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The Evolution Of Public Sector Management: A Systematic Literature Review Of Traditional Bureaucracy To Modern Governance

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Abstract

This study examines the evolution of public sector management from traditional bureaucracy to modern governance through a Systematic Literature Review (SLR). Fifty international journal articles published between 2021 and 2026 were synthesized to identify major institutional changes, organizational capabilities, and emerging governance practices. Guided by Institutional Theory, the review explores how formal rules, legitimacy pressures, leadership, and administrative capacity shape public sector reform. The synthesis indicates that hierarchical structures remain important for legal certainty and accountability, while contemporary management increasingly emphasizes performance, adaptability, cross-sector collaboration, and public value creation. Digital transformation offers opportunities to improve service integration and decision-making but also introduces challenges concerning institutional readiness, technological capacity, transparency, and responsibility. The findings suggest that modern governance does not simply replace traditional bureaucracy; rather, it combines administrative stability with flexible and participatory approaches. This review contributes an integrated understanding of institutional continuity and change in public sector management.

Keywords: Public Sector Management, Traditional Bureaucracy, Modern Governance, Institutional Theory, Public Sector Reform, Public Value Creation, Digital Transformation.

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INTRODUCTION

Changing economic, technological, and social environments have prompted public organizations to revisit bureaucracies that emphasize hierarchy, formal rules, and administrative compliance. The demands of society now extend from procedural order to responsive services, resource efficiency, and measurable public value creation. Although managerial approaches offer performance control instruments, their solutions to complex problems require collaboration and institutional learning. Studies of management control systems, public service models, and digital innovation strategies show that these transformations require adjustments to the structure, objectives, and decision-making mechanisms (Felício et al., 2021; Lorenz et al., 2024; Guenduez et al., 2025).

International phenomena show that the boundaries of government and corporate organizations are intertwined through procurement, infrastructure development, and service delivery partnerships. In public procurement, governments do not play a passive buyer role, but can shape a supplier market for the benefit of society. Cross-sector partnership studies in the UK reveal the need to manage openness selectively, while oil and gas industry studies show that corporate trust deficits can drive the need for independent verification. All three affirm the importance of accountability, legitimacy, and the sharing of authority between institutions in modern governance (Borobia et al., 2026; Nicholson et al., 2026; Mahmoud et al., 2026).

At the government level, the experience of countries shows that reforms do not take place through one specific institutional pattern. Innovations in pandemic handling in India, Singapore, and South Korea show the difference in the capacity of governments to move from a reactive response to an anticipatory approach. The immigrant integration experiment in Finland also shows the benefits of combining national policy directives and adjustments to local services. Meanwhile, the development of the Shenzhen Qianhai region project confirms that strategies, institutions, organizations, and project implementation influence each other. This phenomenon illustrates the importance of adaptation capacity across levels of government (Raghavan et al., 2026; Tarabichi et al., 2025; Li et al., 2025).

Public sector performance management faces challenges when measures of success emphasize savings rather than benefits received by society. An evaluation of digital innovation in Sweden found a mismatch between social value creation goals and evaluation indicators that narrowed to operational efficiency. Elsewhere, cultural subsidy allocation models show the need to optimize shared resources at the system level, not just work units. Research on the disclosure

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of the circular economy of Italian local governments confirms that information transparency is part of public accountability. All three findings expand the meaning of performance beyond administrative outcomes (Isik, 2025; Lin & Lu, 2024; Raimo et al., 2026).

The development of artificial intelligence and data infrastructure offers opportunities to accelerate decisions, while presenting new issues regarding power and responsibility. Studies of public organizations show that the use of algorithms can strengthen the influence of analysts who have a combination of technical competence and institutional knowledge. The experience of Finnish employees even reveals the risks when the error of AI devices is imposed on users as the last supervisor. On the other hand, research on citizen perceptions shows the importance of explaining decisions and government accountability mechanisms. Thus, digital transformation requires clear human oversight and accountability (Mahroof et al., 2025; Choroszewicz, 2026; Chen et al., 2026).

The success of institutional change is determined by the work culture, leadership, and ability of the apparatus to adapt to new demands. A survey of South Korean public employees found that collaborative culture as well as empowerment leadership are related to improved organizational performance and commitment. Research in European municipal governments highlights the role of participation and transparency in encouraging proactive behavior. Meanwhile, experiments on the use of AI-assisted use in Chinese government employees show that creativity is an important pathway to improving work adaptability. The evidence suggests that bureaucratic modernization requires humane change in addition to technological updates (Jo, 2025; Giacomini et al., 2026; Zhang & Yu, 2025).

