

Reforms in public sector management: a relevant issue for the citizens of Zambia?

Tobias Mulimbika

Maastricht School of Management,
Endepolsdomein, 150, 6229 EP
Maastricht, The Netherlands

André de Waal

Maastricht School of Management,
Endepolsdomein, 150, 6229 EP
Maastricht, The Netherlands

HPO Center, Hilversum,
The Netherlands

Robert

Goedegebuure

Maastricht School of Management,
Endepolsdomein, 150, 6229 EP
Maastricht, The Netherlands

Correspondence:

Email: tmulimbika@yahoo.co.uk

Acknowledgment

The authors would like to express their sincere gratitude to the management and employees and clients of the Zambia Development Agency and Patents and Companies Registration Agency for making it possible to conduct this evidence based research into the performance of the public sector in Zambia. We also thank the editor and the reviewers for their constructive comments.

Abstract

This paper assesses the extent to which New Public Management (NPM) reforms have had an influence on the service quality delivered by public institutions in Zambia. While Zambia has taken up elements of the NPM agenda, there have, as of yet, not been studies to evaluate the relationship between the implementation of certain NPM reforms and the level of service quality as delivered by Zambian public institutions. This study focuses on the NPM reforms implementations in the Patent and Companies Registration Agency (PACRA) and the Zambia Development Agency (ZDA). These two institutions are statutory agencies of the Ministry of Commerce, Trade and Industry in Zambia. In February 2012, the NPM and Simple Service Quality Questionnaire was distributed to all managers and employees and several customers of the two statutory agencies. In addition 150 customers of each agency were interviewed. The study found that PACRA had a higher adoption of NPM than ZDA. However, both institutions were still rather low in adopting the commercialisation process and information technology, though their adoption levels were different. PACRA had a higher service level than ZDA but, interestingly, the shapes of the service level graphs was identical for the two institutions. In addition, a weak positive relationship was found between NPM and the level of service quality in these two public institutions.

Key words: NPM reforms, Agencification, Service Quality

Introduction

Since the early 1990s the Zambian Government has been implementing NPM reforms to stimulate the efficiency of the public sector and improve service delivery to Zambian citizens. However, despite these reforms the performance of government institutions has continued to fail in either quantity or quality of services as expected by tax payers. As Mulenga (2013) noted: “the abysmal state of the public sector in Zambia is no secret to the consumers”. The implementation of NPM reforms is supposed to bring about increased efficiency of the professional administration and improved service delivery by public institutions (Pendlebury and Karhai, 2002; Pollitt and Talbot, 2004; OECD, 2005). This is because NPM reforms create statutory agencies or semi-autonomous public institutions (the so-called agencification of public institutions) which bring about more flexible, responsible, customer friendly public service (Atreya and Armstrong, 2002; Pollitt *et al.*, 2005; Vinni, 2007; de Waal, 2011). This effect is supported by the fact that, as Van Thiel (2009) states, public managers in statutory agencies or semi-autonomous public institutions operate at arm's length of the government and therefore can carry out public tasks in a relatively autonomous way, thus having considerable managerial freedom.

However, as observed by Mulenga (2013), despite the NPM reforms bringing about a great deal of change in the public sector, these changes have not caused a proportional increase in the quality of service citizens were receiving from the public sector. This raises the question whether there is a relationship between the implementation of NPM reforms and

(increased) delivery of service by the institutions. To answer the question this study explores the relationship between the implementation of NPM reforms and the service quality as delivered by Statutory Agencies, to be more precise, whether elements or dimensions of NPM reforms are directly related to the quality of service provided by public agencies. The following were the specific questions for the study: What is the current level of implementation of NPM reforms? What is the opinion of the public and public institution staff on the level of service quality in public institutions? What is the relationship between NPM reforms and service quality in these public institutions? This study is unique in the sense that most of the research that has been done on the NPM reforms is on the level of adoption of the reform in public institutions in Western settings (Olufemi and David, 2010) while this study looks at the effects of NPM reforms in a developing country.

This article is structured as follows. In the next sections the NPM reforms and the case organizations, Zambia Development Agency (ZDA) and Patents and Companies Registration Agency (PACRA), are described. Subsequently the research approach and research results are given. This is followed by an analysis, and the article ends with a conclusion, theoretical and practical implications of the study, limitations of the study, and possibilities for further research.

Literature Review

New Public Management (NPM) has reached developing countries in various strands and forms but the key element has always been to redefine the role of the State. It is in this context that developing

countries have embarked on various degrees of decentralisation and corporatization of public service delivery through the establishment of executive agencies. OECD (2005) noted that NPM programs have had a devolution orientation in Ghana, Tanzania, Uganda and Zambia, with an expectation of having an extensive and profound impact on public service delivery in the medium-to-long term. All the four countries mentioned by the OECD have implemented an “agency model” in the search for options for improved public service delivery of services. The “agencification” trend in Zambia started in the mid-1990s as an element of NPM reform (GRZ, 2004). The aim of this reform was to separate the central policy functions of government from the tasks of implementation and service delivery (Fjelstad and Moore, 2008). Creation of agencies was seen as key to providing high quality services that citizens value, accompanied by increasing the autonomy of public managers, rewarding organizations and individuals on the basis of whether they met demanding performance targets, and making available the human resources and technological resources that managers need to perform well (Ehsan and Naz, 2003; Roll, 2011). However, the evidence of the degree to which agencies have been successful varies considerably. This is because agencification is influenced by three elements: structural separation, managerial autonomy, and managerial accountability (Pollitt et al., 2005). These three elements capture the essence of a successful agency, but they are not always implemented in the same level in all countries. Further, there is evidence that agencification does not necessarily lead to high performing public institutions, as Roll (2011) noted the ef-

