PUBLIC ADMINISTRATION ISSUES

Research and Educational Journal

PUBLIC ADMINISTRATION ISSUES

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The PUBLIC ADMINISTRATION ISSUES journal has been published at the National Research University Higher School of Economics (HSE) in Moscow, Russian Federation since 2007.

The mission of the journal is to create a modern platform of full value for discussion, exchange of international and national experience and specific knowledge among professionals in the field of Public Administration; for working out and further correcting the development strategy of public and municipal administration.

The editorial policy is to provide a very clear emphasis on the specific subject along with a focus on the interconnection of the proper public administration problems with the relative economic, legal, political science and managerial problems, including the interaction of the state and civil society.

The following key issues are addressed:
- The theory and practices of the public administration;
- Legal aspects of the state and municipal administration;
- The analyses of experts;
- The discussions;
- Case Studies;
- The training and the improvement of specialists in public administration.

The journal is meant for analysts and researchers as well as workers in the public and municipal administration, for academic purposes and for a wider readership interested in current status and development of the system of public and municipal administration in the Russian Federation and abroad.

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The thematic focus of the journal makes it a unique Russian language edition in this field. "Public Administration Issues" is published quarterly and distributed in the Russian Federation and abroad.

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INTRODUCTION

Special issues of the journal "Public Administration Issues" traditionally include articles prepared by researchers from different countries and regions. Nevertheless, there is a steady trend of representation: first of all, the journal is attractive to researchers from Asia, Central and Eastern Europe, South America and Africa. The presence of authors from the BRICS countries in the issues of the journal is increasing, which indicates the established international affiliation of the journal. The journal is interesting because it highlights current problems of public administration in these vast regions, problems that often remain on the periphery of the leading Anglo-Saxon journals, or are considered by them from the standpoint of established governance practices in North America and Western Europe.

The articles published in this special issue are divided into four blocks, which present the most popular topics that enjoy the attention of the authors.

The first block is devoted to public governance during the Covid-19 period. The problems of governance in the era of Covid-19 for developing countries have focused on a dilemma: to protect the population from the spread of the pandemic as much as possible with the help of restriction and control measures, or to support the national economy through measures to stimulate production and purchasing activity, avoiding restrictions. The article presented to the readers examines how this dilemma is solved in Vietnam. It is considered which strategies of using the tools of the healthcare system, bearing in mind the balancing between the goals of epidemiological protection of the population and support of the economy, are used in Vietnam. The example of Vietnam is important, I believe, for many countries with limited management resources.

Secondly, recently the importance of HR management in public organizations has been increasing. Thus, the second block of the issue is devoted to this. In the modern conditions of instability of the international and country development, emerging turbulence of international relations, the quality of personnel and flexibility in decision-making is becoming a key element of success of organizations. In this issue of the journal, several articles are devoted to different aspects of this topic. In the first article of the block, using the example of Turkey, it is shown how the style of implementation of the development strategy, the quality of the organization's activities, depends on its organizational structure. This is followed by a review article by an author from India devoted to the analysis of the literature on regulatory culture and regulatory identity in their connection with organizational culture and organizational identity. This article is placed in the HR management block because it is adjacent to the article on organizational culture. In the third article of the block, the topic of the personnel of public organizations is continued by Slovak researchers

who, based on empirical data, have established a positive relationship between the involvement of civil servants in the work of agencies and support from agency managers. At the same time, as it has turned out, there are gender differences in engagement with the same level of support. Finally, in the last article of the block devoted to the topic of HR management, the problem of the applicability of the standard (Norm Staff) approach to calculating the number and qualifications of personnel required for the performance of job duties based on the specified functions of public organizations is investigated. It is shown that this approach to planning human resources is insufficient in the face of uncertainty and variability of the conditions for the functioning of public organizations.

The third block of the issue contains articles on the interaction of the state and business. The first article presents the experience of Lahore Province (Pakistan) in ensuring the sustainable development of urban municipal corporations in the context of achieving Sustainable Development Goals (SDG). The authors focus on the study of the institutional complexity of effective HR practices. Thus, this article is located at the intersection of the topics of personnel management in public administration and the topics of interaction between the state and business. An article from Uzbekistan, the country, which is successfully developing international economic cooperation, discussing the experience of the positive impact of administrative decentralization and granting additional powers to municipal administrations to attract direct international investment. The block ends with an article from Brazil, which proposes a model of qualitative assessment of public services using internal indicators of service provision. This model has been tested with the help of a voluminous empirical study of Brazilian federal public services conducted in cooperation with the Brazilian Ministry of Economy, and surely it can be applied in other developing countries.

