Adjusting good governance architecture to achieve public service excellence

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ABSTRACT

Public reform in developing countries shows characteristics of inefficiencies, lack of political will and public funds. Globalisation has shaped concepts of economic growth and determined perceptions of governance. Worldwide, governments have become preoccupied with "implementation", performance and how to apply the principles of good governance. Good governance is defined as the betterment of the quality of life of each citizen. Decentralisation is regarded as an indispensable element of participative democracy, as it allows citizens to communicate their preferences to elected officials. Political decentralisation refers to shifting power by selecting political leadership and representatives, from central to local governments. This transfers the power and authority (vertical decentralisation) for socio-politico-economic divisions from central to local government and to communities (horizontal decentralisation). Economic decentralisation becomes the mechanism for financing government expenditure (tax structures) and supplying goods and services in a collective way within a decentralised system. Establishing an institutional framework that promotes decentralisation within a flexible, integrative, innovative and dynamic modern delivery model and that clusters services together in a seamless bureaucratic environment is therefore a key challenge. Ensuring "better government" by implementing a seamless approach implies a common vision and delivery strategy, organisational change, co-operation and collaboration between partners and interacting networks.

INTRODUCTION

Across the world, the Public Service is finding it increasingly difficult to meet the challenges posed by the changing demands that affect service delivery. Hence,

if the South African Public Service, for example, wants to remain a competitive force in the local and global market, it must respond to the changing demands brought about by globalisation, growing consumer expectations and increased fiscal demands.

A lack of skills, an inability to create innovative environments and traditional hierarchical structures could be seen as some of the factors that contribute to the non-achievement of service excellence. The impact of ideologies on the architecture of the Public Service and State interventions can translate directly into different forms of co-ordination, co-operation and collective decision-making. Moving across sectors and forming collaborative relationships becomes a major challenge. Ultimately, good governance objectives and an increased emphasis on service delivery require governments to be more innovative in transforming bureaucratic mechanisms to cope with altering demands and expectations.

This article explores practices to establish how structural reforms via decentralisation are able to enhance service delivery performance. In the process of striving towards a "minimal state", the Public Service mechanisms should be reconstructed into much flatter forms, associated with a strong internal devolution and characterised by self-organisation and inter-organisational networks. These "tight/loose" bureaucratic forms provide greater autonomy within a framework of core values linked to explicit performance targets that emanate from national government. However, their impact is complex and they require public managers to cope with new governance challenges.

PUBLIC SECTOR REFORM: CHALLENGES IN DEVELOPING COUNTRIES

The Public Sector's performance in delivering public services in developing countries is generally considered less satisfactory than that of developed countries. Its limited ability to provide services and protect the poor and other disadvantaged groups, such as women and the elderly, is particularly concerning. The following factors have been shown to contribute to poor service delivery (Shah 2005:xix, 154–156; and Fourie 2009:1118–1119):

- Low capacity: The Public Service suffers from weak human resource and system capacity, due to insufficient skills bases, low compensation, as well as poor human resources, managaement and operational policies.
- Organisational centralisation and top-down governance: Developing countries' governments seem to prefer hierarchical, centralised, top-down structures that emphasise control in the governance powers and require role players to adhere to the processes. Government departments are organised

according to the classical bureaucratic model that is based on process and position, non-innovation, unproductive and unresponsive production processes, as well as limited potential for change.
- Service monopolies: Public entities in the developing world are seen as uncompetitive and use inefficient processes, leaving no incentives to operate otherwise.
- Social insulation, low transparency and poor participation: The social explosion is based on the process and normal professionalism, which is internally biased with non-responsive incentive structures.
- Poor organisational evaluation and accountability mechanisms: Weak internal evaluation mechanisms and a lack of evaluation entities in civil society (external social evaluation) make it difficult to make an unbiased comment on Government performance.

GLOBALISATION AND "GLOCALISATION": GROWTH, DEMOCRACY AND GOOD GOVERNANCE

Globalisation has not only shaped concepts of economic growth, but it has also determined perceptions of governance, as it defines the roles and functions government takes as an enabler, facilitator and regulator. Cheema and Rondinelli (2007:5) have identified seven forces of globalisation that will shape service delivery in the 21st century. These include:
- increased international trade and investment;
- rapid progress in information;
- communications and transportation technology;
- mobility of production;
- rapid transmission of financial capital across borders;
- the emergence of knowledge economies and electronic commerce; and
- the worldwide expansion of markets for goods and services.