fects of establishing semi-autonomous agencies have been patchy and sometimes contradictory. In addition, agencification has often been interpreted differently and has consequently led to inconsistencies, for example that agencification leads to '*managers of these institutions to have more discretions*' while in other cases agencification leads to '*managers of the agencies to have limited discretion*' (Bacliya, 2012). A study conducted by Sulle (2011) in Tanzania showed that most agencies, if not all, were not allowed to have their own human resources policy or strategic decisions on vital areas such as employment and salary levels for their employees. The mixed results of the reforms indicate that the creation of semi-autonomous agencies will not automatically turn public institutions into high performing organisations which deliver high quality services. Thus, according to Roll (2011), the impact of agencification in developing countries is limited. Andrew and van de Walla (2012), in an empirical study of English Local Government institutions on the effects of NPM practices on citizens' perceptions of four key dimensions of public service performance, confirmed that NPM reforms had contradicting results. They found that public-private reforms had a negative relationship on citizens' perceptions of service performance, but at the same time an entrepreneurial strategic orientation exhibited a positive (albeit weaker) effect on citizens' perceptions. Further, they found that these relationships were partly contingent upon the circumstances in which local governments operated, with externally facing practices proving likely to have fewer benefits than internally facing ones in organizations confronting more challenging socio-economic circumstances. These results

have both theoretical and practical implications for developing countries, including Zambia.

Olum (2002) conducted a critical appraisal of NPM implementations in Uganda during the period 1989-2002 and concluded that, despite the government reporting many successful reforms, Uganda remained one of the poorest countries in the world with a high debt folio, low standard of living, inefficient service delivery, poor regional distribution of services, high levels of corruption, and underdeveloped industrial and agricultural sectors. These findings are not different in the case of Zambia. The Zambian Sixth National Development Plan stated that, despite the implementation of many NPM reforms in Zambia, its public institutions were still ineffective (GRZ, 2010). This opinion is shared by de Haan (2011) who stated that results of NPM reforms in Zambia have in fact resulted in ineffective public institutions. Rosta (2011) agreed with de Haan's statement and argued that, while developed countries' literature reports numerous successes, for developing countries the introduction of NPM reforms in most cases resulted in failure. The main reasons for the failure of NPM reforms in these countries was that most times, the application was prompted by donor advocacy, did not take into account the local context, there was a lack of mature public services to begin with, and there was a lack of required pre-conditions to adapt NPM creatively and realistically (Atreya and Armstrong, 2002; Larbi, 2003; Mongkol, 2011).

A study of NPM reforms in Zambia by Michelo (2007) showed that the majority

of respondents that sought to obtain services at any of the Ministry of Education offices stated that the quality of service rendered to them was generally poor. In addition, the main complaint was that at the time they went to seek the service they were referred to other officers, were kept waiting for a long period of time, or were made to undertake several trips back to the office before they were attended to. Further, this study indicated that effectiveness in the public service did not improve as a result of the implementation of the reforms. This was because the restructuring program did not put the right people in the right positions, and thus ill-qualified people were appointed to management positions. Michelo's study confirmed the conclusion by OECD's (2005) meeting on Governance and Capacity Development held in Nairobi in 2002 that structural reforms have had little positive direct impact on the delivery of public service.

However, other researchers like Manning (1995) argue that there is so much debate about the public service reforms because these reforms are linked into a virtuous circle: more demanding citizens trigger improved service delivery, and improved service delivery encourages citizens to demand even higher service. This circle of rising expectations and rising standards in turn triggers a demand for higher public service effectiveness in broader areas of government responsibility, including economic regulatory management. In support of this theory Rosta (2011) argued that NPM reforms increase the awareness in public institutions of the service demanded by citizens.

In conclusion, in the literature only a

limited number of studies can be found into the relationship between the implementation of NPM reforms and the level of service quality delivered by the public service in Zambia. Most of the studies done in African countries, including the one by Michelo (2007), focused on the review of a variety of streams of NPM literature and its adoption by various countries but did not look at the relationship between reform programs and level of service quality. The study described in this article was intended to fill this gap in the literature and to offer new insights into ways to improve the performance of the public sector.

Theoretical Framework

The theoretical underpinning of the study is based on Roll (2011), Pollitt and Bouckaert (2004) and Ehsan and Naz (2003) who all argue that NPM reforms are meant to bring deliberate changes to the structures and processes of public sector organisations, with the objective of getting them to run better so that public service is increased. In this regard, structural changes may include merging government institutions, or creating or splitting public institutions into semi-autonomous agencies.

Public service is defined as a bundle of characteristics and features that represent a particular level of service, distinguished by policies and service infrastructure investments that enable public institutions to offer a more frequent, extensive and convenient service for citizens (Oliver; 1993). The dependent variable in this study is service quality in public institutions while the independent variable is NPM Reforms. Using these variables, the study undertakes a quantitative assess-

ment of the implementation of a range of NPM elements using Brudney, Hebert and Wright's model (Baclija, 2012) with the following indicators to measure the implementation of NPM reforms: use of information technology, human capital, re-engineering of working processes, and infrastructure & business premises (GRZ, 2004, 2005b). These themes are common in most countries undertaking NPM reforms (Hood, 1991; Hope, 2001; Atreya and Armstrong, 2002; Sarker, 2006; Berry, 2007; Fjeldstad and Moore, 2009; Rosta, 2011).

