A CRITICAL REVIEW OF LITERATURE ON INFLUENCE OF GOOD GOVERNANCE ON SERVICE QUALITY

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Abstract

The concept of governance has been in the management and development discourse for over two decades now, having entered common usage during the 1990s. Governance is a very broad concept, and operates at every level of society. Although naturally governance is usually identified with the mechanisms that governments use to formulate, implement, monitor, evaluate their public policies, and interact with other political actors, the fact is that it is a very elusive, if not an ambiguous, concept. The concept of “good governance,” has recently emerged as a key concept in the governance debate. Focus has recently shifted from just “governance”, to “good governance”. Key elements of good governance include accountability, transparency and ethics and integrity. This paper critically reviews studies conducted on the subject with regard to its influence on service quality, finding existing gaps in the literature. The SERVQUAL model developed by Parasuraman and Zeithml (1993) has been the predominant instrument used to measure consumers’ perceptions of service quality. It is based on the premise that customers can evaluate a firm’s service quality by comparing their perceptions of its service with their own expectations. It is evident from the reviewed literature that quite a lot has been researched about accountability and transparency vis aviz their contribution to improving service quality in various sectors of the global economy including education, with majority reporting positive outcomes. In some instances, results have nonetheless been mixed. A lot more however still needs to be done about the element of ethics and integrity. Few studies seem to have focused on this element and hardly any has researched it in relation to higher learning. Generally, the review finds a conspicuous scarcity in studies that have attempted to assess the influence of ‘good governance’ on quality of university education.

Keywords: Governance, Good governance, Service quality

1.0 Background to the Study

The concept of governance is not new. It has been in the management and development discourse for about two decades now, having entered common usage during the 1990s. Governance is a very broad concept, and operates at every level, such as household, village, municipality, nation, region or globe (Nzongola-Ntalaja 2002). It was coined for the first time in the 1989 World Bank Report on Sub-Saharan Africa, which characterized the crisis in the region as a "crisis of governance," including rampant corruption and resistance to reforms by donor recipient governments, rendering the provision of aid ineffective.
In the report, the concept referred mainly to financial accountability of governments. A new approach was consequently initiated according to which regimes of questionable legitimacy and government practices would no longer be supported, and eligibility for support was now made conditional upon institutional reforms by potential recipient states as well as upon the manner in which they conducted their public affairs.

The United Nations Development Programme (UNDP) later conceptualized the term to mean the exercise of political, economic and administrative authority to manage a country’s affairs at all levels and it comprises mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, fulfill their obligations and accommodate their differences (UNDP, 1997). The donor institutions had developed perception that financial or technical assistance would not be put to good use by recipients until such concepts as transparency and accountability, due process, probity and efficiency were institutionalized in the systems of governments of the recipient countries.

Although naturally governance is usually identified with the mechanisms that governments use to formulate, implement, monitor and evaluate their public policies, the interactions with other political actors in so doing and the resulting dynamics, the fact is that it is a very elusive, if not an ambiguous, concept. There is an array of definitions of the concept of governance, which is in itself an indication of its elusiveness. According to the Oxford English Dictionary, Governance is “the manner in which something is governed or regulated, method of management and system of regulations”. But beyond this generic approach, there seems to be no widely accepted definition internationally (Bevir & Hall, 2011). For example the World Bank Development Committee views governance to refer to the manner in which public officials and institutions acquire and exercise the authority to shape public policy and provide public goods and services.

The United States Agency for International Development (USAID) views governance as a concept that includes the capacity of the state, the commitment to the public good, the rule of law, the degree of transparency and accountability, the level of popular participation, and the stock of social capital. Reviews of literature generally conclude that the term “governance” is used in a variety of ways and has a variety of meanings (Dervin & Zajda, 2014). Due to the inherent diversity in national traditions and public cultures, a number of definitions have so emerged.

The Millennium Summit General Assembly of the United Nations Conference for the Declaration of Millennium Development Goals in September, 2000 brought to the fore a new transcend concept of governance; “good governance”. Focus has thus recently shifted from just “governance”, to “good governance which has emerged as a key concept in public management debate”. This shift implies an additional normative dimension pertaining to the quality of governance (Grindle, 2004).

