

## Reform Trends, Coordination, and Performance Measurement in Public Sectors of Ethiopia: the Case of Oromia Regional State

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### Abstract

The general objective of this study is to assess the trends of the public sector reforms, coordination and performance measurement in Oromia regional state. The relevant data were gathered from primary and secondary data sources. A sample of 200 employees drawn from the randomly selected sectors of the regional state involved in the study. The study shows the predominance of performance management focusing on routines activities rather than long term results in public sectors of the regional state. Though there is a tendency to use performance indicators at organizational level in the regional sectors, the practice is at a lower level. The transfer of managerial approaches to public administration in Oromia regional state is clearly impeded by poor implementation of reform programs and difficulties of performance measurement, and weak coordination in the public sectors. The reform trends in the public sector are weak and have not brought the necessary changes in the organizations. Participation in public sectors is fragile, and top-down. Hence, it needs attention by officials and professionals to focus on measuring results using performance indicators. Coordination and collaboration strategies need to be designed and strengthened in the regional state.

**Key Words:** Performance, Indicators, Measurement, Coordination, Oromia, Ethiopia

### 1. Introduction

Public sector reform priorities and strategies by and large depend on the point of views and needs of the stakeholders involved in the reform process. Many nations have come to be aware of the significance of management reforms in meeting the changing needs of the public. Governments have been dismissed on charges of abuse of power. Incoming regimes have promised to remove the shortcomings through reforms.

According to Minogue, Polidano and Hulme (1998), modern bureaucracy should not only focus on efficiency but also about participation of the stakeholders in decision making. In developing countries, administrative reforms frequently accompany wider transformation

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processes. In this sense, public administration is both expected to transform itself and assist in transforming society. The Ethiopian public sector has also undergone a series of reforms in recent years with the aim of providing the citizens with the services they require in a rapidly changing world. The government has also launched various reforms starting from the early 1990s. Furthermore, in 2001, broad public sector reform programs were introduced including business process reengineering and balanced scorecard systems (Getachew, 2006).

Indicators are the subjective and objective parameters that give easy and consistent ways to evaluate attainment, to reveal the alterations related to an intervention, or to aid evaluate the performance of an organization against the stated result (Kusek and Rist, 2004). Indicators could be designed at all levels of the organizations. Developing key performance indicators help to monitor outcomes and enables managers to assess the degree to which intended or promised outcomes are being achieved. It requires data collection, interpretation and analysis, and reporting.

Organizations also need to collaborate and interact with each other to attain their goals successfully (Provan and Kenis, 2008). Lewis et.al. (2007) also state that coordination is important among organizations and different parts of organizations to achieve organizational goals. Though governments today advocate coordination, there is a mismatch between the rhetoric and the reality (O'Flynn and Wanna, 2008). As the objectives of one organization cannot be achieved without collaboration with other, governments should give serious attention for genuine collaboration. The general objective of the study is to assess the trends of the public sector reforms in creating coordination and measuring results in public sectors of Oromia Regional State. The specific objectives are:

- Examine the extent to which the sectors use performance indicators in performance measurement.
- Analyze the degree of coordination among sectors in the regional state
- Examine the extent to which civil servants in the regional state are politicized

## **2. Research Methodology**

In this study, mixed research approach was employed. Explanatory sequential mixed method was made use of. First quantitative data were collected and analyzed, then built on the findings to give details with qualitative data. The primary quantitative findings were clarified further with the qualitative information that followed in the next step. Both primary and secondary data sources were used from questionnaires, and interviews, and reports, working papers and previous studies respectively.

The offices selected include public service and human resource development bureau, investment commission, education bureau, agriculture bureau, health bureau, social affairs agency, revenue bureau, and office of the president. Two hundred civil servants and middle level public managers were also selected from these sectors using simple random sampling technique for their representativeness. In-depth interviews, personal observations and secondary document analysis were also employed in order to get sufficient information about the reform trends in changing public sectors, application of indicators in performance measurement, coordination among public sectors in creating networked governance in the bureau-level sectors of Oromia regional state.

The analysis of the study was descriptive that combined both qualitative and quantitative data. The quantitative data were to analyzed by using descriptive statistics. Statistical package for social scientists (SPSS) was used to generate percentages and tables to critically assess the

reform trends. Subsequently, results obtained both from qualitative and quantitative data were triangulated.