Describing the current topic of public administration in the regions of Asia, Central and Eastern Europe, South America and Africa, it should be noted that there is continuing interest of researchers in electronic management technologies and their dissemination in developing countries. These technologies cover the population unevenly, the attitude of citizens to electronic administrative technologies varies from active acceptance to complete denial. The article from Indonesia examines the attitude of young people to online electronic filling of tax returns and shows that despite the predisposition of the millennial generation to use new technologies, there are risks that prevent this age group from adopting the technology of online filling of tax returns. Thus, there is a problem that, in general, for developing countries, can be defined as risks of using electronic management technologies in relation to specific conditions of developing countries.

Concluding the preface to this Special Issue, I would like to emphasize that for huge regions around the Globe, new approaches and directions of public administration, ideas and empirical data are beginning to emerge, which enrich analytics and may in the future lead to significant changes in traditional views on public administration.

Special Issue Editor
Alexey G. Barabashev

TOWARDS ACHIEVING "TWO PARALLEL OBJECTIVES" DURING THE COVID-19 PANDEMIC IN VIETNAM: A RESPONSE STRATEGIES ANALYSIS

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Abstract. Vietnam has been suffering and will most likely continue to suffer from the devastating effects of COVID-19 on health, economy, and society in the coming months and years. This study aims to analyze key response strategies against this pandemic in the Vietnamese context. The findings indicated that primary factors have contributed to preventing the COVID-19 success, including a well-developed public health system, a decisive central government, and a proactive containment strategy based on comprehensive testing, tracing, and quarantining. Consequently, Vietnam is trying to achieve "two parallel objectives" during COVID-19; the first goal is pandemic prevention and control in order to protect community health, and the second one is socio-economic recovery and development. This study analyzed the eight primary strategies of the Vietnamese government in order to achieve these "two parallel goals" during the COVID-19 pandemic. In addition, a postCOVID-19 socio-economic response and recovery framework including five strategic pillars was recommended. These findings are expected to provide useful insights for developing appropriate intervention strategies in Vietnam and other similar countries worldwide.

Keyword: COVID-19, Vietnam, government, strategy, control.

Introduction

The outbreak of the COVID-19 pandemic is posing unprecedented challenges (Zhu et al., 2020). This emerging pandemic has been described as a global nightmare because it has shocked healthcare systems and has had far-reaching socio-economic consequences (Tran et al., 2020). The vast majority of emerging markets and developing economies will decline because of the pandemic, and it will also cause lasting damage to labor productivity and potential output. The latest data shows that the global economic recovery has slowed down, although there have been signs of improvement since the middle of this year (The World Bank Group, 2020). Given the rapid spread of the COVID-19 pandemic and the massive negative consequences, research on COVID-19related issues is critical for developing proactive and comprehensive public health interventions to combat the pandemic (Hoang, Hoang, Khuong, La and Tran, 2020). COVID-19 has had an impact on communities, businesses, and organizations all over the world, inadvertently influencing financial markets and the global economy. The supply chain has been disrupted as a result of uncoordinated governmental acknowledgments and lockdowns. Lockdown restrictions significantly reduced factory output in many countries, while quarantine and self-isolation policies reduced consumption, demand, and utilization of goods and services (Maria et al., 2020).

Many studies have attempted to assess the impact of COVID-19 on different industries in the economy (Açikgöz and Günay, 2020; Albu et al., 2020; Aziz, Othman, Lugova and Suleiman, 2020; Caraka et al., 2020; Dev and Sengupta, 2020; Gautam and Hens, 2020; Ibn-Mohammed et al., 2021; Lahcen et al., 2020; Sharif, Aloui and Yarovaya, 2020; Vinod and Sharma, 2021; Walmsley, Rose and Wei, 2020; Y. Zhang, Diao, Chen, Robinson and Fan, 2020). In the finance industry, the rapid spread of the COVID-19 has had a significant impact on global financial markets (Brown, Rocha and Cowling, 2020; Goodell, 2020; Wójcik and Ioannou, 2020; Zheng and Zhang, 2021). It has created an unprecedented level of risk, resulting in significant losses for investors in a very short time (D. Zhang, Hu and Ji, 2020). The tourism industry is currently one of the hardest hit by the COVID-19 outbreak, with effects on both travel supply and demand (Baum and Hai, 2020; Beck and Hensher, 2020; Couto et al., 2020; Flew and Kirkwood, 2021; Foo, Chin, Tan and Phuah, 2020; Madani, Boutebal, Benhamida and Bryant, 2020; Sigala, 2020; Škare, Soriano and Porada-Rochoń, 2021; Uğur and Akbıyık, 2020). The World Travel and Tourism Council has warned that as a result of COVID-19, 50 million jobs in the global travel and tourism sector may be jeopardized (Maria et al., 2020). For the health sector, the COVID-19 pandemic has posed unprecedented challenges to healthcare systems around the world (Johnson et al., 2020; Khoury and Karam, 2020; Lampe et al., 2020; Lasalvia et al., 2021; Lundberg, Hillebrecht, McKenna and Srinivasan, 2020; Maria et al., 2020; Misra-Hebert et al., 2020; Nabi, 2020; Sechi et al., 2020). One of the most serious vulnerabilities of healthcare systems around the world is the risk to healthcare workers. Given that the majority of healthcare workers are unable to work remotely, strategies such as the early deployment of viral test-