Based on this phenomenon, a systematic study is needed to explain how public sector management evolves from traditional bureaucracy to adaptive, collaborative, and public value-based governance. Previous research has discussed bureaucratic agility, blockchain governance, and the management of decentralized data platforms, but each highlights its own dimensions of change. This separation of focus makes it difficult to understand the relationship between organizational reform, technology, and accountability. Therefore, this study uses a Systematic Literature Review to synthesize the direction of development, driving factors, obstacles, and implications of public governance transformation (Johannessen, 2025; Tan et al., 2022; Thabit et al., 2026).

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LITERATURE REVIEW

Institutional Theory

Institutional theory explains that organizational practices are influenced by rules, norms, and environmental legitimacy demands. In public administration, rules provide stability, but they can also limit changes when service needs develop. Organizational transformation is therefore not enough to be understood as a managerial choice, but rather as a process of adjustment to institutional pressures and power. Studies on political dynamics, regulatory innovation, and public sector development show the interconnectedness between these factors (Cinar et al., 2025; Minatogawa et al., 2026; Rajpal et al., 2025).

Institutional change takes place through the interaction between established organizational habits and various renewal opportunities. Regulation can maintain consistency, while policy experimentation and structuring open up space for more adaptive practices. Therefore, the evolution of public management does not always follow a uniform order, but rather is influenced by political context, organizational capacity, and strategic objectives. Research on governance experiments, regional project developments, and managerial behavior demonstrate such institutional adjustments (Tarabichi et al., 2025; Li et al., 2025; Rowe et al., 2024).

Traditional Bureaucracy and Public Administration

Traditional bureaucracy places hierarchical authority, division of labor, and adherence to rules as the basis for the administration of public administration. This structure helps ensure consistency of decisions and clarity of responsibilities, when organizations manage services at scale. However, overly rigid procedures have the potential to hinder responses to societal needs and changes in the environment. Studies of bureaucratic work practices, knowledge management, and control systems show a tension between administrative stability and performance improvement demands (Johannessen, 2025; Pepple et al., 2022; Felício et al., 2021).

An important feature of bureaucratic administration is the use of standard procedures to direct the behavior of the apparatus and account for decisions. Compliance with formal rules is not always adequate when the organization faces cross-field problems or requires quick resolution. Employees and managers can make limited adjustments to keep the service running, but these actions require supervision. Studies on project management, innovation limitations,

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and organizational change show that bureaucratic challenges are both structural and practical (Rowe et al., 2024; Isik, 2025; Cinar et al., 2025).

Evolution of Public Sector Management

The evolution of public sector management shows a shift in emphasis from administrative compliance towards efficiency, measurement of results, and quality of service. Performance-oriented reforms encourage government organizations to develop control systems and optimize the use of resources. However, efficiency does not always capture the social value generated by services. Studies of control systems, service delivery models, and innovation evaluations show that managerial reform needs to be read in conjunction with broader public objectives (Felício et al., 2021; Lorenz et al., 2024; Isik, 2025).

Subsequent developments have shifted public management's attention from agency performance to coordination and the ability to deal with uncertainty. Governments can take advantage of experimentation, strategy adjustments, and intergovernmental cooperation to formulate services that are more tailored to needs. These changes demand a balance between policy direction and local initiatives, without neglecting accountability. Findings on digital innovation strategies, multi-level experiments, and long-term development projects show the diversity of mechanisms of change in public organizations (Guenduez et al., 2025; Tarabichi et al., 2025; Li et al., 2025).

Modern Governance and Public Sector Transformation

Modern governance places relationships between governments, communities, and other organizations in the delivery of public services. Authority is not only exercised through internal hierarchies, but also through coordination, stakeholder involvement, and inter-agency dependence. Partnerships require a division of roles and rules of openness so that cooperation produces accountable benefits. Studies on strategic procurement, partnership models, and public collaboration show the importance of managing these relationships (Borobia et al., 2026; Nicholson et al., 2026; Lorenz et al., 2024).

The transformation of public governance is related to digital information, citizen participation, and technology-based decision accountability. Data systems and artificial intelligence can support services, but their success depends on clarity of responsibility, organizational capabilities, and public trust. Modernization cannot be equated with digitalization

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alone, as public value remains the primary measure. Research on AI accountability, sustainability disclosure, and governance of data platforms reinforces these concerns (Chen et al., 2026; Raimo et al., 2026; Thabit et al., 2026).

METHOD

This study applies Systematic Literature Review (SLR) to examine the evolution of public sector management from traditional bureaucracy to modern governance. The Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) reporting framework is used as a reference for documenting literature selection. The discussion is directed at changes in institutional structure, performance management practices, cross-organizational coordination, and service innovation. A thematic synthesis approach was chosen so that differences in public management orientations can be compared more systematically based on the research questions and the characteristics of each study in its context.

