Agile Governance, Digital Transformation, and Citizen Satisfaction Moderated by Political Stability in Indonesia’s Socio-Political Landscape

Sampara Lukman¹
Institut Pemerintahan Dalam Negeri, Jatinangor, Indonesia

Azis Hakim
Universitas Krisnadwipayana, Jakarta, Indonesia

Abstract: During contemporary political disruptions, this study comprehensively examines transformative dynamics in public administration in Indonesia. We delve into the complex interplay of agile governance, a responsive and adaptive governance model navigating political uncertainties, and the transformative forces of digital transformation, orchestrating a symphony of technological advancements reshaping the very fabric of governance. Furthermore, the study investigates inclusive decision-making, elucidating the collaborative engagement between citizens and policymakers in shaping governance strategies. The research then centers on the culmination of these dynamics, emphasizing citizen satisfaction as a pivotal metric for assessing the success of governance initiatives. Operating as a moderator, political stability guides the overall effectiveness of governance practices. Following a stratified sampling technique, data were collected from 490 followers of Indonesian public sector social networking sites from July 2023 to November 2023. The findings reveal that agile governance, digital transformation, and inclusive decision-making positively contribute to citizen satisfaction with public services, with political stability moderating these relationships, providing empirical insights into the dynamics of contemporary public administration. The scholarly significance lies in providing empirical insights into the specific context of Indonesia, contributing to the broader discourse on effective governance strategies in the face of political disruptions.

Keywords: agile governance, digital transformation, inclusive decision-making, political stability, public administration, citizen-centric governance.

Recently, the field of public administration has undergone transformative changes spurred by the complex interplay of political disruptions, technological advancements, and evolving societal expectations (Ahn & Chen, 2022). These shifts have reshaped how government functions and posed new challenges and opportunities for public administrators (Jiang et al., 2022). This paper investigates the dynamic landscape of public administration, exploring key dimensions that characterize the contemporary environment. The concept of agile governance reflects a paradigm shift in public administration, emphasizing flexibility, adaptability, and responsiveness to rapidly changing circumstances (Li et al., 2023). As governments worldwide grapple with multifaceted challenges, adopting agile governance

¹ Corresponding Author: Study Program of Regional Government Administration, Institut Pemerintahan Dalam Negeri, Jatinangor, Indonesia. E-Mail: s.lukman.ipdn@gmail.com
practices becomes imperative for enhancing the efficacy of public service delivery and policy implementation (Mengqi & Yin, 2023). This research aims to unravel the nuanced effects of agile governance on citizens’ overall satisfaction with public services.

One key driver of change in public administration is the increasing influence of technology. The digital revolution has significantly improved communication, data management, and service delivery (Karmaker et al., 2023). Governments worldwide are embracing e-governance initiatives to streamline processes, enhance transparency, and make services more accessible to the public (Mansoor, 2021). Integrating advanced technologies such as artificial intelligence, blockchain, and big data analytics can potentially revolutionize decision-making processes within public administration (Hartanto et al., 2021). Furthermore, the rise of social media has fundamentally altered the dynamics of public engagement. Citizens now have unprecedented access to information and can actively participate in governance through online platforms. This shift necessitates re-evaluating traditional communication strategies within public administration (Drummond et al., 2023). Simultaneously, the pervasive influence of digital transformation has become a hallmark of modern governance. Leveraging advanced technologies, governments are streamlining processes, enhancing transparency, and fostering innovation (McLaughlin et al., 2022). This paper investigates the multifaceted impacts of digital transformation on citizen satisfaction, exploring how the integration of technology shapes public service delivery and responsiveness.

The evolution of societal expectations puts pressure on public administrators to deliver more responsive and citizen-centric services. The public now expects government agencies to be agile, accountable, and responsive to their needs. This expectation necessitates a shift from the traditional bureaucratic model to a more customer-oriented approach. Public administrators are increasingly adopting customer relationship management principles to better understand and meet the citizens’ expectations (Medaglia et al., 2023; Topal, 2022). At the same time, recognizing the centrality of inclusive decision-making in the contemporary governance landscape, this study examines how involving diverse voices and perspectives in decision-making processes influences citizen satisfaction (Jungjohann & Gebhardt, 2023). As a mediator, inclusive decision-making serves as a conduit through which the effects of agile governance and digital transformation manifest in shaping public service outcomes. The ultimate gauge of the success of these transformations lies in the satisfaction of citizens with public services (Bell & Reed, 2022). Therefore, citizen satisfaction is positioned as the dependent variable, seeking to understand the intricate relationships between the aforementioned variables and the overall public sentiment toward government initiatives and services.

Political stability emerges as a crucial moderator in this complex web of relationships, influencing the strength and direction of the connections between inclusive decision-making and citizen satisfaction (Khan et al., 2023). Political disruptions and geopolitical changes also play a crucial role in shaping the landscape of public administration (Kartal et al., 2023). The emergence of new political ideologies and the redefinition of global alliances have far-reaching implications for how governments operate. Public administrators must navigate these uncertainties while remaining steadfast in their commitment to the principles of good governance (Farmaki et al., 2019). Flexibility, adaptability, and strategic foresight become essential qualities for those in public administration to respond to the ever-changing political environment effectively. Hence, by exploring the moderating role of political stability, this research adds depth to understanding how the broader political context interacts with internal governance dynamics to shape public satisfaction with services.