ing for asymptomatic and/or frontline healthcare staff are critical (Tanne et al., 2020; Tolbert, 2020). Furthermore, many other industries have been impacted by the COVID-19 pandemic, including the real estate and construction industry (Afkhamiaghda and Elwakil, 2020; Al Amri and Marey-PÃ, 2020; Alenezi, 2020; Araya, 2020; Gamil and Alhagar, 2020; Nguyen, Nguyen, Dinh and Chu, 2021; Tam, Ngọc, Toan and Quy, 2021), transport industry (Abu-Rayash and Dincer, 2020; Arellana, Márquez and Cantillo, 2020; Cochran, 2020; Loske, 2020; Rahman, Rahim, Ahmad and Hafizuddin-Syah, 2020), sports industry (Sarto et al., 2020; Wong et al., 2020), food industry (Loske, 2020; Mayasari et al., 2020; Roe, Bender and Qi, 2021; Yu, Liu, Wang and Feil, 2020), agriculture industry (Adhikari, Timsina, Khadka, Ghale and Ojha, 2021; Huang, 2020; Siche, 2020), petroleum and oil (Bildirici, Bayazit and Ucan, 2020; Meher, Hawaldar, Mohapatra and Sarea, 2020; Tahir and Batool, 2020).

The Government of Vietnam quickly recognized the pandemic's devastation. The Wuhan, China, the experience was quickly recognized, and it became clear that the only way to deal with this challenge was to reduce the number of people who became infected and slow the spread of the virus (Trevisan, Le, and Le, 2020). Virus prevention and control strategies are quickly introduced by the Vietnamese government such as isolating cases, mandating quarantine for exposed persons, encouraging physical separation, improving handwashing measures, and increasing community mask use (Wilder-Smith and Freedman, 2020). As a result, Vietnam is trying to achieve "two parallel objectives" during COVID-19.

The first goal is pandemic prevention and control to protect the health of the population, and the second one is socio-economic recovery and development. To achieve this, besides the involvement of significant support from the whole community, the effort of the Vietnamese government plays an important role to make Vietnam one of the countries that are overcoming this pandemic. This study aims to analyze the Vietnamese government's strategies to combat the COVID-19 pandemic. The findings would provide useful insights for developing appropriate intervention strategies in Vietnam and other similar countries around the world.

Background of COVID-19 in Vietnam

On January 23, 2020, the first COVID-19 positive case was discovered in Vietnam (Phan et al., 2020). As of October 2, 2021, there were 797,709 confirmed cases across the country. Of these cases, 636,081 cases have recovered, and 19,393 have died. Figure 1 depicts a summary of the distribution of COVID-19 cases across the country by October 2, 2021.

Vietnam began preparing for the epidemic as soon as the first case was discovered in China, in mid-December 2019. The Vietnamese government ordered measures to prevent and combat the spread of the disease in the country and warned Vietnamese citizens to avoid visiting areas where outbreaks occurred. To date, the four phases of the COVID-19 pandemic in Vietnam can be described in Table 1.
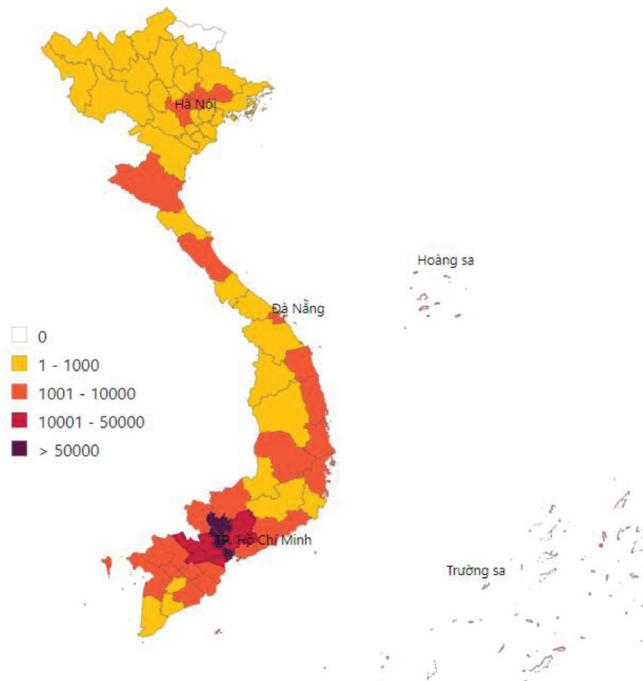
Figure 1. **Summary of COVID-19 confirmed cases across Vietnam by October 2, 2021**

Source: The figure was generated from the General Department of Preventive Medicine: https://ncov.vncdc.gov.vn/ (accessed October 2, 2021).

