Reforming The Ethiopian Public Sector For Better Governance:
Conceptual And Theoretical Foundations Paper
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Introduction

"Legend tells us that Michelangelo was rolling a big block of marble down the village road when a friend shouted, "Where are you going with that rock, Michelangelo?" The sculptor is reported to have said, "I am going to free the angel that is locked up inside." He made his way with the stone to his workshop, where he chipped away at the marble, constantly reshaping his vision of the form that the angel could take. Some time later, the friend walked into Michelangelo's workshop. Before him stood an exquisite angel of marble. "How did you carve such a masterpiece?" exclaimed the visitor. "It was always there in the rock," replied Michelangelo. "All I did was take away the parts that didn't look like an angel."

If Michelangelo had not been pulled by a vision that drew him on and guided his action, he would have ended up with a pile of useless chips. And if he had refused to deal with the special features of the stone when he had the chisel in his hand, the rock would have ended up formless. The masterpiece that he produced was a result of the interaction between vision and action.

This story shows how responsive strategy works. A responsive strategy requires the continuous integration of three forces: the vision pull that gives us a gripping picture of the desired future embedded in the rock of (organizational) options, the practical action of realizing where we are and using tools and skills to release the vision within, and the tension in the interplay between the vision and the discoveries that each of our actions produces."


This paper tries to indicate ways of making the Public Sector more responsive to the needs of the poor, the community at large and the private sector by efficiently and effectively carrying out it's activities by contributing positively in fighting poverty and attaining high level of development; the "Vision". Different "Practical Action and Tools and Skills" of achieving the "Vision" such as the components of governance, Anti-Corruption initiatives and private sector management styles are also included.

The "Tension" between the "Vision" and the "Practical Actions and Tools and Skills" is not discussed in detail in this paper as it is broad and it needs a wide analytical analysis. What has been tried in this paper is to try to give conceptual and theoretical foundations on the concept of governance, its elements, and methods of making the public sector result oriented using private sector management styles. The "Practical Actions and Tools and Skills" have been effective in other countries and they could also be applicable in the Ethiopian context, but such conclusion needs detailed study of the characters and special features of the Ethiopian public sector. This is the reason why the title of the paper mentions Ethiopia but the contents inside will not.
1.0 Understanding Development

The concept of development has various meanings and connotations to different groups and individuals. The concept could be interpreted by using various parameters and perspectives.

Traditionally, development meant the capacity of a national economy, whose initial income conditions had been more or less static for a long time, to generate and sustain an annual increase in Gross National Product (GNP) at rates of between 5% to 7% or more (Todaro, 1992).

The other perspective in defining development focuses on the structural dimension of a society’s activities. Development could be seen not only as an increment in quantitative terms in the level of activity or accomplishment but a qualitative change in the way an activity is being carried out (Jakobs et al., 1997). Transformations from the rural to urban commercial society, from commercial to industrial and from industrial to service industry are the major development paradigms sited as qualitative changes.

Simon Kuznets, the 1971 Nobel Prize Winner in Economics, implies that high rates of growth of per capita output and population, high rates of increase in Total Productivity Factor, high rates of the structural transformation of the economy, high rates of social and ideological transformation (including rationality, economic planning, social and economic equalization, and improved attitudes and institutions) and lastly international economic outreach are mandatory parameters in conceptualizing development (Todaro, 1992).

Todaro (1992) also adds that Sustenance, ability to meet basic needs; Self Esteem to be a person; and Freedom from Servitude; to be able to chose, are sited as the core values of development while increasing the availability and widening the distribution of basic life sustaining goods, raising the level of living and expanding the range of social and economic choices are identified to be the objectives of development.

International donor and development agencies like the World Bank have also accepted the shift from the quantitative analysis of development to the more qualitative and some times abstract perspectives.

The World Bank implies that welfare, as one end result of development, is about improving the quality of people’s lives and expanding their ability to shape their own futures (Thomas et al., 2000). Welfare is now being accepted as a concept encompassing in addition to an individual’s or household’s measured income the following core concepts.

Opportunity: assessed by the proper functioning of markets and investments and improvements in education and health
Security: Reflected by reduced vulnerability to economic and social shocks.
Empowerment: evaluated by social inclusion and voice of the individual
Sustainability: as represented by the protection of the environment, natural resources and bio-diversity

The East Asian miracle which encompasses the Eight High Performing Asian Economies of Hong Kong, Korea, Singapore, Taiwan/The Four Tigers/, Indonesia, Malaysia, Thailand (the newly industrializing economies) and Japan have been also sited as great indicators of economic development. Five principal engines of East Asian development have been identified (World Bank, 1993).
Private domestic investment
Rapidly growing human capital
Better educated labor force
Effective system of public administration
Stable and good macro economic management and performance

The World Bank also stresses that the quality of the growth process, not just its pace, affects development outcomes. The quality of a developmental endeavor is more or less attributable to distribution of opportunities, sustainability of the environment, the management of global risk and governance. Additionally the bank identifies three key principles of development (Thomas et al., 2000) which are
Focusing on all assets; physical, human and natural
Attending the distributive aspect over time
Emphasis on the institutional aspect of governance

Indicating on what tasks await the new generation of the 21st century development economists, Meier and Stiglitz (2001) comments that understanding the pattern of growth and income distribution, employment creation, understanding the sources of growth, the influence of institutions, the role of social capabilities and technology, the implications of globalization, complimentarily of the state and the market and policy making and economic advice should be the central focal points where a lot of effort must be exerted towards.

2.0 Views on The State and its Roles

The role of the government in managing or governing a country, an economy or a society has been at the center of the debate between those following the socialist ideology and the capitalist one for a long time.

Even after the collapse of the socialist economies, which brought with it the death of the ideology itself, and the claimed victory of the capitalist ideology, a great deal of debate still continues to be at the center of attention regarding the role of the state with in a market-oriented or a capitalist setting.

The highly popularized success of the eight High Performing Asian economies, for example, has brought with it three various policy explanations regarding the role of the state in the economic context (World Bank, 1993).
The Neo-Classical View: assuming that markets take central stage in economic life and governments/states play minor roles. The state provides a suitable environment for businesses to perform their function.

The Revisionist View: assuming that the government extensively and selectively promotes individual sectors.

The Market Friendly View: assuming that the state performs an effective but carefully delimited activity. The role of the government is to ensure adequate investment in people, provision of competitive climate for enterprises, openness to international trade and stable macro-economic environment.

From the socio-political perspective, George Hegel characterizes the state as a regulative and stabilizing agent, a structure consisting of binding and coordinated behaviors, legal norms and the ways of exercising a binding power of arbitration (Messner, 1997). The state is also said to be responsible for shaping an economically efficient and socially balanced society by using policy measures and social transfers (Messner, 1997).

There is also a strong belief that the state should be part of a solution not a problem. Boyle and McNarama (1997) list the following as the duties of the state:
Contribute to economic competitiveness,
Create foundations for employment,
Promote social inclusion and equity
Deliver efficient high quality services
Anticipate trends and conditions
Strategize the position of resources and optimize benefits from resources
Legislate effectively and fairly
Impose regulations when and where necessary

Bailey (1995) has on the other hand identified four roles to be played by the state: Allocative Role, dealing with scarce resources; Distributive Role, dealing with balancing efficiency with equity; Regulatory Role, dealing with legislation and laws; and Stabilization Role dealing with the macro-economy environment of a country.

The United Nations on the other hand believes that the primary function of the government should be empowering its citizens which is possible when there is a well established and a well maintained legal framework that encourages growth for a strong civic culture and private sector (UN, 1997). The role of the state under this notion is to uphold a stable legal framework within which contracts can be made with confidence, free labor markets exist and the state provides a narrow range of public goods.

The “Minimalist State” view is also one of the accepted viewpoints regarding the role of the state. The United Nations Development Program (UNDP) for example asserts that the role of the state, within the Minimalist State perspective must be to
Establish and maintain macro-economic stability
Introduce competitive markets for goods and services, factors of production and foreign exchange
Encourage private sector activities
Changing ownership arrangements of government enterprises
Restructuring productive activities and
Reforming the state for better governance. (UNDP, 1997).

Supporting the “Minimalist State” view, David Osbrone and Ted Gaeber, in their highly acclaimed book titled “Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector” have stated that the role of the government should be changed form rowing to steering (Osbrone & Gaeber, 1993).

The authors argue that a government focusing on steering than rowing shapes its community. This is possible by making more policy decisions, putting more social and economic institutions in motion and making sure that other non-state institutions are delivering services and meeting community needs. A steering government is expected to set policies, deliver funds to operational bodies and evaluate performance but seldom plan and implement an operational role itself. The writers also indicated that the government as a rule must concentrate on what is effective at which includes policy management, regulating, ensuring equity, preventing discrimination, ensuring continuity and stability of services and ensuring social cohesion. In short the government must act as a “Catalyst” in a nation’s economic and social aspects.

On the political arena, a government’s role will be to establish constitutional provisions and legal mechanisms that ensure basic rights and create an enabling environment for participatory politics (Meier and Stiglitz, 2001). This has two underlying dimensions, first; a national dimension relating to the selection of people at the central level, and second; a local dimension relating to the selection of people at the local and regional levels, which has a direct impact on people’s life’s.

3.0 The Misery of Poverty:

The concepts of poverty, welfare, and quality of life could be associated together in trying to assess the impact that the public sector has on the livelihood of a community, a family, or an individual especially in third world countries.

The World Bank defines poverty as an unacceptable deprivation in human well-being encompassing low monetary income and consumption and low human development in one sphere and risk, vulnerability, voiceless ness and powerlessness on the other representing physiological, social and psychological deprivations (World Bank, 2000-A).

From the philosophical perspective, Amartya Sen, a pioneer in the field of poverty and welfare analysis, assumes that the quality of life is assessed in terms of the capability of achieving what are known as “Valuable Functionings”(Nassbaum & Sen, 1995). For Sen, capabilities are the alternative combinations of functionings that a person can achieve form which she/he can chose one collection while valuable functionings represent parts of the states of a person and the various things she/he manages to do or be in leading a life.
On the other hand, the World Bank has done a pioneering job by trying to understand what the poor people feel and how they define the concepts of well-being and ill-being and poverty by carrying out extensive researches on the poor themselves.

In one assessment carried out on more than 60,000 poor people in more than 20 countries, the underlying themes of what poverty means to the poor was associated with hunger, deprivation, powerlessness, violation of dignity, social isolation, state corruption, rudeness of service providers and gender inequality. (Narayan et al., 2000-A). Here the perspectives of persistence of poverty were taken either from the realities, experiences and perspectives of the poor or institutionally focusing on the informal and formal institutions of society that poor people interact in.

In similar survey held by the Bank on 23 countries covering 20,000 poor individuals, poor people have identified the following to be the main facets where ill-beings and poverty are seen vividly (Narayan et al, 2000-B).

Material lack and want in terms of food, assets, work and shelter
Bodily ill-being in terms of health and access to health, physical environment and appearance
Social ill-beings in terms of exclusion, isolation, rejection and loneliness
Insecurity, vulnerability, worry and fear
Powerlessness, helplessness, frustration and anger

Narayan et al, (2000-B) have also identified the following to be the interlocking dimensions of powerlessness and ill-beings
Livelihood and assets which are precarious, seasonal and inadequate
Places of the poor which are isolated, risky, un-served and stigmatized
The body which are hungry, exhausted, sick and poor in appearance
Gender relations which are troubled and unequal
Social relations which are discriminatory and isolating
Lack of security in terms of both protection and peace of mind
Behavior of the powerful marked by disregard and abuse
Institutions which are disempowering and excluding
Organizations of the poor which are weak and disconnected
Capabilities of the poor that are weak because of lack of information, education, skill and confidence.

Especially in cases of fear and insecurity, poor people feel insecurities associated with work and livelihood, manmade and natural disasters, crime and violence, civil conflict and war, macro-economic shocks and stresses, prosecution by the police (where the police are unresponsive, corrupt and brutal) and lack of justice.

In terms of the role of states, which was the focus of discussion of the preceding chapter, state institutions or organizations of the public sector must endeavor in alleviating poverty and enhance socio-economic development by gearing up its resources for the common
good of a poverty stricken society. State institutions which are formal state affiliated or state sponsored bodies are vested with the power and responsibility of the state and act in it’s name projecting the purposes and interests of the community at large and the poor in particular.

In understanding poverty, describing the parameters by which poor people evaluate and understand the level of interaction they have with the public sector is very important. Poor people evaluate the characters of public institutions and the staff working under them using three basic ways (Narayan et al, 2000-B). The quality of relationships the poor have with the institutions including trust, participative ability, and accountability of those in control and conflict resolution ability of those in control. Behavioral criteria or valued behaviors including respect of the poor, honesty and fairness, listening, caring, love, compassion and lastly the availability of hard working problem solvers Institutional effectiveness where the ability of an institutions to offer people with what they ask for and act as expected evaluated in terms of timely response, types of support the poor receive and the access, closeness and contact that the poor have with public officials.

It is important to state that the poor people surveyed generally view state institutions to be non- accountable to any one or accountable only to the rich and the powerful. Additionally they claim to have encountered frustration and humiliation when meeting public officials. Widespread extortion and lack of responsiveness are also the negative encounters poor people usually experienced.

What to do with the state institutions?

The question of making state institutions pro-poor by making them more effective, efficient, and responsive in particular and the other various qualities poor people want from them mentioned above in general has been the center of discussion, especially in the last decade of the 20th century, as poor functioning public sector institutions are major constraints to growth and equitable development especially in developing countries.

In relation to the concept of sustainable development, the UNDP stresses that giving voice to the mass of the people by increasing their level of participation is a major challenge in fighting poverty and promoting development (UNDP, 1995). Development could also be associated with improving the quality of people’s lives by expanding their ability to shape their own futures where welfare in addition to the measurement of income refers to opportunity, security, empowerment and sustainability which governments, civil societies and non-governmental institutions should focus on (Thomas et al., 2000).

The challenges of making the public sector perform better in developing countries has double facets (World Bank, 2000-B). One is in defining the role of the state and it’s
institutions in line with economic rationale and available capacity (discussed to some extent in the preceding chapter) while the other one is in terms of enhancing it’s performance with in it’s given roles.

The movement towards making public sector reforms especially to enhance it’s capacity must be concerned mainly in redefining the relationships between governments, markets and citizens in order to achieve a better outcome for the public at the least possible cost with out compromising core values of equity, probity and effectiveness. Additionally, making state institutions work in the interest of the poor, making them pro-poor by removing social barriers that hamper poverty reduction, must also be at the center of activities.