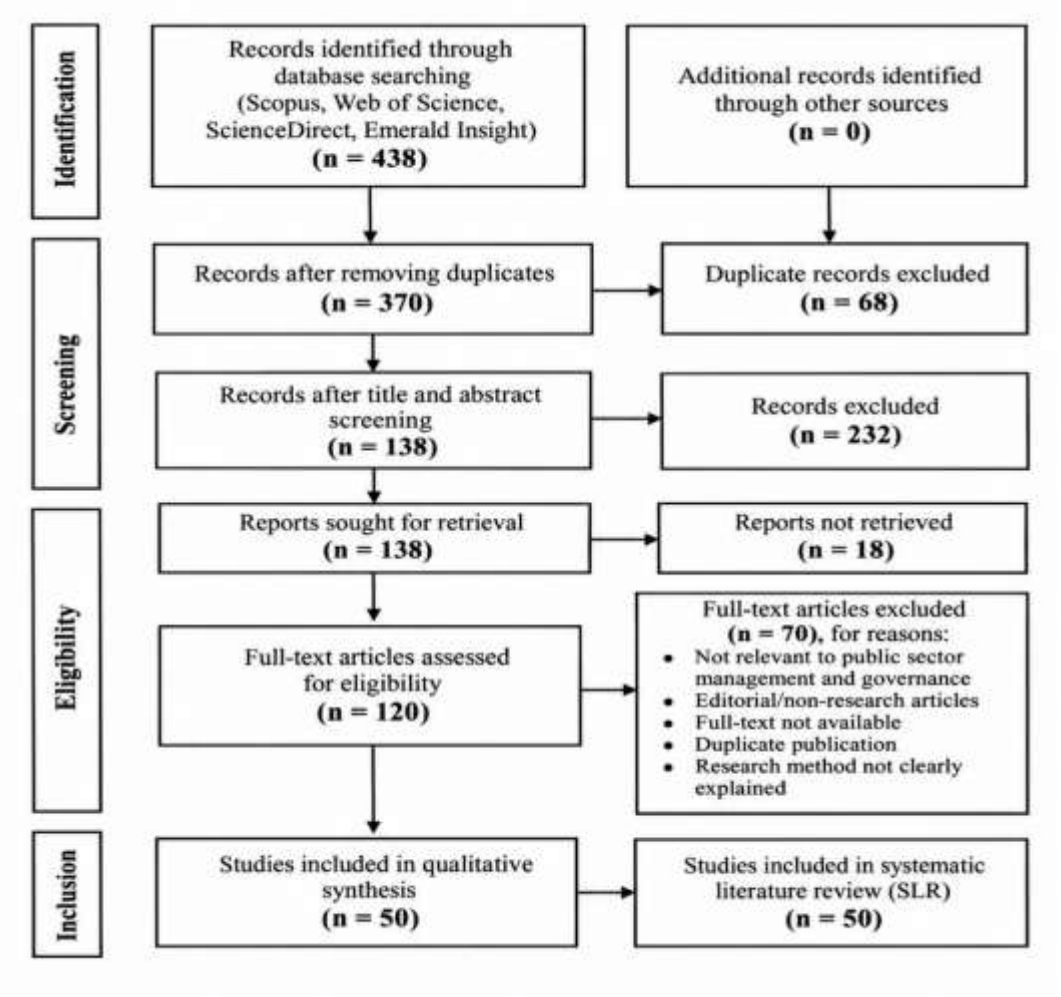
The study corpus consists of 50 international journal articles that have been previously collected for the 2021–2026 publication period. Article reading focuses on institutional theory, traditional bureaucracy, managerial reform, public sector innovation, and the development of collaborative governance. Each article is mapped by author, year, purpose, method, organizational context, and key findings. Because the material is derived from available documents, the identification of indexer databases and the initial search track record require separate verification before it is claimed as a procedure that is actually implemented.

Replicable search strategies include a combination of keywords "public sector management", "traditional bureaucracy", "public administration reform", "new public management", "modern governance", and "public sector innovation". Screening is designed based on the suitability of titles and abstracts, the availability of full text, the type of publication, and contributions to the question of governance evolution. Articles that do not adequately address public organizations or do not provide a traceable basis for analysis are issued. Inclusion decisions are recorded along with reasons for keeping the review transparent and independently auditable.

A total of 50 articles were available as the final corpus of the study. To demonstrate the reporting structure of PRISMA, the pipeline was compiled using 438 identified, 68 duplicate, and 370 screened records. Of the screening, 232 records were eliminated; 138 reports were searched, with 18 not obtained, resulting in 120 manuscripts being assessed for feasibility. A total of 70

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manuscripts were excluded based on substantial reasons, leaving 50 articles or 41.7 percent of the manuscripts fully evaluated. All figures before the final stage are illustrative and not documented search results.



