

ACCOUNTABILITY AND PUBLIC TRUST OF LOCAL GOVERNMENT SERVICE DELIVERY: DO LOYALTY AND BENEVOLENCE MATTER?

Nor Zaini Z.A., Kuppusamy S.*

Abstract: The capacity to differentiate public and organizational interests has tremendous effect on potential effectiveness and efficiency of the public service provider. Ethical values may come in conflict with the practice of professionalism in the delivery of the service. Even with ethical values embedded in the system, there is still evidence of misconducts in the service that challenges the notion of accountability to the extent it effects public trust. Thus, there is more than ethical values that would ensure accountability and public trust in public service delivery. Hence, this paper investigates the influence of inner value of civil servants with respect to loyalty and benevolence as key elements overriding ethical values as such. Loyalty has always been dictated as one to the owner, i.e. the government instead of the very people the services go to. On the hand, benevolence portrays the personality that befits the nature of the individual in been apt and compassionate to address needs of service recipients. Empirical data using a questionnaire was applied on six local government bodies in Peninsular Malaysia covering 608 respondents. Our analysis using Smart-PLS technique finds loyalty being supported and plays important instrument for public trust. However, benevolence result was found to be contradicting with loyalty.

Key words: local government service delivery, mediator, public trust

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Introduction

Issues on the decline of public trust towards government are alarming especially in service delivery. However, general decline of public trust is not proven and there is little evidence on its decline (Ommssel and Bouckaert, 2012). Nevertheless, the concern on trust and distrust from the public has somehow become the central focus on the part of government. Efforts to restore trust on government has been noticed around the globe irrespective of the regime (Ommssel and Bouckaert, 2012; Shoujin and Cacamo, 2013). However, the scale of efforts to increase public trust has always been negated by the number of cases involving misuses and abuses of power, greed, privileges for private gains. In this respect, accountability of public sector has increasingly become a more contentious issue raised by the public. This paper stresses that ethical balance itself is insufficient to ensure accountability that would increase public trust. We propose that loyalty of the civil

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servants to the service recipients and benevolence as mediators between accountability and public trust. This paper is divided into the discussion on some identified problems and empirical investigation on the influence of loyalty and benevolence to public trust.

Problem Statement

Public service delivery is a complex phenomenon determined by the immense responsibilities shouldered by the government. The entrusted tasks are expected to be fulfilled with expediently, effectively and efficiently. The ruling government needs to be strong, stable and able to provide efficient service. The concerns on public trust (and distrust) are often reflected by the results of the general elections. Non-profit motives derived from the services to the public are everlasting than those based on profit. Local governments are equally important as service providers, at least at the grassroots level. The increasing duties especially by local government has been difficult to deliver service efficiently, enforcement of by-laws and the performance of councilors have always been the focus of public scrutiny.

Public trust towards government and public institutions has been under serious public scrutiny and the rates of public distrust are evident in developed, developing and least developed countries. In this case, efforts done by government to restore trust are apparent in several countries. The inclusion of ethical values was mentioned in the US government, where the Volcker Commission has called for a renewed commitment of the civil service towards values in 1960s (Perry and Wise, 1990) and many countries pledged to commit with the reform effort to restore public trust through ethical conduct. However, public distrust are still looming and the performance of public sectors as service provider are still been questioned. In this sense, the government in New Zealand was criticized as not being focused on normative or prescriptive ethics per say, but the term “integrity” and “responsibility” is dispersed in their pledge (Hicks, 2007). The Thatcher government focused on business-like approach in public service also invites mixed responses from the stakeholders (Demirkaya, 2006).

Many studies have looked into ethics of civil servants in service delivery (Hicks, 2007; Shoujin and Cacamo, 2013; Nor Zaini et al., 2015). However, this has to change as no government can ensure accountability and public trust just by relying on ethics. Changes in country’s geography due to natural disaster, government policy and economic downturn of the world today has change the society’s focus, status and also their emotional state. Although ethics are important for efficient public service, other aspects also need to be considered. More cases of corruption are emerging, where survey from Corruption Perception Index 2013 ranked Norway the most corrupted of the Nordic countries in 2013. According to the special advisor to Transparency International in Norway, Norwegians perceived that public contracts were awarded on the personal basis of friendships. Furthermore, The Corruption Perception Index 2016 reported over two-thirds of the 176 countries fall to the highly corrupted nation. Grand corruption cases as

in Brazil and Ukraine involving political leaders reflecting the credibility of government in power. Therefore, something is still not enough. There are things that still missing in the improvement of public organization. Ethics studies are massive and the ideas to resolve the problems in public organization also been carried out intensively but problems still persist. Thus, it must be the intrinsic personality of all involved that needs to be given attention to.