Political participation by the poor in order to increase the voice of the poor has been identified as an invaluable means of improving the daunting state that poor people are found in by increasing distributional equity and reducing the risk and potential of civil conflict. Measures as deducting the size of the public sector and making it to exercise influence over the development of a country by institutional building and government strengthening mechanisms are also vital issues (UNDP, 1995).

There have been different initiatives that had taken place in making the public sector more responsive to the needs of the community by enhancing it’s capacity. The following have been identified as actions that could be taken by the World Bank under the public sector management initiative (World Bank, 1994).

Changing the organizational structures of a sector agency to reflect new objectives and retain staff
Making budgets work better trough better integration of capital and recurrent budgets
Sharpening civil service incentives through new pay and grading structures
Placing public sector institution managers especially those in enterprises under performance contracts

Though not a developing country, New Zealand has implemented a successful public sector reform initiative in the last decade of the 20th century, which could be taken as a success champion and an example to the developing world. Turner & Hulme, (1997) list out, as core components of New Zealand’s reform, with the following being the major ones
Strong emphasis on the use of incentives (monetary and non-monetary) to enhance performance
Extensive usage of explicit and written contracts between the government sectors
Development of integrated and sophisticated strategic and performance management systems
The institutional separation of commercial and non-commercial functions
Maximum decentralization of production and delivery of services and management decision-making especially with respect to the selection, purchase and hiring of inputs and human resource management.
The concept of reforming the public sector and methods of making it efficient and effective will be discussed in detail in the coming chapters of this paper that discuss public administration and management. The parts discussing governance and it’s components and anti-corruption strategies could also be used as both theoretical and practical guidelines in conceptualizing the kind of public sector that developing countries need in their efforts of becoming pro-poor and pro-public sector.

4.0 The Concept of Governance

The changed perspective of the last decade of the 20th century namely the collapse of the socialist economies, the success of the East Asian economies and the globalization of the world economy call for a new and sustained perspectives on how societies, governments and human beings at large mange themselves and the interdependence between them (World Bank, 1997).

The new perspectives calls for a complimentary rather than a supplementary relationship between markets and governments and argues that the responsibility of governments is to create a conducive institutional environment that markets require in order to work effectively. By forging a closer tie with the private sector, the public sector should be able to institutionalize financial regulations, support efforts in broader educational attainment, develop infrastructure, assist in transmitting and developing technology and promote equality and alleviate poverty (World Bank, 1997).

The United Nations also assumes that, unlike the traditional conception where the government is the provider of both policy development and implementation, the governments today must empower citizens by establishing and maintaining a legal framework that enhances the development of a strong civil society and private sector. (UN, 1997). The role of the state must be directed towards upholding a stable legal framework within which contracts can be made with confidence by freeing labor markets and providing a narrow range of public goods.

Related to the above is the concept of governance or good governance which is not a new term in the world moving fast in to democracy and market economy.

Like the concept of development, different institutions and authors have given various but some what similar definitions to the concept of governance and it’s constituent elements.

Some of the definitions of the term include

The process by which society or organizations steer themselves (Rossel, 1994)
The direct and indirect managing by the state of public affairs and regulatory control of private activities that impinge on human affairs (UNDP, 1995)
The power, influence and relationships between governments and citizens that is utilized to implement social and economic programs which with out good governance, sustainable economic performance is not possible (Bhatta & Gonzalez, 1998). The responsible and responsive exercise of power on matters of public concern where public sector governance compromises the institutions, processes and traditions which determine how power is exercised, decisions are made and how citizens have their say (Bhatta & Gonzalez, 1998). The manner in which power is exercised in the management of a country’s economic and social resources for development where predictable and transparent framework of rules and institutions exist (World Bank, 1994). The exercise of authority through formal and informal traditions and institutions for common good (Thomas et al., 2000).

Regarding the dimensions and constituent elements of governance, The Institute of Governance of Canada (IOG) has given three dimensions that need to be examined as Political regime character Organizational process by which authority and control are exercised Institutional capacity to plan and implement polices and carry out functions. (Bhatta & Gonzalez, 1998)

IOG stresses that public sector management, accountability, legal and regulatory frameworks, transparency and information, human rights, participatory approaches, and military expenditure are the important parameters in understanding the concept of governance.

The World Bank on the other hand has identified the factors that are important in optimizing governance as

Predictable, open and enlightened policy making
A bureaucracy with professional ethos
A strong civil society participating in public affairs
An executive arm of government accountable to it’s actions
Behaving under the rule of law (World Bank, 1994).

The Organization of Economic Cooperation and Development (OECD) Assistance Committee links governance with participative development, human rights, democratization by giving great emphasis on legitimacy of government, accountability of political and official elements of government, competence of government and respect for human rights and rule of law. (World Bank, 1994).

The United Kingdom Official Development Assistance has listed out areas of good governance assessment instruments as under

Constitutional and other foundations of state power
Fair electoral arrangements
Rights and representations
Rule of law
Transparency and Information
Decentralization
Financial accountability
Transparent government income and expenditure
Authority and competence of government
Quality public services

The Asian Development Bank on the other hand has identified six key governance issues that need to addressed; effective public administration, public expenditure management, law and justice, public accountability and civil participation, sub-national governance, and corporate governance.

The United Nations Development Program (UNDP) on its part advocates that the modern conception of sound governance evoke as essential elements the following (UNDP 1995):

Political stability
Freedom of association and participation
Reliable and equitable legal framework
Bureaucratic Transparency
Availability of valid information
Effective and efficient public sector management
Ability of governments in working with civil society and non-governmental organizations (NGOs)

The UNDP also adds, as an element of sound governance, that governments must create institutions and frame works for the maintenance of law and order and the protection of property right in order to encourage investment and production. Additionally governments must establish basic infrastructure and provide services particularly to the poor (UNDP, 1995).

Though, as tried to be indicated above, various institutions and authors have tired to give definitions and the underlying elements of governance, Daniel Kaufmann, Arat Kraay, and Pablo- Zialdo- Labton of the World Bank have produced six new aggregate measures of governance by capturing it’s various dimensions. Additionally they have, by performing across section analysis of more that 170 countries, shown that there is empirical evidence of a strong casual relationship between better governance and better development out comes shown by the fact that aggregate governance indicators have a positive correlation with per capita income and adult literacy rates and a negative correlation with infant mortality rates. ( Kaufmann et al., 1999-A). What is interesting about this six aggregate measures of governance is that they were developed form fourteen different varieties of sources or organizations that have used either pool of expert’s sources which reflect country ratings produced by commercial risk rating agencies and other organizations or
cross country survey of residents carried out by international organizations and NGO’s (Kaufmann et al., 1999-A) (Kaufmann et al., 1999-B).

The mentioned researches have come up with the following six aggregate measures of governance (they define governance as the traditions and institutions in which authority is exercised in a country).

**Voice and Accountability:** Measuring to the extent to which citizens of a country are able to participate in the selection of governments and how those in authority are held accountable

**Political Stability:** Measuring perceptions of the likelihood a government in power will be destabilized or overthrown by unconstitutional or violent meanness

**Government Effectiveness:** focusing on inputs required form government to be able to produce and implement good policies

**Regulatory burden:** focusing on polices them selves and includes measures of indices of market unfriendly policies

**Rule of Law:** the extent to which agents have confidence in and abide by the rules of laws and the level of success of a society in developing an environment in which fair and predictable rules form the basis of economic and social interactions.

**Graft and Corruption:** Measuring the exercise of power for private gain and most importantly representing the failure of governance.

Under the notion of governance the researchers have also included as constituting elements

- The process by which governments are selected, monitored and removed
- The capacity of the government to effectively formulate and implement sound policies
- The respect of citizens and the state for the institutions that govern economic and social interactions around them

It is also important to note that the researches have indicated a relationship between the six aggregate measures of governance and the three constituting elements. “Voice and Accountability” and “Political instability and Violence” correspond to the element of selection, monitoring and replacement of authority, “Government effectiveness” and “Regulatory Burden” correspond to the capacity of governments in implementing sound policies and lastly “Rule of Law” and “Graft and Corruption” corresponds to the element of respect of citizens and states for the rules which govern their interactions.

The other point relevant to the concept of governance is identifying the types of governance aspects that must exist in a country. The UNDP has identified four aspects of governance that could be considered as a set of complex mechanisms, processes, relationships and institutions through which citizens and groups articulate their interest, exercise their rights and obligations and mediate their differences (UNDP, 1997). The aspects are
Economic Governance: A process of decision making that directly or indirectly affects a country’s economic decisions
Political Governance: Decision making and policy implementation of legitimate states
Administrative Governance: Systems of policy implementation carried out through an efficient, independent, accountable and open public sector
Systems Governance: Processes and structures of society that guide political and social – economic relations to protect cultural and religious beliefs and values and create an environment of healthy relations, freedom, security and opportunity to exercise personal capabilities.

Though this paper mainly focuses on one of the aspects, Administrative Governance, it should be understood that all four aspects of governance are highly interdependent and interrelated that lack of one could seriously affect the other negatively and vise versa. In trying to analyze the governance structure of a country it is mandatory to take into consideration all of the four aspects and efforts in trying to strengthen the overall governance atmosphere of a country needs a holistic approach concentrating on all.

5.0 Components of Governance

From the various definitions and elements attributable to the concept of governance, it could be seen that different institutions and authors give different definitions and different constituting elements of governance. It could also be deducted that certain components of the set of elements are referring to more or less similar conceptions in their own right. The concepts of decentralization, accountability, transparency, rule of law and to some extent the non-existence of corruption and a well functioning public sector are common in most of the institution’s definitions and descriptions of elements of governance.

The following parts will give detailed analysis of some these concepts and will try to give general direction of achieving them and ways of attaining them. Corruption and Public Sector Management will be discussed in separate chapters.

5.1 Decentralization:

One of the characters that is associated with the current politico-economic scenario of the world is localization (Meier and Stiglitz, 2001). Localization is characterized by the crystallization of local and ethnic identities. The focus behind local identity, the need for autonomy and the demand for rights by groups and individuals will be instrumental in shifting away from centralization and institutions are increasingly being geared towards the trends and forms of localization. Authority and power are also being decentralized from the center to varying degrees to local entities and the process of decentralization and rules governing relations between the center and the sub-national or local bodies must be crafted consultatively and with a close look at local needs (Meier and Stiglitz, 2001).

Associated with the concept of decentralization is the concept of local governance (Bhatta & Gonzalez, 1998). Local governance is a concept advocating the abilities and rights of
communities addressing their own needs, problems and priorities through a more responsive and accountable decentralized local government and administrative body.

Decentralization can be defined as the transfer of authority and responsibility for public functions from the central government to subordinate or quasi-independent government organizations.

One way of studying the types of decentralization existing is through the identification of the areas or aspects that are touched upon. Here four types of decentralization mechanisms have been identified (WWW.WorldBank.Org).

Political Decentralization
Administrative Decentralization
Fiscal Decentralization and
Market Decentralization

The other mechanism of decentralization form is based on territorial or functional basis (Turner and Hulme, 1997). Territorial decentralization is the process of placing authority and the lower level in territorial hierarchy and thus making decentralized entities closer to service providers or citizens. Functional decentralization on the other hand in the process of transferring authority to an agency functionally specialized.

Turner and Hulme, 1997 states that functional and territorial decentralizations are referred as basis of delegation and combining these basis with three delegation natures; within formal political structures, with in public administrative or para-statal structures and from the state sector to the private sector; brings about six forms of decentralization.

Territorial - within formal political structures: Devolution, which includes political decentralization, local/regional government and democratic administration.
Territorial- with in public administrative or para-statal structures: Deconcentration , which includes administrative decentralization and field administration.
Territorial- from the state sector to the private sector: Privatization and devolving functions including contracting out and voucher schemes.
Functional - within formal political structures: as in interest group representation
Functional - with in public administrative or para-statal structures: as in establishment of para-statals.
Functional - from the state sector to the private sector: privatization for national functions including divestiture , deregulation and economic liberalization

Advantages and Disadvantages of Decentralization

Though democratic governments and international institutions have viewed decentralization positively as one means of achieving good governance and better and sustainable development it has its own dismays especially in areas related to local capacity.
The advantages of decentralization include (WWW.WorldBank.Org)

Alleviating bottlenecks in decision making
Cutting complex bureaucratic procedures and increasing government official’s sensitivity to local conditions and needs
Helping national governments reach larger numbers of local areas with services
Helping in achieving greater political participation for diverse groups in decision making
Creating geographical focus at the local level for coordinating programs
Providing opportunities for participation by local residents in decision making
Leading to creative, innovative, and responsive programs by allowing local experimentation
Increasing national unity and political stability

Bhatta and Gonzalez, (1998) also point out that by following a policy of decentralization public official’s knowledge and sensitivity to local problems and needs can be increased, better political and administrative penetration of national policies are possible, greater representation of religious and ethnic groups in development decision making is enhanced, greater administrative capacity is achieved and institutionalization of citizen’s participation in development planning and management possible.

Strengthening the above, Turner and Hulme, (1997) also note that better political education, training in political leadership abilities, political stability and equality, accountability and responsiveness, institutionalization of locally specific plans, inter-organizational coordination, motivation of field level personnel and work load reduction for central bodies could be achieved by decentralization.

On the other side of the coin are the disadvantages associated with decentralization, which include (WWW.WorldBank.Org)

Loss of economies of scale and loss of efficiency due to weak administrative and technical capacity
Limited source of financial resources
Distrust between public and private sector members eroding cooperation at the local level
Complications regarding the coordination of local realities with national policies
Local elite dominance and capture of decision making processes due to low level community participation

It should be understood that though decentralization disperses power both geographically and institutionally, it could also create burdensome duties and responsibilities to inexperienced local officials. Introduction of more levels of the state can also increase administrative costs and create tension between local autonomy and national standards eventually (WWW.Worldbank.Org).

Avoiding Problems Associated with Decentralization
Solutions regarding potential problems associated with decentralization must be tailor-made to local needs based on the various environmental factors and contexts associated with the entity to be decentralized. On the other hand, some ground rules could be identified which could be utilized in avoiding the predicaments.

Building local capacity is one of the major driving forces that could be used in designing and implementing decentralization programs. Here assessing, improving and accommodating the different degrees of local capacity is very important.

