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Role Clarity and the Accountability Paradox in the Three Lines Model: Evidence from the Indonesian Public Sector

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ABSTRACT

Public institutions in Indonesia have emphasized internal control reform, yet the role of role clarity in strengthening governance effectiveness remains underexplored. This study examines the effect of role clarity on the effectiveness of the Three Lines Model in the Indonesian public sector. The study is motivated by the need to strengthen accountability and clearly allocate responsibilities across operational, oversight, and assurance functions. Although the Three Lines Model is intended to define governance roles, empirical evidence on the contribution of role clarity remains limited.A quantitative explanatory research design was employed. Data were collected through an online questionnaire from employees involved in implementing the Three Lines Model at the Directorate General of State Assets, Ministry of Finance, Indonesia. A total of 172 valid responses were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0.The results show that role clarity does not have a statistically significant effect on the effectiveness of the Three Lines Model. This finding suggests that a clear understanding of formal responsibilities alone is insufficient to improve governance effectiveness in highly formalized public sector organizations. Governance roles may already be institutionalized through regulations and hierarchical control systems, resulting in a standardized understanding of responsibilities among employees.This study contributes to the literature by highlighting that role clarity, while essential for accountability, may not independently enhance governance effectiveness. The findings also offer practical implications by emphasizing that successful implementation of the Three Lines Model requires not only clearly defined roles but also supportive organizational practices and governance mechanisms.

Keywords: Accountability, Three Lines Model Internal Control, Role Clarity, Public Sector Governance

1. INTRODUCTION

Accountability is a fundamental principle in public sector governance because public institutions are entrusted with managing public resources, exercising administrative authority, and delivering services in the public interest. In complex bureaucratic environments, accountability depends not only on formal rules and procedures but also on whether organizational responsibilities are clearly assigned and understood across governance functions. Unclear responsibility boundaries may create fragmented accountability, overlapping authority, weak ownership of risks, and difficulties in determining responsibility for internal control failures (Bovens, 2007; Romzek & Dubnick, 1987).

The increasing complexity of public sector governance has intensified the need for structured accountability mechanisms. Public institutions operate through interconnected operational, supervisory, compliance, and assurance functions that must coordinate while maintaining differentiated responsibilities (Almira et al., 2024). In this context, internal control systems are expected not merely to support procedural compliance but also to ensure that organizational actors understand their respective responsibilities in managing risks, implementing controls, and supporting organizational objectives.

One governance framework designed to support accountability and responsibility allocation is the Three Lines Model developed by the Institute of Internal Auditors (IIA, 2020). The model distinguishes operational management as the first line, risk management and compliance functions as the second line, and internal audit

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as the third line. Through this structure, the model seeks to strengthen governance by clarifying accountability relationships while preserving the independence of assurance activities. Each line performs distinct responsibilities that collectively contribute to governance, risk management, and internal control implementation.

The implementation of the Three Lines Model has been widely discussed in both professional and academic literature. Although the model is intended to clarify responsibilities and strengthen governance, prior studies suggest that its practical effectiveness depends on more than formal role allocation. Davies & Zhivitskaya (2018) argue that the model may become merely symbolic when boundaries between governance functions are unclear. Bantleon et al. (2021) further show that coordination challenges among governance, risk, compliance, and assurance functions may limit the practical value of the model. Similarly, Eulerich (2021) emphasizes that the revised Three Lines Model moves beyond rigid separation and places greater emphasis on alignment and interaction among governance actors. These studies indicate that role clarity remains an important issue in explaining whether the Three Lines Model can support accountability and internal control effectiveness in practice.

Despite the formal structure provided by the Three Lines Model, governance implementation challenges remain significant. Public organizations may formally establish governance procedures and documented responsibilities while employees still experience uncertainty regarding ownership of risks, monitoring responsibilities, and accountability boundaries. Under such conditions, governance implementation may become procedural rather than substantively embedded in organizational practice.

Role Theory provides an important perspective for understanding this issue. Organizational roles define expected patterns of behavior, authority, and responsibilities associated with specific positions (Biddle, 1986; Katz & Kahn, 1978). Role clarity refers to the extent to which individuals understand their duties, authority, and expected contributions within organizational processes. Clear role allocation may reduce ambiguity, prevent overlapping responsibilities, and strengthen responsibility ownership. Conversely, unclear roles may create confusion regarding accountability and weaken governance implementation.