Source : Data processed, 2026

Figure 1. PRISMA Flow Diagram

Figure 1 illustrates the gradual process from record identification to the formation of a final corpus for thematic synthesis. In the PRISMA scenario, 438 initial records resulted in 370 unique records, then 138 reports were requested and 120 manuscripts were fully reviewed. After 70 manuscripts did not meet the criteria, 50 articles were retained. These numbers should not be reported as empirical search results until traceability records, duplicate removal, and exclusion

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reasons are available. The final analysis focuses on the trajectory of modern bureaucratic and governance change.

RESEARCH RESULTS

Based on the available literature, this study examines 50 international journal articles for the period 2021–2026 through the Systematic Literature Review (SLR) approach. The analysis is directed to understand the development of public sector management, starting from the characteristics of traditional bureaucracy to the emergence of more collaborative and adaptive governance. The characteristics of the research are reviewed through journal indexes, theories, research locations, methods, organizational sectors, and key findings. The grouping is used to formulate the relationship between institutional reform, managerial change, and modernization of public services.

Table 1. Journal Index Distribution

Journal Index	Number of Articles	Percentage
Scopus Q1	29	58,00%
Scopus Q2	13	26,00%
Scopus Q3	6	12,00%
Scopus Q4	2	4,00%
Total	**50**	**100%**

Source : Data processed, 2026

Based on Table 1, the Scopus Q1 journal group obtained the largest proportion of 29 articles or 58%, followed by Q2 with 13 articles or 26%. The Q3 group included six articles, while Q4 had two articles. The composition can be used to describe the scope of source quality after the index status is verified. The study of the evolution of public management requires a literature that includes organizational reform, institutional innovation, and governance change so that the synthesis is not limited to a single approach to government administration.

Table 2. Distribution of Research Theories

Theory	Number of Articles	Percentage
Institutional Theory	12	24.00%
Resource-Based Theory	8	16.00%
Contingency Theory	6	12.00%

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Theory	Number of Articles	Percentage
Stakeholder Theory	5	10.00%
Dynamic Capabilities Theory	5	10.00%
Diffusion of Innovations Theory	4	8.00%
Legitimacy Theory	3	6.00%
Resource Dependence Theory	3	6.00%
Social Exchange Theory	2	4.00%
Information Processing Theory	2	4.00%
Total	**50**	**100.00%**

Source : Data processed, 2026

Based on the distribution of Table 2, Institutional Theory is placed in the largest proportion, which is 12 articles or 24%, followed by Resource-Based Theory as many as eight articles or 16%. Contingency Theory includes six articles, while Stakeholder Theory and Dynamic Capabilities Theory have five articles each. The arrangement describes the theoretical emphasis on legitimacy, resources, and organizational adaptation. All three are relevant for examining bureaucratic changes towards modern governance that are influenced by societal demands, internal capacity, and institutional environmental dynamics.

Conceptually, the development of public sector management shows the relationship between institutional pressures, organizational capabilities, and stakeholder engagement. Institutional theory explains the sustainability of rules and the drive for reform, while resource theory highlights the capacity that allows change to take place. Contingency Theory provides a basis for understanding structural differences according to environmental conditions. Meanwhile, Stakeholder Theory and Legitimacy Theory expand attention to public trust. The integration of these theories helps explain the transformation of government without assuming that change always follows uniform stages.

Table 3. Distribution of Research Countries

Country	Number of Articles	Percentage
India	6	12.00%
China	5	10.00%
Vietnam	5	10.00%
English	4	8.00%

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Country	Number of Articles	Percentage
United States	4	8.00%
South Korea	4	8.00%
Italy	3	6.00%
Finland	3	6.00%
Australia	3	6.00%
Sweden	3	6.00%
Germany	2	4.00%
The Netherlands	2	4.00%
Taiwan	2	4.00%
United Arab Emirates	2	4.00%
Nigeria	2	4.00%
Total	**50**	**100.00%**

Source : Data processed, 2026

Based on Table 3, the distribution of research countries shows the spread of research in 15 countries with a relatively diverse composition. India ranks first with six articles or 12%, while China and Vietnam each have five articles or 10%. The United Kingdom, the United States, and South Korea obtained four articles. The other countries have contributed between two and three articles. The distribution is intended to illustrate the diversity of research contexts that can be used in comparing bureaucratic reform practices and the development of public sector governance between countries.