Good governance means different things to different organizations, not to mention to different actors within these organizations too. Despite this huge challenge in understanding, recent policy statements from bilateral and multilateral donors stress the importance of good governance, both as a desirable end or component part of development itself, and as a means through which to achieve greater economic growth which will in turn contribute to development. This position is well captured in a 2007 governance publication from Department for International Development. The DFID report states that;

“Without ‘good’, or at least ‘good enough’ governance the fight against poverty cannot be won. Whether states are effective or not – whether they are capable of preventing violent conflict, fulfilling human rights obligations, helping business grow, and delivering essential public services to their citizens, governance is the single most important factor that determines whether or not successful development takes place” (DFID 2007).
The role of good governance as a major element of growth has attracted a great deal of attention in recent years (De La Croix & Delavallade, 2009). The United Nations considered “good” governance as an essential component of the Millennium Development Goals (MDGs) now Sustainable Development Goals (SDGs), because ‘good governance’ establishes a framework for fighting poverty, inequality, and many of humanity’s other shortcomings. In sum, the agitation and promotion of the good governance agenda is a response to the argument that political and social underdevelopment as represented by states that are ineffective and unaccountable, is ‘a major cause of poverty and ill-being for many of the world’s poorer people’ (Moore 2001).

Different international and regional organizations including the United Nations Development Program (UNDP), Organization for Economic Co-operation and Development(OECD), United States Agency for International Development, Commission on Global Governance, The Institute of Internal Auditors among others have identified participation, rule of law, transparency, responsiveness, consensus orientation, equity and equality, gender balance, predictability, integrity and ethics, strategic vision, accountability, effectiveness and efficiency, as the core elements and principles upon which the realization of “good governance” is appended (Hooge, E., Burns ,T & Wilkoszewski , H, 2012).

According to Saxena, (2006) determination of the quality of service is based on comparison between the customers’ expectations and the current or existing performance. A business with high service quality will meet customer needs while remaining economically competitive. The quality service goals may be achieved by understanding and improving operational processes; identifying problems quickly and systematically; establishing valid and reliable service performance measures and measuring customer satisfaction and other performance outcomes.

The SERVQUAL model developed by Parasuraman and Zeithml (1993) has been the predominant instrument used to measure consumers’ perceptions of service quality. It is based on the premise that customers can evaluate a firm’s service quality by comparing their perceptions of its service with their own expectations. SERVQUAL is seen as a generic measurement tool that can be applied across a broad spectrum of service providers in both public and private sectors (Gronroos, 1982)

Lovelock and Wirtz (2004) are of the opinion that organizations that are committed to delivering quality services place customers over and above anything else in the organization. They believe in encouraging customers to give feedback and listening to it. From the feedback they are able to learn and understand more about customers’ expectations and problems.

2.0 Review of Literature

The concept of good governance has attracted significant attention from management practitioners as well as scholars in the recent past due to its potential to improve service quality and delivery. Most of the available literature on the subject has focused on assessing implementation outcomes of various key elements of ‘good governance’ in operational systems of organizations including accountability, transparency and ethics and integrity.

2.1 Empirical Literature

Sifuna (1998) in a study on governance of Kenyan public universities sought to examine issues in decision-making that contributed to the rapid expansion of public universities in the last one decade in Kenya and assess some effects of politicized university governance. Descriptive analysis of research data revealed that the overall consequences of politicized university governance had been unplanned growth of university education.
without commensurate rise in the level of funding, leading to a sharp decline in quality of education, and diminished democratization of decision-making within the university management.

In the study, the researcher views governance in Kenyan public universities from a disadvantaged point, overemphasizing “bad governance” practices that took place at the time. The study should have also discussed some “good governance” practices that existed in the universities at the time to allow for comparative analysis of the governance situation in Kenyan public universities at the time. Furthermore, the study ought to have brought out the feelings and opinion of the learners to enrich discussions since they are the direct consumers of academic services for which universities are primarily established.

In 2006, the World Bank through the Norwegian- Finnish Trust Fund for Environmentally and Socially Sustainable Development (TFESSD) supported the development of a comprehensive social accountability strategy in Madagascar. The strategy used Community Scorecards in the health sector and participatory budgeting in local governments, focusing initially on eight primary health centers in the Anosy region. An evaluation of the impact of the strategy revealed that the scorecards led to a 10% increase in consumer satisfaction with health services (from 39% to 49%) in 4 months. Regularity of salary payments, interactions between users, health staff and village administrators and small health infrastructure also improved. In the participatory budgeting exercise, the strategy report reveals that the city of Antananarivo agreed to allocate 20% of its investment budget to participatory local budgeting, budget monitoring processes, and budget publication. Being an impact assessment study, a longer assessment period more than four months would have given the study findings more reliability index among the users of such information.