Baclija (2012) noted that a quantitative assessment of the implementation of NPM reforms is difficult, and therefore used selected indicators such as quality improvement programs, strategic planning programs and human resources management programs. Use of information technology is understood to improve management processes and thus to enhance efficiency, service quality and accountability. Human resources management is defined as the knowledge, skill and attitude of public employees. As such, it is an essential element in improving service quality. Infrastructure and business premises include customer facilities and office location. This can positively impact service quality by streamlining operations and motivating people who like to work in good conditions. It also encourages use of information technology to manage data and decision-making, as such allowing more information to be made available to the citizens. Re-engineering work processes is defined as fundamental rethinking and radical redesigning of business process to achieve improvements in service quality.

Scholars like Oliver (1993) defined service quality as a bundle of characteristics and features that represent a particular level of service, distinguished by policies and service infrastructure investment that enable the public sector to offer a more frequent, extensive or convenient service for citizens. Output quality is then defined as the actual service outcome that citizens experience.

Saunders, Philips and Thornhill (2009) argued that service quality is a function of a particular industry within which it is measured and stated that different users of a service might assign different levels of importance to the same quality dimension. In addition, the use of generic constructs to measure a particular service's quality may not provide the details necessary to define specific causes of a problem rather than just obtaining its symptoms. Generic constructs, therefore, may fail to account for the uniqueness and the realities of the specific service and how these are expressed and interpreted by the parties involved. Mori (2004) and Price Waterhouse and Coopers (2007) in their studies, noted that the determinants of service quality in the public sector were primarily found in factors such as the speed of the service, flexibility of the service, timeliness of service provision; bureaucratic requirements, professionalism and competence of staff and fair treatment of customers; and staff attitudes-friendly, polite and sympathetic to customers' needs and information about the public service.

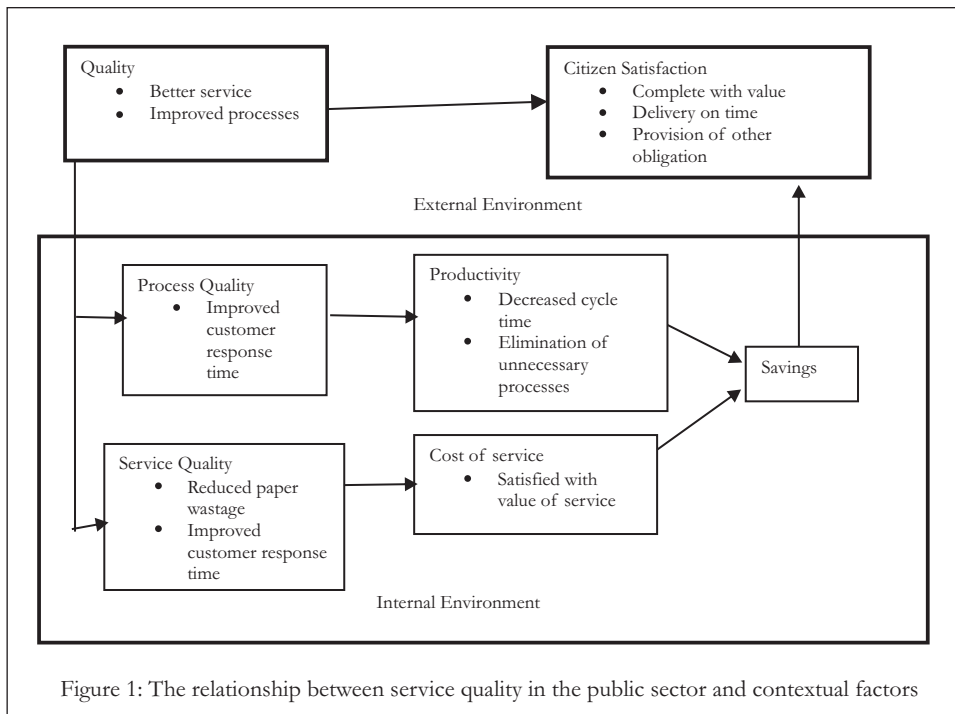
The evaluation of the quality of service in this study is based on the attributes as identified by Brewer and Selden (2001), Moynihan and Pandey (2003), and Van

Ryzin (2003). To measure service quality, in this study, modifications are made to the SERVQUAL model of Parasuraman, Zeithaml and Berry (1988). Next to this framework there are other instruments, such as the Facility Management SERVQUAL developed by Wan Yussof and Ismail (2008), which can be used to measure service quality through the mechanism of comparing customer expectations and actual perceptions of the quality of services provided by public institutions (Ojo, 2010; Parasuman *et al.*, 1993).

The performance of public organizations may be closely associated with citizens' overall views of government political attitudes (Stipak, 1977). According to Ehsan and Naz (2003), it may be difficult to keep politicians at a distance from the implementation of government programs, in so far as they may want to interfere in detail whenever they feel. Thomas (1998) acknowledges that ministers may intervene in managerial decision making when it suits their political purpose. For example, Obosi (2008) found in Kenya that there always was a compromise of expected professionalism in the delivery of public service because of political interference. Another issue about the challenges of public service delivery is the distortion in the conditions of service (Obosi, 2008). The reward system may not be commensurate with the levels of input by the civil servants. Obosi (2008) found that in Kenya the difference between the earnings of the top, the middle and lower levels was so wide that juniors who drive the civil service cannot be inspired to focus on the work to be done. The distortions in conditions of service and political concerns are outside the focus of this study.

Kettles (1997) noted that management reforms in the domain of the public sector, both in developing and developed countries, are affected by external and internal environmental factors. Kettles (1997) explained that as a government organization emphasizes and strives to improve quality, these improvements occur both at service and process levels. It is from this point that beneficial outcomes result, both within and outside the organization, that lead to increased customer and citizen satisfaction. In addition, the cost of service delivery may decrease due to efficiencies

gained in the bureaucratic processes. Within the organization, productivity increases as the internal processes become more efficient. This leads to a decrease in the cost of delivering government service and creates savings which can be used as additional resources to fund other important government obligations. Every activity in an organization is thus linked in a chain which ends at the citizen. In addition, each has its transaction which is vital to the success of the organization as shown in Figure 1.