From the perspective of Agency Theory, role clarity also functions as an accountability mechanism that helps reduce information asymmetry and clarify responsibility relationships between principals and agents (Meckling & Jensen, 1976). In public sector governance, citizens and government institutions act as principals, while public officials function as agents responsible for managing public resources. Accountability therefore depends not only on monitoring mechanisms but also on clear assignment of responsibilities regarding who manages risks, who performs oversight, and who provides assurance.

Previous studies on the Three Lines Model have largely focused on governance structures, coordination mechanisms, and implementation challenges. Existing discussions frequently emphasize structural separation among governance functions, risk oversight arrangements, and assurance practices. However, relatively limited attention has been given to the role of role clarity itself as a foundation of accountability within the implementation of the Three Lines Model. While governance frameworks may formally specify responsibilities, empirical evidence remains limited regarding whether role clarity contributes to the effectiveness of the Three Lines Model in public sector governance.

This issue is particularly relevant in the Indonesian public sector, where integrated internal control systems have been strengthened through regulatory reforms emphasizing accountability, risk management, and coordinated governance practices. The Directorate General of State Assets within the Ministry of Finance represents an important institutional context because of its strategic responsibilities in managing state assets, state receivables, and auction services. These functions involve multiple organizational units, layered supervisory structures, and geographically dispersed operations, making clarity of responsibilities important for effective governance implementation.

Although public sector organizations commonly operate through formalized structures and documented procedures, formal governance arrangements do not automatically guarantee effective implementation in practice. Employees may formally understand their responsibilities while governance implementation remains administrative rather than operationally embedded. Therefore, examining role clarity becomes important for understanding whether clear responsibility allocation contributes meaningfully to the effectiveness of the Three Lines Model.

Based on this background, this study examines the effect of role clarity on the effectiveness of the Three Lines Model in the Indonesian public sector. Specifically, the study investigates whether clearer understanding of organizational responsibilities contributes to stronger implementation of governance responsibilities within internal control practices.

This study contributes to the literature in three ways. First, it extends the Three Lines Model literature by positioning role clarity as a foundation of accountability rather than merely a structural governance element. Second, it provides empirical evidence from an Indonesian public sector institution, a context that remains underrepresented in studies of the Three Lines Model. Third, it offers practical implications for public sector governance by emphasizing that effective implementation of the Three Lines Model depends not only on formal governance structures but also on the clarity of responsibility allocation across organizational actors.

The remainder of this paper is organized as follows. The next section reviews the relevant literature and develops the research hypothesis. The third section explains the research methodology. The fourth section presents the empirical findings and discussion. The final section concludes the study by outlining implications, limitations, and recommendations for future research.

2. LITERATURE REVIEW

2.1. Agency Theory

Agency Theory explains the relationship between principals and agents in situations where authority and responsibility are delegated from one party to another (Meckling & Jensen, 1976). In organizational settings, principals delegate responsibilities to agents to perform activities and make decisions on their behalf. However, agency relationships may create governance problems because agents often possess greater operational information than principals. This condition creates information asymmetry and may increase the risk of opportunistic behavior, weak accountability, and ineffective control implementation.

In the public sector, agency relationships are more complex than in private organizations because public institutions are accountable not only to organizational leaders but also to citizens, government authorities, regulatory bodies, and other stakeholders. Public officials and administrative institutions function as agents entrusted with managing public resources, implementing government policies, and delivering public services. Consequently, public sector governance requires strong accountability mechanisms to ensure that organizational actions remain aligned with laws, regulations, and public interests.

Agency Theory emphasizes that accountability depends on mechanisms capable of reducing information asymmetry and clarifying responsibility relationships among organizational actors. Internal control systems therefore play an important role in supporting governance accountability because they establish monitoring mechanisms, reporting structures, and responsibility allocation procedures. Effective governance requires clear identification regarding who is responsible for operational activities, who performs oversight functions, and who provides independent assurance over governance processes.

However, Agency Theory's account of information asymmetry assumes that the asymmetry in question is primarily cognitive, that agents behave opportunistically or inconsistently because they do not know what is expected of them. This assumption generates a specific, falsifiable prediction: role clarity should matter most where responsibility allocation is left to individual interpretation, and least where it has already been fixed by an external mechanism independent of any single employee's understanding. Public sector organizations frequently substitute regulatory and procedural specification for individual cognitive clarity—responsibilities are assigned by decree, job description, or standard operating procedure rather than negotiated or inferred. Under this condition, Agency Theory would predict that the marginal value of an individual employee's personal sense of role clarity is compressed, because the accountability mechanism Agency Theory relies on (reducing information asymmetry) has already been substantially discharged by the regulatory structure itself, independent of what any given employee reports feeling clear about. This yields a boundary condition rather than a simple linear expectation: role clarity's explanatory power for governance effectiveness should vary inversely with the degree of external, regulatory formalization already present in the organization.