Local capacity building starts with the identification of the roles to be played by the central agencies and local organizations (Bhatta & Gonzalez, 1998). In effective decentralization schemes central agencies focus on creating and sustaining the enabling environment and overall strategic issues while local organizations focus on tailoring the specific mechanisms of service delivery and public expenditure to fit local needs and circumstances.

The next stage in local capacity building is the selection and carrying out effectively the needed development areas and activities (Bhatta & Gonzalez, 1998). Areas that are usually identified for capacity building are

- Financial accounting and auditing
- Financial mobilization and management
- Developmental investment prioritization
- Environmental planning and management
- Legal matters and human rights
- Participation methods

Additionally generalized decision-making, communication and coordination, and conflict resolution must be given due attention.

With a clear local capacity building strategy inline, a set of success factors must also be fulfilled in order to get the full benefit of a decentralization process (WWW.WorldBank.Org). The success factor are a legal framework clearly defining responsibilities and standards, consistency and transparency, precise and clear reporting mechanisms and channels for citizen-public official communication. Ensuring community participation and empowering local leaders and use of traditional organizations to some extent can also be used in effectively implementing decentralization schemes.

### 5.2 Transparency

The second pillar of good governance, transparency, is usually associated with openness and information sharing which enables the public to make informed political decision. It is also associated with accountability and reduction of corruption. Additionally transparency has a positive impact on resource allocation, increased efficiency and better growth development (Vishwanath and Kaufmann, 1999).
On the other hand lack of transparency and information access is highly associated with corruption and increases in transaction costs which could cause market failures. Politically lack of transparency diminishes the ability of democratic systems to judge and correct government policy, conceals the activities of special interests and creates rents by giving those with information power to trade with and economically it negatively affects aggregate output and distribution of both benefits and risks (Vishwanath and Kaufmann, 1999).

The concept of transparency is usually associated with the flow of timely and reliable economic, social and political information with the following traits (Vishwanath and Kaufmann, 1999):

Accessibility: enforcing timely and equitable dissemination of information

Relevance: difficulty of subjectivity and overloading being important

Quality and Reliability: timely, complete, fair, consistent, and represented in clear and simple terms

Comprehensiveness: all relevant data and information included.

A transparent government is usually associated with Freedom of Information Law and Information Access Acts. Additionally, a transparent government must assure greater openness by government in making available documents, papers, and records by framing, enacting and implementing a statutory regulation to this effect establishing a proper machinery for appeal and oversight as to the proper implementation of the statutory regulation.

In terms of Information Laws, three components have been identified which need to be addressed which out ambiguity

Disclosure of official information as of right by clearly defining the public and the procedures of machine requests for official information and time limits by which requests must be replied

Exemptions prohibiting the release of certain kinds of information deemed necessary to be kept secrets in a nation’s interests and because of personal privacy issues

Machinery for appeals against denials by public officials to supply information including internal review and external actions which include Tribunal Review, Court Review, Ombudsman Assistance

There is a strong notion that information must be considered as a public good and the government must play a great role in the acquisition and dissemination of information. A government must also involve in creating rules and regulations specifying disclosure requirements on categories of information, frequency of disclosure, standards of information, and ways of enforcement of non-compliance.

Lastly the following measures had been identified which are important in enhancing the level of transparency in a country.
Freedom of Information Legislature
Freedom of press
Information infrastructure
Legal Enforcement
Regulatory reforms
Voice and participation of the society and
Independent organizations assuring the integrity of information disclosed by the
government bodies.

5.3 Accountability

With the increasing notion of governance in general and the concept of decentralization in
particular is the need for an enhanced accountability of officials and public sector
institutions. The decentralization process has two components in this regard; one,
participation in terms of increasing the role citizens in choosing their local leaders and
second, accountability the degree to which local governments have to explain or justify
what they have done or failed to do.

The question of accountability boils down to the question of what do citizens want form
governments? Generally it is believed that citizens want a government in which they have
confidence because they know that

It is honest, fair, responsive to them and inclusive of them
It is effective in that it produces results or out comes which increase the welfare of the
community (Boyle and McNarama,1997)

Confidence is the lubrication which insures a properly working democracy which can only
be secured if government is transparent and accountable and there are effective
mechanisms in place to insure this (Boyle and McNarama,1997)

Generally two types of accountability are identified in a state or a public sector
(WWW.WorldBank.Org):
Accountability of government workers and civil servants to elected officials. Elected
officials exercise this by their legislative and oversight powers as in the case of a
parliament.
Accountability of elected officials to the general constituency and the community at large
exercised usually through elections.

The evolution and practice of accountability starts with the view that ascertaining the use
of power by an individual or an organization that has been entrusted with the task of
performing a prescribed task is important (Schiavo-Campo,1995).

Different segments of accountability have also been identified. Schiavo-Campo, (1995) has
identified three types of accountability segments
General Accountability including
Answerability to action
Sanctions where inadequate justification prevails
Ability to revoke a mandate
Public scrutiny of governmental actions
Citizen participation in the design of programs
Fiscal accountability including
Policy and action approval by a representative body
Annual medium term budget approval
Ensuring that in economic management fiscal capacity of a community is not impaired
Managerial accountability including
Observing that appropriate rules and authority is not abused
Insuring that risk taken was with in delegated powers to achieve objectives
Service delivery with in specified cost, quality, and time schedule
Observance of economy and efficiency

Though different institutions and actions could be utilized in attaining higher levels of accountability of government officials and civil servants, it has been identified that the civil society, the media, legislative bodies, public meetings, formal redress procedures, Watchdog Agencies such as the Ombudsman and the Auditor General and courts play a major role.

Regarding the tools of accountability, Turner and Hulme(1997) have identified a number of means that could be used in facilitating and enhancing ends constituting accountability. The list could be used in identifying and choosing the tools for enhancing accountability by various bodies.

The relationship between ends and tools could be described as moves to facilitate and enhance:

**Legitimacy of Decision Makers:** by using tools of constitutions, electoral systems of for governance and decision making bodies, legislations, formal delegation of authority and sanding orders

**Moral Conduct:** by using tools of societal values, concepts of social justice and public interest, professional values, training and induction programs

**Responsiveness:** by using tools of public participation and consultations, debates, advisory bodies, public meetings and freedom of speech

**Openness:** by using tools of parliamentary question times, public information, freedom of information laws, public hearings, green and white papers and annual reports.

**Optimal Resource Utilization:** by using tools of budgets, financial procedures, parliamentary public accounts committees, auditing, public inquires and participation, and formal planning systems

**Improving Efficiency and Effectiveness:** by using tools of information systems, value for money audits, setting objectives and standards, program guidelines, appraisal
Codes of accountability, which could be internal or external to a public institution, could also be used in attaining a higher level of good governance (Boyle and McNarama, 1997). With the increasing delegation of managers for the usage of specific resources and accountability for the use in pursuit of designated objectives, the issuance of Codes of Accountability has become a mandatory prerequisite in addition to the tools mentioned above. Two types of codes, namely Mythical Accountability Codes (which are abstract in nature displaying sets of commitments) and Substantive Accountability Codes (which are designed to govern operational behaviors in relation to reporting needs) could be developer. Substantive Accountability Codes, characterized by the type of context they constitute, could be sub-divided into:
Technical: with predetermined ends
Legal: with regulation of and promotion of order
Economic: in terms of economizing and efficiency
Social: in terms of social inclusion and integration
Political: in terms of decision making process.

5.4 Rule of Law

Some of the ill beings that poor people pinpoint while being asked about their feelings is abuse of the powerful, being insecure and harassment by those with connections. From the perspective of businesses, contract defaults and losses due to transaction costs are mentioned as major predicaments. These imply that one important ingredient of good governance, rule of law, is missing. This is attributable to the fact that physical security, stability and predictability, free competition and fair and impartial treatment are basic requirements for a proper functioning life and eventually sustainable development in which rule of law is a prerequisite (Siedman et al., 1997). Additionally the poor should be able to access entitlements without complication and be able to live with out fear of lawlessness and harassment (World Bank, 2000-A).

The importance of the rule of law basis itself in the way the term “Law” is conceptualized. Law in a modern society or state can be assumed as a supreme manifestation of national sovereignty, which expresses and determines people’s political, social, and economic identities and aspirations (Foundey, 1997). Rule of law could be assumed as a state where the identities and aspirations are being practiced and protected. Generally laws rules and regulations must aim at clearly agreed economic and social objectives, continuously serve these objectives, avoid arbitrariness and prevent monopoly by seeking active participation of the society in rulemaking, attaining high capacity in applying rules and ensuring stability of rules.
There are at least five basic building blocks of rule of law that must exist in a well functioning state (Siedman et al, 1997)
The existence of a set of rules known in advance
The enforcement of such rules
The existence of mechanisms that insure the proper application of rules and allow for departure from the set of rules as needed according to established procedures
The existence of mechanisms which insure resolution of conflicts arising from application of rules through binding decisions of independent judicial and arbitration bodies. The existence of known procedures for amending rules when they no longer serve their purposes.

Rule of law assumes that a state must be able to maintain order and bound and regulate conflicts arising in a society (Foundey, 1997). Under this assumption lie the principles of supremacy of law over the state, the government and officials and the institutional mechanisms of enforcing them.

A concept having a close association with rule of law is “Legal Frameworks” (Siedman et al., 1997). In defining legal frame works, it is possible to use the description of three elements, which are

Legally Binding Rules: which could be legislative or administrative and contents should respond to given social needs
Appropriate Processes: for making and enforcing rules which includes rule making, rule changing, rule enforcement, simplicity of procedures, transparency of processes, simplicity of procedures, participation of the community, accountability of officials adding to the legitimacy of rule making and the whole legal framework.
Well functioning public institutions: including courts, prosecutor offices and the police without which enforcement of rules and resolution of conflicts becomes futile.

It must also be clear that a legal framework cannot serve its purposes if adequate attention is not given to enforcement, compliance and effectiveness. Proper functioning of the legal framework also depends on public perception and attitude (understanding of and reliance on rule of law) and respect of laws by public officials.

In terms of the objectives of a legal framework in relation to the private sector for example, there should be a clear and transparent legal framework which is capable of fostering the formation and growth of private companies and capable of guaranteeing the integrity of contracts. The ability to predict future trends and to compete are the major roles that an efficient legal framework must uphold in order to encourage businesses. To achieve the mentioned attributes of rule of law, it is sometimes vital to implement and adhere to a comprehensive legal framework reform (Foundey, 1997). The goal of the legal framework reform is to bring about a process of evolution of laws and institutions supporting the development of a well performing civil society and private sector. The legal process reform could be concerned with

Enhancing the availability of legal information
Strengthening legal institutions which judicial reform is one part. Judicial reform is discussed later

Reforming regulatory framework with the aim of abolishing regulations that are obstacles to the development of civil society participation and the private sector.
Other components of a legal framework reform could be constitutional reforms, development of better parliamentary procedures and practices and assistance in legal education (Foundey, 1997).

Judicial Reforms are also important in cases where there are accountability and efficiency related problems with in the judiciary. Judicial reforms can usually include the reforms of the courts, the prosecutor’s office and other institutions consisting of the judicial system.
though much of the emphasis is on the courts (Messik, 1999). Judicial reforms could consist of the following four basic activities (Messik, 1999):
Making the judicial branch independent in cases of selection, evaluation, and promotion of judges and independence in budgeting
Speeding the process of cases by management training, computer and information technology aids and procedures in filing and resolving law suits
Increasing the access to alternative dispute resolution mechanisms so as to decrease the stress on the formal judiciary
Increasing the professionalism of the bench by giving in service training for judges, lawyers, legal professionals and assisting in curriculum development and increment of law schools by initiating adequate resource provisions.
Additionally, with regards to Judicial Reforms, World Bank (2000-A) identifies reduction of legal costs and delays, simplification of rules while respecting due process, reduction in the length of proceedings, changes in the structure of courts, strengthening of claims courts and informal proceedings and enhancing alternative dispute resolution mechanisms of mediation and arbitration to be the constituting elements of Judicial Reforms which have strong and positive impacts on the poor.
As a concluding remark, it is important to understand that a well functioning legal framework is vital for economic, social, and political development of a country as it affects property rights, civil and commercial behavior, and power of the state in terms of effective market-orientation of a country and aspects of struggle against discrimination, protection of the socially weak, distribution of opportunities in terms of the alleviation of poverty (Foundey, 1997).

6.0 Understanding and Fighting Corruption
As tried to be indicated earlier, Kaufmann et al., (1999-A) has indicated that corruption, which is defined as the exercise of power for private gain, could be used as a parameter in representing the extent of the failure of governance.
This chapter will try to give a detailed analysis on what corruption means, the different facets it could be expressed, the impact it has on development, how the poor are affected by it and the ways and methods of fighting it.

6.1 Causes of Corruption
Corruption is said to flourish in an environment infested with institutional deficiencies and non-transparent regulations (Broadman and Recentini, 2000). Income-expenditure gaps, shortage of goods/services and monopoly power, broad discretionary power of officials, weak administrative control, complex and cumbersome bureaucracy, insecure and precarious tenure of office by officials, personal greed and ambition, and weak sanctions on corrupt acts could also be identified as causes (Uganda, 1995).
The World Bank (2000-A) has mentioned absence of political rights and civil liberties, excessive public finance and regulation and poor civil service professionalism as major grounds where corruption could ripe.
The Asian Development Bank (ADB) on one hand has indicated two broad factors, direct and indirect, which contribute to wide spread corruption in a country (Shiavio-Campo, 1995.) Under the direct factors are weak regulations, complex tax systems, biased government spending decisions, public provision of goods and services at below the market prices, discretionary power of officials over economic decisions and some times
the need for financing political parties. The indirect factors indicated by ADB include such factors as the quality of bureaucracy, the level of public wages, internal and external institutional controls, severity of a penalty system, transparency of rules, laws and processes and lastly the type of example exercised by a country's leadership. Robert Klitgard, a researcher in the field, has formulated a model for understanding corruption known as “Klitgard Model for Corruption” which justifies that corruption is a function of high monopoly power, high discretionary power of officials and low accountability (Dye and Stapenhurst, 1998 and Kindra and Stapenhurst, 1998) or put as $C=M+D-A$ where $C$ is Corruption, $M$ is monopoly power, $D$ is Discretionary Power and $A$ is accountability.