Table 1

The COVID-19 pandemic waves in Vietnam

Wave	Time	Outbreak length	No. of community cases	Peak	Description
1	23 January – 6 April 2020	85 days	106	30 March 2020	The first cases discovered in Ho Chi Minh City (HCMC) from two people from Wuhan (China), the disease spread to other 13 localities
2	25 July – 1 December 2020	129 days	554	31 July 2020	The epicenter was in Da Nang, and the source of infection was in Hospital C in the city
3	28 January – 25 March 2021	57 days	910	31 January 2021	This outbreak started in Hai Duong in a person who tested positive after entering Japan, and the true source of the infection was unknown. The epicenter was in Hai Duong, this city accounted for nearly 80% of the total number of cases
4	27 April 2021 – ongoing	Ongoing	700,000+	July – September 2021	Numerous outbreaks were discovered in 62 localities, most of which were unrelated to each other. This surge occurred due to the more transmissible Delta variant

Sources: Completed by the authors (- hereinafter, unless otherwise noted).

Beyond the spread of the disease and efforts to quarantine it, the COVID-19 pandemic has had far-reaching economic consequences. Concerns have shifted from supply-side manufacturing issues to a decline in business in the service sector as the SARS-CoV-2 virus has spread around the world. The pandemic resulted in the largest global recession in history, with more than one-third of the world's population placed on lockdown at the time. Vietnam, like the rest of the world's economies, was hard hit by the outbreak due to a slowdown in private and national industries, a drop in stock exchanges, and a decrease in the number of incoming tourists, resulting in hundreds of thousands of people struggling to find work and relying primarily on unemployment benefits to survive. In the first two months of 2020, 3,000 businesses were forced to close, according to government data (Welle, 2020). Vietnamese economic growth, on the other hand, is expected to exceed the Asian average of 2.2%. Despite the slowdown in economic activity and the risks posed by the pandemic, Vietnam's GDP growth rate is expected to remain among the highest in the Asia-Pacific region, according to an Asian Development Bank report (Vietnamese, 2020) (as provided in Fig. 2). In November 2020, the IMF predicted that Vietnam would be the only country in South East Asia to grow in 2020 (News, 2020). The World Bank published a report in March 2021 that predicted Vietnam to be one of the fastest growing economies in East Asia and the Pacific region with a projected growth rate of 6.6 percent in 2021 (BaoNhandan).
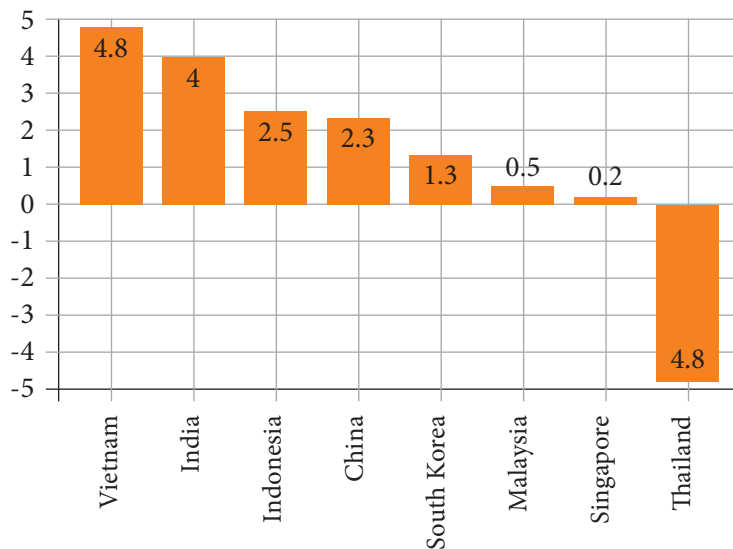
Figure 2. **2020 GDP growth forecast by Asian Development Bank, %**

Sources: Asian Development Bank (ADB) (VnExpress, 2020).

With a risk assessment conducted just after the first reported cases in China in January 2020, Vietnam responded "early and proactively" to the pandemic. One of the reasons Vietnam was able to act so quickly and keep the number of cases so low is that the country experienced a SARS epidemic in 2003 and hu-