Study Institutions

This study focused on the services provided by two agencies under the Ministry of Commerce, Trade and Industry - the Patents and Companies Registration

Agency (PACRA) and the Zambia Development Agency (ZDA) - with the goal to determine the relationship between several dimensions of the NPM reforms and the quality of service delivered by

these institutions. These particular institutions were selected because, apart from having a lot of contact with citizens and playing an increasing important role in the economy of Zambia (Tanz, 1999), they had an interesting background in regard to their formation and funding. Both ZDA and PACRA were established by Acts of Parliament and are semi-autonomous executive agencies of the Ministry of Commerce, Trade and Industry. ZDA was established in 2006 and became operational in 2007 after an amalgamation of five statutory bodies that operated independently. These institutions were the Zambia Investment Centre, the Zambia Privatization Agency, the Export Board of Zambia, the Small Enterprise Develop-

ment Board, and the Zambia Export Processing Zones Authority. PACRA was formed in 1998 as a semi-autonomous and self-financing executive agency of the Ministry and was only officially established in 2010. Therefore, PACRA operated without the necessary registration for over 12 years and most of the NPM interventions were only being implemented after the Act of Parliament was passed. At the time of the research the total number of members of staff for both institutions was 164 with 46 vacancies, giving a full establishment of 210 as shown in Table 1. The high rate of vacancies was attributed to high staff turnovers which was mainly due to lack of financial incentives available for staff.

Table 1.0: Number of Staff for each institutions

Institutions	Full Establishment	Actual
Zambia Development Agency	102	78
Patents and Companies Registration Agency	108	86
Total	210	164

Under the NPM reforms, ZDA and PACRA both undertook a number of measures such as, among others, building capacity programs to prevent administrative corruption; creating customer service centers; developing institutional websites; introducing one stop shops in different regions of the country; rationalising and simplifying the regulatory framework to minimise the start-up costs for business investment and licensing; and expansion of the ZDA and PACRA offices in provincial capitals in order to reduce the cost of doing business outside Lusaka. These interventions were intended to improve the quality of service delivery in the public sector (Government of the Republic of

Zambia, 2005).

Despite both institutions being executive agencies under the same Ministry, they were established differently and thus the analytical conclusions arising from these two cases are potentially more powerful than those coming from a single case (Yin, 2009). In addition, the two institutions have related regulatory functions; therefore, they have a pre-determined, homogenous group of customers and specific pre-defined tasks and elements that provides comparability (Kachwamba, 2013) and therefore, provide a good base for a comparative case study.

Research Method

The study employed a case study approach. Case studies are a useful tool for the preliminary, exploratory research project and also as a basis for the development of the 'more structured' tools that are necessary in surveys (Rowley, 2002). The study population consisted of the 164 employees of ZDA and PACRA. The sampling procedure employed a simple random sampling method in which 100 respondents were selected from the total number of employees. Prior consent was obtained from the management of each institution to have access to the list of employees. In total, 91 (out of 164) completed questionnaires were received which constituted a response rate of 55.49%.

The sampling procedure for clients consisted of non-random sampling using convenience sampling, i.e. clients were interviewed randomly at the time they came to request services from the institutions. This process was continued until there were no new patterns in the responses of the clients interviewed. In this way, 150 respondents were interviewed, for each institution. Although this way of working was likely to introduce a bias in the sample, this problem was deemed to be of less importance since this was an exploratory study (Saunders et al, 2009). Secondary information was collected through a review of literature on NPM reforms and service quality theories in the public sector, Zambia's public service, and strategic plans and annual reports of the study institutions. The study also applied triangulation by using more than one research method such as personal interviews and discussions with staff and clients.

The extent to which NPM reforms dimensions had been implemented in the two institutions was determined through staff's perception, using the Brudney, Herbert and Wrights model for measuring the implementation of the NPM paradigm (Bacliya, 2012). Possible answers on the state of reform were: no changes (getting a value of zero); partially implemented (getting value of one); and fully implemented (getting a value of two). For the purpose of this study, the themes of NPM reforms considered were: human resource management; use of information technology; infrastructure renovation and improving business premises; and re-engineering of work processes. Based on these themes and the scores given, an NPM index was prepared. This index was a sum of recorded values of the answers and was based on the assessment of an individual organisation NPM reform level.

In this study, service quality was measured by a comparison between employees' and managers' perception and expectation of the service provided, on a scale of 1 to 7 on the following attributes of service quality (Mori, 2004): speed of the service; flexibility of the service; timeliness of service; bureaucratic requirements; professionalism and competence of staff; fair treatment of customers; staff attitudes-friendly; polite and sympathetic to customers' needs; and information about the public service. The scoring value of these attributes was based on the interpretation of Wan Yusoff and Ismail (2008), using the formula $SQ = P | E$, where SQ is Service Quality, P = employees' and managers' Perception, and E = employees' and managers' Expectation. A Service Quality Index was formed based on the following interpretation of the scale: (a) a scale index

3.99 and below = the service is below than quality level (perception is lower than expected); a scale Index 4.00 to 4.9 = the service achieved the minimum of quality level (expectation is equivalent to perception); and a scale Index 5.00 to 7.0 = the service has achieved a good quality level (perception is higher than expectation). Measurement of the service elements was made through the determination by employees and managers of the case institutions and also by personal interviews with clients using similar questions.