In Brazil, Rezende (2007) assessed the effects of an accountability system in the Brazilian education sector; The National Examination of Courses (ENC) policy introduced by the Ministry of Education in the Brazilian college market. Under this policy, students sat an annual mandatory exam—the ENC, and for each discipline, colleges, which included universities were assigned a grade that depended on the scores of their students on the ENC. Those grades were then disclosed to the public, giving the applicants information about college quality. Rewards and penalties were also introduced based on the colleges’ grades.

Driven by among other objectives to establish the effect of ENC (National Examination of Courses) on different measures of college quality and to measure the impact of the ENC grades on student competition for college admissions, college size and enrollment, the study found a positive and a statistically significant effect of the ENC on Brazilian college market. The policy was further reported to have improved college quality by increasing the percentage of faculty members with Ph.D. degrees and the proportion of full-time faculty.

The ratio of applicants to college vacancies was also found to have increased in addition to increased college competitiveness. Taking into account college capacity in terms of resources would be essential in enhancing in-depth analysis and discussions on the real efficacy of the accountability system in Brazilian college market. For example resource availability has been reported by other studies to be useful in provision of quality services. The study, however, falls short of demonstrating the probable intervening effect of college resources in determining their service quality.

In Uganda, Björkman, Martina and Svensson (2008) carried out a study to determine the impact of social accountability on the quality of public health services in 25 randomly selected rural communities where local NGOs organized meetings of residents and health service providers on the quality of care in public clinics. Quality of care at the community’s dispensary and health outcomes in its catchment area had been measured previously through user surveys and information compiled into citizen report cards which compared user
satisfaction and health outcomes to neighboring areas using easy-to-understand graphic tools to display complex statistical information.

The report cards provided the basis for an informed dialogue with community members, and between community members and health workers. In another 25 randomly selected control communities, no such discussion took place. The study found that in the communities where the meetings were held, absenteeism by providers decreased and the quality of service (measured by wait time, quality of care, and cleanliness of facilities) improved.

Ultimately, immunization rates rose and child mortality rates fell by 33%. This corresponded to averting 20 child deaths per dispensary per year programme and turned out a highly cost-effective way to do so. Their findings agreed with those of a study in Canada by Kirsch (2013) which reported that accountability improved both organizational behavior and did not result in significant increase in cost and that where the costs did increase, the benefits of accountability exceeded such costs.

In justifying the cost effectiveness of the social accountability programme, the study has based its conclusions on financial costs. It is however revealed in the study that meetings with community members and health providers were held. This implies additional dimensions of the programme cost including time spent in meetings and other economic and social benefits foregone by participating in meetings for community members and health providers. The study thus ought to have demonstrated how these issues were incorporated in determination of the overall programme cost.

Dowie (2009) reported flawed policing among police officers who demonstrated lack of ethical and integrity values in the Hong Kong police force. Hong Kong police force has therefore strived to embed ethics and police integrity as core policing philosophies throughout the entire structure of the force. All police officers are also encouraged to report any suspected malpractice and corruption involving their colleagues thereby promoting some level of conformance among officers. Mathenge (2014) also found a significant positive relationship between corruption and ethics in the Kenya police force in a study of measuring corruption and integrity in the Kenyan police force from an ethical perspective. These findings are supported by that of Adebayo (2005). He studied the ethical attitudes and pro-social behavior in the Nigerian police service and reported an opposite relationship between unethical attitudes and pro-social behavior among police officers. The study further reported that police officers who were identified as demonstrating unethical behavior also provided poor policing services to the public and therefore received less public recognition.

Both studies seem to suggest and assume that police officers will refrain from unethical behaviors and attitudes that compromise service quality such as corruption without creating an accountability framework that will enforce positive behavior among the officers. Embedding ethics and integrity in the police service structure alone and encouraging officers to report colleagues may not necessarily translate to enforceability. An accountability system need to be in place and therefore the studies could have had more enriching findings and recommendations by extending discussions to modalities of establishing and implementing accountability systems for the two police forces. Rockoff & Turner (2010) contend that instituting an accountability system puts pressure on target actors to behave in conforming manner with standardized expectations.