man cases of avian influenza between 2004 and 2010. As a result, Vietnam had the experience as well as the infrastructure to take appropriate action. Many key containment decisions were made in Vietnam in a matter of days, whereas governments in other countries took weeks. Even though Vietnam is a highly centralized country, several key decisions were made at the local level, which contributed to the quick response (Data, 2021). Furthermore, social solidarity and unity played an important role in combating this pandemic. These sentiments imply a self-sacrificial attitude on behalf of the larger community, a value that can be explained in part by Vietnam's socialist history and decades-long struggle for sovereignty. People may be willing and prepared to accept more restrictive measures to save lives in a severe crisis (Trevisan et al., 2020). Because willingness to embrace social distancing has been credited with aiding in the containment of COVID-19 in Vietnam, investigations into the underlying motivation should recognize nationalism and solidarity as important, but not sole, determinants of effectiveness (Van Nguyen et al., 2020). Rather than relying on medicine and technology, the Vietnamese government has implemented a widespread public surveillance system, and a well-respected public military force. A national one-party mechanism and powerful military-security forces assist the government in making and enacting decisions quickly. Vietnam also has a strong surveillance culture, with neighbors reporting any wrongdoing to local police. Pandemic experiences have resulted in the long-term development not only of institutional preparedness, but also of "social memory," which has been shown to be useful in nudging people to adopt protective behaviors and to follow official regulations and guidelines in other COVID-19 response contexts.

Materials

This study analyses the response strategies of the Vietnamese Government to the COVID-19 pandemic based on the data collected from official policy documents, academic journal publications, and news from official resources related to the COVID-19 issues. This analysis is based on an extensive review of a database of Vietnam's policies, academic papers, reports, briefs, and presentations from members of concerned organizations, and the credibility of data sources in Vietnam. The government documents and technical guidelines issued by the state government and the Ministry of Health, a national body responsible for the management and coordination of COVID-19-related activities, were reviewed in this study. Documents, including a timeline of COVID-19 spread in Vietnam, were digitally collected. COVID-19 policy response letters or technical guidelines issued by the Prime Minister, the Ministry of Health, and other ministries relevant to the COVID-19 pandemic were the inclusion criteria for this review. Besides, Google was used to search for grey literature and relevant official websites. Documents focusing on national regulations in response to the COVID-19 pandemic were included as inclusion criteria. Local governments' official COVID-19 response documents, academic articles, official reports of technical agencies, and official newspaper articles were used to analyse the Vietnamese government's strategies to respond to the pandemic outbreak.

The response strategies of the Vietnamese government against the COVID-19 pandemic

Even before the first fatal case in China and just a few days after China confirmed an outbreak of a novel coronavirus, on January 3 (Huynh, 2020; Organization, 2020), the Vietnamese government issued a decision to tighten the border quarantine between Vietnam and China. Before the confirmation of the first case, the policy response focused on assessing the threat and formulating guidelines and plans as preventive measures for the upcoming battle against the newly discovered disease (La et al., 2020). On January 23, 2020, Vietnam's first COVID-19 positive case was discovered (Phan et al., 2020). Following that, regulations focused on reducing risks from inbound passengers while also containing the disease within the country. Emergency measures, preventive efforts, travel restrictions, and market control were among the policies. In addition, the central and local governments launched a number of emergency responses and preventative steps. These included calls for more local cooperation as well as specific tasks for several ministries and agencies.

The outbreak is still reasonably under control in Vietnam, because of the government's sustained swift and proactive measures. The stringency index, which simply reflects the severity of counter-measures, has evolved to match with critical pandemic progression milestones (T. P. T. Tran, Le, Nguyen, and Hoang, 2020). The strategies of the Vietnamese government make a significant contribution to achieving "two parallel goals" during COVID-19. This section will analyze the key points of the Vietnamese government's responses to this pandemic.

Enhancing the capacities of COVID-19 testing

Real-time reverse transcription-PCR was used to test the presence of SARS-CoV-2 in nasopharyngeal and throat swabs (RT-PCR). Vietnam developed a SARS-CoV-2 RT-PCR diagnostic kit, which received Conformité Européenne certification in April 2020 to meet local testing supply needs. Other diagnostic testing products developed in the United States, such as primers and probes and antibody tests, were also stockpiled. To expand the testing laboratory network, staff training and technical assistance were provided (T. V. Nguyen et al., 2021). The current COVID-19 testing capacity of Vietnam has been improved substantially, rising two- to threefold compared with the previous outbreaks. The laboratories nationwide are now capable of testing 100,000 single samples per day, and the capacity can increase by five- to tenfold for pool testing. Vietnam has mastered sufficient testing techniques to detect and diagnose SARS-CoV-2 coronavirus, including the Read time RT-PCR for confirmatory testing, rapid antigen testing, and rapid antibody testing. There are 175 testing labs capable of conducting coronavirus tests nationwide at present, including 125 carrying out confirmatory tests. Compared to previous outbreaks, Vietnam's testing capacity has improved "very quickly" in this fourth wave of COVID-19 infections (V. s. M. o. Health, 2021a).

