational performance (H_{5b} is supported). This study also succeeded in documenting the role of intrinsic and extrinsic motivation in improving the performance of public sector organizations. This is in line with Amabile (1993) and Cerasoli (2014) which indicated that intrinsic and extrinsic motivation can synergize and jointly contribute to boosting performance. Table 4 shows that the coefficient of the relationship between intrinsic motivation and performance is greater than the coefficient of the relationship between extrinsic motivation and performance. This is consistent with the findings of Georgellis et al. (2011), Frey et al. (2013), and Van der Kolk et al. (2019), who found that intrinsic motivation has a greater influence on the characteristics of public sector employees than extrinsic incentives. Employees in the public sector believe that the job satisfaction gained from serving the community is a significant motivator for them to complete their duties.

We use direct relationships between the four types of management control and organizational performance as control variables. From the test results, it is seen

that action control has a significant positive relationship with organizational performance. The use of action control is proven to be able to encourage high performance of public sector organizations.

The above test was successful in proving some of the hypotheses developed using the Motivation Crowding Theory and SDT theory, namely that various Management Control Systems have an impact on intrinsic and extrinsic motivation. Using SEM analysis, we can also prove the existence of a relationship between these various types of motivation and organizational performance. Therefore, according to the findings of the study, motivation is a factor that mediates the relationship between MSS and organizational performance, with an indirect relationship between MSS and performance through employee motivation.

CONCLUSION

Unlike Christiani's (2014) study, which used a sample of company managers and failed to establish employee motivation as a mediating variable between management control and organizational performance, this study was successful in establishing the influence of employee motivation as a mediating variable between management control and public sector organizational performance. We used a survey with a sample of local government staff and lowest level of managers.

We documented that personnel control has a significant positive relationship with intrinsic motivation. However, in this study, no evidence was found to support the relationship between cultural control and intrinsic motivation. In addition to encouraging extrinsic motivation, action control has been shown to have a significant positive effect on intrinsic motivation, which contradicts the hypothesis. We did not find a negative relationship between action control and intrinsic motivation as proposed by the Motivation crowding theory. This is consistent with Deci et al.'s

(1999) assertion that extrinsic motivation does not always reduce (crowd out) intrinsic motivation. The proportion of controlling and informing factors will also have an impact on the situation, so there are cases where a control can increase both intrinsic and extrinsic motivation.

This study contributes to the advancement of research by adding to the literature that not only results control, but also other control elements such as personnel control and action control, play a role in the motivation of public sector employees. Furthermore, this study also succeeded in providing an insight into the role of results control in public sector organizations. Although some argue that NPM places too much emphasis on control and decision-making practices that are more appropriate in the private sector, such as performance measurement and control on outcomes (Diefenbach 2009; Groot and Budding 2008; Goeminne and George 2019), but the results of this study indicate that results control can encourage extrinsic motivation of public sector employees and it is not proven that this control will reduce employee intrinsic motivation. This study also succeeded in providing evidence of the role of intrinsic and extrinsic motivation in improving the performance of public sector organizations.

Furthermore, this study also has implications for practitioners in the public sector regarding what elements of control in public sector organizations can encourage employee motivation, both intrinsic and extrinsic. Management can understand the impact of management control choices, both on employees and on the organization. With this information, management in public sector organizations can establish a set of controls that are most effective in encouraging employee motivation and ultimately improving organizational performance. We can see from this study that personnel control is very important in increasing motivation, so that in the future, public sector management can implement policies that increase continuous training

and provide opportunities for employees to manage their duties more autonomously.

This study has a number of limitations. One of the challenges in survey research is the bias in sample selection and respondent responses. We overcome this concern by conducting a reliability test and the results meet the required criteria. We are also aware of the possibility that there are other variables that have not been addressed that affect the impact of management control on motivation and motivation on organizational performance, such as the level of bureaucracy in local government organizations, the financial condition of local governments, the amount of rewards given as well as the influence of the complexity of employee tasks. This is consistent with Merchant and Van der Steede's (2017) assertion that many factors and conditions influence the effectiveness of management control in an organization. In addition, future research could investigate the influence of personality or characteristics of employees who tend to choose intrinsic motivation or extrinsic motivation. We hope that future research will help to further expand the research literature.