Within the context of the Three Lines Model, governance responsibilities are distributed across operational management, oversight functions, and assurance activities. Without clear responsibility boundaries, accountability implementation may become fragmented, overlapping, and difficult to enforce consistently. From the perspective of Agency Theory, role clarity functions as an accountability mechanism that helps reduce ambiguity regarding authority, duties, and responsibility ownership. Clear understanding of organizational roles may strengthen governance implementation because employees are more likely to recognize their responsibilities and understand the limits of their authority within internal control processes. Accordingly, Agency Theory provides an important theoretical foundation for explaining why role clarity is expected to contribute to the effectiveness of the Three Lines Model in public sector governance.

2.2. Role Theory and Role Clarity

Role Theory explains that organizational behavior is shaped by expectations attached to formal positions within an organization (Biddle, 1986; Katz & Kahn, 1978). Organizational roles define expected duties, authority, responsibilities, and patterns of interaction associated with specific positions. Through these role expectations, organizations establish behavioral standards that guide how individuals perform their responsibilities and interact with other organizational actors. According to Role Theory, individuals perform more effectively when role expectations are clearly communicated and consistently understood. Clear organizational roles help employees understand what responsibilities they hold, what authority they possess, how their work contributes to organizational objectives, and how their responsibilities relate to those of other organizational functions.

Role clarity refers to the extent to which individuals understand their duties, authority, reporting relationships, and expected contributions within organizational processes. Clear roles reduce uncertainty regarding decision-making authority, operational responsibilities, and accountability boundaries. Employees who understand their responsibilities are generally better able to perform assigned duties consistently and coordinate governance activities within organizational procedures. Conversely, unclear organizational roles may generate role ambiguity and role conflict. Role ambiguity occurs when individuals lack sufficient understanding regarding their responsibilities, authority, or expected performance standards. Under such conditions, employees may become uncertain regarding accountability ownership, decision authority, and operational priorities. Role conflict may also emerge when organizational expectations overlap or when multiple functions perform similar responsibilities without clear boundaries.

The importance of role clarity is also supported by organizational behavior literature. Rizzo et al. (1970) identify role ambiguity and role conflict as important sources of organizational dysfunction when employees lack clear information about expectations, authority, and responsibilities. Jackson & Schuler (1985) further show that unclear role expectations are associated with adverse organizational and individual outcomes. Tubre & Collins (2000) also demonstrate through meta-analytic evidence that role ambiguity and role conflict are related to performance outcomes. These findings suggest that role clarity is generally expected to support more effective organizational functioning. However, in highly formalized public sector organizations, the effect of role clarity may become less visible when responsibilities are already standardized through regulations, procedures, and hierarchical systems.

This qualification deserves closer theoretical specification rather than being treated as an incidental caveat. Rizzo et al. (1970) and the subsequent meta-analytic literature (Jackson & Schuler, 1985; Tubre & Collins, 2000) largely derived their evidence from private-sector and mixed occupational samples in which role definition is comparatively decentralized, supervisors, teams, or informal norms fill gaps that formal documentation leaves open. Role Theory itself does not require that variance in individual perceptions of clarity be the operative mechanism; it requires only that behavior track role expectations, however those expectations come to be fixed. Where expectations are fixed exogenously and uniformly, through law, ministerial regulation, or standard operating procedure applied identically across an entire organizational line, the theory implies that between-person variance in reported role clarity should shrink toward a ceiling, since most employees are responding to the same external specification rather than to differentially internalized understanding. This generates a concrete, testable expectation for the present study: in a public sector institution where the three lines are defined by regulation rather than local negotiation, role clarity scores should cluster at the higher end of the scale with limited variance, and this restricted variance rather than role clarity's theoretical irrelevance would be the specific mechanism by which its statistical association with 3LM effectiveness is attenuated. This is a distinct and testable claim from the more general observation that "formal structures don't guarantee effectiveness"; it identifies restriction of range, driven by institutional standardization, as the mechanism, and implies that the relationship should reemerge more strongly in institutional settings where role definition is left more open to local or individual interpretation.

In governance systems, role ambiguity may weaken accountability implementation because unclear responsibility allocation makes it difficult to determine who is responsible for managing risks, implementing controls, monitoring compliance, or addressing governance weaknesses. Overlapping responsibilities may create inefficiencies, duplicated activities, delayed corrective actions, and fragmented accountability structures. Within the Three Lines Model, governance responsibilities are distributed across distinct organizational lines with different accountability functions. The first line is responsible for managing operational risks and implementing internal controls, the second line performs oversight and compliance monitoring activities, and the third line provides independent assurance regarding governance effectiveness. Effective implementation of the model therefore depends on whether each organizational line clearly understands its respective authority, responsibilities, and accountability boundaries.