While the global discourse on shifts in public administration has gained considerable traction, a significant contextual gap exists in understanding how these shifts manifest within the unique socio-political landscape of Indonesia (Razy & Ariani, 2022). This archipelagic
nation, with its diverse cultural tapestry and distinct political history, presents a nuanced environment that requires specialized attention for a comprehensive analysis (Hartanto et al., 2021). A myriad of challenges and opportunities characterize Indonesia, the world’s fourth-most populous country (Tambunan, 2023). Despite a growing emphasis on agile governance and digital transformation in various parts of the world, the extent to which these principles are integrated into Indonesia’s public administration remains unclear (Gusman, 2023). There is a need to bridge the contextual gap by examining how Indonesia's cultural, political, and economic specificities shape the implementation and effectiveness of agile governance and digital transformation initiatives.

Moreover, the role of inclusive decision-making in the Indonesian context deserves careful consideration. The country’s diverse ethnic and cultural composition demands a nuanced understanding of how inclusive practices are embedded in decision-making processes (Syakur & Khoiroh, 2021). Examining the degree to which diverse perspectives are incorporated in governance structures can shed light on the efficacy of inclusive decision-making in the Indonesian public administration context. Hence, by considering the unique socio-political and cultural characteristics of the country, we aim to

- Assess the impact of agile governance and digital transformation on citizen satisfaction with public service delivery;
- Assess the role of inclusive decision-making in governance by analyzing citizen satisfaction with public service delivery;
- Examine the mediatory role of inclusive decision-making between the association of agile governance and digital transformation on citizen satisfaction with public service delivery;
- Investigate the moderating role of political stability in the relationships between inclusive decision-making and citizen satisfaction with public service delivery; and
- Provide policy recommendations for enhanced governance in developing nations.

Theoretical Foundation and Hypothesis Development

Institutional theory provides a solid foundation for understanding how formal and informal rules, norms, and practices shape the behavior of organizations and institutions within a given context. In the public administration setting, this theory offers insights into the impacts of formal institutions (laws and regulations) and informal institutions (cultural norms and traditions) on the adoption and implementation of agile governance, digital transformation, inclusive decision-making, and their subsequent effects on citizen satisfaction (Dubey et al., 2019). The current study explores how institutional pressures influence the adoption of agile governance and digital transformation within the Indonesian bureaucratic framework and analyzes how institutionalized norms impact the inclusivity of decision-making processes and the development of digital infrastructure (Farrukh et al., 2022). Additionally, the Adaptive Governance Framework is well-suited for understanding the governance dynamics in the face of uncertainty and rapid change (Wyborn et al., 2023). As developing countries navigate diverse socio-political landscapes, the adaptive governance perspective allows for examining how the government adapts to external challenges and internal complexities while ensuring citizen satisfaction (Alexandra et al., 2023). The current study applies the Adaptive Governance Framework to assess how agile governance serves as an adaptive strategy, allowing the government to respond flexibly to emerging issues. Also, this study examines the role of digital transformation as a tool for adaptive governance, enabling quick adjustments in response to technological advancements. Hence, by integrating institutional theory and the adaptive governance framework, this study aims to provide a comprehensive understanding of the
mechanisms through which institutional factors influence the adoption of modern governance practices in Indonesia. It also seeks to illuminate how adaptive governance strategies, rooted in institutional contexts, contribute to or hinder citizen satisfaction with public services in a rapidly changing environment.

The Impact of Agile Governance on Citizen Satisfaction with Public Services

The evolution of governance paradigms has seen a notable shift towards agile governance, emphasizing flexibility, adaptability, and responsiveness in delivering public services (Annahar, Widianingsih, Paskarina, et al., 2023). Agile governance draws inspiration from agile methodologies in software development, emphasizing iterative and collaborative approaches to problem-solving (Maulana et al., 2023). Mengqi and Yin (2023) underscore the foundational principles of agile governance, highlighting its potential to enhance the efficiency and effectiveness of public service delivery. Moreover, Li et al. (2023) emphasized the role of agile governance in promoting flexibility and responsiveness in public administration. Agile methodologies enable governments to adapt swiftly to changing circumstances, aligning services with evolving citizen needs and expectations. This adaptability is posited to influence citizen satisfaction positively (Mengqi & Yin, 2023). I. Malik and Wahid (2023) explored the citizen-centric nature of agile governance, suggesting that focusing on user needs and active involvement in decision-making processes contributes to heightened citizen satisfaction. The iterative nature of agile methods allows for continuous refinement based on citizen feedback, fostering a more responsive and citizen-oriented public service. Research also shows that agile governance provides insights into the factors that contribute to successful implementation and, consequently, enhanced citizen satisfaction (Hariawan, 2023). Hence it is stated that;

**H1a:** Adopting agile governance principles in public administration is positively associated with increasing citizen satisfaction with public services.

The Impact of Digital Transformation on Citizen Satisfaction with Public Services

Digital transformation has become a defining force in reshaping public administration worldwide, with implications for citizen-government interactions. Zhong et al. (2022) provided an overview of digital transformation in public administration, emphasizing its role in enhancing service delivery, increasing transparency, and fostering innovation. The integration of digital technologies can revolutionize how governments engage with citizens, leading to increased satisfaction (Aly, 2020). Studies such as Cuomo and Foroudi (2023) and Weber et al. (2022) highlighted how technological advancements empower citizens by providing greater access to information, services, and decision-making processes. The convenience and empowerment associated with digital interactions contribute positively to citizen satisfaction. Additionally, e-government initiatives are a significant component of digital transformation. Research by Nguyen et al. (2022) indicates that successful implementation of e-government services positively correlates with higher levels of citizen satisfaction. The ease of access, reduced bureaucracy, and increased efficiency offered by digital platforms contribute to a positive citizen experience. Hence it is postulated that;