Two questions arise here, that is whether the effort to eliminate/reduce distrust is enough by the government and what is the role of personal characteristics in influencing compassionate service delivery, accountability and trust. In securing public trust, government should focus on leveling loyalty to people not only to political masters who appointed them, in which this aspect is lacking. Loyalty to people can be explained as loyalty from government that is public organization to people, where service delivery should focus on serving the public with immense responsibility and any action of disloyalty should be avoided. Any negative attitude or vocal expression to the public would not be tolerated. On the other hand, public employees also need to have personal compassion in order to serve the public. There are many incidences where public employees are not sensitive to public needs especially in counter services. Cases such as longer waiting period, harsh words by the employees when explaining to the public, not attentive to the elderly and many more incidences published in the media.

The introduction of the New Public Management (NPM) in government services was meant to increase private sector participation in the service delivery and this would enhance performance of the public sector and raise public trust. But this is not really the case. There are still many corruption happened in public sectors, failure projects and public trust are somewhat declining. The workability of NPM has been questioned. Furthermore, the success of NPM are not studied in detail. Empirical assessments are scarce, and too often, there are many non-scientific analyses and investigations are done without rigorous and systematic way.

Literature Review

The decline in public trust, the question of quality of service delivery, the shift of focus by the public sector in order to improve trust and the rising concern on ethics of the civil servants are becoming prominent in dealing with government and its citizens (Wang and Wart, 2007; Ommels and Bouckaert, 2012).

Definition of trust is not so different across disciplines. Trust is an elusive concept. Even literatures on trust are varied and on-going. The three common dimensions of trust as described by Ommel and Bouckaert (2012) are trustworthiness; willingness to accept risk; and risk-taking behavior.

The concern on ethics in public organization is not a new focus. In this sense, ethics is a practice on how one ought to behave or do according to the norm. Ethics is a branch of philosophy that attempts to define a right from a wrong and provide guidance on how an ethical person should behave (Wang and Wart, 2007).

The agency theory explains that public servants serve as agents of the government and are morally accountable for their actions, follow moral principles and recognize this morality as his/her principles (Behnke, 2007). Thus, public administrator is a moral enterprise that exists to serve the values that the society considers important. As Perry and Wise (1990) introduced the concept of “patriotism of benevolence”, in which it is the expression of extensive love of all people within the political boundaries and the imperative that they must be protected in all of the basic right granted to them. Alas, organizational benevolence is about the attention to employees’ welfare in and outside the organization through various practices. Social exchange theory as a process of interactive exchanges between different people can best describe the role of organizational benevolence affect employees’ job attitude and behaviors (Tan et al., 2016). Benevolent leadership does have positive implication to the work performance in the organization. The spirit of benevolence can have reciprocal impact to the way public employees regards their jobs and also in serving the public. Meanwhile, Hirschmans’s theory of exit, voice and loyalty reflect the situation when anybody or any firm faced unsatisfactory situation where he/she can run away or exit from that situation instead of staying in that place, whereas, loyalty modify the scene where when he/she feels that it is their right to defend himself/herself, he/she will put a defense and voice up. “Exit” as Hirschman stated in the state can be apply when there is dispute or unsatisfactory situation between groups, thus, the defeated groups will detach themselves and will not put their loyalty to those in power (Campbell et al., 2007). In public organization, both situation cannot be apply as public need service from public sectors and it is a duty obligated to the public sectors to provide services. Thus, the theory can be redirect to loyalty of public employees towards the organization if the employee tries to improve the work performance instead of leaving the organization.

Loyalty is a behavior means the reaction towards one’s feeling. It suggests that people are loyal to an area/organization if they have connections or some interest to it. By all means, Public sector’s loyalty can be translated into a common contractual principal between the employer and an employee. Employees’ loyalty means that employees shall always give good impression about their employer at all times, and, the employer, on the other hand, shall safeguard and protect the interest of employees. It is the same as loyalty in public service where loyalty is expressed as being faithful to an organization and willingness to sacrifice (Campbell et al., 2007). In most researches in politics and public administration, loyalty mostly related towards government and political leaders. Thus, the upward loyalty should instead be to the people served not the political or organizational bosses.