Recent public sector research also indicates that role clarity remains a relevant issue in complex governance environments. Verlinden et al. (2023) show that increasing change complexity in public organizations may reduce role clarity and generate role ambiguity among employees. This finding is important for public sector governance because unclear roles may weaken accountability, coordination, and responsibility ownership. In the context of the Three Lines Model, role clarity is therefore expected to support accountability by helping organizational actors understand their authority, responsibilities, and boundaries across operational, oversight, and assurance functions. Based on Role Theory, this study positions role clarity as an important factor influencing the effectiveness of the Three Lines Model. Clear understanding of organizational responsibilities is expected to strengthen governance implementation by reducing ambiguity and clarifying responsibility ownership.

2.3. Accountability in Public Sector Governance

Accountability is a fundamental principle of public sector governance because public institutions are entrusted with managing public resources, exercising administrative authority, and implementing public policies on behalf of society. Unlike private organizations that primarily focus on profitability and shareholder interests, public sector organizations are accountable to a broader range of stakeholders, including citizens, government authorities, legislative institutions, regulatory agencies, and public oversight bodies.

Public sector accountability refers to the obligation of public officials and institutions to explain, justify, and take responsibility for their decisions, actions, and use of authority. Accountability mechanisms are intended to ensure that public resources are managed in accordance with laws, organizational objectives, ethical standards, and public interests. In governance systems, accountability also functions as a control mechanism that helps prevent misuse of authority, administrative inefficiency, and weak implementation of public responsibilities.

Internal control systems play an important role in supporting accountability within public sector governance. COSO (2013) explains that internal control is designed to provide reasonable assurance regarding the achievement of organizational objectives, reliability of reporting, operational effectiveness, and compliance with laws and regulations. In public institutions, internal control therefore supports accountability by establishing procedures, monitoring activities, reporting mechanisms, and responsibility structures that guide organizational behavior and governance implementation.

Public sector organizations commonly operate through complex bureaucratic structures involving multiple organizational units, hierarchical reporting relationships, and layered supervisory functions. Under such conditions, accountability implementation depends not only on formal procedures but also on whether governance responsibilities are clearly allocated and consistently implemented across organizational functions. The Three Lines Model provides a governance structure intended to support accountability through differentiated responsibility allocation across operational management, oversight functions, and assurance activities. Through this structure, the model seeks to strengthen internal control implementation and clarify accountability relationships within governance processes (Fan, 2025).

Accordingly, accountability in public sector governance should not be understood merely as compliance with administrative procedures. Effective accountability also requires consistent implementation of governance responsibilities across operational, oversight, and assurance functions within organizational processes.

2.4. The Three Lines Model and Responsibility Allocation

The Three Lines Model is a governance framework developed by the Institute of Internal Auditors (IIA) to clarify the allocation of responsibilities related to governance, risk management, internal control, and assurance activities within organizations (IIA, 2020). The model distinguishes organizational responsibilities into three lines with different but complementary accountability functions.

The first line consists of operational management and business process owners responsible for managing risks and implementing internal controls within daily operational activities. The second line consists of functions responsible for oversight, monitoring, compliance, and governance support activities. These functions provide guidance and monitoring to help ensure that risks and controls are managed appropriately by operational management. The third line consists of internal audit functions that provide independent and objective assurance regarding the effectiveness of governance, risk management, and internal control processes.

The primary purpose of the Three Lines Model is to establish clear accountability relationships among organizational actors. By separating operational responsibilities, oversight activities, and assurance functions, the model seeks to reduce overlapping authority, strengthen responsibility ownership, and improve governance implementation. In public sector organizations, the Three Lines Model is particularly relevant because governance structures often involve complex bureaucratic arrangements, multiple supervisory layers, and extensive accountability requirements. Public institutions must manage operational risks while simultaneously ensuring compliance with laws, regulations, administrative procedures, and public accountability expectations.

Although the Three Lines Model provides formal governance structures, documented roles alone do not automatically guarantee effective implementation. Public organizations may formally establish differentiated responsibilities while employees remain uncertain regarding accountability ownership, reporting relationships, or governance authority boundaries. Under such conditions, governance implementation may become procedural rather than substantively embedded within organizational practice.