### 3. Results and Discussion

#### 3.1 Performance Indicators

Indicators are the quantitative or qualitative variables that provide a straightforward and consistent ways to determine accomplishment and to reveal the alterations associated with an intervention. They help the organizations in assessing their performances against the acknowledged result that is planned in collaboration with other (Kusek and Rist, 2004). Table 1 below summarizes the survey results about use of performance indicators in the sectors gathered from public sector employees and managers at the regional level.

**Table 1: Performance Indicators**

<b>Performance Measurement</b>	<b>Very low</b>	<b>Low</b>	<b>Medium</b>	<b>High</b>	<b>Very high</b>
Ensure goals are achieved	16.5%	8.8%	30.6%	31.8%	12.4%
Monitor employee performance	14.7%	10%	35.3%	28.8%	11.2%
Identify problems that need attention	16.5%	10.6%	31.2%	30.0%	11.8%
Learning and improvement	14.8%	13.0%	34.9%	24.9%	12.4%
Fulfill expectations of officials	11.8%	11.8%	20.6%	39.4%	16.5%
Explain our work to customers	12.9%	10.0%	24.7%	30.0%	22.4%
Communicate with stakeholders	14.1%	9.4%	22.9%	32.9%	20.6%
Build organizational image	11.8%	7.6%	18.2%	30.6%	31.8%

Source: own survey of 2016

According to Table 1, a significant number of respondents believe that public organizations are using performance indicators to measure organizational goals (44.2%), to monitor employee performance (40%), to identify problems (41.8%) and for learning and improvement (37.3%). Respondents also asserted that public organizations in the region use performance indicators to fulfill expectations of officials (55.9%), to explain their work to customers (52.4%), to communicate with stakeholders (53.5%), and to build organizational image (62.4%). Hence, performance indicators are used to a lower level in important areas such as measuring results, monitoring employee performance, identifying problems and learning and improvement.

Interviewees and focus group discussants also stated that key performance indicators are not clearly identified. Some of the indicators put in the balanced scorecards of the organizations cannot be easily measured. In addition, the objectives are not properly cascaded to the individual employees. Some indicators cannot be obtained simply from the organizational records. Example, indicators for measuring the efficiency and effectiveness of an organization are difficult to measure and need joint data collection by employees and customers. This also takes time when compared with the frequency of evaluation which is conducted twice a year.

This indicates the predominance of performance management focusing on routines activities rather than strategically relevant issues in public sectors of the regional state. According to the sources, neither is goal achievement rewarded, nor is non-achievement sanctioned because the measurement is subjective, and is more of judgmental and estimation. Politicians do use

indicators to monitor performance only to a very limited degree and majority of the discussants and interviewees reported absence of a clear measurement of outputs/outcomes and inputs/processes. This is contrary with the principles of reformed organizations where outcome orientation is used as a major motto (Hammer and Stanton, 1994).

As indicated on Table 1 above, more than 50% of the survey the respondents indicated that they use performance indicators to assess a wide range of activities. Focus group discussions and interview results on the use of performance indicators within the organization again confirm this. In general, it can be inferred from the above data that there is a tendency to use performance indicators at organizational level in the regional sectors. But the practice is at a lower level. Hence, it needs attention by officials and professionals to focus on measuring results using performance indicators.

### 3.2 Coordination

Coordination is cooperative functioning i.e. working with other people (O'Flynn and Wanna, 2008). Hanf and O'Toole (2003) also argue that coordination links different sectors for achieving high organizational performance in this information and knowledge age. Coordination establishes a bridge between different sectors and creates conditions to integrate the efforts of various actors. Governments (including Ethiopian government) are also experimenting with many network structures such as team within which politicians and public sector employees share information and work in collaboration with other segment of society (Fenta, 2007; Gebre and Nigussie, 2016). Questions on the implementation of different coordination efforts among sectors of the Oromia regional state were forwarded to the respondents and the results are summarized in table 2 below.

**Table 2: Coordination**

<b>Coordination</b>	<b>Very low</b>	<b>Low</b>	<b>Medium</b>	<b>High</b>	<b>Very high</b>
Vertical coordination from Region to lower level	11.2%	24.7%	29.4%	22.9%	11.8%
Horizontal coordination of regional sec	10.6%	28.8%	28.2%	21.2%	11.2%
Coordination of region and federal	18.2%	27.6%	24.1%	21.8%	8.2%
Coordination of zones and woredas	10%	20.6%	25.9%	27.6%	15.9%
Coordination of government sectors with non-state actors	20.6%	22.4%	22.4%	22.9%	11.8%

Source: own survey of 2016

As stated on Table 2 above, 39.4% of the respondents reported that horizontal coordination among the regional sectors is weak. In addition, 45.8% of them also opined that there is weak coordination between the regional and federal level sectors while 43% of them also reported poor coordination between government and non-state actors. One can infer from the data that regional and federal sectors are poorly coordinated and the government sectors do not collaborate with non-state actors such as civil society organizations and non-governmental organizations.