Research Results

This study used reliability and validity tests to determine the quality or the goodness of data. Further, the questionnaire was pre-tested to remove redundant items and questions and to make sure that participants consistently chose the same items to represent specific dimensions. The pre-testing of the questionnaire addressed the errors concerning the understandability

of the questions, while internal consistency was tested using Cronbach's alpha, by performing factor analysis and scale purifications using SPSS. In order to generate the coefficient of internal consistency of the study model, reliability estimates were based on items variances and a single test administration.

Validity of NPM measurement

The first test for NPM measurement was KMO and Barlett's test for adequacy of the sample which was also used to measure the strength of the relationship among the variables. Statistical tests showed that the value was 0.702, which was greater than the threshold of 0.5. Cronbach's alpha values of all the items measuring NPM was 0.905 which was above the threshold of 0.7 showing that the internal consistency of NPM measure was quite satisfactory. Table 2 gives the Cronbach's Alpha values for NPM items.

Table 2: Cronbach's Alpha Values for the NPM Items

Item	Cronbach's Alpha
Human Capital Management	0.709
Information Technology	0.773
Property Management	0.785
Work process	0.801
Commercialization and Legal Reforms	0.743

The variables for measuring the NPM were inter-correlated and the added value of dropping the variables with the lowest values of item-total correlation was minimal. There was also a small difference between the highest and the lowest standard deviation, which was 0.451 minus 0.363 giving a difference of 0.088. The inter-item correlation matrix showed that the largest correlation co-efficient occurred between Work Processes and Property

Management (i.e. $r = 0.736$) while the lowest correlation co-efficient occurred between Information Technology and Human Capital Management (i.e. $r = 0.196$). The corrected item-total correlation ranged from $r = 0.435$ to 0.748. The item-total correlation matrix showed that all items were correlated with an overall score from the scale. If any of the values of the items is above 0.3 then it means that the particular item does correlate with the

scale overall (Norusis, 2002). All items had item-total correlations above 0.3 with the highest correlation being 0.748, which occurred between the score on Work Processes and the sum of scores of Human Capital Management, Information Technology (IT), Property Management and Privatization and Legal Reforms.

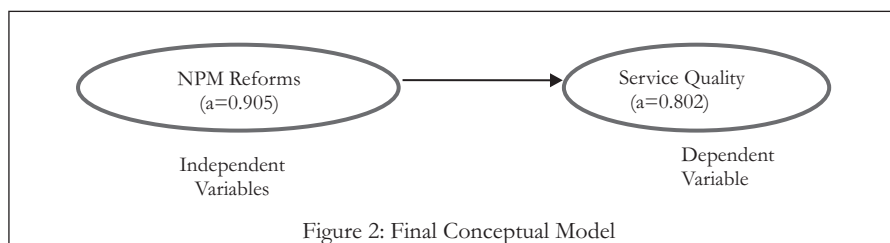
Validity of Service Quality measurement

The statistical inter-item correlation matrix showed that the largest correlation coefficient was 0.772 and this occurred between the Speed and Flexibility of Service. Cronbach's alpha was 0.802 indicating that the 5-item scale was quite reliable. The standardized items alpha was 0.805, which indicated that the items in the scale did not have widely differing variances. The results of the item-total matrix also showed that dropping any of the items from the scale would not lead to a signifi-

cant change in the value of Cronbach's alpha. All variables had values above 0.7, however, the Speed and Flexibility of Service Provision had stronger relationships with other items of the scale. Further, summary item statistics showed that the items in the scale had fairly comparable variances. The research results also showed an average score for the scale of 26.40 with a standard deviation of 5.280. The average score for inter-item correlation was 0.453, with a range of 1.019. The average of the inter-item variances was 0.978, with a minimum of 1.555 and a maximum of 2.903.

Model reliability

All variables had Cronbach's alpha values of 0.7 and above. This is within the acceptable standard of reliability score of 7.0 (Nully and Bernstein, 1994). The final model and scales for the research are shown in Figure 2 below.



Current levels of NPM implementation in the institutions

The average scores on each scale item were used to compute the level of implementation of NPM reforms. The graphs in Figure 3 show that both institutions had partially implemented the NPM Reforms. The lowest scores were in Property Management (1.4) and Privatisation and Legal Reforms (1.3) for PACRA, and Information Technology (1.1) for ZDA. PACRA had the highest score

(1.6) in Human Capital, Information Technology and Work Processes and ZDA had the highest score (1.4) in Human Capital and Property Management. Areas for improving the implementation of NPM included Property Management and Privatisation and Legal Reforms, while ZDA needed to improve in all the areas on the scale, but mainly in Information Technology and Privatisation and Legal Reforms.