Each of these seven forces shapes political philosophy and has fundamental implications for the degree to which government intervenes in the economy and society (Bailey 2004:10). Therefore, globalisation deconcentrates economic activities among and within countries. "Glocalisation" increases pressure on governments to enhance the administrative and fiscal capacity of sub-national, urban, peri-urban and rural areas in order to facilitate the participation of individuals in a global market (Abedian & Biggs 1998:55,56,61and Cheema & Rondinelli 2007:5).

The global deconcentration of economic activities has given local governments new resources, but conversely, it has also brought with it new pressures on

governments to perform their administrative tasks more effectively. Changing competitive environments exert pressure on managers to improve their performance in order to function more efficiently and effectively within global markets (Ashkenas *et al.* 2002:ix,120). Adding to this phenomenon is the increased growth of international economic interaction, which is resulting directly in the evolution of more complex and interconnected societies.

In response to globalisation and as part of economic integration into a world economy, governments are increasingly forced to re-examine how their fiscal policies impact economic performance (Abedian & Biggs 1998:21). Growing inequalities intensify demands on governments to become more responsive to social needs. At the same time, these inequalities have had a negative impact on governments' ability to perform effectively in a trans-national and independent world economic order. These conflicting scenarios are highlighted in global public policy frameworks. On an international level, the quest for democratic practices has necessitated fundamental reforms and restructuring of government institutions (Abedian & Biggs 1998:22).

Abedian and Biggs (1998:22) and Cheema and Rondinelli (2007:2) point out that sovereign states with authoritarian tendencies are under pressure to comply with democratic norms, which consequently forces them to adopt free market or quasi-market economies. This has created an environment where, on the one hand, there has been a rapid growth in technology driving the integration of worldwide communication and transportation networks. On the other hand, both the developed and developing countries face increased demands for political and economic participation.

Worldwide, governments have become preoccupied with "implementation", performance and how to apply the principles of good governance. It seems that governance is only perceived to be good if a government reaches its ultimate goal of ensuring that each citizen has a good and satisfactory quality of life, by creating the required conditions (Gildenhuys & Knipe 2000:91).

Theories of good governance contend that governance and democracy are essential cornerstones for developing societies. Hence, embracing democracy is considered a tool for achieving better governance (Swiss Agency 2000:3). Therefore, new standards of governance have emerged that are in line with the global extension of democratic norms (Ribot 2001:6). Administrators are expected to comply with the principles of political transparency and administrative accountability. This, in turn, turns the spotlight onto higher efficiency, efficacy and a customer orientation in public sector delivery programmes (Abedian & Biggs 1998:25). In other words, the definition of democratic good governance includes a political regime based on a liberal-democratic polity that protects human and civil rights, and is linked to an administrative bureaucratic system is that competent, non-corruptible and accountable. Within the neo-liberal framework,

good governance has thus come to be seen as a transparent, representative, accountable and participatory system of institutions and procedures for public decision-making (Cheema & Rondinelli 2007:2).

In this broader perspective on good governance, decentralisation is regarded as an indispensable element of participative democracy, as it allows citizens to communicate their preferences to elected officials (Bardhan & Mookherjee 2006:4). Any political reform aimed at democratising institutions is therefore only effective if it is accompanied by far-reaching administrative reforms that effectively redistribute power (Makky 2005a; Swiss Agency 2000:4). According to Johnson and Minis (1996:2), good governance within the framework of decentralisation has to speak to the quality of the management process, in that "*…the effective management of public affairs through the generation of a regime (set of rules) [is] accepted as legitimate, for the purposes of promoting and enhancing societal values sought by individuals and groups*".

The decentralisation movement started in Africa, in response to growing discontent with central government bureaucracies' inability to deliver services to local areas effectively. Notably, international donor organisations encouraged and financed this movement . They saw decentralisation as a means to enhance limited capacity in weak states by leveraging the government's resources with those of private sector and civil society organisations (partnerships and collaborative relationships), thereby creating deconcentrated governance (Cheema & Rondinelli 2007:23). As a result, decentralisation became an instrument to improve performance by reducing the role of overstaffed and bloated central bureaucracies and creating responsive and accessible service providers (Makky 2005a:1 and Ribot 2001:14).