Additionally, Broadman and Racentini, (2000) has also formulated a model which characterizes corruption as a function of the quality of government in power, the quality of political institutions and the level of openness to trade in a country. From the perspectives of micro and macro economies, mismanagement can result in a speculative economy where petty trading and get-rich-quickly-mentality can become the major driving principle especially among the private sector leading to bribery and corruption (Uganda, 1995). Economic reforms have also been identified as cases where corrupt acts have been seen rising to a great extent (Kaufmann, 1997) Reforms as market liberalization and privatization have significantly increased fraud as reforms could respond to vested interests of the elite and initiating reforms with out the existence of strong legal institutions and regulatory bodies could fuel up the extent of corruption in an economy.

Lastly it is important to note that, from the legal view-point, violations of property rights as in cases of confiscation and expulsion can lead to generalized disrespect for property right where graft and corruption could become unchecked ways to economic and political power (Uganda, 1995).

6.2 Consequences of Corruption:

There has been a considerable amount of debate regarding the consequences and impacts of corruption in an economy. On one side are claims that corruption and bribery could be taken as means of efficiently getting around burdensome regulations and ineffective legal systems (Kaufmann, 1997)

This conclusion which claims that corruption can be taken as an effective or beneficial grease speeding the wheels of commerce and trade assumes that corruption can improve economic efficiency and that fighting bribery, as one part of corruption, could be counterproductive (Broadman and Racentini, 2000). By paying bribes to public officials businesses could easily go through cumbersome bureaucracy and regulations there by making their efforts productive and profitable.

In contrast to the above view is the other conception that places corruption and bribery as the enemies of development hurting the poverty stricken portion of the society with a great impact.
The ill-effects of corruption could be seen on how the costs of goods and services increase considerably, unproductive investments are promoted, and declines in the quality of public services have been witnessed as corruption distorts choices with higher costs in resource choice and allocative distortion. (Kindra and Stapenhurst, 1998). Research findings have also shown the following as the ill effects of corruption (Kaufmann and Wie, 1999) and (Wie, 1998).

Corruption tends to increase the size of public investments at the expense of private investment
Corruption skews the composition of public expenditure away from needed operation and maintenance towards expenditure on new equipment
Corruption skews the composition of public expenditure away from education and health because they are less easy for officials to extract rents out of them
Corruption reduces productivity of public investment and infrastructure
Corruption reduces tax revenue as it compromises a government’s ability to collect taxes

Generally, it has been found out that illegal payoffs can increase the cost and lower the quality of public works projects sometimes by as much as 30-50% (Langseth et al. 1997).

Concentrating on the poor, that is, how corruption directly affects and hurts the livelihood of the poor, it has been found out that poor people will not be provided with lower levels and needed social services like primary education and health, infrastructural investments that aid the poor are neglected, and higher taxes are levied on the poor in order to meet corrupt needs (Kaufmann and Wie, 1999; Wie, 1998). Additionally, corruption worsens poverty by
Lowering economic growth
Biasing tax systems to favor the rich and the well connected
Reducing the effectiveness of targeting social services
Favoring unequal asset ownership
Lowering social spending
Increasing the risk of investment by the poor

Even in the context of businesses that might argue that corruption and bribery could be used as greases in expeditiously performing activities in relation to public officials, it has been proven that businesses paying more bribes have a high cost of capital (Kaufmann and Wie, 1999. The actual time an owner or an executive have to spend negotiating with officials on regulations, the burden it has in competitiveness, the unpredictability of decisions by corrupt officials, and the vague regulations are assumed to be the causes why firms in corrupt countries have high cost of capital.

6.3 Corrupt Acts

Corruption has been defined as the abuse of public office for private gain (World Bank 2000-A). It has also been defined as a state where public officials abuse their power to
extract or accept bribes form the private sector for personal benefits (Kaufmann and We, 1999).

With the above definitions given regarding what corruption means, it is important to identify the different kinds of corruption that exist from four different perspectives.

Concentrating on the source of financial gain that a corrupt public official gets from which two types exist. The first in the misappropriation of public wealth or embezzlement while the second is the extraction of rents in forms of bribes, kick backs, and special favors form private firms or individuals (Kaufmann and Siegelbaum, 1997)

Concentrating on the amount of financial or material benefit that is acquired where corruption could be divided in to grand and petty( Kindra and Stapenhurst, 1998)

Concentrating on whether the abuse of power has been done to achieve a purpose in the context of a third party giving monetary benefits to a public official (Kindra and Stapenhurst, 1998). Two types occur here, one being a payment given to expedite a procedure that should have been carried out in the first place which is named “Grease”.

while the second one is a financial benefit forwarded to officials for transactions or actions which are against the rule known as Bribes. Bribes could be to get access to a scarce resource, to avoid costs, to prevent others in getting benefits or to impose costs on others.

Concentrating on the extent to which corrupt acts have infiltrated the independent policy making abilities of a nation’s decision-makers. “State Capture” and “Administrative Corruption” are the two possibilities here (World Bank, 2000-C). State Capture is identified to be the actions of individuals, groups, or firms that influence the formation of laws, regulations, decrees, and other government policies to their own advantage as a result of an illicit and non transparent provision of private benefit to public officials. This type of corrupt act flourishes in cases where economic power is highly centralized, social interests are weak, and formal channels of political influence as interest intimidators are not developed well. Administrative Corruption on the other hand refers to intentional imposition of existing laws, rules and regulations to provide advantages to mostly private firms and individuals as a result of provisions of private gains to public officials but where independence in policy making by the government is not influenced by those providing benefits to public officials.

6.4 Fighting Corruption

Combating corruption is instrumental to the broader goal of a more effective, fair and efficient government, which in turn is associated with greater economic development (Stapenhurst and Kpundeh, 1997). It is also believed that the strategy of fighting corruption is a journey with many hurdles and difficulties. In an economy where vested interests are entrenched and administrative corruption has laid down their roots, a great deal of objections could arise form the different groups gaining from illegal acts.

Though clear cut Best Practices in fighting corruption cannot be devised as the causes and ways of corrupt acts have their roots in the very differentiated economic, cultural,
historical, and political arenas of nations, certain methods have been indicated where
countries could effectively inoculate in their anti-corruption strategies.

As tried to be indicated earlier, the Klitgard’s Model of Corruption that has put corruption
as high monopoly power, high discretionary power minus low accountability, could be one
arena of combating corruption. Here reducing monopoly power by market oriented
reforms, reforming discretionary power by administrative reforms and enhancing
accountability especially by Watch Dog Agencies has been devised as an effective cure(Kindra and Stapenhurst, 1998).

Reducing the Monopoly Power of the state and industries could effectively be devised by
following aggressive economic reforms to establish basic market institutions. Price and
product liberalization, restructuring infrastructural monopolies, and institutionalizing a
strong and non-partial competition laws are important((Stapenhurst, 2000). Guaranteeing property rights, and contract rights are also mandatory in fighting
corruption. Generally, macroeconomic liberalization actions as deregulation, removal of
controls in investment, promotion of capital markets and privatization are also essential in
reducing monopoly power (Stapenhurst and Kpundeh, 1997).

In terms of administrative reforms to reduce discretionary power of public officials a set of
constructive steps must be taken. The first step to be taken here is to make statutory laws
and rules which are clear and precise regarding the duties, obligations and authorities of
public officials giving little room for role ambiguity which could lead to discretion.
Improving work methods, increasing effectiveness of supervision, developing financial
management systems and enhancing channels for complaints for citizens are also important
(Langseth et al., 1997). A meritocratic civil service, clear and transparent budget
management, better tax and customs systems, and competitive service delivery systems
must also be in place (World Bank, 2000 -B)

The ways of enhancing accountability will not be discussed here as they had been dealt
with in detail in the preceding chapter.

As an overall comprehensive strategy, the primary attention in the fight for corruption
must be in the realm of the prevention of future corruption by changing systems (Uganda,
1995). Included under this are adoption of a comprehensive anti-corruption legislation and
implementation and creating partnership between the private sectors, civil society and the
government.

An anti-corruption strategy must include the following four major components (Uganda,
1995)
Prevention: Reducing the opportunity for corruption including
Simplifying government programs
Avoidance of ghost workers
Publishing and issuing guidelines to reduce discretion by officials
Demystifying government
Preparation of staff manuals and improved work methods
Depersonalizing a government by reducing face to face contact and increasing staff
rotations
Asset, income and liability declarations of officials
Effective monitoring of bans on post-public employment by the private sector for some
years
Rewarding achievements
Open, competitive and transparent procurement
Enforcement: Increasing the likelihood of detecting and punishing corruption by
Giving access to government’s documents
Giving investigators access to records held by lawyers and financial advisors
Physical witness protection
Public Awareness: increasing the ability of the society to receive information on the cases
of corruption, their disadvantages and their remedies so as the society could take an active
role in the fight against corruption which needs
Freedom of information laws
Review of defamation laws
Ban on censorship
And independent state and news media
Institutional building which includes
Adequate staff and resources
Review of internal financial management systems
Strengthening of The Auditor General and the Ombudsman
Increasing parliamentary over sight powers and capabilities

6.5 National Integrity Systems for Fighting Corruption:

It is believed that the aim of an anticorruption action is to have a fundamental increase in
honesty and the efficiency and fairness of a government in this regard. To this effect a
somewhat comprehensive approach in the fight against corruption has been developed.
This approach which is coined “National Integrity System” has been found fruitful in
curbing corruption effectively by amalgamating what are known as the “Eight Pillars of
Integrity”.

The aim of the National Integrity System is to make corruption a high risk and a low
return undertaking there by making public officials free from the temptation of indulging
themselves in corrupt actions (Langseth et. al. 1997). The National Integrity System
creates a system of check and balances that limit situations in which conflicts of interest
arise or have a grate impact on the common good involving prevention and penalty.

The Eight Pillars of Integrity included under National Integrity Systems are
Strong Political will
Effective Administrative reforms
Effective Watch Dog Agencies
The Parliament
An accountable judiciary
An effective media
Public Awareness and democratic participation
An enhanced and well functioning private sector
It must be clear understood that the absence of even one of the above pillars could not bring about the kind of check and balance needed in initiating National Integrity System.

Analysis on some of the pillars of integrity

Watch Dog Agencies: this includes agencies like the Anticorruption Agency, The Ombudsman and Supreme Audit Institutions
The Anticorruption Agency needs political backing, political independence, powers to access information and question witnesses and powers to freeze assets and impound travel documents of suspects (Langseth et., al. 1997))
The Ombudsman needs to receive funds independently, be free to investigate allegations of mal-administration and be free from political dependence and interference.( Langseth et., al. 1997)
The Supreme Audit Institutions are agencies that act as watchdogs over financial integrity, credibility of reported information, performance, and value-for money audits. Supreme Audit Institutions must be given clear constitutional mandates and should be independent from political interference. Accesses to records are also important for the success of Supreme Audit Institutions in curbing corruption. Additionally, other than the usual types of financial auditing and compliance auditing, performance auditing (Value-for-Money) which check economy, effectiveness and efficiency of government undertakings should be included under the mandate of auditing institutions( Dye and Stapenhurst, 1998).
The Media: An anticorruption effort, according to Stapenhurst (2000), could be seen as a function of knowledge and information, leadership and collective Action.

Using the media as a tool against corruption could have both tangible and intangible effects in increasing the knowledge and information that different stakeholders in the fight against corruption have (Stapenhurst, 2000). This is associated with the role of the media of informing and educating or creating awareness among the society, the members of the public sector and businesses. Investigative journalism has also a great impact on combating corruption.

The tangible effects of a strong media in the fight against corruption are
Launching of investigations by a government agency after media reports
Scrapping of corruption favoring laws and regulations
Impeachment and forced resignation of officials
Launchings of judicial investigations and proceedings
Issuing public recommendations by Watch Dog Agencies
Reinforcing the work and legitimacy of a state’s anticorruption bodies
Anticipation of adverse media publicity promoting a preemptive response
The intangible effects on the other hand include
Checks on corruption arising form the broader social climate of enhanced political pluralism
Public debates
Enhanced sense of accountability by politicians

Lastly, in order to grip the advantages of the media in the combat against corruption, the judiciary, the legislative and the executive bodies of the state, non-governmental bodies, the society and businesses must protect journalists investigating corruption. Additionally access to information must be enhanced, investigative journalism training must be offered to journalists and self-regulation by the members of the media must be promoted.

An Effective Judiciary: a strong judiciary could be seen as a way of a checking on corrupt acts. Violations of property rights and contract defaults are ripe grounds for corruption and an independent and accountable judiciary could block the development of such actions if it is functioning in such a way that its rulings are impartial and unbiased. In order to have an accountable judicial process the following could be adhered to (Langseth et al., 1997)
Judges being given the task of assessing cases of corruption instead of civil servants
Accountability of court officials to judges
Ethical standards for the judiciary
Merit based appointment of judges
Establishment and strengthening of a commission of enquiry on misconduct of judges.
The concept of the Rule of Law, which is believed to have a direct impact on curbing corruption and enhancing good governance and judicial reforms that are connected to the judiciary are discussed in the part discussing Rule of Law.

6.6 Problems and Success Factors in Fighting Corruption:

States in trying to device strong anti-corruption strategies and actions should be able to understand the success factors and problems in trying to achieve what they stand for.

Of the many challenges and problems that could be faced, the following are some (Langseth et., al. 1997)
Limits of power at the top where strong administrative corruption exists and the bureaucracy can challenge any anti-corruption move
Absence of commitment at the top where political leaders, blinded by the benefits of corruption could impede and anti corruption initiatives
Overtly ambitious promises where unattainable promises by politicians could result in resentment by the public
Piecemeal and uncoordinated reforms where administrative, judicial and economic reforms are not reinforcing each other
Over reliance on legal remedies and enforcement mechanism rather than prevention
Focusing only on the lower stratum of political and administrative apparatus where top corrupt officials are purposely neglected
Failures to engage partners outside the government like the civil society, businesses, international and national donor and development oriented institutions and the media.

In trying to tackle the problems associated with anti –corruption strategies and actions, a credible political leadership in mandatory as one of the most important success factors. The leadership should be able to determine appropriate entry points in fighting corruption and should develop a detailed understanding of the diagnosis of the nature and extent of the problem by jointly collaborating with the private sector, the civic community and the society at large. Meeting challenges effectively, sequencing of actions and advocating sustainability by following mutually reinforcing reforms, development of a strong coalition in support of the strategy among government bodies and with other stake holders and allocating required resources and expertise are the other success factors that need to be met effectively (Kaufmann and Siegelbaum, 1997)

Especially with regards to over reliance to legislative and legal remedies, though it is believed that enacting laws that reinforce anti-corruption measures are mandatory, legislative and legal remedies are unlikely to be effective unless they are accompanied by measures to ensure implementation of measures that maximize accountability and transparency and minimize vulnerability in areas where corruption is wide spread. It has to be remembered that, as mentioned earlier, the goal of anti corruption measures should be to change the perception of corruption from a low-risk, high profit activity to one which is a high risk, low profit activity.