**H1b:** A higher degree of digital transformation in public administration is positively associated with increased citizen satisfaction with public services.
The Impact of Agile Governance on Inclusive Decision-Making

Researchers explore iterative feedback loops’ role in agile governance, emphasizing their contribution to continuous stakeholder engagement. By incorporating feedback from various stakeholders throughout the decision-making process, agile governance ensures that a broad spectrum informs decisions of perspectives (Tam et al., 2020). Likewise, I. Malik and Wahid (2023) suggested that adopting agile governance necessitates cultural shifts within organizations. This cultural transformation extends to decision-making processes, fostering a more inclusive and participatory culture that values input from all organizational levels. Simultaneously, M. Malik et al. (2021) discussed potential challenges associated with implementing agile governance in decision-making. Balancing inclusivity with efficiency, addressing power differentials, and ensuring effective communication are crucial considerations for maintaining the inclusivity of decision-making processes. Hence, it is hypothesized that:

\[ H_{2a}: \text{Adopting agile governance principles in public administration positively increases inclusivity in decision-making processes.} \]

The Impact of Digital Transformation on Inclusive Decision-Making

Digital transformation, a pervasive force in contemporary governance, has the potential to revolutionize decision-making processes by leveraging advanced technologies. Battisti et al. (2022) emphasized the role of data-driven decision-making in the context of digital transformation. By harnessing data analytics, decision-makers can base their choices on a more comprehensive understanding of diverse perspectives, contributing to more inclusive and informed decision-making (Syarif, 2020). Research by Popkova and Sergi (2023) discussed the challenges associated with ensuring digital inclusivity in decision-making processes. Concerns such as digital literacy, accessibility, and the digital divide highlight potential barriers that must be addressed to realize the inclusive potential of digital transformation fully.

Moreover, Abubakre et al. (2022) explored how virtual collaboration tools and online platforms facilitate stakeholder engagement in decision-making. The ability to connect virtually can overcome geographical barriers, enabling a more diverse set of voices to be included in the decision-making process. Thus, the literature suggests that digital transformation has a multifaceted impact on decision-making inclusivity. While technological enablers and data-driven approaches promote inclusivity, challenges related to digital literacy and accessibility must be addressed to ensure a truly inclusive decision-making environment. Hence, it is stated that

\[ H_{2b}: \text{A higher degree of digital transformation in public administration is positively associated with increased inclusivity in decision-making processes.} \]

The Impact of Inclusive Decision-Making on Citizen Satisfaction with Public Services

Inclusive decision-making, characterized by the active involvement of diverse stakeholders in the decision-making process, holds the potential to shape citizens' satisfaction with public services (Bell & Reed, 2022). Fu et al. (2022) defined inclusive decision-making as a governance approach that considers diverse perspectives, ensuring that decisions reflect the needs and interests of various stakeholders. The participatory nature of inclusive processes is seen as a mechanism for fostering citizen satisfaction. Annahar, Widianingsih, Muhtar, et al. (2023) highlighted the positive correlation between public participation in decision-making and
citizen satisfaction. Inclusive processes that allow citizens to contribute to shaping policies and services are associated with increased levels of satisfaction with public services. At the same time, Mortazavi et al. (2021) explored how inclusive decision-making contributes to transparency and trust in government. When citizens perceive that their voices are heard and considered in decision-making, it fosters a sense of trust in public institutions, positively influencing overall satisfaction with public services. From fostering trust and transparency to enabling customization of services based on community needs, the participatory nature of inclusive processes contributes significantly to citizens’ overall satisfaction. Hence, it is postulated that;

**H3:** A higher level of inclusive decision-making in public administration is positively associated with increased citizen satisfaction with public services.

The Mediatory Role of Inclusive Decision-Making

Hariawan (2023) discussed how agile governance emphasizes collaboration and iterative processes, fostering a culture of inclusive decision-making. The dynamic and adaptive nature of agile methods can potentially enhance the inclusivity of decision-making processes within public administration. Amruloh and Putri (2023) explored the synergy between digital transformation and decision-making. Digital tools and platforms can facilitate broader stakeholder engagement, making inclusive decision-making more feasible and scalable within the context of a digitally transformed governance landscape. Indeed, Li et al. (2023) suggested that the flexibility and responsiveness of agile governance positively impact citizen satisfaction. However, the specific mechanisms through which agile governance influences satisfaction, including the potential mediating role of inclusive decision-making, warrant further investigation.

Ahn and Chen (2022) examined the direct impact of digital transformation on citizen satisfaction. While technological advancements contribute to enhanced services, the pathways through which inclusive decision-making mediates this relationship remain an area of exploration. Simultaneously, Zhong et al. (2022) put forth the concept of inclusive decision-making as a mediator between governance strategies and citizen outcomes. The study suggests that the influence of agile governance and digital transformation on citizen satisfaction may be channeled through the inclusivity of decision-making processes. Hence, it is hypothesized that;

**H4:** Inclusive decision-making plays a mediating role between the link of (a) agile governance and (b) digital transformation with citizen satisfaction with public services.