In the process of bringing governments "closer to the people", this approach focuses on an authority at a level at which (local) governments had to compete against each other to, for example, broaden their tax base. This is a situation very similar to that of market-based firms and organisations (Treisman 2007:4). Consequently, it became increasingly evident that the traditional notions of efficiency were not enough for a government to keep its position as a competitive force within the global market. Indeed, the pace of the globalisation of financial and other markets has far outstripped the governments' capacity to provide frameworks for rules and co-operative arrangements. These changing environments demand new skills sets, because government officials are challenged to take advantage of technology and globalisation, while basing their services on human resources (Ashkenas *et al*. 2002:xviii). Governments are forced to reassess whether existing organisational and institutional structures are able to meet the demands posed by globalisation, growing customer expectations, as well as increased fiscal demands that move governments into a higher-level system of organisational and structural complexity.

DECENTRALISATION AND THE ARCHITECTURE OF GOVERNMENT

An element in implementing decentralisation is identifying those factors that may facilitate strong local government performance. Concepts such as democracy, competitive markets and the rule of law shape the issues pertaining to good governance and how to operationalise the concepts of fiscal decentralisation and related dimensions of administrative and political decentralisation (Abedian & Biggs 1998:61).

As concepts of governance expanded, so have the objectives and forms of decentralisation and participation. Decentralisation reforms focus on strengthening both the central and local government in ways that support national unification, democratisation, as well as greater efficiency and equity in the use of public resources and service delivery (Ribot 2001:vi). When a government is decentralised, the means of financing government-provided services can vary with the local desires – communities with a strong interest in particular types of development can adapt their tax structures to provide incentives for achieving those goals.

Political decentralisation (devolution) deals with a wide range of political and social issues. As a result, it has been put forward by international development agencies as a mechanism for improved governance and economic performance. Therefore, those who promote decentralisation see it as a way of increasing local governments' capacity by extending services to large numbers of people. The interplay of factors driving political decentralisation versus centralisation is, to a large extent, shaped by the nature and degree of fiscal decentralisation, as well as by the relationship between the locus of policy-making and the locus of implementing administrative regulations and procedures (Abedian & Biggs 1998:79).

Political decentralisation refers to shifting authority by selecting political leadership and representatives from central to local governments, thereby transferring the authority (vertical decentralisation) for socio-politico-economic divisions from central to local government and to communities (horizontal decentralisation). Successful decentralisation requires a strong and committed political leadership at both the national and local spheres of government. In turn, government officials must be willing to share authority and financial resources allocated to their respective delivering agencies. Support for a commitment to decentralising must therefore come from line delivering agencies of the central bureaucracy. The following aspects must be taken into consideration when decentralised organisations are constituted (Heller 2001:136–137):

- Democracy requires an effective bureaucratic system. Participation cannot be comprehensive or continuous unless the processes whereby participatory

inputs are translated into outputs are formalised and routinised. Good governance depends on technical requirements, such as transparency, accountability, representation and decision authority.
- Successful planning requires technical input such as data gathering, planning and budgeting.
- A delicate balance must be maintained between a division of authority and competence between spheres on the one hand, and creating structures and avenues for coordination on the other.

Economic decentralisation becomes the mechanism for financing government expenditure (tax structures) and supplying goods and services in a collective way within a decentralised system. Economic interdependence means that functions traditionally performed at the national level may be reassigned to higher levels of governance (supranational coordination), while sub-national or local government also performs other functions. In capturing these simultaneous developments, the term "glocalisation" was coined to describe the effect of globalisation on the three spheres of government, thereby referring to the ability to think globally, but act locally (Abedian & Biggs 1998:55). The degree of decentralisation and how this is embodied in fiscal and institutional structures differs according to every country's political and economic context.

Decentralisation has proved to be difficult. According to Heller (2001:135), there are three reasons for this:
- Those in political control have little interest in decentralisation. Therefore, moving the locus of public authority means shaking up political control and patronage.
- There is too much institutional inertia to overcome.
- A lot of institutional building and training must take place before local government can work effectively.