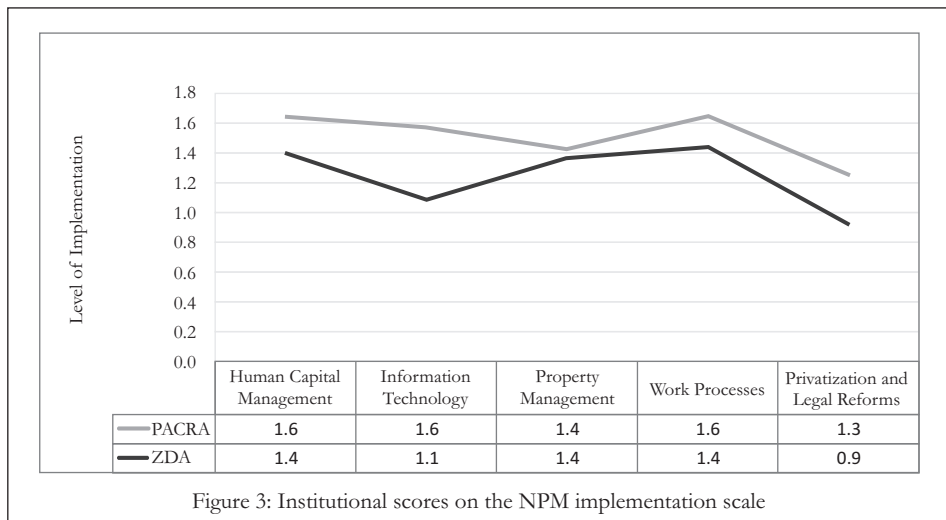


Figure 3: Institutional scores on the NPM implementation scale

Further probing the lower scores for ZDA revealed that this institution did not have latest Information Technology system to speed-up working processes, the Information Technology system available did not enable the institution to deal with customers in a flexible time, and the website was not attractive. In the area of Privatisation and Legal Reforms, employees and managers felt that the institution did not have the capacity to deal successfully with the implementation of the reforms. Furthermore, ZDA did not have adequate laws and enforcement mechanisms to manage the reforms. PACRA scored its lowest value on the scale in Privatisation and Legal Reforms and Property Management. The employees and managers of PACRA felt that the institution did not have adequate laws and enforcement mechanism to support the privatisation. In addition, the business area, office space layout and parking lot were not sufficient enough to

accommodate the number of customers seeking the services from PACRA.

Level of service quality from staff's perception

Employees and managers from both institutions believed that they had achieved at least the minimum required quality of service. However, employees and managers from PACRA believed that their services had achieved quite a good quality level, while those from ZDA believed that their services were not good enough in the area of bureaucratic requirements. Figure 4 shows the comparative level of service in the two institutions. The minimum level of good quality was seven (7.0) (see Wan Yusoff and Ismail, 2008). The study brings out an interesting similarity in the trends of the level of service quality from the staff perception by the two institutions.

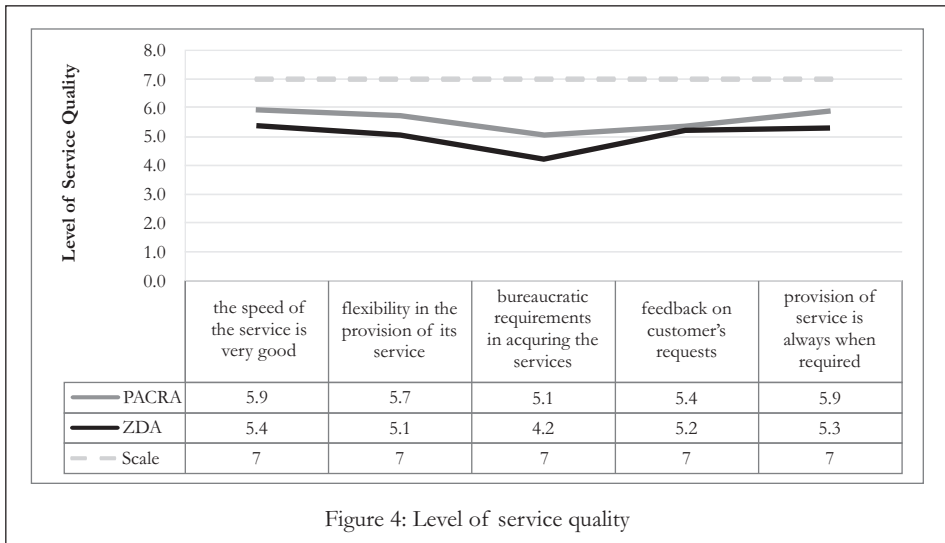


Figure 4: Level of service quality

Level of service quality from clients' perception

The responses of employees and managers of both institutions were verified by conducting interviews with clients of the institutions, by asking these similar questions on quality levels as posed to the staff of ZDA and PACRA. The questions for customers included topics such as: to what

extent the organizations met the needs of the clients, whether the customers received enough support from the organization, a description of services in terms of speed flexibility, and feedback on requests. A total of 300 clients were interviewed, 150 interviewees for each institution. Figure 5 shows the clients' opinion on the level of service in the two institutions.

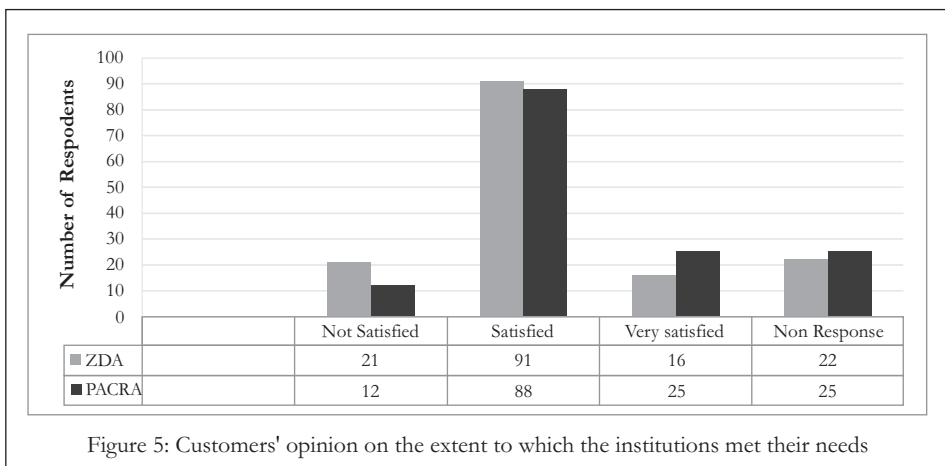


Figure 5: Customers' opinion on the extent to which the institutions met their needs