The Moderating Role of Political Stability

As a contextual factor, political stability can significantly influence the relationship between inclusive decision-making and citizen satisfaction with public services (Kartal et al., 2023). Bargsted et al. (2023) introduced the concept of political stability as a crucial contextual factor that can shape the effectiveness of governance strategies. Political stability provides a conducive environment for policy implementation, potentially influencing the impact of inclusive decision-making on citizen satisfaction. Khan et al. (2023) discussed variations in the inclusivity of decision-making processes across different political contexts. Their study suggested that the effectiveness of inclusive decision-making may vary depending on the degree of political stability within a region or country.
Meanwhile, Farooq et al. (2023) explored the relationship between political stability, public trust in government, and citizen satisfaction (see figure 1). Political stability is identified as a key factor influencing the level of trust citizens place in governmental institutions, subsequently impacting their satisfaction with public services. Simultaneously, Aly (2020) proposed that stable political environments create a conducive setting for the positive impact of governance strategies on citizen satisfaction. Inclusive decision-making is expected to have a more pronounced effect on satisfaction in politically stable contexts. Therefore, understanding how political stability shapes the effectiveness of inclusive processes is crucial for comprehending the nuanced dynamics within public administration. Hence, it is postulated that:

**H5:** Political stability moderates the relationship between inclusive decision-making and citizen satisfaction with public services such that in a politically stable environment, the positive impact of inclusive decision-making on citizen satisfaction with public services is more pronounced.

**Theoretical Framework of the Study**

**Figure 1**

This research aimed to investigate the impact of Inclusive Decision-Making on Citizen Satisfaction with Public Services in the public sector. The data collection process involved followers of public sector social networking sites from July 2023 to November 2023:

1. **Target population:** The target population consisted of individuals following official social networking accounts affiliated with various public sector entities, including government agencies, ministries, and local authorities.
2. **Sampling frame:** The sampling frame was constructed by identifying and listing relevant public sector organizations’ official social media profiles. This included platforms such as Twitter, Facebook, LinkedIn, and Instagram.
3. Sampling method: Stratified random sampling was employed to ensure representation from diverse levels of government (national, regional, local) and various public service sectors.

4. Surveys and questionnaires: Online surveys and questionnaires were designed and disseminated through the identified social networking sites. These instruments included questions assessing perceptions of inclusivity in decision-making and overall satisfaction with public services.

5. Sample size: The researchers contacted 800 followers of official social networking accounts affiliated with various public sector organizations. A structured communication explained the purpose of the study, and participants were invited to take part in the research. Of the initial contact group, 570 followers consented to participate in the survey. Participants were provided with detailed information about the study, and informed consent was obtained before data collection. A total of 490 participants successfully completed the quantitative survey. The sample size was determined based on considerations of statistical power and representativeness, ensuring a robust dataset for analysis.

6. Ethical consideration: Participants were provided with clear information about the study’s purpose, procedures, and rights. Informed consent was obtained from each participant before engaging in data collection activities. Participants’ identities were kept confidential, and data were anonymized during analysis to ensure privacy and protect sensitive information.

**Demographic Characteristics of the Study**

The gender distribution among the participants was fairly balanced, with 59.7% identifying as male and 40.3% as female. In terms of age groups, the majority fell within the range of 25-34 years (38%), followed closely by the 35-44 age group (30%). The survey captured a broad spectrum of educational backgrounds, with 45% of respondents holding a bachelor's degree, 32% having completed a master's degree, and 12% possessing a doctoral degree. The professional diversity of the participants was evident, with 28% employed in government sectors, 22% in private industries, and 18% in non-profit organizations. Geographically, respondents were dispersed across various regions, showcasing a nationwide representation. The highest percentage of participants resided in urban areas (48%), 35% lived in suburban locations, and 17% reported rural residences.

**Measures of the Study**

Agile governance was gauged using a well-established scale by Amruloh and Putri (2023) comprising 18 items. Participants were prompted to express their agreement or disagreement with statements such as “government decision-making processes are flexible and adaptive” and “agile methods are actively embraced in public administration.” The impact of digital transformation was measured using the comprehensive scale of Ahn and Chen (2022) consisting of 20 items. Sample statements included “government services are efficiently delivered through digital platforms” and “the integration of technology has positively transformed public administration processes.” The construct of inclusive decision-making was measured using a scale by Bell and Reed (2022) consisting of 15 items. Participants were asked to rate their agreement with statements such as “decision-making processes in the public sector consider diverse perspectives” and “citizens are actively involved in shaping policies.” The level of citizen satisfaction with public services was gauged through a scale by Pattanaik and Sahoo (2021) comprising 8 items. Sample statements included “I am satisfied with the accessibility of
public services” and “The responsiveness of public services meets my expectations.” Finally, political stability, a contextual factor, was assessed through a scale by Farmaki et al. (2019), comprising 10 items that captured participants’ perceptions of the stability of the political environment. Statements included “political stability positively influences public service delivery” and “a stable political climate enhances my trust in government institutions.” All scale statements used a 5-point Likert-type scale with 1 = strongly disagree to 5 = strongly agree.

Data Analysis and Results

Statistical analyses were applied to the survey data, including descriptive statistics, correlation analysis, and regression models. These analyses aimed to uncover relationships between variables and provide quantitative insights into the impact of Inclusive Decision-Making on Citizen Satisfaction. Descriptive statistics were employed to offer an initial snapshot of the data. Means, standard deviations, and frequencies were computed to encapsulate the participants’ responses, concisely summarizing the central tendencies and variations within the variables.

Table 1 presents key statistical values for the fundamental constructs investigated in this research. Mean values offer insights into the central tendency of participant responses, with higher means indicating a more favorable perception or a more pronounced presence of the respective construct (Noor et al., 2022; Shmueli et al., 2019). The mean score for Agile Governance was 4.09, indicating a relatively favorable perception of the agility and flexibility in government decision-making processes among the participants. The low standard deviation of 0.99 suggests a relatively low level of response variability, signifying a consistent view among participants. The AVE of 0.67 demonstrates moderate convergent validity, indicating that 67% of the variance in the measured items is attributed to the Agile Governance construct. The high CR of 0.89 indicates strong internal consistency, suggesting that the items reliably measure the Agile Governance construct. The CA of 0.82 further supports the reliability of the Agile Governance scale.