Vietnam has made headlines for its efficient response to the outbreak, despite limited resources, committed leadership, and an entrepreneurial-spirited

society. Furthermore, Vietnam was one of the first countries to develop and export affordable test kits to Europe. COVID-19 has resulted in a never-before-seen global test of state capacity, particularly the ability of countries to protect their citizens' well-being. One of the key determinants of a country's ability to effectively mitigate the pandemic's aftermath is the widespread mobilization of various segments of society to respond to the crisis. It is about how effectively the state can marshal innovation, and in this case, testing. For these reasons, the case of Vietnam 's development of low-cost test kits provides useful insights into the larger issue of COVID and state capacity. As of May 2021, Vietnam had 180 laboratories capable of testing for COVID-19 using RT-PCR with a maximum capacity of 238,000 tests per day (V. s. M. o. Health, 2021a). Health officials are currently preparing to extend testing capacity to additional hospital laboratories, including provincial and military hospitals, with further training ongoing, for preparedness in case of future widespread transmission. During the outbreak in Hai Duong province, instead of mass testing on every person in the infected area, authorities used a variety of strategies including targeted testing of higher risk groups as well as random testing of households and inpatients. Testing capacity can also be increased with guidance issued on pooling of lower risk specimens, up to 10 specimens at most.

Border controls, border closures, and entry bans

Vietnam began tightening border controls in early January to prevent the arrival of COVID-19 cases. At all international airports and official land border crossings between China and Vietnam, Vietnam has instituted a policy of taking passenger temperatures with non-contact thermometers (T. V. Nguyen et al., 2021). The Vietnam Civil Aviation Authority halted all flights to Wuhan, where the first case of COVID-19 was discovered, on January 23. Besides, at all points of entry, such as land crossing points, seaports, and airports, Vietnam has also taken strict measures to prevent the spread of the illness. Immigration officers (airports), military (land crossing points or borders), and health officers who have been sufficiently trained in infection prevention and control by competent health agencies were all involved in COVID-19 control at points of entry (L. T. Tran et al., 2021). Electronic medical declaration forms have been required for all travelers entering Vietnam since March 21, to aid in the identification of suspected cases for testing and quarantine. Passengers with fever, who reported a history of fever, cough, or shortness of breath, or those who had been in contact with a known COVID-19 patient in the 14 days before arrival in Vietnam were screened, identified, and segregated at border crossings. Passengers at risk were sent to a designated hospital for a mandatory two-week quarantine period. During this time nasopharyngeal and throat swabs were collected and tested for COVID-19. Passengers who arrived in Vietnam before March 14 without symptoms or exposure were given an educational sheet on how to report signs and symptoms of illness. These travelers were allowed to enter the country but they were quarantined in their homes or hotels for 14 days and supervised by health workers from local communal health stations. The Vietnamese government subsidized the cost of quarantine for all travelers who landed in Vietnam until the

end of August. Passengers were responsible for covering quarantine expenses beginning in September 2020 (T. V. Nguyen et al., 2021).

Facing the complicated developments of the COVID-19 pandemic in the world with the appearance of new strains of SARS-CoV-2, studying and re-evaluating the incubation period of COVID-19 were conducted. Consequently, On May 5, 2021, the Ministry of Health issued the Official Dispatch 600/CD-BCD on adjusting the time of concentrated isolation, the management time after the end of concentrated isolation, and tests for COVID-9 prevention. Particularly, the time of concentrated isolation for cases subject to concentrated isolation is adjusted from at least 14 days to at least 21 consecutive days in the concentrated isolation area from the date of entry into the isolation area or the last contact with a person infected with COVID-19; collecting samples for COVID-19 testing at least 3 times on the first, 14th, and 20th days of concentrated isolation; and reducing the time for health monitoring at home and accommodation from 14 days to 7 days after the end of concentrated isolation and taking samples for testing on the 7th day (counting from the end of concentrated isolation) (M. o. Health, 2021b).

Quarantine, lockdown, and social distancing

The WHO has no universal guidelines for the use of curfews, restrictions, and lockdown measures. The level and scope of these measures should be determined by individual countries based on their circumstances and priorities. Compulsory quarantine, visa suspension, border closure, and social distancing were common in Vietnam and were critical COVID-19 measures. Because the Vietnamese government was aware of this pandemic threat, it strictly enforced quarantine measures. Citizens entering the country from epidemic countries such as China, Korea, Italy, and Iran in the first and second waves were required to complete a health declaration and undergo medical quarantine. The newly confirmed cases were mostly foreigners and Vietnamese citizens who had recently returned from Europe or had direct contact with positive patients (Tran et al., 2020). As a result, precautionary measures such as isolation and quarantine were implemented to halt the spread of the disease. The Vietnamese government announced a mandatory quarantine for all passengers from all countries and regions upon entry to Vietnam on March 21, 2020. Passengers with diplomatic or official passports should undergo quarantine for 14 days from the arrival date at their embassy or place of residence if they were in a normal health condition, had no signs of illness, and were guaranteed by the embassies or representative offices who ensured the quarantine conditions. The prediction that widespread COVID-19 transmission would occur, endangering individual and population health and eventually exhausting Vietnam's societal and economic system prompted the implementation of nationwide lockdown recommendations from April 1 to April 15, 2020. Self-isolation was one of the measures, and people were allowed to leave their homes only for food and medicine. The gathering of more than two people was also prohibited, as was the requirement of a two-meter distance between people in public areas. Factories, businesses, and service establishments that produce and provide essential goods were allowed to remain open, but must adhere to strict health regulations (Minister, 2020b). After