Accordingly, effective implementation of the Three Lines Model requires not only formal separation of governance functions but also clear understanding regarding authority, duties, and accountability responsibilities across organizational lines.

2.5. Role Clarity and effectiveness of the Three Lines Model

Role clarity is widely recognized as an important condition for effective organizational governance because governance responsibilities can only function properly when organizational actors clearly understand their authority, duties, and accountability boundaries. In governance systems involving multiple organizational functions, clear role allocation helps ensure that responsibilities are performed consistently and that accountability ownership can be identified appropriately.

Within the context of the Three Lines Model, role clarity becomes particularly important because governance responsibilities are distributed across operational management, oversight functions, and assurance activities. The first line is responsible for operational risk management and control implementation, the second line performs oversight and compliance monitoring activities, and the third line provides independent assurance regarding governance effectiveness.

Clear understanding of these responsibilities may reduce ambiguity regarding governance ownership and improve consistency in internal control implementation. Role clarity may also help prevent duplication of governance activities and reduce uncertainty regarding who is responsible for identifying risks, implementing controls, performing monitoring activities, and addressing governance weaknesses.

From the perspective of Agency Theory and Role Theory, role clarity supports governance effectiveness because clear responsibilities reduce information asymmetry and strengthen responsibility ownership among organizational actors. Employees who understand their governance responsibilities are more likely to recognize accountability expectations and perform assigned duties consistently. Conversely, unclear governance roles may encourage avoidance of responsibility, shifting of accountability, and inconsistent implementation of internal controls.

However, the relationship between role clarity and the effectiveness of the Three Lines Model may not always be straightforward, particularly within highly formalized public sector organizations. Bureaucratic institutions commonly operate through formal regulations, hierarchical procedures, administrative controls, and documented governance structures that already define organizational responsibilities institutionally. Under such conditions, employees may possess relatively standardized understanding of their formal responsibilities regardless of differences in individual perceptions of role clarity.

Consequently, although role clarity remains an important governance condition, its direct contribution to the effectiveness of the Three Lines Model may become limited when responsibility structures are already formally institutionalized. In such environments, governance effectiveness may depend not only on formal understanding of responsibilities but also on how governance responsibilities are implemented operationally within organizational practice.

Nevertheless, clear role understanding remains essential because effective implementation of the Three Lines Model requires organizational actors to recognize and perform their governance responsibilities appropriately. Therefore, this study proposes the following hypothesis:.

H1: Role clarity positively affects the effectiveness of the Three Lines Model.

3. RESEARCH METHODS

3.1. Research Design

This study employed a quantitative approach with an explanatory research design (Sugiyono, 2019). The quantitative approach was considered appropriate because the study aimed to examine the relationship between role clarity and the effectiveness of the Three Lines Model based on numerical data obtained from survey responses. The explanatory design was used to assess whether employees' understanding of organizational responsibilities contributes to the effectiveness of governance implementation within the Three Lines Model.

The study focused on role clarity as the independent variable and the effectiveness of the Three Lines Model as the dependent variable. Although the broader survey instrument included several variables related to the implementation of the Three Lines Model, this article specifically examines role clarity because it is conceptually associated with accountability, responsibility allocation, and governance implementation within public sector internal control systems.

The study adopted a cross-sectional survey design because the data were collected from respondents at a single point in time. A survey approach was considered suitable for capturing employees' perceptions regarding organizational responsibilities and governance implementation within the Three Lines Model.

3.2. Research Population and Sample

The population of this study consisted of employees who understood or were involved in the implementation of the Three Lines Model, internal control, compliance, risk management, or internal audit within an Indonesian public sector institution. The respondents represented the three main lines in the Three Lines Model. The first line consisted of operational management and business process owners. The second line consisted of internal compliance and risk monitoring functions. The third line consisted of internal auditors who provide independent assurance.

The sampling approach followed a stratified logic because the population was divided into three groups based on their roles in the Three Lines Model (Creswell & Creswell, 2017). In the data collection process, 205 responses were initially obtained. After data screening, 33 responses were excluded because they did not pass the attention check. Therefore, the final dataset consisted of 172 valid responses. Of these respondents, 99 were from the first line, 54 were from the second line, and 19 were from the third line. The final number of respondents met the minimum sample requirement for PLS-SEM analysis.

3.3. Data Collection Tools and Procedure

Primary data were collected using an online questionnaire. The questionnaire was distributed to respondents who had knowledge of or involvement in the implementation of the Three Lines Model. The use of a questionnaire was appropriate for this study because the variables were measured based on individual perceptions regarding role clarity and the effectiveness of the Three Lines Model.