The mean score for Digital Transformation was 4.26, suggesting a generally favorable perception of the transformative impact of technology in public administration. The low standard deviation of 0.80 indicates a consistent agreement among participants regarding the presence of Digital Transformation. The AVE of 0.59 represents moderate convergent validity, signifying that 59% of the variance in the measured items is associated with the Digital Transformation construct. The high CR of 0.87 suggests strong internal consistency, ensuring the reliability of the Digital Transformation scale. The CA of 0.79 reinforces the reliability of the Digital Transformation measure.

With a mean score of 3.91, participants generally perceive a moderate level of inclusivity in decision-making processes within the public sector. The standard deviation of 0.84 indicates some variability in responses, suggesting differing views on the inclusivity of decision-making. The AVE of 0.62 demonstrates a moderate level of convergent validity, indicating that 62% of the variance in the measured items is attributed to the Inclusive Decision-Making construct. The high CR of 0.91 highlights strong internal consistency, affirming the reliability of the Inclusive Decision-Making scale. The CA of 0.81 further attests to the reliability of the Inclusive Decision-Making measure.

The mean score of 3.56 suggests a moderate level of satisfaction among participants with public services. The standard deviation of 0.95 indicates a noteworthy degree of variability in satisfaction levels. The AVE of 0.60 demonstrates moderate convergent validity, signifying that 60% of the variance in the measured items is associated with the Citizen Satisfaction construct. The high CR of 0.87 ensures strong internal consistency, underlining the reliability
of the Citizen Satisfaction scale. The CA of 0.77 further confirms the reliability of the Citizen Satisfaction measure.

With a mean score of 4.01, participants perceive a relatively favorable level of political stability in the environment influencing public services. The standard deviation of 1.05 suggests notable variability in responses, indicating diverse perspectives on the perceived stability of the political climate. The AVE of 0.55 represents moderate convergent validity, signifying that 55% of the variance in the measured items is associated with the Political Stability construct. The high CR of 0.85 indicates strong internal consistency, affirming the reliability of the Political Stability scale. The CA of 0.72 further supports the reliability of the Political Stability measure.

Table 1
Descriptive Statistics of the Study Constructs

<table>
<thead>
<tr>
<th>Construct</th>
<th>Mean</th>
<th>STD</th>
<th>AVE</th>
<th>CR</th>
<th>CA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agile Governance</td>
<td>4.09</td>
<td>0.99</td>
<td>0.67</td>
<td>0.89</td>
<td>0.82</td>
</tr>
<tr>
<td>Digital Transformation</td>
<td>4.26</td>
<td>0.80</td>
<td>0.59</td>
<td>0.87</td>
<td>0.79</td>
</tr>
<tr>
<td>Inclusive Decision-Making</td>
<td>3.91</td>
<td>0.84</td>
<td>0.62</td>
<td>0.91</td>
<td>0.81</td>
</tr>
<tr>
<td>Citizen Satisfaction with Public Services</td>
<td>3.56</td>
<td>0.95</td>
<td>0.60</td>
<td>0.87</td>
<td>0.77</td>
</tr>
<tr>
<td>Political stability</td>
<td>4.01</td>
<td>1.05</td>
<td>0.55</td>
<td>0.85</td>
<td>0.72</td>
</tr>
</tbody>
</table>

Correlation Analysis

Table 2 displays the relationships among the key constructs in the research study. The correlation analysis presented in the table explores the relationships between the key constructs in the study. A moderate positive correlation (0.470) existed between Agile Governance and Digital Transformation. This correlation suggests that as perceptions of Agile Governance increase, there is a tendency for positive views on the transformative impact of technology in public administration. A strong positive correlation (0.610) is observed between Agile Governance and Inclusive Decision-Making, which indicates that participants who perceive higher levels of agility in governance also tend to perceive greater inclusivity in decision-making processes. A strong positive correlation (0.589) indicates that individuals who view governance as more agile also tend to report higher satisfaction with public services. A moderate positive correlation (0.520) suggests that perceptions of Agile Governance are associated with a relatively stable political environment. A moderate positive correlation (0.512) indicates that as perceptions of Digital Transformation increase, there is a tendency for higher perceived inclusivity in decision-making processes. A positive correlation (0.391) suggests that individuals who perceive a more significant impact of digital transformation also report higher satisfaction with public services. A moderate positive correlation (0.480) implies that perceptions of Digital Transformation are associated with a relatively stable political environment. A strong positive correlation (0.601) indicates that as perceptions of inclusivity in decision-making increase, there is a strong tendency for higher reported satisfaction with public services. A moderate positive correlation (0.498) suggests that individuals who perceive decision-making processes as more inclusive also tend to perceive a relatively stable political environment. A strong positive correlation (0.570) indicates that as perceptions of political stability increase, there is a strong tendency for higher reported satisfaction with public services.
Table 2

*Correlation Analysis*

<table>
<thead>
<tr>
<th>Constructs</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agile Governance</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Digital Transformation</td>
<td>0.470</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inclusive Decision-Making</td>
<td>0.610</td>
<td>0.512</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Citizen Satisfaction with Public Services</td>
<td>0.589</td>
<td>0.391</td>
<td>0.601</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>Political stability</td>
<td>0.520</td>
<td>0.480</td>
<td>0.498</td>
<td>0.570</td>
<td>1.000</td>
</tr>
</tbody>
</table>

**VIF and Tolerance**

The Variance Inflation Factor (VIF) and tolerance values were calculated to evaluate potential multicollinearity among the variables. The outcomes revealed no multicollinearity concerns, as indicated by VIF values well below the widely acknowledged threshold of 3 and tolerance values comfortably above 0.1 for all variables (Das et al., 2021). These results assured that the independent variables did not exhibit high correlation, reinforcing the robustness of the regression analyses performed in this study. The lack of multicollinearity ensured the reliability of parameter estimates and enhanced the interpretability of the study’s findings.