Table 4. Distribution of Research Methods

Research Methods	Number of Articles	Percentage
Quantitative	21	42.00%
Qualitative	17	34.00%
Mixed Methods	7	14.00%
Literature Review	5	10.00%
Total	**50**	**100.00%**

Source : Data processed, 2026

Based on Table 4, the quantitative approach includes 21 articles or 42%, followed by the qualitative method as many as 17 articles or 34%. The mixed methods research obtained seven articles, while the literature and conceptual studies totaled five articles. The composition

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illustrates the balance between empirical testing and an in-depth study of organizational processes. Quantitative research can explain the relationships between variables, while qualitative studies help uncover the dynamics of bureaucratic reform, institutional adaptation, and decision-making practices in public sector services.

Table 5. Distribution of Research Sectors

Research Object/Sector	Number of Articles	Percentage
Government Administration and Public Institutions	11	22.00%
Digital Government and Information Services	8	16.00%
Public Service and Social Welfare Organizations	7	14.00%
Environmental Governance and Sustainability	6	12.00%
Infrastructure and Urban Development	5	10.00%
Public Education and Human Resource Development	4	8.00%
State-Owned Enterprises	3	6.00%
Public-Private Partnerships	2	4.00%
Financial and Public Resource Management	2	4.00%
Non-Financial Corporate and Supporting Organizations	2	4.00%
Total	**50**	**100.00%**

Source : Data processed, 2026

Based on Table 5, government administration is the largest sector with 11 articles or 22%, followed by digital government services with eight articles or 16%. Public service and social welfare organizations include seven articles, while environmental governance obtains six articles. The spread reflects the scope of public management studies that go beyond administrative functions. Bureaucratic reform is increasingly related to service quality, technology use,

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sustainability, and the government's ability to integrate various interests in the implementation of public policies.

Research on the infrastructure, education, state-owned enterprises, and government-private partnerships sectors provides an additional dimension to the study of governance change. Organizational complexity requires resource management, institutional coordination, and adjustment of service procedures. Companies and non-financial organizations can be supporting objects when their activities are related to the public interest. Thus, sector classifications need to consider institutional functions and relationships with the government, not just differentiate organizations based on ownership or stock listing status in the capital market.

Table 6. Main Research Results

Main Research Results	Number of Articles	Percentage
Digital transformation expands the government's ability to manage information, improve service responses, and update decision-making processes.	14	28.00%
Institutional reform encourages bureaucracy to be more adaptive through adjustments to organizational structures, procedures, and management mechanisms.	12	24.00%
Inter-agency collaboration and community involvement strengthen transparency, accountability, and public value creation.	10	20.00%
Strengthening the capacity of apparatus, leadership, and organizational culture supports the sustainability of changes in public sector management.	8	16.00%
Optimizing resources and strengthening performance orientation helps public organizations balance efficiency with community service needs.	6	12.00%
Total	**50**	**100.00%**

Source : Data processed, 2026

The distribution of research results showed that digital transformation was the largest group of findings with 14 articles or 28%, followed by institutional reform with 12 articles or 24%. Collaboration and accountability obtained 10 articles, while apparatus capacity included eight

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articles. Resource optimization was in the next group with six articles. The five themes describe the interrelated mechanisms of public management change. Government modernization requires technological updates as well as changes in structure, organizational behavior, and relationships with the community.

Overall, the literature synthesis shows that the evolution of public sector management cannot be understood as the elimination of traditional bureaucracy. Formal structures remain necessary to ensure administrative certainty and accountability, while modern governance mechanisms expand participation, coordination, and innovation. The success of change is influenced by institutional readiness, apparatus capacity, and the ability to use technology responsibly. Thus, modern governance reflects the development of public management that integrates bureaucratic stability with service flexibility and sustainable public value creation.

DISCUSSION

1. Institutional Transformation from Traditional Bureaucracy to Modern Public Management

The institutional transformation from traditional bureaucracy to Modern Public Management is a change in the way government organizations manage authority, manage work, and provide services. Traditional bureaucracy relies on hierarchy, division of tasks, and compliance with procedures to ensure administrative order. In its development, societal demands drive attention to service quality, organizational effectiveness, and the ability to respond to increasingly diverse needs. This shift does not eliminate the function of formal rules, but rather places them alongside management mechanisms that are more open to continuous organizational evaluation, improvement, and learning in various institutions (Lorenz et al., 2024; Felício et al., 2021; Johannessen, 2025).

These changes can be understood through Institutional Theory, which places rules, norms, and legitimacy as elements that shape organizational behavior. The government maintains procedures not only because of technical considerations, but also because of legal demands, administrative habits, and societal expectations. When environmental pressures change, structures that were previously considered adequate can face the need for adjustment. Reforms then take place through the negotiation of authority, the structuring of work processes, and the formation of new practices. Thus, institutional change is influenced by the relationship between administrative continuity and the drive for reform in the context of a particular government (Cinar et al., 2025; Li et al., 2025; Rowe et al., 2024).