7.0 Public Management in Perspective

A growing number of pressures have been coming form different sources regarding the way public sector institutions, especially the executive bodies are managed and geared towards.

Attack of the public sector in terms of its size, scope of work and methods of achieving its objectives, the ever increasing need of private sector in the face of globalization and fierce competition (Hughes, 1994); constraints in financial resources due to economic predicament, concern with the quality of service delivery specially concerning the poor, and ideological debates regarding the role of the government (Morgue et al., 1993) are some of the pressures that can be identified that the public sector has started to face especially in the last two decades of the 20th century.

The traditional principles of public administration which had as major defining characters of governments organizing themselves according to hierarchical and bureaucratic principles, governments involving themselves both in policy area and provision of goods and services and separation of political and administrative matters are also being attacked strongly( Hughes,1994).
Hughes (1994) notes that the traditional model of public administration bases itself in theory of bureaucracy of Max Weber who identified three types of authorities; charismatic, traditional and rational or legal; by which bureaucratic public administration bases itself in the rational/legal authority type characterized by
Fixed jurisdictional area
Office hierarchy and levels of grade
Management on written documents
Office management presupposing expert training
Full working capacity of official
Management of office following general rules

A shift from public administration (the use of managerial, political and legal theories and processes to fulfill legislative, executive and judicial mandates for the provision of regulatory and service functions) to public management (a part of public administration concerned with efficiency, accountability and goal achievement) is one of the paradigm shifts that have been witnessed recently. It is important to note that the major difference between these two concepts exists in the fact that public administration focuses on being procedural while public management focuses on becoming efficient. The growing market transitions and trends away from bureaucracy as an organizing principle are the two factors that had induced the paradigm shift from public administration to public management.
7.1 The New Public Management

The New Public Management principle with New Zealand being one of the best examples of its effective implementation, has the "Managerialist View" as its core component. According to Bhatta and Gonzalez (1998), the Managerialist View of the public sector management has the following major constructs:
- Government as a facilitator and as a catalyst
- Re-examination of the governments role in economic activities
- Result orientation
- Consumer driven
- Decentralization of decision making and service delivery
- Transparency and accountability
- Concern for value of money by tax payers

With the above being the core foundations of the New Public Management movement, the theory advocates the shift from the traditional bureaucratic theories by giving attention to achievement of results and responsibility of manager, making organizations more flexible, clear organizational and individual objectives making performance measurement easy in terms of economy, effectiveness and efficiency, and reducing the functions of government (Hughes, 1994) Formulation of policy under political direction, creating the machinery for the implementation of policy, operation of administrative machinery and accountability to parliament and the public are also the four aspects that makeup the management of civil service under the New Public Management.

Nutely and Osborne, (1994) have given a more comprehensive view of the characteristics that define the New Public Management as

- Introduction of cash limits in order to demonstrate that resources have been well used
- Decentralization of service delivery, coupled with devolved responsibility and accountability
- Identification of explicit standards and measure of performance
- Increasing focus on quality and the right of consumers to have quality public sector services
- Right of public service users to have some form of consumer choice
- Separation of policy setting and service delivery
- Internal trading between service purchase and service providers
- Greater competition between service providers
- Appointment of visible managers who should be free to manage

. Stress on private sector management style

Institutionally, the United Nations identifying the needed reforms in the public management has proposed that clear definitions of performance and unambiguous managerial responsibility, delegation of authority adjacent with responsibility, strong
performance incentives and high quality reporting requirements as building blocks of the
New Public Management (UN, 1997).

The Organization of Economic Cooperation and Development (OECD) on the other hand
has identified as main points of the New Public Management as:

Hands on professional management
Explicit standards and measurement of performance
Emphasis on output control
Disintegration of units in the public sector
Stress on private sector styles of management and
Stress on greater discipline in resource use. (Hughes, 1994)

7.2 Civil Service Reforms (CSR)

A good civil service is said to be important in five interrelated areas of good governance,
provision of public goods and services, economic policy reform, better and enhanced
public expenditure and fiscal sustainability (Schiavo-Campo et al., 1999)

One of the ways by which governments make the public sector especially the civil service
attain its goals in an efficient and effective way is through Civil Service Reform (CSR).
CSR could also be taken as a way of attaining the New Public Management Perspective.

Civil Service Reform in terms of goals could be taken as a move towards making
government workforce with the size, skill mix and motivation, professional ethos and
accountability needed to provide quality public services especially to the poor, reduce
transaction costs to the private sector, help in the design and implementation of economic
policy, and execution of budgets and investment projects.

CSRs can also have far reaching implications on a wide range of global, national and
micro issues( Mingoue et al. 1993). These issues include better global markets, regional
peace, minority and human rights and individual human quality of life.

Building local capacity and adjusting to changes in inter governmental coordination are
also identified as the major aims of CSR in relation to decentralization where CSR could
be taken as a process of modifying rules and incentives in obtaining a more efficient,
dedicated and performing government labor force in newly decentralized economies.

Nimbey and Nellis (1995) point out that the basis of CSRs are the problems associated
with the capacity of the civil service in carrying out the functions of the government and
the size and the excessive cost of the civil service. With this in mind Mingoue et al, (1993 )
have identified the following to be the end results expected of transformational CSRs.
Stabilization: public security and economic management
National consensus on the essence of the state
Promoting good governance and democratic governance
Development of civil society and indigenous institutions

In terms of the classification of CSR measures, Schiavo-Campo et al, (1999) has identified the following three types of measures that could be used especially in third world settings. Diagnostic: which involved civil service census, functional reviews, institutional assessments and data collection
Cost Containment : which includes retrenchment and reduction in work force form the organization of administration
Structural: including adjustments in incentive frameworks, systems of civil service regulations , human resource management and accountability systems

Though different components could be developed in harnessing effective CSRs, effective management of changes, systematic involvement of all concerned parties, opening of two-way information channels and provision of hope for the civil service are important Schiavo-Campo et al(1999). Additionally a clearly articulated view of the kind of civil service tried to be developed and reform strategy that a country needs to implement must be included in designing a CSR. Ethics and professional standards of civil servants must also be included.

Lastly, in CSR design, implementation and monitoring due consideration must be given to

How public officials must be answerable for government action
The accountability means establishing criteria to measure performance of public officials, oversight mechanisms to ensure that standards are met and efficient and effective resource use

8.0 Private Sector Management Styles for the Public Sector
One of the basic ingredients in defining the concept of the New Public Management that was discussed in the last chapter is the emphasis given to the use of private sector management styles in the public sector. This chapter will discuss the concepts of Total Quality Management, Knowledge Management, Organizational Learning and Learning Organizations, Team Work, Participatory Management, Leadership and lastly Social Capital which could be effectively used by the public sectors in trying to meet their objectives effectively and efficiently.
A common defining feature of the public sector is that their specific power is derived from a legislative body whom in turn they are ultimately accountable to and it is important to recognize the differences that exist between public and private institutions be fore discussing the private sector management methods that could be utilized by the public sector.
Nutley and Osobrone, (1994) identify six areas where clear distinguishing characters exist between the public sector and the private sector from the perspective of the public ones Greater, scale, complexity and society wide bases of most public sector organizations Consistency and conformity more significant in the public sector Political element more significant in the public sector Immeasurability of certain public sector works
Greater accountability to a wide range of stakeholders in the public sector
Hierarchical, bureaucratic, lifetime career structure with inflexible pay and promotion in
the public sector
The above factors must be taken into consideration when trying to analyze the
management concepts, which will be discussed below.

8.1 The Concept of Total Quality Management (TQM):
Total Quality Management, hereafter called TQM, having its origins in the USA and
primarily practiced in Japan, has been identified as one of the best ways of managing
efforts.
The late 1980’s were the years that quality management in the public sector was adopted
as it was able to deal with a number of key concerns of the public sector management
(Wilkinson et al, 1998). It is believed that a major disapproval of the western community of
the ways the public sector was performing and the striving to become more commercially
aware by the public sector itself are the reasons why the concept of TQM had become
famous in the public sector.
Before discussing the concept of TQM, its implications to the public sector and other
characters related to the concept, it is appropriate to clarify the term quality.
Quality has different meanings depending on the perspectives and contexts used to define
it. Quality could be synonymous to professionalism or fitness for use or reliability or ability
to function satisfactorily over a period of time or satisfaction in ownership or form the side
of a supplier, consistency of meeting consumer requirements (Oakland, 1997). Quoting
management gurus as Edward Deming and Joseph Juran, Wilkinson et al., (1998) give a
list of definitions for quality.
Quality as being about value and fitness for use
Quality as being about conformance to standards, specifications and requirements
Quality as excellence
Quality as exceeding or meeting customer/consumer expectations and needs and
delighting the customer/consumer
With regards to services in general and service delivery in particular, quality is usually
associated with the perception of customers. The very nature of services; their
intangibility, heterogeneity, inseparability (Morgan and Mugartroyd, 1994) and non-perish
ability (Oakland, 1997) makes the clients of services to give as determinants of quality the
following attributes (Morgan and Mugartroyd, 1994):
Reliability
Responsiveness
Competence
Access
Courtesy
Communication
Credibility
Security
Understanding
Appearance and Presentation
In service delivery it is assumed that a balance between three components must exist
which are the interpersonal component, the process component (procedures and the
environment) and the technical and professional component. Quality of service could be seen as a combination of the emphasis on the needs of customers and continuous improvement of internal organizational process (Kirk-Patrick and Lucio, 1995).

Quality can also be attributed to the stage that a specific service has been developed. One attribute of quality is one that is given when service is being designed. Five types of services have been identified which are Service Factory (like cleaning and repair), Service Shop (like serving meals), Mass Service (like education), Professional Services (like accounting and legal services) and Personal Services (like health) (Oakland, 1997). With this a number of variables have been identified which characterize a certain service; labor intensity, contact, interaction, customization, and the recipient of the service in focus.

With the above in mind quality could be defined in terms of two perspectives:

Quality in Design: which is about designing services which are up to the expectations of the needed parameters depending on the variables by giving attention to client needs

Quality in Conformance to Design: which refers to the ability of a service provider to produce services according to the designed specifications without fail.

In relation to the concept of TQM, different definitions and explanations have been given. Wilkinson et al., (1998) have mentioned some derived from different perspectives.

TQM is about having a key concept of customer focus, continuous improvement and team work

TQM as employee involvement and senior management commitment

TQM as strong and pervasive customer orientation and managing quality for competitive advantage

TQM as cultural change

TQM as committed leadership, customer relations, employee involvement, zero-defect mentality, flexible procedures and process and lastly process improvement and measurement.

Morgan and Morgatroyd, (1994) try to define TQM from the perspectives of its characters. They claim TQM involves everything in an organization and it is a total system of quality improvement with decision making based on facts. TQM is also a system of making sure that services and products have a set of features in totality and in stability in order to satisfy given needs.

The British Quality Association has offered a comprehensive definition of TOM

(Wilkinson et al., 1998)

Integrative management concept for continuously improving the services and goods delivered through the participation of all levels of functions in an organization

Set of techniques and procedures used to reduce or eliminate variations from service delivery systems and production process in order to improve efficiency, reliability and quality.

Wilkinson et al., (1998) add that three principles namely consumer orientation, process orientation and continuous improvement are basic ingredients in TQM movement.

Additionally three sets of means have been identified which are vital in implementing the mentioned three principles:

- **Improvement Tools:** statistical process improvement control methods

- **Measurement Methods:** used in measurement of quality and use r satisfaction
**Organizational Approaches:** quality improvement teams, quality committees, cross functional planning, self inspection and autonomous work units

With regards to the aim of TQM initiative, Morgan and Morgtroyd (1994) have indicated that the key idea of a well established TOM is to synchronize an organization’s mission and vision with its strategies, guidelines and operational plans.

The major difference between TQM and other quality movements that were practiced in the past is the attention given to prevention of failures. In the past most quality initiatives were targeted towards the exposure and detection of failure but TQM’s main principle is to avoid quality problems before they occur. (Oakland, 1997). In this case a paradigm shift from Quality Control, which is the activity employed to achieve and maintain the quality of a process by monitoring and inspecting, to Quality Assurance, which is the prevention of quality problems through planned and systematic approach is seen.

The underlying philosophy of TQM is changing the Quality Culture of all employees of an organization by the inoculation of the concept of quality and quality improvement and failure prevention all activities. Especially in Social Service Management, TQM tries to give balance to what are known as the 4 Es of social services, Economy, Effectiveness, Equity of Access and Response and Environmental Process Awareness by adhering to the following principles (Morgan and Morgatroyd, 1994).

Infusing an agency with value-oriented mission
Selection of appropriate technology
Developing outcome indicators and measurement techniques
Assessing standards and determining if performance meets expectations
Determining organizational arrangements and management practices
Mobilizing constituencies around effective performance criteria

The concept of customer satisfaction is also an integral part of the concept of TQM. Here the term “Customers” is not limited to clients which are outside of an organization and internal customers are included (Kirk-Patrick and Lucio, 1995). Some departments in organizations especially support giving departments do not have direct relations with external customers and their clients are usually departments having direct contact with external customers.

The other underlying character of TQM is the value it gives to employee involvement. Quality improvement is achievable if all staff are equally involved, committed and given the space and responsibility to innovate and make decisions (Kirk-Patrick and Lucio, 1995).

In terms of changing the quality culture of employees, Wilkinson et al., (1998) had given a detailed analysis of how the attitude towards quality could be changed gradually. The first is related to the work force strategies that are being practiced in organizations which need to move form a context of control to a context of commitment. Here a number of factors have been identified.

**Job Design Principle:**

Individual responsibility extended to upgrading system performance
Job design enhancing content of work, emphasis on a whole task, and combination of working and thinking
Frequent use of teams as basic accountable units
Flexible definitions of duties based on changing conditions
Performance Expectations:
Emphasis placed on higher stretch objectives which tend to be dynamic and oriented to the market place
Management Organization, Structure, Systems and Styles
Flat organizational structures with mutual influence systems
Coordination and control based more on shared value and tradition
Management emphasis on problem solution and relevant information and expertise
Minimum status differential to disemphasize inherent hierarchy
Employee assurance and voice policies
Assurances that participation will not result in job loss
Priority given to training to existing work force

The second aspect of TQM and culture change in Wilkinson et al., (1998) is related to the management of performance. Here instead of the traditional view of performance focusing on individual performance, the TQM movement advocates systems performance appraisal there by avoiding the individual and driving out fear.