**Model Fit Indices**

Various model fit indices were analyzed to evaluate the overall fitness of the structural equation model (SEM) applied in this study, following the guidelines that Shmueli et al. (2019) set forth. These indices are pivotal in assessing how well the model aligns with the observed data. The chi-square statistic ($\chi^2$) produced a value of 464.57. While a lower $\chi^2$ value typically suggests a superior fit, it is crucial to consider that sample size can influence this statistic. With the model possessing 122 degrees of freedom ($df$), indicative of its complexity, the calculated chi-square/$df$ ratio stood at 3.81, signaling a reasonably strong fit. Additionally, we scrutinized the Comparative Fit Index (CFI) and the Tucker-Lewis Index (TLI or NNFI), yielding values of 0.91 and 0.94, respectively. CFI and TLI/NNFI values nearing 1, especially exceeding 0.92, indicate a robust fit compared to a null model. The Root Mean Square Error of Approximation (RMSEA) was 0.07, slightly below the accepted threshold of 0.08, suggesting a favorable fit. The Standardized Root Mean Square Residual (SRMR) returned a value of 0.05, reinforcing the assertion of a good fit. Furthermore, the Goodness of Fit Index (GFI) was registered at 0.90, and the Adjusted Goodness of Fit Index (AGFI) was recorded at 0.92, both surpassing the recommended threshold of 0.89 to indicate a satisfactory fit. The normed chi-square statistic ($\chi^2/df$) resulted in a value of 1.47, closely approaching 1, aligning with the characteristics of a well-fitting model.

**Hypothesis Testing**

A regression analysis was conducted using SPSS v. 25 to test the hypothesized associations. As depicted in Table 3, The regression results illuminate the dynamics between the key variables under scrutiny, providing a comprehensive assessment of the hypotheses posited in this research. In support of $H_{1a}$, the positive beta coefficient of 0.231, coupled with a t-value of 4.009 and a p-value of 0.003, underscored a robust association between agile governance and heightened citizen satisfaction with public services. Similarly, $H_{1b}$ had substantial empirical support, with a positive beta coefficient of 0.290, a t-value of 5.280, and a significant p-value of 0.001, indicating a positive correlation between digital transformation
and elevated citizen satisfaction levels with public services. Moving to the realm of decision-making processes, both \( H_{2a} \) and \( H_{2b} \) received unequivocal affirmation. The positive beta coefficients of 0.301 and 0.254, with corresponding t-values of 5.730 and 4.459 and p-values of less than 0.001 and 0.003, respectively, attest to the positive influence of agile governance and digital transformation on fostering more inclusive decision-making.

Table 3

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Beta (( \beta ))</th>
<th>t-value</th>
<th>p-value</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>( H_{1a} ) Agile Governance ( \rightarrow ) Citizen Satisfaction with Public Services</td>
<td>0.231</td>
<td>4.009</td>
<td>0.003</td>
<td>Yes</td>
</tr>
<tr>
<td>( H_{1b} ) Digital Transformation ( \rightarrow ) Citizen Satisfaction with Public Services</td>
<td>0.290</td>
<td>5.280</td>
<td>0.001</td>
<td>Yes</td>
</tr>
<tr>
<td>( H_{2a} ) Agile Governance ( \rightarrow ) Inclusive Decision-Making</td>
<td>0.301</td>
<td>5.730</td>
<td>&lt;0.001</td>
<td>Yes</td>
</tr>
<tr>
<td>( H_{2b} ) Digital Transformation ( \rightarrow ) Inclusive Decision-Making</td>
<td>0.254</td>
<td>4.459</td>
<td>0.003</td>
<td>Yes</td>
</tr>
<tr>
<td>( H_3 ) Inclusive Decision-Making ( \rightarrow ) Citizen Satisfaction with Public Services</td>
<td>0.313</td>
<td>6.315</td>
<td>&lt;0.001</td>
<td>Yes</td>
</tr>
<tr>
<td>( H_{4a} ) Agile Governance ( \rightarrow ) Inclusive Decision-Making ( \rightarrow ) Citizen Satisfaction with Public Services</td>
<td>0.207</td>
<td>3.852</td>
<td>0.005</td>
<td>Yes</td>
</tr>
<tr>
<td>( H_{4b} ) Digital Transformation ( \rightarrow ) Inclusive Decision-Making ( \rightarrow ) Citizen Satisfaction with Public Services</td>
<td>0.198</td>
<td>3.089</td>
<td>&lt;0.001</td>
<td>Yes</td>
</tr>
<tr>
<td>( H_5 ) Political stability* ( \rightarrow ) Inclusive Decision-Making ( \rightarrow ) Citizen Satisfaction with Public Services</td>
<td>0.185</td>
<td>2.973</td>
<td>0.007</td>
<td>Yes</td>
</tr>
</tbody>
</table>

The subsequent hypothesis, \( H_3 \), positing a link between inclusive decision-making and citizen satisfaction with public services, garnered robust support with a positive beta coefficient of 0.313, a t-value of 6.315, and a p-value less than 0.001. Moving beyond direct relationships, both \( H_{4a} \) and \( H_{4b} \) proposed indirect effects through inclusive decision-making, and the results indicate statistically significant pathways.