Figure 5 shows that from the 150 respondents only 16 were very satisfied with the extent to which ZDA met their needs, compared with 25 for PACRA. In both institutions 60 percent of the interviewees were satisfied with the service level. However, 14 percent of the respondents were not satisfied at all with the service level at ZDA, compared to 10 percent of the respondents of PACRA. It was noted from the study that, although respondents were particularly happy with business licenses and the free consultation they received from the ZDA, they were not happy with the time it took to have their investment licenses approved. For example, one of the respondents commented: *“I applied for an investment license in June 2013, but up to now it's not yet out”*, meaning that from June 2013 to December 2013 when the interviews were conducted, that person had not yet received the investment license. In the case of PACRA, respondents noted that improvement in technology had helped PACRA to attend to its clients in a quicker and more efficient manner. Respondents were also happy with the service and customer service care PACRA was providing.

Nevertheless, other respondents felt that sometimes they were not given enough information about the time it would take to receive specific services. In general, the respondents were not happy with the two institutions' online services and also the fact that the institutions did not have offices in all provincial centers. They recommended that the two institutions consider opening up more outlets in the provinces and carry out more sensitisation workshops.

The study also found that the majority of the respondents (75 percent) were happy with the speed of service provision from both institutions, despite over 15 percent not happy at all with the speed of service from ZDA and 4 percent with PACRA. The main complaint regarding ZDA was that the committee that approved licenses took generally too long to approve the licenses. On the other hand, respondents were happy that PACRA was now able to register a company within 48 hours. Figure 6 shows the opinion of the respondents on the speed of service received from the two institutions.

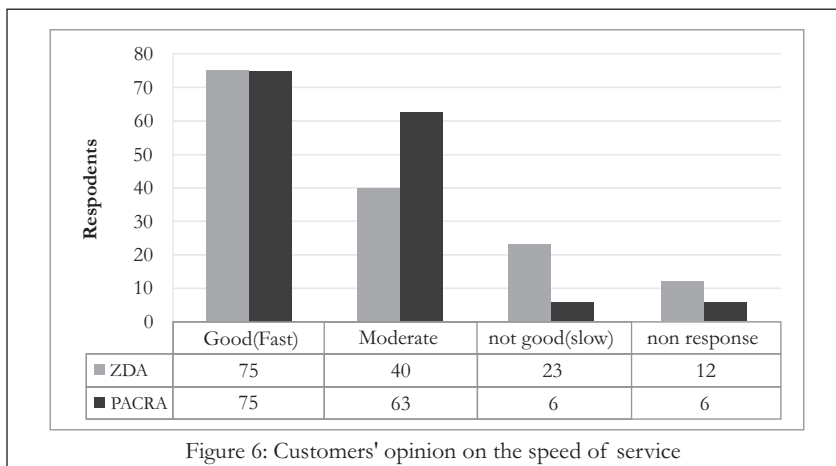


Figure 6: Customers' opinion on the speed of service

Figure 7 shows the opinion of interviewees on the flexibility of service delivery. Over 50 percent of them were very happy with the flexibility of the service from

PARCA, compared with 15 percent of the respondents who were very happy with the flexibility of service from ZDA.

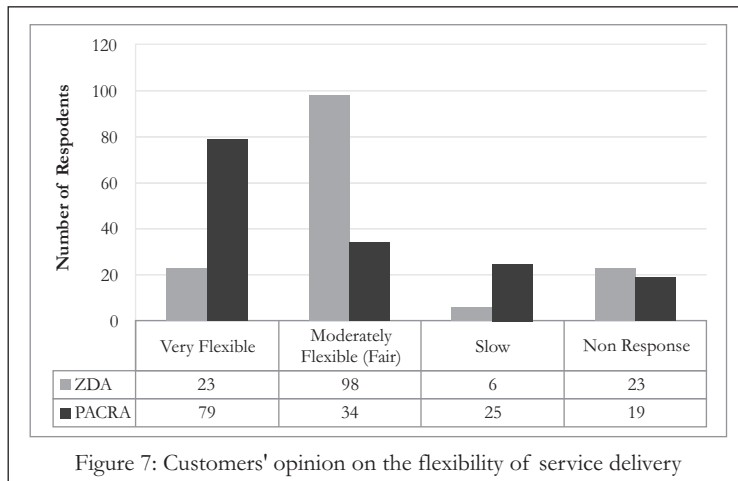
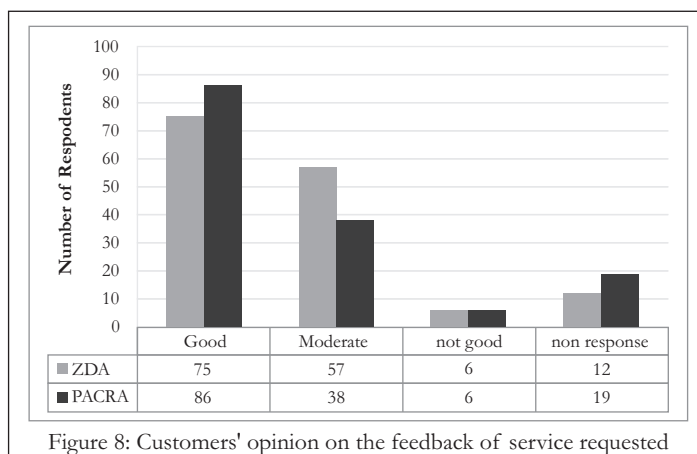


Figure 8 shows the opinion of respondents on the provision of feedback on service requested. Most of them described the services offered by both ZDA and PACRA, in terms of the requirements in acquiring the services, as quite fair and not complicated. The majority were happy with the feedback they received on their

requests. It was interesting to hear a number of respondents comment: “*I always get the service as requested for*”. However it was felt that more could be done to make it more easier for the youth to access services from the institutions, so that they could be encouraged to take part in national development.