Research Methodology

This paper focused the investigation on public sectors in Malaysian local authorities. Local authorities in the state of Selangor and Kuala Lumpur are chosen

as representative of governments. Furthermore, the third tier government which is local government was selected as the domain because of the various services delivered to the public and because of their geographical nature in term of services and as a field government that closest to people. Thus, five local authorities in the state of Selangor and one local authority in the Federal Territory of Kuala Lumpur, and all employees in these local authorities form the sampling frame. We approached the local authorities who then distributed the questionnaires to their department members as an internal procedure to reach the employees as respondents. Although 1300 sets of questionnaires were distributed, finally, we obtained 608 respondents which translated about 46.8% response rate.

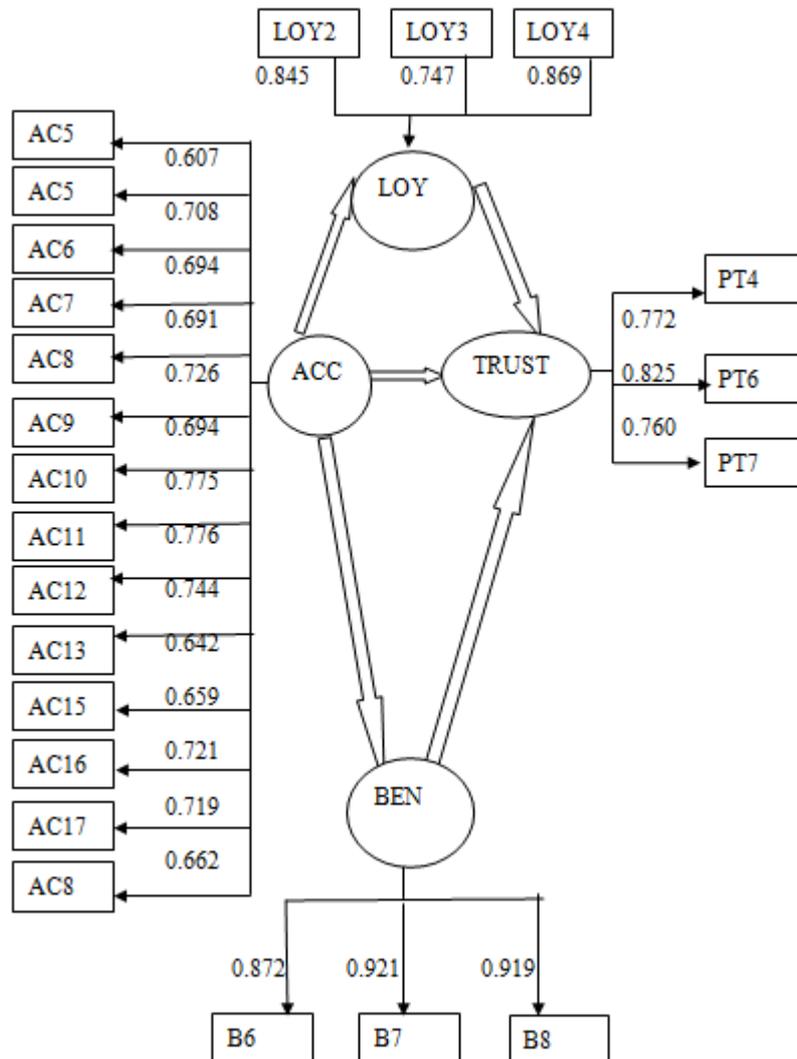


Figure 1. Result of the Measurement Model

Six hypotheses were developed for this study namely:

H₁ Accountability influences loyalty in local government service delivery

H₂ Loyalty influences public trust in local government service delivery

H₃ Loyalty mediates the relationship between accountability and public trust in local government service delivery

H₄ Accountability influences benevolence in local government service delivery

H₅ Benevolence influences public trust in local government service delivery

H₆ Benevolence mediates the relationship between accountability and public trust in local government service delivery

Results

The application of Smart-PLS technique was used to analyze the data. Inter-item consistency of our measurement items was measured using Cronbach Alpha. This is an assessment on how well the items are positively correlated to one another. As shown in Figure 1, the measurement model test the relationship between accountability and public trust, in which, loyalty and benevolence served as mediator variables. The model showed the hypothesized relationship of accountability, loyalty, benevolence and public trust.