15 days of national social distancing, the government divided the country into "high-risk," "at-risk," and "low-risk" zones on April 16 in order to take appropriate precautions. The lockdown period was extended for one week in 12 high-risk cities and provinces, including Hanoi, Da Nang, and HCMC. Domestic travel by all means of transportation was prohibited during that period, and non-essential services were closed. This strategy had a significant negative impact on the Vietnamese economy and people's lives.

Aside from international travel restrictions, Vietnam imposed domestic movement restrictions in March 2020, during the peak period of the first wave. During the national social distancing period, the tourism industry was closed in some areas beginning on March 9 and then nationally in April. Another stringent measure was the school shutdown, which lasted from February 6 to early May. National social distancing was imposed on March 28, when the country had 171 cases and 8 new cases, and was lifted on April 22, when no new cases were reported within a week. The social distancing order, like that of many other countries, restricted most ordinary activities, including unserviced unserved public transportation and non-essential business activities. People were required to stay at home and work from home, and they were only permitted to leave the house for essential activities. Educational institutions have shifted to remote online learning platforms, with participation increasing throughout the academic year. Similar to other Asian countries (Kwok et al., 2020; Wu, 2020), educational facilities remained closed until May 4. With the increasing spread of outbreaks detected in the large cities of Hanoi and HCMC, a ban on indoor gatherings of 20 or more people and public gatherings of 10 or more people was issued in late March. Non-essential businesses such as restaurants, bars, beauty salons, barbershops, hair salons, massage parlors, spas, and gyms were closed, as were entertainment, cultural, and sporting events held in public places. A physical distance of 2 meters was also recommended. Many businesses and government agencies have made the wise decision to allow their employees to work from home, which not only reduced the risk of disease transmission but also kept people employed. Furthermore, both intra-provincial and inter-provincial bus and railroad services were halted. Besides, on March 16, 2020, the wearing of a mask became mandatory in public places in Vietnam. The public was also encouraged to wash their hands frequently and disinfect surfaces and objects in order to prevent the virus from spreading.

Enhancing the capacity of the healthcare system

The Ministry of Health (MOH) and its drastic efforts in delivering rapid and decisive responses on all fronts, from research, prevention, screening, to diagnosis and treatment of COVID-19, have largely contributed to the effective results of the epidemic control to date. After the WHO announced that a series of patients with pneumonia of unknown etiology had been reported in Wuhan, China, on December 31, 2019, the Vietnamese government suspected the emergence of a highly infectious and lethal disease. As a result, only 7 days after this announcement, health system preparedness efforts in Vietnam were launched, beginning with a national risk assessment on January 7, 2020. Based on this assessment, it was determined

that there was a high risk of this unknown disease being imported into Vietnam due to the large volume of daily population movement between China and Vietnam. Vietnamese health system managers and other related ministries developed and widely disseminated a national COVID-19 Response Plan and Technical Treatment and Care Guidelines on January 16, 2020 (T. V. Nguyen et al., 2021). When the COVID-19 outbreak hit Vietnam on January 30, a National Steering Committee and 45 Rapid Response Teams were formed to prevent and control the outbreak (Health, 2020; Minister, 2020a).

In addition, Vietnam has made significant advances in scientific research and development related to COVID-19. On February 7, Vietnam became one of the few countries that successfully cultured and isolated the novel coronavirus strain in the laboratory, laying the groundwork for future vaccine research and development, as well as effective COVID-19 prevention interventions. The MOH launched an online-based medical examination and treatment system on April 18 to assist hospitals in remote areas with counseling, consultation, imaging diagnosis, pathology, and other services. Vietnam successfully manufactured the virus detection test kit on March 5, 2020 (RT-PCR and real-time RT-PCR) (T. P. T. Tran et al., 2020). Besides, to ensure health system capacities during the pandemic's complicated development, the government issued several decisions requiring rapid production of medical equipment and suspending exports of anti-COVID-19 drugs (Office, 2020). In Vietnam, people who had confirmed COVID-19 infection were immediately hospitalized. COVID-19 is classified as a group A infectious disease in Vietnam, making this practice legal. This category includes highly contagious diseases, which can cause outbreaks, and are potentially fatal. For domestic cases, field investigation teams from provincial disease control centers, district health centers, and local governmental authorities identified and interviewed anyone they had contact within the previous 14 days (T. V. Nguyen et al., 2021).