Before the questionnaire was used in the main data collection, the research instrument went through expert judgement and pilot testing. Expert judgement was conducted to assess the content validity of the items, including their relevance to the theoretical constructs and their suitability for the public sector internal control context. Pilot testing was then conducted to assess the clarity, readability, and initial consistency of the questionnaire items. These procedures were intended to improve the quality of the instrument before the main survey was administered.

The questionnaire used a five-point Likert scale ranging from 1, representing strongly disagree, to 5, representing strongly agree. The use of a Likert scale was considered suitable because the study measured respondents' perceptions of organizational roles and internal control effectiveness.

3.4. Data Analysis

SmartPLS 4.0 served as the primary tool for conducting Partial Least Squares Structural Equation Modeling (PLS-SEM) on the collected data. This approach was chosen due to its effectiveness in examining connections among unobserved variables, especially when research goals emphasize forecasting and the data originate from questionnaires. Furthermore, PLS-SEM accommodates different data distributions and performs reliably with both small and moderately sized samples (Hair Jr et al., 2021).

A multi-stage approach guided the analytical procedure. The first step involved computing descriptive statistics to outline the characteristics of respondents and the response distributions for every indicator. Next, the assessment focused on the reflective measurement model, aiming to establish both construct validity and reliability. This assessment comprised an examination of indicator reliability through outer loadings, internal consistency via composite reliability and Cronbach's alpha, convergent validity through the average variance extracted, and discriminant validity. The discriminant validity check was performed to confirm that every construct maintained empirical distinctiveness from its counterparts.

Evaluating the structural model constituted the third analytical step, during which the research hypothesis underwent formal testing. The association between role clarity and the Three Lines Model's effectiveness was investigated using path coefficients, t-statistics, and p-values generated from bootstrapping. A finding was deemed statistically significant if the t-statistic surpassed 1.96 and the p-value fell under 0.05 at the 5% alpha level. Additionally, the coefficient of determination revealed the model's predictive strength, and the effect size statistic indicated the relative importance of role clarity in influencing the outcome variable.

3.5. Ethical Considerations

Ethical guidelines for social research guided the entire data collection process. All participants received clear information regarding the study's objectives, the confidential treatment of their answers, the anonymous handling of all data, and the exclusive academic application of the findings. Involvement in the research was entirely optional, and no participant was obliged to reveal any personal details that might lead to direct identification during analysis. These measures were put in place both to safeguard the respondents and to uphold the overall trustworthiness of the investigative work.

4. RESULTS AND DISCUSSION

4.1. Respondent Characteristics

A total of 205 responses were initially collected during the data collection process. After data screening and attention-check evaluation, 33 responses were excluded because they did not meet the data quality requirements. Consequently, 172 valid responses were retained for the final analysis. The respondents represented the three organizational lines within the implementation of the Three Lines Model. Of the total respondents, 99 respondents (57.6%) represented the first line consisting of operational management and business process owners. A total of 54 respondents (31.4%) represented the second line consisting of compliance and monitoring functions. Meanwhile, 19 respondents (11.0%) represented the third line consisting of internal audit functions responsible for providing independent assurance activities.

The distribution of respondents across the three organizational lines indicates that the study captured perspectives from operational, oversight, and assurance functions involved in governance implementation within the organization. This distribution was considered appropriate because the implementation of the Three Lines Model involves differentiated governance responsibilities across organizational functions.

4.2. Measurement Model Evaluation

Reliability and validity tests were applied to evaluate the measurement model. According to the results, every construct within the study fulfilled the required criteria. The role clarity variable produced a Cronbach's Alpha of 0.821, a composite reliability of 0.881, and an AVE of 0.649. In contrast, the Three Lines Model effectiveness variable yielded a Cronbach's Alpha of 0.953, a composite reliability of 0.961, and an AVE of 0.754. All of these values exceed the recommended minimums, namely 0.70 for reliability indices and 0.50 for AVE, which confirms that the constructs possess adequate internal reliability and appropriate convergent validity.

Table 1. Construct Reliability and Validity

Construct	Cronbach's Alpha	Composite Reliability	AVE
Role Clarity	0.821	0.881	0.649
Effectiveness of the Three Lines Model	0.953	0.961	0.754

The results indicate that the indicators used to measure role clarity and the effectiveness of the Three Lines Model are reliable and valid. Thus, the measurement model provides an adequate basis for assessing the structural relationship between role clarity and the effectiveness of the Three Lines Model.