Table 1 checked on reliability of the construct. This study provides the alpha values ranged between 0.778 and 0.932. The Harman single-factor test was also conducted to examine the existence of common method variance. According to Hair et al. (2010) common method bias is one of the main issues of measurement error, and it weakens the validity of the conclusion about the measures. Consequently, it leads to misleading conclusion. By using the Harman single-factor test, un-rotated factor analysis showed that it was 43.9% and thus common method variance was a not a danger to the study.

Table 1. Internal Consistency Reliability

Item	Loading	CR ^a	Alpha
Public Trust	0.799 – 0.806	0.903	0.857
Accountability	0.663 – 0.775	0.940	0.932
Loyalty	0.784 – 0.858	0.870	0.778
Benevolence	0.891 – 0.921	0.937	0.899
Note: ^a Composite reliability (CR) = (square of the summation of the factor loadings) / {(square of the summation of the factor loadings) + (square of the summation of the error variance)}			

The main focus of this research is to test on the hypothesis of direct and indirect relationship between the four constructs (accountability, loyalty, benevolence and public trust). There are six hypotheses generated from the model in which four hypotheses show direct relationships and two hypotheses serve as mediators. To study the mediation effect, we used Preacher and Hayes technique to test whether the indirect effect of the independent variable on the dependent variable

through the mediator is significant or not. Current views stress that the focus in mediation analysis should be weighed more towards assessing the magnitude and significance of indirect effects (Hayes, 2013). Table 2 shows that benevolence was not significant to public trust. Thus, the hypothesis of H5 and H6 were not supported.

Table 2. Hypothesis Testing

Hypothesis	Relationship	Beta	Se	t-value	Decision
H ₁	ACC-> LOY	0.637	0.028	22.413***	Supported
H ₂	LOY-> TRUST	0.065	0.036	1.816**	Supported
H ₃	ACC->LOY-> TRUST	0.053	0.022	2.369***	Supported
H ₄	ACC-> BENV	0.413	0.039	10.654***	Supported
H ₅	BENV-> TRUST	0.018	0.022	0.800	Not Supported
H ₆	ACC->BENV- >TRUST	0.012	0.012	1.226	Not Supported

Notes: *significance at 0.10, **significance at 0.05, ***significance at 0.01.

Discussion

The result shows there is relationship between accountability and public trust with loyalty and benevolence as mediator variable. The discussion is base as follows.

Accountability, Loyalty, Benevolence and Public Trust

The four hypotheses in regard to accountability, loyalty, benevolence and public trust show positive result in which they have positive relationship. Alongside this, the result proof that loyalty is significant as mediator variable to public trust. Most studies of loyalty were found in marketing research in which loyalty were investigated to verify loyal customer to the product or companies. Most studies conducted in public organization/ government centers on loyalty as end to be achieved. This finding confirms that loyalty as an important mediator to public trust in local government service delivery, in which other construct, benevolence, become less importance in the presence of loyalty.

Base on the result of H₁ (Accountability influences loyalty in the provision of local government service) and H₄ (Accountability influences benevolence in the provision of local government services) justify that accountability is an easily accepted concept and may fit well in any context and situation. The findings corroborated particularly to the study by Fard and Rostamy (2007), and, Xie and Peng (2009). It proved that accountability of a public servant is required in an organization. Conversely, Ebrahim (2005) identified that accountability relationships are complicated by the fact that organizations often have to deal with competing accountability demands. Thus, accountability is a relational concept and should accompany with ethics to justify its existence. The importance of accountability and ethical accountability to public trust was proven through

several studies such as Feldheim and Wang (2004), Fard and Rostamy (2007), and Wang and Wart (2007).

Although benevolence become insignificant when loyalty is in existence, the important of benevolence cannot be ignored. Recent economic and global condition may become one of the factors that contribute to the fact people or government did not put the spirit of benevolence as important. Government become greedy, people follow as well. The unsolved/ongoing issue of public trust towards government and its comrades can be rectifying nurturing the spirit of benevolence. As Perry and Wise (1990) comprehended the concept of “patriotism of benevolence” can be as thoughtful idea to be flourished. Loyalty, on the other hand, can be a guiding effort towards better serving by the public employees towards people. The result showed that loyalty is never forgotten.