As Table 2 illustrates, better vertical coordination and collaboration of similar sectors is established between zonal and woreda levels, as replied by 43.5%. According to the above information, the actors with which a majority of civil servants interact the least (rarely) are

between regional and federal governments (45.8%), and government sectors with non-state actors (43%).

This is also supported by interview and FGDs. According to the views of the interviewees and FGD participants, sectors' performance is poor at both the interaction frequency and quality of coordination. Sectors are not responsive in issues related with collaboration. This indicates that sectors in the state are not properly collaborating with each other and other actors in different fields. Collaboration was most likely to be regarded as poor within and outside government bodies.

However, coordination between regional level sectors and between zonal and woreda levels are relatively better as claimed to have more frequent interaction by the employees. Hence, fragmentation and hierarchical work culture are still quite present in the regional state's sectors even though public sectors claimed to be reformed. This finding confirms a study by O'Flynn and Wanna (2008) that identified though governments today in many parts of the world advocate collaboration, cooperation and coordination, there is a mismatch between the rhetoric and the reality. So, coordination and collaboration strategies need to be strengthened in the regional state.

### 3.3 Degree of Politicization

The degree of politicization indicates the extent to which public institutions can make decisions based on technical criteria as opposed to being influenced by political processes. Merit system in hiring and promotion of employees in the public sector and guarding of the civil service from the political interference is practiced better in the modern and developed nations when compared with the developing world (Shepherd, 2003). Hence, the following table summarizes the data about perception of the respondents on politicization.

**Table 3: Political Leaders**

<b>Political Leaders</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Medium</b>	<b>Agree</b>	<b>Strongly Agree</b>
Respect professional experience	27.1%	11.8%	32.4%	20%	8.8%
Influence public managers	17.1%	12.9%	24.7%	20.6%	24.7%
Interference in activities of experts	18.8%	17.1%	18.8%	22.9%	22.4%
Professionals role in reform ideas	19.4%	12.9%	19.4%	29.4%	18.8%
Removing issues from realms of politics	21.2%	12.4%	26.5%	21.8%	18.2%

Source: own survey of 2016

As shown in Table 3 above, only 28.8% of the respondents believe that politicians respect the technical expertise of senior professionals, only 35.9% believe that there is low interference of politicians in routine activities within their organizations and only 30% disagreed that politicians regularly influence senior-level appointments. Moreover, 48.2% of respondents agreed that the role of professionals in generating reform ideas in public sectors is higher than the role by politicians. Interestingly, politicization is clearly observable in the regional state because about 40% of the employees also believe that removing issues and activities from the realm of politics produce better performance (vs. 33.6% rather disagreeing).

Interviewees and focus group discussants also confirmed the survey results. The interviewees stated that high level political leaders do not respect the professionals. There is also high level of

interference by politicians in the daily activities of the professionals to the extent of editing the reports of experts so as to make it fit to their interest, and make the reports highly politically oriented. Focus group discussants raised that there is a capacity problem on the part of the political leaders to properly lead the professionals. According to interviewees, majority of the civil servants in the sectors of the regional state are members of the ruling party. The results clearly confirm politicization of the civil servants in state.

Interference of politicians in routine activities of professionals and their regular influence of senior-level appointments is common. Hence, it is better if politicians kept their distance. It also seems that there is a tendency for reforms to be more initiated and influenced by professionals and senior managers rather than politicians.

### 3.4 Reform Trends

Trends of reform programs in public sector can have very diverse characteristics. The traditional NPM inspired reforms mainly focus on measures such as performance management, contracting out, privatization and the flexibility of employment of civil servants (Andrews, Downe and Guarneros-Meza, 2013) whereas, post NPM reforms aspire to enhance transparency, partnership working, citizen participation and reforming government bureaucracies. In the last two decades public sector reforms made efforts to advance managerial practices and the relationship between government and citizens. The following table illustrates the trends of reforms in the public sectors of the regional state.