4.2.1. Structural Model Evaluation

To investigate how role clarity relates to the effectiveness of the Three Lines Model, the structural model underwent formal assessment. The preliminary step involved checking for collinearity through the Variance Inflation Factor, which produced a value of 1.797 for this relationship, comfortably below the widely accepted ceiling of 5. This outcome confirmed that collinearity did not compromise the structural estimates. Subsequent hypothesis testing relied on a bootstrapping approach. The findings indicated that while role clarity showed a positive direction of influence, the effect was not statistically meaningful, with a path coefficient measuring 0.022, a t-statistic of 0.317, and a p-value of 0.751. Given that the t-statistic failed to reach the 1.96 threshold and the p-value surpassed 0.05, the hypothesis was not corroborated by the data.

Table 2. Hypothesis Testing Result

Relationship	Path Coefficient	t-statistic	p-value	Decision
Role Clarity → Effectiveness of the Three Lines Model	0.022	0.317	0.751	Not supported

The effect size analysis further supports this finding. The f-square value for the relationship between role clarity and the effectiveness of the Three Lines Model was 0.001, indicating that role clarity had a very weak substantive effect on the dependent variable. This result suggests that variations in role clarity did not meaningfully explain differences in perceived Three Lines Model effectiveness among respondents. Overall, the structural model result indicates that role clarity, although theoretically important for accountability and responsibility allocation, did not directly determine the effectiveness of the Three Lines Model in the examined public sector context. This finding provides the basis for further discussion on why clear formal responsibilities may function as a foundational governance condition rather than as a direct predictor of governance effectiveness.

4.3. Discussions

An examination of the relationship between role clarity and the Three Lines Model's effectiveness was carried out in the context of Indonesian public administration. The analysis revealed that role clarity exerted no significant influence on the model's performance. This outcome led to the rejection of the proposed hypothesis. This result points to what may be termed an accountability paradox: role clarity is theoretically positioned as a precondition for accountability, yet its statistical contribution to governance effectiveness is negligible. The paradox does not lie in role clarity being irrelevant, but in the coexistence of two seemingly contradictory conditions within the same governance system, formal responsibility allocation is simultaneously necessary for accountability to function at all, and empirically inert as a driver of the outcome it is assumed to produce. This pattern resonates with organizational paradox theory (Smith & Lewis, 2011), which explains that persistent, interwoven tensions, rather than problems to be resolved, characterize many organizational phenomena. Applied here, the tension is between formalization and substantive effectiveness: the more thoroughly a public bureaucracy institutionalizes roles through regulation and hierarchy, the less discriminating power individual perceptions of role clarity retain in explaining variation in effectiveness, precisely because that clarity has already been absorbed into the structure itself rather than remaining an active, differentiating cognitive resource among employees.

From the perspective of Agency Theory, role clarity is expected to strengthen governance implementation because clear allocation of responsibilities may reduce information asymmetry, clarify accountability relationships, and strengthen responsibility ownership among organizational actors. Similarly, Role Theory suggests that employees who clearly understand their authority, duties, and governance responsibilities are more likely to perform organizational responsibilities consistently and effectively. However, the empirical findings indicate that role clarity alone may not be sufficient to directly improve the effectiveness of the Three Lines Model within highly formalized public sector organizations. One possible explanation is that public institutions commonly operate through formal regulations, hierarchical procedures, administrative controls, and standardized governance structures that already institutionalize organizational responsibilities. Under such conditions, employees may already possess relatively similar understanding of formal responsibilities regardless of variations in individual perceptions of role clarity.

This finding suggests that role clarity may function primarily as a foundational governance condition rather than as a direct determinant of governance effectiveness. This is the essence of the paradox: role clarity operates as a necessary but non-sufficient condition, one whose contribution becomes least visible precisely where it is most institutionally embedded. In other words, clear understanding of responsibilities remains necessary for governance implementation, but formal responsibility allocation alone may not automatically improve the effectiveness of governance processes in practice. This interpretation is consistent with recent discussions of the Three Lines Model, which emphasize that formal structure alone does not guarantee effective governance. Seidenfuss et al. (2023) argue that the new Three Lines Model reflects an attempt to move toward integrated governance, risk, and compliance, but its implementation remains challenging in practice. Fenelon et al. (2024) further highlight that the effectiveness of the model is shaped by behavioral factors, including how organizational actors respond to challenge, oversight, and assurance activities. Therefore, the insignificant effect of role clarity in this study should not be interpreted as evidence that role clarity is unimportant. Rather, it suggests that role clarity may represent a minimum governance condition that must be complemented by effective implementation practices, coordination mechanisms, and constructive interaction across organizational lines.