A study by Joshi (2010) to assess the impact of various transparency and accountability initiatives (TAIs) in different settings including Community Score Cards, Public Hearings and Social Audits, Community Monitoring, Citizen Report Cards, Complaints Mechanisms and Public Expenditure Tracking Surveys on service delivery and quality found that the various TAIs had been effective in their immediate goals, and that there existed strong evidence of their impact on improving the quality of public services in a range of cases. In
a few instances the results has been mixed though. Providing a comparative impact analysis of the various TAI would empower users of the study findings to understand more carefully the efficacy of each initiative in promoting service quality and improve decision making about the many available TAI alternatives.

Park & Blenkinsopp (2011) in a survey research seeking to establish the roles played by transparency and trust in the relationship between governmental corruption and citizen satisfaction with public services in Yeongdeungpo, Seoul, assessed the effectiveness of a transparency system after three years of its implementation—the OK System established by the local government of Seoul to check governmental corruption and improving citizen satisfaction with public services.

The OK was an ICT system established in 2006 to be used in public works construction services which hitherto been criticized as being the most corrupt in the public sector in Seoul. The system allowed public officers in charge of construction services to interact with private contractors, and with residents to monitor the entire process from public project planning to completion in real-time via the internet. By visiting the municipality’s website, a contractor or resident is guided by a menu of options and could get full details of project status, technical administration, contract, construction, defect management and relevant documents among many more.

Residents could also directly observe all the processes of constructing roads, bridges and parks among other public works through a web camera established on construction sites and could also participate in the construction process as supervisors to observe public work services and provide their opinions. This significantly increased transparency was anticipated, would increase public trust in construction services, and in turn, enhance citizen satisfaction with the services. The survey results revealed that transparency and trust played substantial roles, as moderator and mediator respectively, in curtailing corruption and enhancing citizen satisfaction with public services. This is an indication that the degree of transparency implemented through the OK system had improved the quality of services provided by the public works construction staff after its implementation.

Some studies elsewhere have, nonetheless, shown that when a government or an organization enjoys high levels of trust from members or citizens, increasing transparency may to the contrary reduce trust. Trust is also a product of accountability and ethics and integrity in delivery of public services. The study should have explored the contributions of these two elements of good governance and how they complement the principle of transparency to generate trust and subsequently satisfaction with public services. (Heald, 2006) for example says that transparency has an affirmative influence on trust and accountability. Holzner and Holzner (2006) also observed that transparency is associated with the values of accountability, since it permits citizens to monitor the quality of public services and encourages public employees to satisfy the citizens in the long run.

A study by Chigwende, Mukuze & Musasa (2014) in Zimbabwe on The Impact of Transparency and Accountability on Service Delivery while doing an analysis of Municipalities of Zimbabwe reported that respondents perceived lack of transparency and accountability among other factors as also contributing to the reasons why citizens were not knowledgeable of what was happening and why certain decisions were made by municipality officials resulting in increased resistance in paying their taxes and bills. Results suggested that a positive correlation between transparency, accountability and service delivery existed with Pearson correlation coefficient \( r = 0.517 \).

The study consequently recommended that municipalities should use websites to educate municipality residents and the municipal officials so that they knew the importance of accountability and transparency. This recommendation however seems to suggest that Municipality residents are largely technologically literate,
which may not be true. Educating residents on the importance of transparency and accountability through websites is therefore not likely to lead to positive outcomes for the Municipalities. Using public meetings and other pragmatic engagement initiatives would perhaps generate quicker and more effective results in creating resident awareness. The researcher nonetheless observe that transparency as such, affects citizen commitment towards national responsibilities and duties. Makanyeza, Kwandayi & Nyaboke (2013) had also concluded in a study conducted in Kajiado County Council, Kenya to assess the strategies to improve service delivery in local authorities that lack of transparency and accountability were among major causes of poor service quality and delivery in local authorities.

Mathenge (2014) in an empirical study to measuring corruption and integrity in Kenyan Police Agency focused on an ethical perspective to understanding corruption and policing in Kenya. The study sought to assess the existing relationship between ethics and corruption in the Kenyan Police Agency and the study revealed among others that there is a significant relationship between ethics and corruption in the Kenyan police Agency. Corruption has been identified as a practice that has increasingly compromised the quality of service offered by not only the police agency but also other public agencies in Kenya. For example, the Kenya Anti-Corruption Commission (2010) reports that corruption has substantially compromised public service delivery in the health sector as health care fraud, conflict of interest and other malpractices take root.