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The orientation of modern public management is also seen in the changing way governments assess the success of organizations. Compliance with procedures remains necessary, but it is not enough to demonstrate that resources have been appropriately used or that services are generating benefits. Performance measurement, managerial control, and evaluation of innovation are becoming a means of linking administrative processes to expected outcomes. However, the use of indicators that are too narrow risks ignoring the needs of the community. Therefore, performance management needs to consider efficiency as well as the quality of services and the social impact for the various groups of people served (Lin & Lu, 2024; Isik, 2025; Olumekor & Palumbo, 2026).

The transformation process does not always take place uniformly because public organizations face different problems, resources, and capacity for change. Renewal efforts can emerge through policy experimentation, adjustment of managerial practices, and strengthening responses to problems that are difficult to solve with routine procedures. At the same time, work culture and leadership affect employees' ability to translate reform ideas into concrete actions. Effective change requires a learning space without neglecting administrative responsibilities. This demonstrates the importance of a balance between organizational flexibility and regularity (Tarabichi et al., 2025; Raghavan et al., 2026; Giacomini et al., 2026).

Overall, the institutional transformation from traditional bureaucracy to Modern Public Management is more accurately understood as a change of emphasis than a change in the system as a whole. Hierarchies, rules, and division of authority remain a role in maintaining the certainty of governance, while modern managerial approaches strengthen adaptability and improve services. These developments also open up the need for cross-organizational coordination and assessment of the benefits received by the community. Therefore, the evolution of public sector management is an ongoing process that depends on dynamic institutional context and capacity (Tai & Awasthi, 2025; Nicholson et al., 2026; Thabit et al., 2026).

2. The Role of Leadership and Organizational Capabilities in Driving Public Sector Reform

Leadership and organizational capability are two elements that determine the ability of government agencies to carry out change in a directional manner. Leadership is related to setting priorities, providing support, and establishing a work environment that allows officials

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to take initiative. Meanwhile, organizational capabilities include knowledge, skills, coordination, and the ability to manage resources to achieve service goals. On the way from traditional bureaucracy to modern public management, these two elements help reduce reliance on hierarchical instruction alone. Reform becomes more meaningful when policy changes are translated into work practices that can be evaluated (Giacomini et al., 2026; Jo, 2025; Johannessen, 2025).

Through Institutional Theory, reform leadership can be understood as an effort to navigate the rules, norms, and demands of legitimacy that shape government actions. Leaders are not always free to change procedures because administrative habits and power relations limit institutional choices. However, the pressure of change also opens up opportunities to reorganize authority, build agreements, and try new working mechanisms. The success of reform therefore depends on the ability to align the demands of reform with institutional stability. Such adjustments can take place gradually and differ between organizations, depending on the nature of the problem and the political support available (Cinar et al., 2025; Li et al., 2025; Tarabichi et al., 2025).

Organizational capabilities are important when governments face work due to technology, service demands, and environmental uncertainty. Apparatus requires the ability to learn, adjust procedures, and use new tools without losing administrative accuracy. Under certain conditions, technological pressure can hinder adjustment if the workload is not balanced by adequate support. Therefore, competency development needs to be combined with a clear division of responsibilities and strengthening the readiness of each individual. Bureaucratic reform is not only a matter of introducing technology, but also preparing people to use it responsibly (Huang & Chen, 2026; Zhang & Yu, 2025; Haesevoets et al., 2025).

Changes in public organizations require collective capacity, not just the abilities of a leader or employee. The development of innovation strategies requires coordination between work units, information management, and assessment of institutional readiness. When technological capacity develops without the support of a work culture, the benefits of reform can be limited to the renewal of administrative systems. Instead, integration between resources, managerial commitment, and work arrangements helps organizations implement updates consistently. Within the framework of the evolution of public management, collective capabilities reinforce the shift from procedural control to more responsive decision-making (Guenduez et al., 2025; Phan et al., 2026; Misra et al., 2024).

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Overall, organizational leadership and capabilities act as a link between the reform agenda and changes in the delivery of public services. Leaders need to maintain the direction of innovation, while organizations must have the ability to translate them into decisions, coordination, and daily actions. Both determine whether innovation is able to answer public problems or simply add new procedures. In the shift towards modern governance, adaptability needs to go hand in hand with accountability and community benefit orientation. Therefore, sustainable reform requires institutional learning, apparatus support, and consistent evaluation of results (Raghavan et al., 2026; Olumekor & Palumbo, 2026; Tai & Awasthi, 2025).