\( H_{4a} \), linking agile governance to citizen satisfaction with public services via inclusive decision-making, is buttressed by a positive beta coefficient of 0.207, a t-value of 3.852, and a significant p-value of 0.005. Likewise, \( H_{4b} \), positing a similar indirect effect for digital transformation, finds empirical support with a positive beta coefficient of 0.198, a t-value of 3.089, and a p-value less than 0.001.

Finally, \( H_5 \) introduces the moderating role of political stability in the relationship between inclusive decision-making and citizen satisfaction with public services, and the results reveal a positive beta coefficient of 0.185, a t-value of 2.973, and a significant p-value of 0.007, affirming the impact of this interaction. In summation, these regression findings contribute to a nuanced understanding of the intricate interplay between agile governance, digital transformation, inclusive decision-making, political stability, and citizen satisfaction with public services within the purview of this study. The moderation results, particularly as indicated by hypothesis \( H_5 \), shed light on the nuanced influence of political stability as a moderating factor in the relationship between inclusive decision-making and citizen satisfaction with public services. The positive beta coefficient of 0.185, a t-value of 2.973, and a significant p-value of 0.007 underscore the moderating effect of political stability on the relationship between inclusive decision-making and citizen satisfaction. A positive moderation effect suggests that higher political stability enhances the positive association between inclusive decision-making and citizen satisfaction. In other words, when the political environment is more stable, the positive impact of inclusive decision-making on citizen satisfaction is more
pronounced. This aligns with the notion that a stable political climate may provide a conducive context for the effective implementation of inclusive decision-making practices, subsequently leading to increased satisfaction among citizens with public services.

Discussion and Conclusion

The findings of this study provide a comprehensive examination of the complex relationships between agile governance, digital transformation, inclusive decision-making, political stability, and citizen satisfaction with public services. The positive associations between agile governance and digital transformation with citizen satisfaction align with existing literature emphasizing the significance of adaptive and technologically advanced governance in meeting citizen expectations. The robust positive linkages between agile governance and digital transformation with inclusive decision-making further underline the pivotal role of flexibility and technology in fostering more inclusive and participatory decision-making processes (James, 2019; Mengqi & Yin, 2023; Tam et al., 2020). These direct relationships substantiate prior research highlighting the positive impact of agile practices and digital innovations on public administration effectiveness and responsiveness (Amruloh & Putri, 2023). The positive connection between inclusive decision-making and citizen satisfaction resonates with theories emphasizing the importance of citizen engagement in decision-making to enhance public service satisfaction. This finding underscores the notion that involving citizens in decision-making contributes to a sense of ownership and satisfaction, aligning with democratic ideals and citizen-centric governance principles (Fu et al., 2022).

Moving to the indirect effects, the study unveils significant pathways through which agile governance and digital transformation influence citizen satisfaction with public services. The indirect effects mediated by inclusive decision-making underscore the critical role of inclusive governance practices in translating the benefits of agility and digitalization into enhanced citizen satisfaction. This finding aligns with the growing emphasis on citizen-centric approaches, emphasizing that the positive impacts of administrative agility and digital advancements are most effectively realized when citizens are actively included in decision-making processes (Jungjohann & Gebhardt, 2023; Mortazavi et al., 2021). The moderation results illuminate the influence of political stability in shaping the relationship between inclusive decision-making and citizen satisfaction. The positive moderation effect suggests that the positive impact of inclusive decision-making on citizen satisfaction is heightened in a politically stable environment. This conclusion aligns with theoretical perspectives positing that a stable political climate provides an enabling context for the effective implementation and outcomes of inclusive governance practices (Choi et al., 2022; Khan et al., 2023). Conversely, lower political stability may pose challenges to realizing the positive effects of inclusive decision-making on citizen satisfaction.

The study’s findings align with existing literature advocating for governance models prioritizing adaptability, technological integration, and citizen inclusion. The positive relationships between agile governance, digital transformation, inclusive decision-making, and citizen satisfaction align with the overarching trends in public administration research, emphasizing the importance of responsiveness, innovation, and citizen engagement. The moderation effect introduces a layer of complexity, highlighting the need to consider the broader political context when examining the outcomes of inclusive decision-making practices. This aligns with theoretical frameworks underscoring the influence of external factors, such as political stability, on the effectiveness of governance strategies.
Theoretical Implications

The theoretical implications of this study extend and enrich existing theoretical frameworks within the domain of public administration, governance, and citizen satisfaction. The findings contribute to the theoretical landscape in several key ways: the study bridges theoretical perspectives on agile governance and digital transformation by demonstrating their collaborative impact on citizen satisfaction. This integration advances existing theoretical models that often consider these concepts in isolation. The synergistic effects underscore the need for a holistic approach to understanding the transformative potential of agile governance and digital technologies in public administration. The study reinforces the theoretical foundation of inclusive decision-making by empirically establishing its positive association with citizen satisfaction. This finding substantiates the hypothetical argument that involving citizens in decision-making processes enhances their satisfaction with public services. The study provides empirical evidence for the theoretical propositions supporting inclusive governance practices. Including political stability as a moderator introduces a contextual dimension to governance theories. It emphasizes the importance of considering external political factors when assessing the outcomes of governance strategies. This theoretical nuance enhances our understanding of the contingencies that may influence the effectiveness of governance practices, highlighting the need for a more context-sensitive approach in theoretical frameworks. The study aligns with citizen-centric governance theories by showcasing the central role of citizen satisfaction in the effectiveness of governance strategies. By empirically demonstrating the pathways through which agile governance, digital transformation, and inclusive decision-making contribute to citizen satisfaction, the study reinforces the theoretical underpinnings of citizen-centric governance models. The study contributes to theoretical frameworks by unveiling the intricate interplay between multiple governance dimensions. Incorporating agility, digitalization, inclusivity, and political stability in a comprehensive model advances our theoretical understanding of the complex dynamics in contemporary public administration. This integrated approach prompts a re-evaluation of existing governance theories to accommodate the multifaceted nature of governance in the digital era.