Treisman (2007:4) and Heller (2001:135) argue that decentralisation has complex and obscure consequences. It has given rise to two diametrically opposed transformative visions. At the one end of the spectrum, one finds the technocratic vision, where decentralisation is equated with the task of designing appropriate institutions from which the structure can be derived, based on an accumulated corpus of public administration, finance and planning. At the other end of the spectrum, one finds the accusation of too little democracy and the view that democracy can only achieve its full potential when a participatory civil society or a community supplements formal representative institutions. What stands out is that the implementation of decentralised structures often fails because of low levels of administrative and managerial capacity in local government and civil society organisations. This is often accompanied by widening economic and

social disparities and increased levels of local corruption and nepotism, among other things (Cheema & Rondinelli 2007:8).

FACILITATING DECENTRALISATION

Decentralisation has been used to consolidate national unity in South Africa. It is therefore a key component of the neo-liberal, macro-economic strategy. In the design of the Government's decentralisation policy, the key aim is to create an enabling environment where responsibilities are transferred from the national and provincial sphere of Government to the local sphere, where citizens can participate in the decision-making that affects how their needs and desires will be satisfied.

The *Constitution of the Republic of South Africa* of 1996 specifies a contract between Government and the citizens of South Africa, through a development mission that calls upon communities to clarify and define their own needs. This forms the central principle for the concepts of fiscal and administrative decentralisation (Nsingo 2004:353 and Bahl 2001:1). Within the fiscal and administrative decentralisation strategy, community-based public-private partnerships have become one of the main initiatives that drive the overall decentralisation strategy in South Africa. In order to meet service delivery backlogs and to address growing inequities, decentralisation has embraced a broad-based black economic empowerment strategy to encourage fiscal responsibility and to promote sustainable development through public-private partnerships.

In the discussion on governance, decentralisation is thereby elevated into an end in itself, while the focus of development has shifted – there is now a strong emphasis on poverty reduction in South African decentralisation policies. In particular, a premium is placed on creating conditions in which underprivileged groups not only benefit from political opportunities, but also play an integral role in defining their own needs and shaping the solutions. Its commitment to meeting the United Nations Millennium Development Goals (MDGs) places additional pressure on Government to realise ambitious poverty reduction goals. In particular, this challenges public officials to reconfigure creative and innovative ways to align social and economic policies towards achieving service excellence.

In Africa, history has shown that the Anglophone countries have tended to implement the un-integrated system; although in practice both the integrated and un-integrated systems are similar (Ribot 2001:35). However, a major difference between the administrative and political local bodies is that administrative bodies are not necessarily accountable to local populations but must be responsive to their needs, while local political bodies must be accountable downward. Administrative bodies may be accountable to the central State and/or to the

local political representatives. These emerging concepts of decentralisation and the application of accountability within a governance system have far-reaching implications for public policy in the South African environment. In making decentralisation work, public service reform is described as a means of organising service delivery in a more efficient way, as well as managing human resources in such a way that it supports Government's objectives.

Hierarchies have been blamed for all manner of organisational ills. This includes slow decision-making, isolation from consumers or customers and inequality of compensation. Nevertheless, bureaucracies and hierarchies continue to be necessary, inevitable and desirable fixtures of organisational life (Ashkenas *et al.* 2002:37). Hierarchical organisation is an effective tool for getting things done. Organisations are commonly thought of as vertical structures, where orders flow from the top down, along the chain of command, and production takes place at the bottom. Therefore, creating an effective and efficient bureaucracy is not about eliminating or minimising hierarchies, but about how to make them work better within a world without boundaries.

The key challenge is to establish an institutional framework that promotes decentralisation within a flexible, integrative, innovative and dynamic modern delivery model and that clusters services together in a seamless bureaucratic environment. Since the start of the 21st century, South Africa has enacted several policies related to the Public Service, but the country's ability to implement them has proved to be limited. This is partly because the Government has been unable to link macro-level and micro-level policies in each of the three spheres, so that over-arching goals can lead to capacity building and community empowerment. The fiscal and administrative policies need to strengthen each other in their outcomes. Furthermore, fiscal decentralisation should constitute a cross-cutting element between de-concentration and political decentralisation – rather than being seen as separate categories (Ribot 2001:v).