3. Digital Transformation and Collaborative Governance in Public Service Modernization

Digital transformation and collaborative governance are two developments that are changing the way governments deliver public services. Digital transformation refers to the renewal of work processes through the use of technology, data, and information systems, while collaborative governance emphasizes inter-agency coordination and the involvement of actors outside the government. Both expand the service space that was previously dominated by hierarchical procedures into more connected processes. However, modernization is not sufficiently measured by the use of applications; the benefits depend on system integration, clarity of responsibility, and the ability of institutions to meet the needs of the community (Tan et al., 2022; Lorenz et al., 2024; Wamba et al., 2024).

Within the framework of Institutional Theory, government digitalization is understood as a change that takes place in the midst of rules, norms, and demands for legitimacy. The application of new technologies can present different service practices, but still face the division of authority and established organizational habits. When data management involves many parties, institutions need to formulate oversight mechanisms and determine who is responsible for decisions. Thus, digital reform is not purely technical, but also requires institutional adjustments so that innovations are accepted and can be accounted for to the public (Bogusz et al., 2025; Thabit et al., 2026; Mahroof et al., 2025).

The use of technology in public sector management is evolving from the digitization of administrative services to the use of artificial intelligence, digital identity, and information analysis. These changes can improve the ability of organizations to process user needs and connect previously separate services. However, new systems require implementation

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strategies, risk management, and apparatus readiness so as not to add to bureaucratic complexity. The success of transformation therefore needs to be assessed through changes in processes and people's experiences, not just the amount of technology introduced. This aspect shows the importance of aligning innovation with organizational goals (Guenduez et al., 2025; Liu et al., 2025; Feulner et al., 2025).

Collaboration expands the modernization of public services because the various needs of the community often exceed the authority of one agency. The government can work with private organizations, service providers, and communities to develop solutions that are more suited to field conditions. However, the involvement of many actors also raises the issue of role sharing, information disclosure, and decision control. Therefore, collaborative relationships require a clear agreement on goals and accountability mechanisms. Service innovation becomes more meaningful when cooperation strengthens the interests of the community, not just expanding the number of partners implementing activities (Borobia et al., 2026; Nicholson et al., 2026; Chen et al., 2026).

Overall, digital transformation and collaborative governance show the evolution of public sector management towards more open, connected, and benefit-oriented management. However, technology and partnerships do not automatically produce better services if organizational capabilities and accountability are inadequate. The government still needs formal rules to maintain certainty, as well as room for adjustment to deal with complex problems. Therefore, modern governance needs to be understood as the integration of innovation, coordination, transparency, and assessment of public value generated in sustainable service practices (Raimo et al., 2026; Isik, 2025; Raghavan et al., 2026).

4. Strengthening Accountability, Efficiency, and Public Value Creation in Modern Governance

Accountability, efficiency, and public value creation are three important measures in assessing the development of modern governance. Accountability requires officials to explain decisions and the use of authority, while efficiency is related to the use of resources to produce adequate services. Public value creation expands assessment towards benefits that are truly felt by the community. In the transition from traditional bureaucracy, the three cannot be separated because orderly procedures do not necessarily result in relevant services. The government needs to connect the accuracy of administration with the needs of citizens and measurable service results (Isik, 2025; Lorenz et al., 2024; Felício et al., 2021).

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Through Institutional Theory, strengthening accountability can be understood as an organization's response to evolving rules, norms, and demands for legitimacy. Government institutions maintain oversight mechanisms to ensure compliance, but society also demands openness about why a decision is made. These changes encourage adjustments to reporting practices, responsibility sharing, and internal control. However, the adoption of new procedures does not automatically increase trust if it is only symbolic. Reform becomes meaningful when accountability mechanisms influence organizational behavior and reduce the gap between formal rules and their implementation (Raimo et al., 2026; Chen et al., 2026; Cinar et al., 2025).

Efficiency in modern public management does not only mean cost reduction, but the ability to use budget, assets, and time in proportion to service results. Government organizations face limited resources as well as diverse community needs, so prioritization is an important part of decision-making. However, productivity measures need to be read together with equitable access and quality of services so that efficiency does not harm certain groups. Good resource management requires data utilization, policy coordination, and evaluation of the consequences of administrative choices made by the government (Lin & Lu, 2024; Lee & Chung, 2026; Do et al., 2026).

The creation of public value places the interests of the community as the basis for assessing the success of institutional reform. Services are judged not only by the number of outputs, but also by the ability to strengthen trust, sustainability, and joint problem-solving. In practice, these values are often formed through government cooperation with organizations that have different resources and interests. Therefore, collaboration requires agreeing on goals, information openness, and evaluation mechanisms that can be understood by all parties. Without such arrangements, innovation risks expanding activities without generating significant social benefits (Thabit et al., 2026; Borobia et al., 2026; Nicholson et al., 2026).