Practical Implications

The practical implications of this study carry significant relevance for policymakers, public administrators, and organizations involved in shaping and implementing public governance strategies. Policymakers can leverage the study’s results to inform strategic planning efforts. Recognizing the positive impact of agile governance and digital transformation on citizen satisfaction underscores the importance of incorporating agile practices and digital technologies into governance strategies. This calls for investments in technology infrastructure, training, and organizational structures that facilitate adaptability and innovation. Public administrators can benefit from the study’s emphasis on the positive association between inclusive decision-making and citizen satisfaction. Actively involving citizens in decision-making through participatory forums and consultations can enhance public service satisfaction. This practical implication aligns with the broader trend of fostering citizen engagement and empowerment. Acknowledging the moderating role of political stability, practitioners should consider the contextual influence of the political environment. In periods of stability, efforts to enhance inclusive decision-making may yield amplified benefits regarding citizen satisfaction. However, a more cautious and adaptive approach may be required to mitigate potential challenges during periods of instability. Organizations can prioritize investments in digital transformation initiatives, recognizing their positive impact on citizen satisfaction. This
investment involves adopting technologies that enhance service delivery, streamline processes, and improve accessibility. The findings of study encourage a proactive approach to harnessing digital tools’ transformative potential in delivering public services.

Organizations and government agencies can focus on building the capacity for agile governance. This capacity building involves fostering a culture of adaptability, providing training on agile methodologies, and establishing flexible organizational structures. These practical measures align with the study’s indication of the positive relationship between agile governance and citizen satisfaction. Practitioners can develop robust monitoring and evaluation frameworks that assess the effectiveness of governance initiatives in real-time. Continuous assessment allows for adaptive decision-making, ensuring that governance strategies remain aligned with the dynamic needs of citizens. This practical implication emphasizes the importance of ongoing feedback loops for governance effectiveness. Finally, public service providers can prioritize citizen-centric service delivery models. Understanding the positive influence of inclusive decision-making on citizen satisfaction emphasizes the need for service providers to actively seek and incorporate citizen input into the design and delivery of public services. This approach fosters a sense of ownership and responsiveness.

Limitations and Future Research Directions

The study has several limitations. One is its potential lack of cross-cultural generalizability. The findings are grounded in a specific cultural and institutional context, and variations in governance structures, citizen expectations, and political climates across different regions may impact the applicability of the results. Future research could explore these relationships in diverse cultural settings to enhance the external validity of the findings.

Second, the study’s reliance on data collected within a specific timeframe may limit its ability to capture temporal dynamics. Governance practices, political stability, and citizen preferences can evolve over time. Future research should consider longitudinal designs to capture dynamic changes and assess the sustainability of the observed relationships, providing a more nuanced understanding of the long-term impacts of governance strategies.

Third, the study focuses on political stability as a moderating factor; however, the definition and measurement of political stability may vary. Future research could delve deeper into the multifaceted nature of political stability, considering factors such as governance quality, institutional resilience, and geopolitical influences. This would provide a more comprehensive understanding of how different dimensions of political stability interact with governance practices.

Fourth, in acknowledging the limitations of our study, it is imperative to recognize the challenge of generalizing findings across diverse contexts. While our research provides valuable insights into contemporary public administration challenges, the scope of generalizability may be constrained by the specificity of the studied context. Future research endeavors could consider incorporating a more diverse sample or employing a comparative analysis across various administrative settings to address this concern.

Finally, another facet deserving attention is the temporal dimension of governance practices. Our study primarily captures a snapshot of the current landscape, but the dynamic nature of public administration necessitates exploring temporal changes. Future studies may benefit from longitudinal approaches, tracking governance practices over time to discern evolving patterns and adapting strategies. This temporal lens enriches the depth of understanding and contributes to the scholarly discourse on the dynamic nature of public administration challenges.
References


**Notes on Contributors**

*Sampara Lukman* is currently a lecturer of Institut Pemerintahan Dalam Negeri, Jatinangor, Indonesia. He Doctoral Degree in Public Administration in 2015 at Universitas Brawijaya Malang, Indonesia. His main research topic in Governance Science and Public Administration.

*Azis Hakim* is currently a lecturer and Head of the Master of Administrative Science Study Program at The Universitas Krisnadwipayana Jakarta, Indonesia. He earned a bachelor’s degree from Universitas Trisakti in 2008, Master’s Degree in Public Administration 2010 at Universitas Krisnadwipayana and Doctoral Degree in Management in 2016 at Universitas Negeri Jakarta, Indonesia. His main research topic in Management and Public Administration.

**ORCID**

*Sampara Lukman*, https://orcid.org/0009-0008-4479-3205

*Azis Hakim*, https://orcid.org/0000-0002-1783-9588