The third aspect of culture change in the context of TQM is in relation to the work context that employees are under. Unlike the approach which assumes that change in attitude must precede a change in behavior, TQM regards behavior as governed largely by the social context in which employees operate. Change in behavior under TQM is a result of adjustments to the social context rather than adjustments to attitudes. Additionally, attitude change is seen as a result of change in behavior (Wilkinson et al., 1998).

The social contexts necessary in changing behavior then gradually changing attitude are
Explicitness: need to make responsibilities clear and unambiguous
Revocability: extent of individual worker’s actions are irreversible
Publicity: employees’ actions and their consequences are visible to other
Volitation: extent to which individuals feel that they are in control of their own actions

It is argued that above contexts will move employees in a psychological state of responsibility and commitment with outcomes of acting in prescribed manners.

The last aspect of culture change with in an organization revolves around employee relations and involvement. TQM advocates three elements of employee involvement: educative process, participative structures and lastly change in the organization of work (as the elimination of inspection and more team works).

8.1.1 TQM and the Public Sector:

TQM has appealing benefits that could be to the advantage of the public sector. Cost saving and containment, introduction of internal competitive relations, dismantling of bureaucratic cultures and quality public services delivery are some of the advantages of TQM (Kirk-Patrick and Lucio, 1995). TQM gurus like Edwards Deming claim that the concept can reduce an organization’ s effort spent on dealing with errors and non-value
adding activities by as much as one third (1/3). Joseph Crosby on the other hand has identified three types of costs that could be reduced: prevention cost, failure costs and appraisal costs (Wilkinson et al., 1998).

Fourteen activities have been identified that do not crate value and which the TQM initiative can concentrate on (Morgan and Murgatroyd, 1994) which are
Preparation time
Waiting time
Unnecessary steps
Over production
Rejections
Set up time
Transportation and distribution
Process waste
Materials waste
Communications
Administrative decision making
Untidiness
Bottle Necks
Inappropriate timing

The above being the area where improvement could be made, two different approaches to quality improvements in the public sector (Morgan and Murgatroyd, 1994)
Quality in terms of value for money and efficiency in public services
Increasing the voice and choice of consumers of public services

It should be noted that, on the other hand, that the concept of consumers is a problematic concept in the public sector. In public sectors such as health and education, customers could mean the paying ones alone while in police work customers could be citizens as a whole.

In adopting the principles of TQM in to the public sector, three sets of groups of principles have been identified as core, adoptive and problematic depending on the possibility of making them applicable to the public sector (Morgan and Murgatroyd, 1994).

Core principles that are applicable to the public sector are vision, measurable goals, quality structures, empowered work teams, data based decision making, managerial commitment, rewards and recognition systems alignment, meeting the needs of stakeholders and training
Adoptive principles include zero-defect mentality, customer satisfaction and self-managing team works
Problematic principles include benchmarking and daily management reporting
The public sector, in its endeavor of trying to adopt the concepts and assumptions of TQM must be able to adhere to the problem-prevention mentality and there must be a total commitment from top-level management. A quality policy is also a fundamental necessity. A quality policy must adhere to the wish of establishing a quality organization where customers are identified and assessment is done on the ability of the organization to meet needs economically. Concentration on prevention rather than detection of errors and relying on teamwork, education and training are of fundamental importance (Oakland, 1997).

**Tools of TQM in the Public Sector**

**Process Improvement**

The excellence of results achieved by an organization is determined by how well the people in that organization design, operate and continuously improve an organization process. Due to financial constraints and violent attacks on the services provided by the public sector and the existence of a range of opportunities for the improvement because of features found in exiting processes, there must be an increasing focus on improvement of process.

Edwards Deming has identified a twelve step quality improvement step that could be known as the Deming PDCA Cycle where P stands for Planing, D stands for Doing, C stands for Checking and A stands for Acting. The 12 steps included in the PDCA Cycle are:

**P (Planning)**
- Identifying services
- Identifying customers
- Identifying current processes
- Narrowing down service quality improvement
- Establishing cause and effect
- Developing a plan for revised work process

**D (Doing)**
- Conduct small scale test for revised process

**C (Checking)**
- Evaluation of test result
- Checking improvements

**A (Acting)**
- Standardizing new process
- Measuring client reactions
- Recognizing success

Improvement efforts could be divided into three (TQM International Ltd., 1994-A)

- **Re-designing** : to achieve radical improvement in performance
- **Incremental Improvement** : improvement in performance of existing process
Standardizing: to achieve conformance to a given level of performance or against a recognized standard

The scope of process improvement must be guided to attain customer satisfaction, cost effectiveness and productivity and responsiveness and flexibility by addressing issues of effectiveness, efficiency, cycle time process, flexibility of services and general capacity.

Process improvement in the context of achieving the above mentioned goals need structured approaches and tools and techniques. The structured approaches go through a set of stages described below
Process selection including identifying processes and selection of priority processes which need improvements
Preparation of improvement by establishing a process owner, defining process boundaries, building a trained improvement teams and confirming to improvement targets.
Process analysis and redesign by using process mapping techniques, process measurement techniques and process improvement techniques
Implementation of process improvements by adhering to the principles of measurement and improvement

With the conception that a good process is customer focused, value adding, clearly owned, understood by those who own it, well measured and continuously improved, the following set of processes design techniques could be applicable (TQM International Ltd., 1994-A)

Stream Lining: reducing the number of process steps by combining or eliminating individual steps
Simplification: developing a simpler process to achieve the same results
Moving Decision Points: making decisions earlier to avoid unnecessary work later
Parallel versus Sequence Operation: alerting operations such that steps previously in sequence can be done in parallel or vice versa
Moving operations form Intrinsic to Extrinsic: changing operations such that activities which are part of the process are done off-line
Multi Skilling: equipping people to conduct several or many of the operations rather than just single steps
Redesigned basic operations: substantially changing the operation of basic step in the process

It must be understood that a well managed improvement of processes needs good leadership, planning, communication, training, involvement and an external view form others.

The concept of process improvement, when being implemented, needs to follow certain ground rules for success that includes:
Implementation of plans successfully
Measuring results of improvement actions
Ensuring that the idea of continuous improvement is built into the implementation
Getting commitment from those operating the process to continuous measurement and improvement

Lastly, if improvements are done in a project type scheme, the principles of SMARTI should be applicable. SMARTI is an acronym standing for Specific, Measurable, Achievable, Result-Orientation, Time- bounded and Involving.

**Problem Solving using Tools and Techniques**

The other method that could be used in TQM is the use of tools and techniques in solving problems. Five steps and fourteen techniques and tools have been identified in the problem solving process (TQM International Ltd., 1994-B).

The steps include
Identifying possible causes
Investigating and fixing
Analyzing root causes for problems
Identifying possible solutions
Selection and testing solutions

With these steps, the following tools and techniques are identified which help in achieving them. Also given is the step or steps that the tools and techniques are commonly applicable.

**Brain Storming:** an intentionally uninhibited technique for generating the greatest possible number of ideas, possible causes or solutions to problems / used in steps 1 and 4/

**Cause and Effect Analysis:** identifying the possible causes affecting a problem / used in step 1, 2, 3 and 4/

**Check Sheets:** systematic method of recording data / used in steps 1, 2 and 3/

**Concentration Diagrams:** pictorial check sheets / used in steps 1 and 2/

**Process Flowcharts:** series of activities converting an input to an output / used in steps 1, 2 and 4/

**Data Handling:** various techniques designed to help in displaying data in pictorial format / used in steps 2 and 3/

**Pareto Analysis:** a prioritization technique that helps in separation of major causes from the minor ones. / used in steps 1, 2 and 3/

**Activity Sampling:** making random observations of a process or an activity to gain an understanding of the overall performance or status of a process / used in steps 2 and 3/

**Force Field Analysis:** a technique used for formally listing and analyzing the various forces acting in a given situation or affecting a problem / used in steps 3 and 5/

**Failure Prevention Analysis:** a systematic approach for examining an activity to determine what would go wrong / used in steps 3 and 5/
Solution – Effect Analysis: used to test potential solutions and to identify all the effects of potential solutions /used in steps 2, 3 and 5/

Ranking and Rating: a structured process of placing a number of options in order of preference and scoring of options on the basis of pre-selected criteria /used in step 5/

Data Collection Interviews: used to collect views, facts, and perceptions which are usually face to face and unstructured /used in steps 1 and 2/

Data Collection Questionnaires: used to collect views, facts, and perceptions which are usually in written forms and structured /used in steps 1 and 2/

8.2 The Concepts of Knowledge Management, Learning Organizations and Organizational Learning

Peter Drucker, the famous management guru, has identified five areas that will bring far-reaching changes in the social and economic environment in the structures, strategies, and the management of organizations (Drucker, 1992).

Reciprocity as a central principle of international economic integration

Businesses integrating themselves into the world economy through alliances

Businesses undergoing more and more restructuring

Governance of organizations becoming participative

Rapid changes in international politics and policies

With the above factor in mind, Drucker has identified “Knowledge” as the main source of wealth. To him, knowledge allows organizations become more productive and more innovative.

The next section will analyze what the concept of knowledge is, the ways to manage it (Knowledge Management), and how organizations become learning ones by following the ways of organizational learning.

It is believed that the public sector, by following the concepts of Knowledge Management and Organizational Learning, could achieve better productivity and innovative leverages. It must be noted that as the concepts had only been developed recently with business organizations as focal points, resources applicable solely to the public sector could not be found. What has been tried here is to try to discuss the main components of the concept so as members of the public sector could have enhanced insights on them and make use of them in their future endeavors.

8.2.1 Knowledge

There has been a mixed and sometimes confused analysis towards the definition of knowledge. The confusion starts when organizations and people try to define information and knowledge as one and the same and try to give similar or singular remedies when trying to manage them. Recently a plethora of works have started to be done in trying to make structural differences among the two which has allowed professionals and managers
to distinguish the differences between the two and follow strategies in developing and enhancing them.

One way of differentiating information from knowledge and even data for that matter is by analyzing the different attributes of the concepts in relation to the levels of detailedness, context, scope and timeliness (Chase, 1998)

Data: low level automatic detail, no context, very narrow scope and no timeliness applicable
Information: integrated aggregated detail, full context, limited to a particular scope and limited timeliness (historically)
Knowledge: highly abstracted, extended in context, extended beyond the scope of information and timeless.

What has been called knowledge hierarchy has also been developed to show the level of and stages of know how available in an organization (Chase, 1998). This hierarchy stars from transaction or tacit data, which is very detailed and granular and goes through different stages.

Stage 1: Transactional Tacit Data- very detailed and granular
Stage 2: Operational Data – automatic and integrated data
Stage 3: Management Information-summarized and aggregated
Stage 4: Organizational Intelligence-heavily summarized and dimensional
Stage 5: Organizational Knowledge –highly abstracted
Stage 6: Organizational Wisdom- internalized

Characterizing knowledge, Koulapoulos, (1997) stresses that knowledge requires more than the convergence of information. Knowledge must provide the basis for learning and the use of learning to create Organizational Intelligence; which is the application of knowledge within the a specific known context and Organizational Instinct, which is the spontaneous application of acquired and latent intelligence to unknown situations with an unspecified context.

Knowledge is also believed to be embedded in people and knowledge creation occurs in the process of social interaction (Gold, 1997). From a collective viewpoint, it is possible to view knowledge as an artifact developed through social interactions and social constructs. This Social Theory of Knowledge has brought with it certain assumptions:

At the organizational level, knowledge is an implicitly or explicitly created social artifact Knowledge exists in relation to something
Knowledge can be analyzed at the level of content and structure
Knowledge also contains both qualitative and quantitative elements

One parameter that could be used in identifying the difference between knowledge and information is by analyzing the level of individual or collective involvement in the creation and utilization of both (Malhotra, 1996). Information especially those generated by computer systems are not very rich carriers of human interpretation of potential action
while knowledge resides in the user's subjective context of action based on information generated.

Concentrating on the types of knowledge in an organization, different parameters and perspectives have been taken. One of the parameters of knowledge is based on the form of existence. Here two types have been identified (Chase, 1998; Cortada and Woods, 2000; Van Krogh et al., 1998):

Explicit Knowledge: knowledge about objects that are in focus, a meaningful set of information articulated in clear language including numbers or diagrams

Tacit Knowledge: knowledge that is used as a tool to manage and improve what is in focus or includes intuitions, unarticulated mental models and embodied technical skills.

In this case Explicit Knowledge is captured, stored, and communicated while Tacit Knowledge is learned, thought or communicated. It is also important to note that Tacit Knowledge has two dimensions. First is the technical dimension, which includes informal personal skills known as know how and the second is the cognitive dimension, which consists of beliefs, values and other world view shaping components.

The other perspective of identifying the types of knowledge is through the analysis of the levels of professional intellect existing in an organization (Quinn et al., 1996). Intellect is the application of knowledge with in a specific form of context. In this type of analysis four types of professional intellects could be seen

Cognitive Knowledge or Know-What: basic mastery of a discipline that professionals achieve through training and certification

Advanced Skills or Know-How: translation of book learning into effective execution

Systems Understanding or Know-Why: a deep knowledge of web of causes and effect relations which allows professionals solve complex problems

Self Motivated Creativity or Care-Why: will, motivation and adaptability for change

The first three could be stored or exist in an organization's systems, data-bases and technologies while the fourth one is found in an organizations culture.

8.2.2 Knowledge Management:

Knowledge Management can be identified as the identification, optimization and active management of intellectual capital either in the form of explicit knowledge held in artifacts or as tacit knowledge possessed in individuals and communities (Cortada and Woods, 1999). Here it is noted that getting leverage in explicit knowledge is achievable by making available artifacts while getting leverage form tacit knowledge is attainable by the creation of communities to hold share and grow tacit knowledge.

Intellectual Capital here is defined as the portfolio of organizational knowledge which can leveraged into wealth creating processes and activities and knowledge existing in an organization that can be used to create more advantage (Chase, 1998). Intellectual Capital
includes human capitals (skills and creativity), internal structural capital (process and systems) and external structural capital (client related intangible assets).