Managerial Implications of the Research

The findings of this study provides important implications to public sector organization especially to local government service delivery. It further justifies the continuous emphasize placed by the government on ethics and accountability in order to enhance service delivery. With this knowledge, the federal, state and local government can have several understandings on:

- the importance of the application of ethical accountability within daily working hours,
- which ethical accountability is important for the community, and,
- the stress on loyalty in an organization while disseminating their task.

Conclusion

As a conclusion, this research provides some views on the importance of loyalty and benevolence as mediator to public trust. The performance of local government as service provider to the public should be followed by compassion, sincerity and loyal act. Any act of disloyalty in the part of public servant should be avoided by any means. Local government as service provider should play their role in promoting loyalty behavior by portraying good image and practicing good ethical conduct. However, the investigation on the relationship between benevolence and public trust should be analyzed further by testing this concept alone and not been combined or test with other conception. This research become as motivating factor to public service and in particular, local government, to always put an effort to reduce complaints and strive for the betterment of a society and confidence towards government.

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ODPOWIEDZIALNOŚĆ I ZAUFANIE PUBLICZNE W KWESTII ŚWIADCZENIA USŁUG PRZEZ SAMORZĄD TERYTORIALNY: CZY LOJALNOŚĆ I ŻYCZLIWOŚĆ MAJĄ ZNACZENIE?

Streszczenie: Zdolność do różnicowania interesów publicznych i organizacyjnych ma ogromny wpływ na potencjalną efektywność i wydajność dostawy usług publicznych. Wartości etyczne mogą wejść w konflikt z praktyką profesjonalizmu w świadczeniu usług. Nawet w przypadku wartości etycznych osadzonych w systemie nadal istnieją dowody na nieprawidłowości w usłudze, które kwestionują pojęcie odpowiedzialności w stopniu, w jakim wpływa ono na zaufanie publiczne. Tak więc, nie tylko wartości etyczne zapewnią odpowiedzialność i zaufanie publiczne w zakresie świadczenia usług publicznych. W związku z powyższym, niniejszy artykuł analizuje wpływ wewnętrznej wartości

urzędników państwowych w odniesieniu do lojalności i życzliwości, jako kluczowych elementów będących nadrzędnymi wartościami etycznymi. Lojalność zawsze była postrzegana jako cecha charakteryzująca właściciela, przykładowo cecha rządu a nie cecha wszystkich ludzi, dla których on służy. Z drugiej strony dobroczynność ukazuje osobowość, odpowiadającą charakterowi osoby, która była uprzejma i współczująca, aby zaspokajać potrzeby odbiorców usług. Dane empiryczne z wykorzystaniem kwestionariusza wysłano do sześciu jednostek samorządu terytorialnego w Malezji, obejmujących 608 respondentów. Nasza analiza za pomocą techniki Smart-PLS odnosi się do lojalności i odgrywa ważny instrument zaufania publicznego. Przeprowadzone badania wykazały, że wynik dotyczący dobroczynności okazał się być sprzeczny z lojalnością.

Słowa kluczowe: Świadczenie usług przez samorząd terytorialny, mediator, zaufanie publiczne

當地政府服務提供的責任和公信：信任和誠信？

摘要：區分公共和組織利益的能力對公共服務提供商的潛在有效性和效率產生了巨大的影響。道德價值觀可能與提供服務的專業精神的做法相衝突。即使系統中包含道德價值觀，仍然有證據表明，服務中的不當行為會挑戰問責制的概念，使其受到公眾信任的影響。因此，有更多的倫理價值觀將確保公共服務提供的問責制和公眾信任。因此，本文研究了公務員內在價值觀對忠誠與仁愛的影響作為重要倫理價值觀念的關鍵因素。忠誠度一直被稱為業主，即政府，而不是服務人員。在這方面，仁慈描繪了符合個人性質的個性，適應和同情地滿足服務接受者的需求。使用問卷調查的實證數據適用於馬來西亞半島的六個地方政府機構，涉及608名受訪者。我們使用Smart-PLS

技術的分析發現忠誠度得到支持，為公眾信任起了重要作用。然而，仁慈的結果被認為與忠誠相矛盾。

關鍵詞：地方政府服務提供，調解員，公眾信任。