Relationship between NPM Reforms and the level of Service Quality

Since the measurement scale was nominal for both the adoption of NPM reforms and the level of service quality, this study used a non-parametric measurement test.

Further, the Kurtosis was markedly away from normality. Therefore, the best test was the equivalent non-parametric test. Table 4 shows the relationship between the adoption of NPM reforms and level of service quality.

Table 4: The Relationship between adoption of NPM reforms and level of service quality

		Level of Service Quality	
Spearman's rho	Level of implementation of New Public Reforms	Correlation Coefficient	.374**
		Sig. (2-tailed)	.000
		N	87

** Correlation is significant at the 0.01 level (2-tailed)

Table 4 shows a weak positive relationship between the adoption of NPM reforms and the level of service quality in the two public institutions ($P = 0.374$, $p < 0.01$). This means that in the opinion of the respondents the level of adoption of NPM reforms had some impact on the level of service quality they obtained from the two public institutions. The positive correlation shows that the higher the level of adoption of NPM reforms in principle, the higher the level of service quality received. However, it is important to note that the performance of public institutions in general is associated with many other factors, such as political attitude and distortion of conditions of service (Ehsan and Naz, 2003; Obosi, 2008).

Conclusions, Implications And Further Research

Few studies have been conducted so far to assess the effect of NPM on the level of service delivery in public institutions in developing countries. This research gap led to the key research questions addressed in this study: What is the current level of implementation of NPM

reforms? What is the opinion of the public and the staff on the level of service quality in public institutions? What is the relationship between NPM reforms and service quality in these public institutions?" Based on the survey conducted among staff and interviews held with customers of the two governmental institutions, several conclusions have been made on the relationship between NPM reforms and the level of service quality in public institutions. Firstly, the adoption of NPM reforms differs between the two institutions. The study found that PACRA had a higher adoption rate on all dimensions of NPM compared to ZDA. Therefore, PACRA had a higher level of service compared with ZDA. However, both institutions were still comparatively low in adopting the Commercialisation & Privatisation Process and Information Technology. Secondly, there was a weak positive relationship between NPM and the level of service quality in the public institutions. As such, the question in the title of this article, "Reforms in public sector management: a relevant issue for the citizens of Zambia?", can be answered

in the affirmative as reforms do bring with it advantages for citizens.

The implication of these research results is that, creation of agencies as one of the activities in NPM reforms, to some extent, improves the level of service quality in public institutions. Therefore, the study results support the argument of Ehsan and Naz (2003) and Roll (2011) that this would be the case. However, the weak relationship between NPM reforms and service quality also support the argument that the creation of semi-autonomous agen-

cies will not automatically turn public institutions into high performing organisations which deliver world-class quality service. Future research should test the model used in this research, using dimensions of segregation of functions. Similarly, future research could also consider using a more comprehensive SERVQUAL model for measuring service quality. In addition, this research should be replicated in governmental agencies in other developing countries to test whether there are similar outcomes.

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Appendix 1: Status of the implementation of NPM Reforms at both institutions

Description of elements of NPM	ZDA	PACRA
Human Resources Management		
Staff understands the working procedure well while dealing with customers	1	2
The staff is professional in doing their job	2	2
Staff responds to customer problems effectively and efficiently	1	2
The coordination among the staff is good	1	2
The coordination with other institutions is good	1	2
Information Communication and Technology		
The institution has a good and attractive website	1	2
There is a system that secures confidential documents	1	2
The institution uses the latest technology for providing services to customers	1	2
The institution's website is up-to-date	1	1
The institution uses the newest IT systems to speed up working processes	1	2
The institution has an IT system that enables it to deal flexibly with customers	1	2
Physical Infrastructure and Property Management		
The offices of the institution are located in an for the public easily accessible location	2	2
The landscape surrounding the institution is attractive	1	1
Facilities provided by the institution are customer friendly	1	2
The customer service centre layout of the institution is good	1	2
Public premises are in good maintenance	1	1
The office space layout of the institution is attractive	1	1
Public washrooms and toilets of the institution are clean	1	1
The business area and parking lots of the institution are sufficient	1	1
Engineering of business and work processes		
The business processes of the institution are designed to achieve improved service quality	1	2
The client charter is well displayed in the institution	2	2
The application procedures and processes are very simple to understand	2	2
The culture and management systems of the institution are good	1	2
The procedures and processes allow the institution to provide services according to citizen's needs	1	2
The institution implements those services as promised in the client charter	0	0
Commercialization and Privatization		
The institution enforces laws and procedures effectively	1	2
The institution is fully privatized or commercialized	1	1
There is an adequate infrastructure to support commercialization of the institution	1	1
The institution built adequate capacity to be able to successfully implement the reforms	1	1
The institution developed adequate laws and enforcement mechanisms to manage the reforms	1	1

Note: 0 = not implemented, 1 = partially implemented, 2 = fully implemented

Appendix 2: Level of service quality in PACRA and ZDA

Name of the Organisation		No. of respondents	Mean Score
The speed of the service is very good	PACRA	41	5.93
	ZDA	50	5.38
Flexibility in the provision of its service	PACRA	41	5.80
	ZDA	50	5.06
Bureaucratic requirements in acquiring the services	PACRA	41	5.20
	ZDA	50	4.24
Feedback on customer's requests	PACRA	41	5.49
	ZDA	50	5.22
Provision of service is always when required	PACRA	41	6.00
	ZDA	50	5.32