Malthotra, (1998) has defined Knowledge Management as a process which caters to the central issue of organizational adaptation, survival and competence and includes organizational processes that seek synergic combination of data, information processing capacity and creative and innovative capacities of human beings. In analyzing knowledge management, Malikotra (1998) stresses that awareness of how people communicate and operate the social process of sharing knowledge and building in each other’s ideas is important. Knowledge Management is also defined as a system of gathering, organizing, refining, analyzing and disseminating of knowledge in all of its forms within an organization and supports organization’s functions while addressing the needs of the individual within a purposeful context.

Cortada and Woods (1999) have identified three basic activities of Knowledge Management: Knowledge Visibility (making organizational knowledge available for all), Knowledge Infrastructure (which includes harnessing a conducive system of sharing and creating knowledge) and Knowledge Culture (which advocates the development of an organizational culture which is aware of the use of knowledge and willing to share it.)

Especially in harnessing a Knowledge Culture where knowledge is given an utmost importance and where individuals share knowledge, a paradigm shift is needed in managing organizations. Chase, (1998) tries to identify the needed characters of a knowledge sharing culture as self-management, leadership which are natural, use of consultation rather than command and control, loosely defined jobs, horizontal and lateral interactions, decentralized functions, and an atmosphere of interdependence, tolerance for ambiguity, difference valuing and power attainment through shared knowledge. To attain these characters, commitment to consumer needs, empowering through increased access to information and heightened involvement in employee decision making is important.

In terms of knowledge sharing and creation, which is one of the most important aspects of Knowledge Management, the interaction of explicit and tacit knowledge is important developed (Van Krogh et al., 1998; Cortada and Woods, 1999).

In relation to the creation and sharing of knowledge is the concept of “Ba” which means “Space” in Japanese (Cortada and Woods, 1999). “Ba” could be a shared space for emerging relations and the role of top management is the creation of “Ba” or “Space” which could be
Physical (office, dispersed area)
Virtual (e-mail, teleconference)
Mental (shared experiences and ideas)
A combination of the above
“Ba” in this case provides a platform for advancing individual and collective knowledge and is shared space that serves as a foundation of knowledge creation.
By combining the above two aspects of knowledge creation and sharing which could be sited as a process of interaction between explicit and tacit knowledge in a given space or “Ba” the model SECI could be developed (Van-Krogh et al., 1998; Cortada and Woods, 1999) and where

S stands for Socialization; a process of transforming Tacit Knowledge to another Tacit Knowledge or a process of creating common Tacit Knowledge through shared experiences.

E stands for Externalization; a process of changing Tacit Knowledge into an Explicit Knowledge or articulating a Tacit Knowledge in to an Explicit one. Tacit Knowledge becomes explicit through the use of metaphors, analogies, concepts, hypothesis or models.

C stands for Combination; a process of creating an enhanced Explicit Knowledge form another Explicit Knowledge or a process of assembling new and existing explicit knowledge into systematic knowledge.

I stands for Internalization; a process of changing an Explicit Knowledge in to a Tacit Knowledge, operational knowledge such as know how where learning by doing is encouraged.

As to the kind of “Ba” that exists in each stage, Socialization needs an “Originating Ba” like a face to face interaction, Externalization needs an “Interacting Ba” like a peer to peer interaction, Combination needs a “Cyber Ba” like a group to group interaction using usually information technology mediums and lastly Internalization needs an “Exercising Ba” which could be an on the site phenomenon.

Davenport and Pursac, (1998) identify ways of analyzing knowledge availability or attainment by analyzing the sources it is attained from and the method of attaining that include

**Acquisition:** buying or renting a knowledge source

**Dedicated Resources:** establishing a dedicated unit for knowledge creation

**Fusion:** bringing people together from different perspectives to work on a problem to find solution

**Adoption:** enhancing adoptive capacity of an organization by bench marking certain knowledge sources

**Networks:** where knowledge is created through informal-self-organizing networks which could latter develop into formal ones.

There have been various guidelines regarding knowledge management. Malhotra, (1998) give the following as the ground rules in trying to make the management of knowledge as effective as possible

Viewing an organization as a human community of capable of providing diverse meaning to information outputs

Encouraging diverse viewpoints

Encouraging greater proactive involvement of human imagination and creativity

Giving more recognition to tacit knowledge

Making organizational information base accessible to members who are closer to action
Related to the above is guidelines are the responsibilities of a Knowledge Management initiative which are:
- Mapping knowledge and information sources
- Training, guiding, and equipping users with knowledge access tools
- Monitoring outside information and news

A set of practical measures have also been identified which can be used in enhancing a Knowledge Management initiative of an organization (KPMG, 1998) which includes:
- Creating a Knowledge Management strategy
- Benchmarking and auditing current situations
- Developing and measuring intellectual capital
- Job and process design
- Establishment of formal and informal Knowledge Management networks
- Incentives and rewards for knowledge working

Additionally, Knowledge Management processes are necessary in enabling members of an organization acquire broad areas of personal and group abilities in performing their duties (WWW.Brint.Com). The processes include:
- Knowledge Gathering: including pulling, searching and data entry
- Knowledge Storage: including linking, indexing, and filtering
- Knowledge Communication: including sharing, collaboration, and group discussion
- Knowledge Dissemination: including pushing, publishing, and notification
- Knowledge Synthesis: including analysis, creation and contextualization

Generally, an organization in trying to create a conducive environment for the attainment, processing and sharing of knowledge must be able to develop clear policies, conduct a knowledge inventory, assign clear responsibilities and link knowledge to management processes. An organization must also give due attention timeliness, accessibility, quality, customization, and connectedness to add value to knowledge.

Harnessing a strong Knowledge Management strategy has been associated with various advantages a public sector organization could benefit from (Chase, 1998). Better efficiencies and savings associated with Knowledge Management tools of best practices of problem resolution, knowledge bases and process documentation; new opportunity attainment associated with tools of data mining and customer knowledge bases; better change and innovation associated with tools of learning facilitation and customer knowledge base; and a better human resource associated with tools of tacit knowledge capture, group ware and collaboration and learning facilitation are some of the benefits. Prevention of knowledge looses as employees leave organizations, improved decision-making, enhanced adaptability and flexibility and better customer management are also sited as benefits of Knowledge Management.

8.2.3 Learning Organizations and Organizational Learning
Associated with Knowledge Management are the concepts of Learning Organizations and Organizational Learning.

Malhotra, (1996) defines both concepts as under

**Learning Organizations**: organizations with ingrained philosophy of anticipating, reacting and responding to change.

**Organizational Learning**: the ability of organizations to gain insight and understanding from experience through experimentation, observation, analysis and willingness to examine both success and failure.

The underlying principle of both concepts is that the learning activities of individuals in an organization are directly influenced negatively or positively by the organizational learning system inherent. Organizational learning system has elements of knowledge acquisition, information distribution, information interpretation and organizational memory as constructs.

Stewart (1996) quotes Peter Singe, a famous guru in the field of learning organizational, who defines a learning organization as one where people continually expand their capacity to create the results they truly desire, where new and expansive thoughts are nurtured, where collective aspiration is set free and where people are continually learning to learn together.

Mansell and Wehn, (1998) underlies that organizational learning is about a continuous cycle of searching leading into new experiences, diffusion of experiences, and emergence of shared understanding. Acquiring of tacit knowledge and experience with underlying process of experimentation, experience reflections and conceptualizations are also important.

Chase, (1998) identifies learning as the process of acquiring and applying new information and skill. Additionally it defines a Learning Organization as one that creates and applies knowledge as one that creates and applies knowledge in practice and experience, modifying its behavior to adopt to changes by which an organization creates and applies new knowledge for continuous growth and learning in an endless cycle.

Three major influences have been identified regarding the concept of organizational learning (Stewart, 1996).

View that organizations are open systems
The theory of double loop learning which is a two way learning that questions, challenges, and changes frames of references
The view that development of core competencies through individual and organizational learning is a key factor in achieving results suggesting links with human resource development, strategic management and organizational success.

Connected to the concept of learning are the two types of learning activities that have been identified in the organizational context: Generative Learning (Double Loop Learning)
which is about continuous experimentation and feedback in an ongoing examination of organizational settings and Adoptive Learning (Single Loop Learning) which is about solving problems without examining the appropriateness of current learning behavior. Generative Learning, as mentioned above, is associated with organizational learning.

Peter Singe has identified features which explain generative learning that are important in organizational learning (Mayo and Lank, 1994; Mabey and Illeis, 1994) and (Stewart, 1996).

Personal Mastery
Mental Models- ability to formulate alternative perspectives
Shared Vision- among members of an organization
Mutual Learning – team learning and teams as key decision making forums
Systems Thinking- understanding complex interactions and casual relationships

An organization having individuals committed and having the ability to manage their development, the existence of processes and methods encouraging and supporting mutual learning, the existence of methods and processes which facilitate dissemination and sharing of learning widely, and the existence of a culture and management styles which is supportive of experimentation, risk taking, involvement and independence are some of the underlying features of a learning organization (Stewart, 1996). Additionally, a climate of encouraging members of an organization to develop their full potential and a strategy of extending a learning culture to include customers and other stakeholders are also features of a learning organization (Mabey and Ilies, 1994).

In order to achieve the benefits of the concepts of a learning organization where members of an organization are motivated in solving problems innovatively and by sharing experiences and knowledge through mutual learning, a number of success factors must be institutionalized (Mayo and Lank, 1994). The factors are

Creating a culture providing purpose, dignity and recognition
Helping leaders to lead by empowering
Ensuring organization wide understanding of organizational needs
Empowering individuals and teams achieve success through commitment, motivation and flexibility
Fostering positive involvement relations

The skill areas that are necessary for learning organizations have been identified by Chase (1998) as
Systematic problem solving
Experimentation with new approaches
Learning form personal experiences and history
Learning form the experiences of best practices and others
Transferring knowledge quickly and efficiently trough out the organization
Additionally a strategic approach to learning, participative policy making, informing and empowering organizational members to ask questions and make decisions, internal exchange of ideas and methods, award flexibility, enabling structures, a good learning climate and a policy of self-development for all are important in organizational learning (Mayo and Lank, 1994).

Organizational Learning should also, as a basic principle, amalgamate the concept of work centered learning where organizational members enhance their capability by interaction, implementation and integration of with mentors and associates the methods and systems of performing their activities. Unlike the traditional type of learning which was classroom based, individual oriented and input oriented, work centered learning or action learning concentrates on work based, team or group oriented, output oriented and action oriented ways of learning (Mabey and Ilies, 1994).

8.3 Team Working, Participation and Leadership Perspectives for the Public Sector

In the preceding parts discussing about Total Quality Management (TQM), Knowledge Management and Learning Organizations and Organizational Learning, teams have been identified as very important means of achieving results in terms of making organizations efficient, effective and result oriented. In Total Quality Management frequent use of teams as basic accountable units has been mentioned. In the part discussing generative learning and features important in organizational learning, team learning and teams as key decision forums and as parts of a mutual learning mechanism have also been mentioned.

Participation has also been touched upon to some extent in TQM in the sense that employee participation must be encouraged and must not lead to job loss. With the notion of participation and teamwork, leadership will surface as a center of discussion as both concepts are highly dependent on the kind of leadership that exists. This chapter will discuss all three concepts.

8.3.1 Team Working

Bennis and Biedeman (1997) claim that the ever-increasing technical and political complexity and trends towards globalization have made individual actions to be negligible and insufficient that collaborations and working together in groups is becoming mandatory.

Teams could be defined as a group of people or individuals collaborating with shared purpose (Mayo and Lank, 1994). Different parameters could be used in trying to identify a team and the underlying features of teamwork. Stewart, (1996) has identified three features which underlie the concept of a team as:

- Individuals aware of each other
- Existence of social interaction between members
- Existence of a common objective
Some authors on the other hand have tried to differentiate the concept of teams and the concept of groups as two different entities in their own rights. Williams (1996) notes that though groups and teams are both a collection of individuals with shared purposes, the level of dependency on members and the degree of commonality are different. Teams have high levels of dependency than groups and the degree of commonality, characterized by the level to which the goals of a team or a group overrides the goals of its individual members, is high in teams and low in groups. Williams (1996) also notes that a move from a loose federation of individuals then to collaborating working groups and lastly to close-knit teams is a journey taken in team development by increasing the level of dependency of members and the degree of commonality of objectives. Higher levels of expectations characterized by high involvement, commitment and cooperation, enhanced communication, collaborations in processes and intimacy characterized by openness are the basic elements of close-knit work teams.

The move towards team working as basic operational means has been fueled by the various advantages associated with it. The application of a greater pool of knowledge and skill to organizational issues improving the quality of solutions and improved transfer of knowledge and learning between individuals with in a team could be sited as one advantage (Mayo and Lank, 1994). Using teamwork-based strategies have also been associated with high levels of satisfaction of team members, enhanced cross functional collaborations and conflict resolution and higher plans and programs implementation rates.

On the other hand, though team based working activities are highly acclaimed to be successful in organizational effectiveness, the challenges for organization could be in developing individuals in to a team by building acceptance of individuals and getting commitment from prospective team members. Mabey and Ilies(1994) have identified the following as the types of resistances that could emanate in trying to devise a team-based working environment.

Seduction of hierarchy: where status holders could not be comfortable in working in teams with those they perceive lower in status
Knowledge Gap: where prospective members have different skills and capabilities that could lead to shame and lower participation by the ones having lower skills
Differential in personal resources like verbal and analytical skills where teams could be dominated by those most endowed in them

Team members, team leaders and top-level management should be committed to certain conditions in order to have successful teams. Mabey and Ilies(1994) mention some of the success factors including
Issuing clear objectives and agreed goals
Openness and confrontation
Support and trust
Cooperation and healthy conflict
Individual development opportunities
Balance between task and relations
Flexibility and willingness to change
Shared leadership
Participation and involvement
Shared responsibility and accountability

Especially in individual development opportunities, top management must devise strategies where team members could enhance their skills in the major areas of job skills, interaction skills, and quality and action skills. Training and skill based approaches to team members helps members in achieving job depth, job breadth and vertical leadership skills.

8.3.2 Participation

The question of participation could be viewed from the concept of Organizational Development which adheres to the principle that organizations should be formed in an ideal from irrespective of the existence of a given need or problem. Organizational Development is the systematic and long-term application of behavioral science knowledge and theory as means of improving organizations effectiveness as measured by its ability to adopt to goals, structures, cultures and styles in response to change (Stewart, 1996). Organizational Development is also associated with the improvement of internal functions of an organization where success in organizational development is dependent on improvement in employee satisfaction (Cox et al, 1994).