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Appendix 1

List of Questionnaire

1. Results Control

Each Statement has six answer options ranging from 1 to 6.

Please choose 1 if you feel strongly disagree with the statement, and

Please choose 6 if you feel strongly agree with the statement.

- a. There are performance targets cascading down to the individual employee level
- b. Measurements were made on the achievement of the performance results of each employee
- c. There are rewards for employees with good results
- d. There are sanctions/penalties for employees with poor achievement
- e. Achievement of performance results is rarely informed/communicated to employee

2. Action Control

Each Statement has six answer options ranging from 1 to 6.

Please choose 1 if you feel strongly disagree with the statement, and

Please choose 6 if you feel strongly agree with the statement.

- a. Following the rules and procedures in your work unit is very important
- b. Employees are rarely briefed and receive little information dissemination in order to follow organizational rules and procedures.
- c. There is a reporting and monitoring mechanism for work activities carried out by employees
- d. Work plans and job division are used as employee control tools in your unit/section
- e. Employees are held accountable for their job-related activities

3. Personnel Control

Each Statement has six answer options ranging from 1 to 6.

Please choose 1 if you feel strongly disagree with the statement, and

Please choose 6 if you feel strongly agree with the statement.

- a. There are opportunities for employees to attend training and pursue further education
- b. Employees do not have the opportunity to manage themselves to develop
- c. The process of recruiting new employees uses a tight and open selection
- d. New employees receive adequate training and learning process
- e. There are clear duties and functions in assigning tasks to employees

4. Cultural Control

Each Statement has six answer options ranging from 1 to 6.

Please choose 1 if you feel strongly disagree with the statement, and

Please choose 6 if you feel strongly agree with the statement.

- a. Employees provide feedback and input to one another while carrying out their responsibilities
- b. Employees are not adequately informed about organizational values and norms.
- c. Staff understand their assignment expectations in terms of the organizational culture
- d. The employees have a connection with one another because they share a common vision, norms, and work culture
- e. Employees understand the benefits of a work culture or behavior demonstrated by superiors

5. Intrinsic Motivation

I conduct this task because.....

Each Statement has six answer options ranging from 1 to 6.

Please choose 1 if you feel strongly disagree with the statement, and

Please choose 6 if you feel strongly agree with the statement.

- a. I like the work I do
- b. This is a job that I enjoy doing.
- c. When I finish my work well, I feel a sense of accomplishment.
- d. When I do this work, I feel useful to the community.

6. Extrinsic Motivation

I conduct this task because.....

Each Statement has six answer options ranging from 1 to 6.

Please choose 1 if you feel strongly disagree with the statement, and

Please choose 6 if you feel strongly agree with the statement.

- a. With this job, I will be able to meet my basic needs.
- b. This job earns a fairly large salary
- c. This job provides a definite income
- d. There is a social status that I get when I do this job

7. Organizational Performance

How would you rate the performance of your unit/part compared to other units?

Each Statement has six answer options ranging from 1 to 6.

Please choose 1 if you feel that your unit's performance is far below the average performance of other comparable units

Please choose 2 if you feel that your unit's performance is slightly below the average performance of other comparable units

Please choose 3 if you feel that your unit's performance is on par with the average performance of other comparable units

Please choose 4 if you feel that your unit's performance is slightly above the average performance of other comparable units

Please choose 5 if you feel that your unit's performance is far above the average performance of other comparable units

Please choose 6 if you feel that your unit's performance is very far above the average performance of other comparable units

- a. Based on the number/quantity of work and the output
- b. Based on the quality of work produced by your unit
- c. based on the number of innovations, improvements in work processes, or new ideas in your unit
- d. Based on the work performance reputation of your unit
- e. Based on the achievement of your unit performance target
- f. Based on the work efficiency of your unit
- g. Based on the work ethic and spirit of your unit

Appendix 2
Illustration of Modeling using SEM Building