**Table 4: Reform Trends**

<b>Reforms</b>	<b>Very weak</b>	<b>Weak</b>	<b>Medium</b>	<b>Strong</b>	<b>Very strong</b>
Public participation strategies	23.7%	23.1%	28.4%	19.5%	5.3%
Creating autonomous institutions	17.6%	38.8%	22.9%	15.9%	4.7%
Focusing on results	19.4%	26.5%	28.8%	16.5%	8.8%
Extending state provisions	11.8%	27.1%	32.9%	20.0%	8.2%
Treatment of users as customers	18.2%	24.7%	28.8%	17.6%	10.0%
Cooperation and collaboration	16.5%	30.0%	30.6%	15.3%	7.6%
Internal bureaucracy reduction	18.2%	29.4%	28.8%	19.4%	4.1%
Flexible employment	18.2%	34.1%	27.6%	15.3%	4.7%
Digital or e-government	15.3%	24.7%	32.9%	19.4%	7.6%
External partnerships	15.3%	32.4%	30.6%	18.2%	3.5%
Transparent, open government	23.5%	35.9%	25.3%	12.4%	2.9%

Source: own survey of 2016

Table 4 shows that 24.8% and 20.6% of the respondents believe that public participation strategies are strong and very strong, and autonomous institutions are created respectively. In addition, 25.3% of them strongly believe that the organizations focus on results, and 28.2% of them opined that there is a trend of extending state provisions into new areas. This shows that the efforts made to implement the reform initiatives in the sectors have not resulted in creating

empowered institutions and long term results such as outcomes are not given attention by the sectors.

About 27.6% of the participants also said that there is a proper treatment of customers. Furthermore, 77.1% and 76.5% of them believe that the coordination between the public sectors is not strong and the internal bureaucracy reduction or cutting red tape is not high respectively. Only 20% the respondents said that there is high flexibility of employment in the public organizations. In addition, 73% of them also believe that there is no strong digital government, and only 21.7% of them strongly believe that there is strong external partnerships and strategic alliances in the public organizations.

About 84.7% of the respondents also believe that the government is not open and transparent. This implies that much remains to be done to improve coordination and collaboration, internal bureaucracy, e-governance, flexibility, external partnerships and strategic alliances in the public organizations in the regional state. There is also a need to enhance openness and transparency in the sectors as these are the pillars of the good governance. Overall, nearly 80% of employees in the survey believed that the reform trends in the public organizations are weak. Interviews made with key informants also reveal that the reform programs implemented in the public sectors are not effective. Participation in public sectors is weak, and top-down.

Even though reforms are expected to create a mechanism of serving the customers efficiently (Cameron, 2010) by cutting through the red tape and inflexibility of the old public administration, the interview and survey results reveal that customers are not properly treated in the institutions. In general, the reforms that are implemented in public sectors have not been achieved as expected. It is also possible to deduce from these surveys and interview results that the quality of the governance in the sectors is not up to the expectation of the citizens. This is due to rigidity of the bureaucracy, poor application of technology in the governance system, weak participation and poor coordination among the sectors.

#### **4. Conclusion**

The study analyzed the opinions of employees in public sector of the state about recent reforms and their role. The study shows the predominance of performance management focusing on routines activities rather than long term results in the state. There is poor performance and reward management due to the subjectivity of the measurement system. Lack of clarity is observed in the measurement system.

The public sectors in the state tended to use to a larger extent the broad range of performance indicators for communicating with stakeholders, fulfilling the expectations of officials and building the image of their organizations. However, performance indicators are not widely used for measuring important long-term results. Hence, it needs attention by officials and professionals to focus on measuring results using performance indicators.

The study also found that regional and federal sectors are poorly coordinated, and the government sectors also do not work and collaborate with non-state actors such as civil society organizations and non-governmental organizations. The actors with which a majority of civil servants interact the least are between regional and federal governments, and government sectors with non-state actors. Sectors' performance is poor at both the interaction frequency and quality of coordination. Fragmentation and hierarchical work culture are also common practices in the sectors.

Interference of politicians in routine activities of professionals and their regular influence of senior-level appointments was also found to be high. Hence, it is better if politicians kept their

distance. It also seems that there is a tendency for reforms to be more initiated and influenced by professionals and senior managers rather than politicians.

The reform trends in the organizations are weak and have not brought the necessary changes in the organizations. New public administration, new public management, good governance and new public service are the modern public management concepts which show the trend of the reforms. The study reveals that the reform programs implemented in the public sectors are not effective and the customers are not properly treated in the institutions. In general, the results of the reforms are not up to the expectation of the public. Hence, revising and improving the reforms so that they can bring some tangible results is important.

In sum, regional state is clearly impeded by poor implementation of reforms, difficulties of performance measurement, and weak coordination in the public sector. Problems of openness and transparency, poor treatment of customers, and weak technology utilization in the sectors also characterize the governance system in the state.

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