Participation or participatory approaches could effectively used in designing organizations achieve their purposes and become responsive to change as part of a comprehensive Organizational Development scheme.

McLagan and Nel (1995) have claimed that participation is a system of governance that requires all elements of an organization to be designed in a common direction. They also claim that the ever increasing availability of information, an enhanced technology and increasing influence of customers who are in need of quality and satisfaction and the pressures arising from complex environments and organizations necessitates adopting a participative mode of management where authoritarian and centralized governance methods become unresponsive to change.

McLagan and Nel, (1995) have identified nine basic organizational elements where participative governance could be made possible.

**Values:** deep and invisible controlling forces where participative values include consumer focus, commitment to performance, shared power, rights and responsibilities, access to information and value for learning

**Structures:** which creates the framework for values and relations where participative structures are flexible and building blocks for participative organizations are teams and value adding work streams

**Leadership:** where leadership alliances in participative organizations help in people creating, innovating, and taking courageous actions towards the fulfillment of common purposes
Management Processes: which are related to the formulation and implementation of strategy where employees in participative organization take part in strategy development, strategy communication, team development, budget and action plans development, decision making, activity reviews and performance reviews.

Information: where in participative organizations strategic information and technical information are shared by everyone, people are thought to be skilled users of information and information is used for learning rather than punishment and functional information is integrated into work.

Relationships: where relationships in participative organizations are characterized by people who are ready to change and people who are ready to blend independence and interdependence

Competencies: where abilities in core competencies of self-management, environmental understanding, critical thinking skills communication skills, mutual learning skills and flexible decision making are present

Controls: where controls in participative organizations are geared towards ensuring focused and directed actions and enabling the organization to learn adopt and change.

Pay Systems: where pay systems in participative organizations support strategies by involving members in designing pay systems.

Lastly, McLagan and Nel (1995) have identified five levels of participation or involvement where staff members, middle level managers and top managers could participate in. The level of involvement of these groups has different rates in each of the levels of involvement. The level of involvement of the staff members decreases while going through the levels while involvement of the top-level managers increases on the other hand. What must be understood here is that though involvement levels differ from one level to the other in intensity, participation a matter of principle is imperative for all levels.

Level 1. Prescribed Actions: Decisions about actions made participatorily are enforced on people and people follow procedures

Level 2. Activity Participation: People participate by influencing how the work that is part of their immediate job is done.

Level 3. Role Participation: People participate by determining what they or their teams will accomplish by setting work goals, scheduling, determining customer needs and responses to needs.

Level 4. Context Participation: people participate by moving outside their own or other teams’ activities and influence the process and structures around and beyond them.

Level 5. Vision Participation: People participate by shaping or influencing the most fundamental assumptions guiding their organizations

8.3.3 Leadership
One aspect of organizations that can have a great impact, both negative and positive, in an organization’s endeavor to achieve it results is the kind of leadership that exists. Leadership has a great impact on whether to follow a participative type of management or not, whether to follow the principles of TQM or not, whether to adopt Knowledge Management initiatives or not or to make teams the center of decision making units or not.

It should also be noted that resistance, especially from middle level managers could arise easily when trying to adopt modern management philosophies into an organization. Fears of losing control over ones' power, fear of late decision making and loss of efficiency and quality are some of the moves against team-based decision making and participatory management styles.

Morgan and Murgatroyd(1994) have for example identified some types of resistances that could emerge in trying to initiate a Total Quality Initiative in an organization. Coined “Coutrapreneurship”, which is the effective and creative use of skills and competencies to prevent changes from occurring, resistances could have three forms.

Resistance to the social and personal consequences of change: as fears of loss of promotion, loss of influence and control, skill inadequacy, and fear of complex decision making

Resistance about the nature of change to take place: assumptions that change actions are “management fads”, or assumptions of becoming wrongly responsible for problems that other caused

Resistance towards technical matters: skepticism about the scope of work to be changed, fear of loss of professional independence and fear of change tools as not best suited for needs.

With the possibility of the occurrence of such types of resistances, the top management of an organization should endeavor to communicate the values and advantages of changes so as to get full commitment of middle level managers. The middle level managers should be given assurances that no biased job losses would occur by empowering their subordinates and the development of team work would be vital for attaining organizational efficiency and effectiveness.

It is also important to clearly identify and communicate the kinds of activities and duties that are expected of managers in order to better adopt the various change-oriented initiatives into an organization. Unlike the hierarchical, authoritarian and bureaucratic types of management activities which advocates that managers think and employees do, a new paradigm thinking that accepts thinking by all form different perspectives must be developed. Form the notion that people in senior positions manage and people at the top matter, a new perspective must be developed which as a basic principle accepts that people every where self manage, everyone matters and dignity of all is honored and supported. Lastly a new perspective of considering learning and sharing as key values and people teaching each other in every way must constructively change the traditional and
authoritarian belief that knowledge is a personal power and teaching is a top-down activity (McLagan and Nel, 1995).

It is imperative to identify the new kinds of roles that are expected from leaders in organizations. Peter Singe has identified three roles which leaders or managers must exercise in a modern, non-hierarchical and participative organization. (Mabey and Illes, 1994).

**Designing:** which involves first designing of governing ideas of purposes, visions and core values. Second comes designing of policies, structures and strategies and third designing effective learning processes

**Teaching:** in getting more insightful views of the current reality by coaching, guiding and facilitating. Attention must be given to mental models of people and effects of systems thinking on people. Here the responsibility of managers or leaders should be to help members of an organization to restructure their view the environment and to analyze he causes of problems in order to see possibilities of shaping the future.

**Stewardship:** a matter of attitude that advocates the principle that managers should serve their subordinates and the larger mission and purpose that underlies an organization.

A writer named Peter Block has discussed the concept of stewardship to a greater extent. In his book “Stewardship: Choosing Service over Self-Interest”. Block has defined stewardship as the willingness to be accountable for the well being of the larger organization by operating in service rather than in control of those around leaders. He also adds that stewardship is accountability with out control and compliance. With this concept of stewardship come the core components of balance of power, involvement of every organizational member in defining the purpose and culture of an organization and balanced and equitable distribution of income (Block, 1993).

In contrast to the stewardship principle, Block (1993) has identified the wrong concept of “Patriarchy”, which expresses the belief that it is those at the top of the organization who are responsible for success for the organization and well being of its members. Patriarchy is a system where control in terms of clear lines of authority, consistency and predictability are expected of organizational members and where these are not possible in today’s world.

Nine principles have also been identified which constitute the governing principle of stewardship as

- Maximizing the choice for those closest to a work
- Reintegrating managing and doing of work
- Letting measurement and control serve the core workers
- Yielding on consistency across groups and supporting local solutions
- Giving service to core workers by giving basic structures and supporting self-direction
- Deglorification of management as a job title and demystifying the staff functions
- Ending secrecy
- Demanding a promise form top management
- Redistribution of benefit
Partnerships as basic building blocks of stewardship activities are also needed where strong exchange of purposes, right to say no by employees, joint accountability and absolute honesty are mandatory in creating sustainable partnership.

Lastly, Block (1993) has identified two basic architectural changes needed in organizations in order to foster a stewardship encouraging atmosphere.

Structures supporting stewardship where shrinking and flattering of hierarchies are important and decentralization is enhanced. Creating multifunctional units organized around customers is also important where teams are created around customers. Defining the roles of managers where the role of managers should not be the traditional planning, organizing, delegating and controlling but that of coaching training and consulting. Building effective work teams and getting support from other departments must also be the major duties of managers. Managers will be expected to perform as a banker- getting resources and brokers-obtaining support, services and customers.

In order to effectively carryout designing, teaching and stewarding roles, managers must be able to develop a set of competencies and capabilities that go hand in hand with the current moves of non-hierarchical, participative and team based organizations.

Mabey and Illeis(1994) have identified eleven types of competencies which are necessary for leaders and managers in the modern organizational setting where bureaucratic and hierarchical modes of managing are becoming outdated.

- **Information Search**: gathering information sources form different sources of decision making
- **Concept Formation**: building frameworks, models or concepts, pattern awareness and cause and effect relations
- **Conceptual Flexibility**: identifying alternative solutions and evaluating advantages and disadvantages
- **Interpersonal Search**: understanding the perspectives of other individuals
- **Managing Interactions**: building teams in which members feel valued and empowered
- **Development Orientation**: provides coaching, training and developmental resources to improve performance of others
- **Impact**: persuasion, modeling behavior and gaining support for ideas
- **Self Confidence**: stating one's own position unhesitantly
- **Presentation Abilities**: clearly presenting ideas clearly by using various tools
- **Proactive Orientation**: aggressively implements agreed plans and ideas with out delay
- **Achievement Orientation**: high regards to attaining goals by doing things better and effectively

The other method of identifying managerial competencies is by analyzing the learning needs of managers by initiating Strategic Management Development Programs (Mabey and Illeis, 1994). A total of seventeen competencies under four headings were identified that could constitute Strategic Management Development Programs;
Affective Competence
Being personally involved
Dealing with people
Being sensitive to people’s feelings
Being sensitive to values
Perceptive Competence
Gathering information
Organizing information
Symbolic Competence
Experimenting with new ideas
Creating new ways of thinking and doing
Generate alternative ways of thinking and doing
Designing experiments
Analyzing quantitative data
Testing theories and ideas
Building conceptual models
Behavioral Competencies
Seeking and exploiting opportunities
Committing oneself to objectives
Making decisions
Setting goals

8.4 Social Capital as a Key Enabler in Public Sector Management

The last concept that will be discussed in this paper is Social Capital. Though scholars and researchers with reference of the society level institutions and organizations at the macro, meso and micro levels developed the concept of Social Capital, it’s fundamental concepts and foundations could be used in public sector management effectively.

At the macro level Social Capital has been defined as the glue that holds groups and societies together, bonds of shared values, norms and institutions ( Narayan, 1999). Joseph Stiglitz, the former Chief Economist of the World Bank, defines the concept in terms of what it includes ( Dasgupta and Serageldin, 2000). For Stiglitz, Social Capital includes tacit knowledge, a collection of networks, an aggregation of reputations and organizational capital and could be interpreted in the context of organizational theory as a social means of coping with moral hazards and incentive problems.

Social Capital could also be defined as a stock created where groups, entities and organizations develop the ability to work together for mutually productive gain(Jane E. Foundation, 1997). Here, the concept refers to Features of an organization that facilitate coordination and coordination for mutual benefit Productive social ties that depend on values and objectives of actors involved
Perspective in which cooperation enhances result orientedness, information sharing leads to joint gains and the importance of reputation and trust ensure reciprocity and fair play with in a given network.

Organizationally, Dasgupta and Serageldin, (2000) have noted that Social Capital includes the organizational capital that managers have developed through their styles of management, incentives and command, hiring decisions, labor practices, systems of dispute resolution and so on.

Two interrelated phenomena have also been used to understand the concept of Social Capital (Dasgupta and Serageldin, 2000). One is the Structural Phenomenon, which is associated with various forms of social interactions, particularly rules, roles, procedures, precedent as well as networks. The second is a Cognitive Phenomenon, which is the derivation of mental processes and resulting ideas, reinforced by culture and ideology specifically norms, values and attitudes and beliefs that contribute to the creation of cooperative behavior and mutually beneficial collective action.

With the above being the major understandings on Social Capital, it is imperative to note that in endeavoring to create sustainable Social Capital in public sector organizations, initiators and managers should try to address both structural and cognitive aspects of organizations and organizational members. Institutionally, it is also important to recognize the importance of personal relations and networks in generating trust in establishing expectations and creating and enforcing norms.

Three basic components or building blocks have been identified which are necessary in forming Social Capital both in organizations and in societies (Jane E. Foundation, 1997). Trust: which is developed over time as entities and individuals gain confidence in the reality of others in sense of interactions and the key property of Social Capital rests in the degree of transferring trust as it allows actors to engage in productive collaborations. Norms: appropriate behavior develops as social and individual contact is negotiated among actors and norms of reciprocity are fundamental to productive collaborations. Norms can decrease operational costs in terms of money, energy and time spent and they also regulate behavior. Networks: which develop when an entity or an organization develops a reliable and productive communication and decision channels using appropriate means.

Supporting the above, Dasgupta and Serageldin (2000) have also identified Social Capital as having constituting elements of trust, networks and norms that can improve the efficiency of a society at the macro level, organizations at the meso level and individuals at the micro level by facilitating coordinated actions.

There are various benefits that Social Capital could bring about in the societal level that could also be applicable in organizational spheres. Collier and Gunning (1998) claim that Social Capital is the economic benefit that accrues from social interactions; the economic
benefits could rise from the building of trust, from knowledge externalities of social networks and from an enhanced capacity of collective action.

Social Capital can also, as benefits, encompass many properties of interdependence and collaboration (Jane E. Foundation, 1997). The properties of interdependence that Social capital can bring about are
Shared values, goals and objectives
Shared experiences and knowledge
Shared work, decision making and prioritization
Shared risk, accountability and trust
Shared rewards

Additionally public sector organizations could ripe the benefits of Social Capital that could be instrumental in increasing their abilities in environmental scanning resulting in timely and accurate problem recognition, greater efficiency resulting in better policy formulation, parameter formulation and solution selection and lastly greater adaptability resulting in the development of timely innovations and alignment of activities to environmental changes (Jane E. Foundation, 1997).

Lastly, a number of interventions have been identified which could be used in bringing up the level of Social Capital prevalent in a society (Narayan, 1999). Some of these interventions could be effectively used in public sector organizations in order to fully benefit from the existence of a strong Social Capital. The interventions include the development and implementation of policies and strategies that encompass better information access and distribution with appropriate infrastructure, better and inclusive participation for all members of an organization and better conflict management mechanisms.
Conclusion

As mentioned in the introductory part, the aim of this paper is to indicate conceptual and theoretical ways by which the Ethiopian Public Sector could perform its duties well.

As a concluding remark, it is vital to mention an eight-stage process that could be utilized in creating major transformational changes that were developed by John P. Kotter, a professor at the Harvard Business School. (Kotter, 1996) Though the process stages were primarily developed for businesses in the Western setting, the principles could be vital in transforming the public sector.

Establishing a sense of urgency
Creating a guiding coalition
Developing vision and strategy
Communicating the change vision
Empowering broad-based action
Generating short term wins
Consolidating gains and producing more change
Anchoring new approaches in the culture

It must be noted that the first four steps in the transformational process help in breaking outmoded and hardened status quo, steps five to seven are useful in introducing new practices and the last step is vital in changing culture and helps in making changed cultures remain stable.
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