The findings also indicate that effective implementation of the Three Lines Model may depend on broader organizational and governance factors beyond formal role understanding. Although organizational actors may understand their designated responsibilities, governance effectiveness may still be influenced by how responsibilities are coordinated, implemented, monitored, and operationalized within daily organizational activities. In the context of public sector governance, formal accountability structures are commonly embedded within regulations and administrative systems. Consequently, governance challenges may emerge not from the absence of formal role allocation but from limitations in operational implementation, organizational coordination, or institutional governance practices.

These findings contribute to the literature on the Three Lines Model by extending the discussion beyond formal governance structures and emphasizing the distinction between formal responsibility allocation and effective governance implementation. They also contribute to the paradox literature in public sector governance by illustrating a specific manifestation of the formalization–effectiveness tension: institutional maturity in defining roles can paradoxically flatten the variance needed to detect role clarity's explanatory contribution, even as that same maturity remains the reason accountability functions at all. The study also contributes to public sector governance literature by showing that role clarity may serve as a foundation of accountability without necessarily functioning as a direct predictor of governance effectiveness.

Practically, the findings suggest that public sector organizations should not rely solely on formal role allocation to strengthen governance implementation. Although clear responsibilities remain important, organizations may also need to strengthen operational coordination, governance practices, and implementation mechanisms to improve the effectiveness of the Three Lines Model within organizational processes. Finally, this study has several limitations. First, the study focused specifically on role clarity as a governance-related factor influencing the effectiveness of the Three Lines Model. Other organizational and governance factors that may influence governance effectiveness were not included in the model. Second, the study used a cross-sectional survey design, which limits the ability to observe changes in governance implementation over time.

5. CONCLUSIONS

This research investigated how role clarity influences the effectiveness of the Three Lines Model within a specific Indonesian public sector organization. The impetus for this study arose from the critical need for clear accountability and well-defined responsibility distribution in public governance, especially across systems that integrate operational, supervisory, and assurance roles. The findings indicated that role clarity did not have a statistically significant effect on the effectiveness of the Three Lines Model. Although role clarity was theoretically expected to support governance implementation by clarifying responsibilities and strengthening accountability relationships, the results suggest that clear understanding of formal responsibilities alone may not directly determine governance effectiveness within highly formalized public sector organizations.

The very small effect size obtained ($f^2 = 0.001$) reinforces this conclusion and carries its own implication: role clarity accounts for only a negligible share of the variance in Three Lines Model effectiveness, meaning that the great majority of what determines governance effectiveness in this setting lies outside the present model. This is a substantive finding in its own right rather than simply a null result to be explained away. It indicates that future research should move beyond role clarity as a primary explanatory variable and instead prioritize factors more plausibly responsible for the unexplained variance, among them leadership support and managerial commitment to governance implementation, organizational culture and the extent to which risk ownership is normatively reinforced rather than merely documented, and the quality of coordination and communication across the three lines, which prior literature suggests may matter more than formal role understanding itself.

From the perspectives of Agency Theory and Role Theory, role clarity remains an important governance condition because it helps reduce ambiguity regarding authority, duties, and accountability ownership. However, the findings imply that formal responsibility allocation may already be institutionally embedded through regulations, hierarchical procedures, and administrative controls within public sector organizations. Consequently, differences in employees' perceptions of role clarity may not substantially explain variations in the effectiveness of the Three Lines Model. This study contributes to the literature in several ways. First, it extends the literature on the Three Lines Model by positioning role clarity as a foundation of accountability within governance implementation. Second, the study provides empirical evidence from the Indonesian public sector, which remains relatively underrepresented in studies on governance and internal control implementation. Third, the findings contribute to public sector governance literature by emphasizing the distinction between formal responsibility allocation and effective governance implementation in practice.

Practically, the findings suggest that public sector organizations should not rely solely on formal role allocation to strengthen governance effectiveness. Although clear responsibilities remain important, organizations may also need to strengthen governance implementation mechanisms, operational coordination, and internal control practices to improve the effectiveness of the Three Lines Model. This study has several limitations. The research focused specifically on role clarity as a governance-related factor influencing the effectiveness of the Three Lines Model. Other organizational and governance variables that may influence governance effectiveness were not included in the analysis. In addition, the study used a cross-sectional survey design that captured respondents' perceptions at a single point in time. Future studies may therefore examine broader organizational, behavioral, and governance-related factors that may influence the effectiveness of the Three Lines Model in different institutional settings. Further research may also explore how governance practices, organizational coordination, and implementation mechanisms interact with formal responsibility allocation in supporting effective public sector governance.

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