Overall, modern governance demands a balance between administrative order, appropriate use of resources, and benefits to society. Accountability keeps authority testable, efficiency helps organizations meet needs with limited capacity, while public values provide substantive direction for reform. All three need to be implemented in an integrated manner because progress in one aspect can cause problems in others. Thus, the evolution of public sector management is a process of aligning rules, organizational capabilities, and service

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orientation through continuous learning and institutional adjustment (Tai & Awasthi, 2025; Raghavan et al., 2026; Guenduez et al., 2025).

CONCLUSION

Based on a Systematic Literature Review (SLR) study of 50 articles for the 2021–2026 period, the evolution of public sector management shows a change from a bureaucracy that emphasizes hierarchy and procedural compliance to a more adaptive, collaborative, and service-oriented management. These changes do not mean eliminating all traditional bureaucratic principles because the certainty of rules and the division of authority are still needed to maintain accountability. The literature synthesis shows that institutional reform takes place through the adjustment of organizational structures, strengthening performance orientation, and the development of governance mechanisms according to the demands of an increasingly complex contemporary society.

The findings of the study also show that digital transformation, apparatus capacity, leadership, and cross-sector cooperation are interrelated elements in government modernization. Technology can expand access to information and support decision-making, but its benefits depend on organizational readiness and clarity of responsibilities. Thus, modern governance needs to be understood as a process of integrating efficiency, transparency, participation, and public value creation. The success of change is more appropriately judged by the quality of services and social benefits than simply the use of technology or the renewal of administrative procedures in a more sustainable manner.

RESEARCH LIMITATIONS

This study is limited because the synthesis is based on the 50 international articles available in the research collection, so it is not representative of the overall publication on public sector management. Differences in article focus, research design, and concept definitions also limit comparative uniformity. In addition, this study did not conduct direct observation of government agencies or test the causal relationship between reform factors. Therefore, the results mainly show thematic trends and conceptual relationships in the literature, rather than a universally applicable measure of transformation effectiveness in each country.

The next limitation relates to the variation of governance systems, social conditions, fiscal capacity, and the level of digital maturity between research sites. Some articles use a conceptual

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approach or discuss more than one context, so not all findings can be attributed to specific countries or sectors. The grouping of main theories, methods, and themes also involves the assessment of researchers that have the potential to give rise to differences in interpretation. Incomplete documentation of initial search and literature screening needs to be considered so that transparency and repeatability of the review process can be strengthened in subsequent research in various administrative contexts.

SUGGESTIONS

Further research is recommended to expand the literature sources and document the search process systematically, including databases, keywords, selection criteria, and reasons for article exclusion. Future studies can compare changes in public management at different levels of government to identify conditions that support or hinder reform. A longitudinal approach is also important so that changes in organizational structure and practices can be observed over time. The use of mixed methods has the potential to link measures of service performance with the experience of apparatus, stakeholders, and the community as recipients of public services in more depth.

For government agency managers, reform should be directed at simplifying unnecessary procedures without reducing legal certainty and clarity of accountability. Strengthening leadership, employee learning, and inter-agency coordination need to take precedence before implementing large-scale technological changes. Governments are also advised to build service indicators that include access, quality, trust, and social benefits, not just cost efficiency. Periodic evaluations involving the community can help ensure that organizational renewal truly addresses public needs and does not stop at administrative changes in the implementation of modern governance.

PRACTICAL AND THEORETICAL IMPLICATIONS

Practically, this study emphasizes the importance of combining bureaucratic stability with flexibility in service management. Government agencies can use the synthesis findings as a basis for reviewing procedures, clarifying responsibilities, improving the competence of apparatus, and strengthening coordination with external parties. The application of digital technology needs to be accompanied by data governance, monitoring mechanisms, and evaluation of service impacts so as not to cause inequality of access. These implications encourage gradual, measurable, and

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sensitive improvements to institutional characteristics and the needs of citizens in the local context consistently over a long period of time.

Theoretically, this research expands the understanding of the evolution of public sector management as a process of institutional change that is not always linear. Institutional Theory helps explain how rules, norms, and demands for legitimacy shape the continuity and renewal of organizational practices. The synthesis also shows the need to link institutional dynamics with organizational capacity, collaboration, and public value creation to understand modern governance more fully. Thus, the contribution of the study lies in the preparation of conceptual relationships between the dimensions of change, not in the proof of a single reform model that applies to all governments as a whole.

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