Two critical questions however remain to be addressed in the study. Firstly, the study has left out an important group of respondents in measuring perceptions about corruption in the Kenyan police agency and how it affects quality of service -members of the public who are the primary beneficiaries of policing services. Measuring the feelings, attitudes and perceptions of the members of the Kenyan public would augment robustness of the research findings. Secondly, an important aspect in enhancing ethics in any setting is creating accountability mechanisms that work to enforce behavior. The study has however fallen short of mentioning any aspects of accountability in the process of inculcating ethics in the Kenyan police agency as a way of curtailing corruption in the agency despite having recommended the need to entrench ethics and integrity in the administration of policing services in the country.

In the United States of America, Mitchell (2014) conducted an exploratory study of priority based budgeting focused on identification of public values and public priorities through citizen engagement in government budgeting decisions. Guided by two objectives; to understand the meaning of Priority Based Budgeting (PBB) process and to establish how Priority Based Budgeting process is used by local government leaders to engage citizens, the researcher conducted twenty in-depth interviews with government officials, PBB experts and PBB practicing communities including non-government organizations and document reviews and analysis.

The study found that Priority Based Budgeting (PBB) is a tool for engaging citizens in a strategic planning process that builds the social value of government entities by increasing access, inclusion, transparency, trust, respect, and accountability. Of interest in the study is the Value Based Budgeting Framework proposed by the study as a model for entrenching PBB in governments. This framework however fails to provide any roadmap on how governments may enhance transparency and accountability in their budgeting process despite having stood out as major outcomes of the PBB process. Because transparency, accountability and trust are essential public values in sustaining Priority Based Budgeting, they should have formed a critical component of the proposed framework.
2.2 Conceptual Framework

Independent Variables

Accountability
- Performance reports
- Published performance standards
- Published complaints handling mechanisms
- Published disciplinary procedure

Transparency
- Information disclosure policy/mechanism
- Stakeholder participation policy/mechanism

Ethics / Integrity
- Code of conduct
- Code of Ethics

Intervening Variable
- Institutional resources

Dependent Variable

Quality University Education.
- Adequacy of qualified staff
- Adequacy of learning and support facilities
- Relevance of academic programmes
- Efficient and effective teaching and examination systems

3.0 Methodology

This paper applied a desktop review of available literature on the concepts of accountability, transparency and ethics and integrity which are key principles of “good governance” while identifying gaps in researches that have focused on their effect on service quality. Based on the identified gaps, the researcher proposes to carry out a study on the influence of corporate governance strategy on quality of education in institutions of higher learning, while conducting a comparative analysis of selected public and private universities in Kenya in order to investigate the relationship between the variables in the conceptual framework.

The study will target selected universities in Kenya from which a representative sample of Universities’ management board members, academic staff and students will be selected using stratified random and proportionate sampling methods to ensure generalizability of results. Both quantitative and qualitative data will be collected from respondents after which correlation and regression statistical methods will be applied to analyze the data to generate study results.

4.0 Findings

The review established that several empirical studies on good governance and its influence on service quality have been carried out especially around the elements of accountability, transparency in the past few years. Studies on ethics/integrity nonetheless remain conspicuously scarce. However, a few of the studies on good governance have focused on quality of university education even though higher education as a service remain at the heart of sustainable socio-economic transformation agenda of any country. There is general agreement
among scholars that good governance manifested in accountability, transparency and ethics and integrity has had positive impact on service quality and delivery in both public and private sectors of the global economy.

5.0 Conclusions and Recommendations

The purpose of this review was to identify research gaps in the available literature on ‘good governance’, focusing on its key elements of accountability, transparency and ethics and integrity and their influence on service quality, thus using the information assembled as a basis for comparatively analyzing their influence on quality of university education in Kenya.

It is evident from the reviewed literature that quite a lot has been written about accountability and transparency and their contribution in improving service quality in various sectors of the global economy with majority reporting positive outcomes. In some instances, results have nonetheless been mixed. A lot more however still needs to be done about the element of ethics and integrity. Few studies seem to have focused on this element and hardly any has researched it in relation to higher learning. Generally, the review finds a conspicuous scarcity in studies that have attempted to assess the influence of ‘good governance’ on quality of university education in Kenya.

The researcher recommends that more studies investigating the influence of the concept of good governance on service quality and particularly higher education needs to be carried out as this area largely remains inadequately covered, effectively rendering empirical analysis of related literature exceptionally limiting.

References