The successful implementation of a streamlined bureaucracy depends on its workforce. Therefore, seeing the workforce as an engine that drives Government (its most significant asset) forces the Government to re-evaluate its long-term strategies that support decentralised policies through its public administrative practices. It has to reassess its performance management, hiring practices and other human resources practices. The main aims are to establish higher performance standards and do anything possible to build capability, promote commitment and improve retention among those who meet the standards. This means that, in order to meet the demands posed by service delivery in the 21st century, governments have to deploy their employees differently. Improvisation becomes the rule in a rapidly changing environment that requires independent judgement, as well as a whole range of competencies that allow public officials to opt for a shared service approach.

CREATING ORGANISATIONAL ARRANGEMENTS THAT ENHANCE SERVICE DELIVERY

Peters (1978:25) claims that the increased complexity of modern economic and social life has enlarged the scope of government activities. He argues that in terms of economies, the externalities of individual behaviour have tended to increase as the size and concentration of populations have increased. This has implications for bureaucratic decision-making, for instance, because strategies are influenced by technological content and those interventions that a government is called upon to regulate. In order to be effective and efficient organisations and governments must keep on reinventing themselves to succeed within the global market. Improving organisational arrangements and existing strategies means that the emphasis shifts towards "doing things better".

Questions pertaining to organisational arrangements centre on how an organisation can control and integrate different disciplines, while still maintaining its independent integrity and functionality. Combining the components of alignment, commitment in action and a shared mindset within the overall system, calls for healthy hierarchies. In a governmental context, this means that the organising relationships between the central, provincial and local authorities must be carefully aligned to meet specific operational requirements within the context of the philosophical and theoretical approaches of the political systems and methods of governance (Ashkenas *et al.* 2002:71 and Makky 2005b:1).

Governments are thus finding it increasingly difficult to meet challenges posed by the changing demands that affect service delivery outcomes. A lack of skills and an inability to create innovative environments is a major contributor to this situation. These problems are exacerbated because government sectors continue to operate within the limitations of traditional hierarchical structures where organisational success factors depended on size, role clarity, specialisation and control. Shifting paradigms mean that competitive success within a globalised society relies on a new set of factors, namely speed, flexibility, integration and innovation (Ashkenas *et al.* 2002:3). The paradigmatic shift has changed the government's role to that of an enabler, regulator and facilitator. On the one hand, this shift has created bureaucratic boundaries within government structures that provide management with a safe haven, as these boundaries keep tasks focused and distinct. However, on the other hand, government has had to reinvent itself in order to make hierarchies work in a borderless world (Ashkenas *et al.* 2002:3).

Ensuring "better government" by implementing a seamless approach implies a common vision and delivery strategy, organisational change, co-operation and collaboration between partners and interacting networks (Schoeman 2007:182). The core service delivery objectives are to reduce administrative

cost and burdens, improve access and quality of services, to ensure integrated services by tailoring them to communities' need, to adapt to changes and to ensure accountability.

Information lies at the heart of public administration. Therefore, achieving success with a particular service delivery approach hinges on information sharing and gathering. How public administrators bring together service delivery needs and develop supporting policies in the government sector forms an integral part of governments' ability to develop their administrative capacity to perform essential functions, such as implementing safety and security, strengthening governance and participation, stabilising the economy, supplying infrastructure, providing social welfare, and strengthening their justice and reconciliation services (Cheema & Rondinelli 2007:23–24 and Schoeman 2007:188).

CONCLUSION

One of the key challenges is to establish an institutional framework that promotes decentralisation within a flexible, integrative, innovative and dynamic modern delivery model, and which clusters services together in a seamless bureaucratic environment. Ensuring "better government" by implementing a seamless approach implies a common vision and delivery strategy, organisational change, co-operation and collaboration between partners and interacting networks. Although governance defines the conduct of democracy and shapes the relationship between citizens and government, the successful implementation of policies can only be achieved through the effective communication of a common vision and delivery strategy. A leader's capacity to facilitate a strong vision, motivate people and align human capital with the strategies of the organisation is achieved through consultation and by obtaining ownership within the organisation for a new vision. These are essential elements in change management, cooperation and collaboration between partners. Overcoming organisational differences is perhaps the single most important aspect governments have to deal with, as this area poses the greatest threat to integrated service delivery and an organisation's ability to frame different aspect of service delivery into a single seamless approach to fit the citizens' needs by means of participation.

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