In July 2021, the Vietnamese Ministry of Health implemented a new COVID-19 treatment regimen in response to the appearance of the Delta variant and a rapid increase in the number of cases during the fourth epidemic. According to the Ministry of Health, more than 80% of patients had only a mild fever, cough, fatigue, and no pneumonia and recovered in about a week. All patients with no or mild symptoms will be treated in the general ward under the new treatment plan. Severe and life-threatening conditions require treatment in the intensive care unit. Because there are currently no effective specific antivirals or medications available to treat COVID-19, an individualized treatment plan should be provided, especially in severe cases. The Ministry of Health categorizes hospital discharge requirements into three levels, with the shortest treatment duration being 10 days. In addition, the Ministry of Health has changed how patients are monitored after they leave the hospital. At home, patients must measure their body temperature twice a day. It is necessary to notify the medical facility if the temperature is above 38 degrees for two consecutive measurements or if there are any abnormal clinical symptoms immediately (V. s. M. o. Health, 2021b). The Ministry of Health approved the use of the antiviral drug Remdesivir for COVID-19 treatment in August 2021, and Favipiravir is also being considered.

Improving field hospital competencies

Da Nang city announced on July 31, 2020, that using Tien Son Sports Center in Hi Châu District as a temporary field hospital to assist the city's hospitals in dealing with the rising number of COVID-19 patients in the area. The sports center has a total area of 10,000 m2 (110,000 sq ft) and a capacity of 2,000 beds (VnExpress, 2021a). In response to the COVID-19 outbreak in Hai Duong province in January 2021, two field hospitals with a combined capacity of 600 beds were established in the northern province of Hai Duong within 24 hours. The first one was built in Chi Linh City medical center and is staffed by 45 doctors and approximately 70 nurses who can treat 200 patients. The second, with 210 beds, was converted from the Hai Duong Medical Technical University (VnExpress, 2021c).

Vietnam has approximately 2,000 ICU doctors and approximately 16,000 ICU beds by 2021. In Ho Chi Minh City, a three-tiered care pathway for people infected with COVID-19 was established on August 16, 2021, with a plan for 60,000 beds, including 1,700 ICU beds. Binh Duong province has 22 treatment facilities with a total of 15,627 beds and 2,851 medical staff by August 2021. The provincial government implemented a three-tiered care pathway, with the first level treating over 6,000 mild or asymptomatic patients and the second level treating nearly 7,000 patients with moderate symptoms. The third, at Binh Duong General Hospital and Binh Duong COVID-19 Emergency Resuscitation Field Hospital, cares for 586 severe and critical patients (VietnamTelevision, 2021). Long An province also used a three-tiered care system, with district hospitals serving as levels 1 and 2, and Long An General Hospital, Long An Tuberculosis and Lung Disease Hospital, and Hai Nghia Regional General Hospital serving as levels 3 and 4. The MOH assisted the province in establishing a 500-bed intensive care unit. Dong Nai province has 150 ICU beds for COVID-19 patients and is building a 200-bed facility. The National Lung Hospital in Hanoi assisted Dong Nai in the establishment of a new 380-bed intensive care unit (VnExpress, 2021b).

Financial and economic support

The Vietnamese government provided a social protection package that included severance pay for workers who lost their jobs as a result of the COVID-19 pandemic, allowance for individuals on social assistance and those from low-income and near-poor households, incentives for domestic business households, and tax breaks and interest rate reductions for companies affected by the epidemic. The Vietnamese government passed a VND62 trillion ($2.6 billion) financial assistance package on April 10, 2020, to directly assisting people in need as a result of the COVID-19 pandemic. This aid package will benefit workers who have to postpone their labor contracts, part-time workers who are unemployed but have not received unemployment benefits, enterprises that have no revenue or no financial sources to pay salaries, employers, individual business households, and people who have rendered meritorious services to the nation. However, the disbursement of the assistance package continues to be fraught with difficulties and delays due to a variety of factors. The Vietnamese government has issued and is implementing a multi-sectoral response to address the social and economic impact of the crisis. Table 2 below summarizes the government's policies to support affected people and enterprises in response to COVID-19.

Table 2

The COVID-19 financial support packages

Support policy	Budget (USD)	Description
Fiscal package to support enterprises	7.8 billion	Tax deference and delayed payment of land use tax and rent for affected enterprises
Loans with zero interest rate to pay workers salary	10.2–43.1 million	Loans with zero interest rate for affected enterprises
Social protection package	2.7 billion	Cash transfer for 3 months (April, May, and June 2020) for people with merit, poor and near-poor households, affected workers, and household businesses
Electricity price reduction	475 million	10% reduction in electricity price from April to June 2020; free for all households and businesses, health and quarantine facilities
Credit package of Commercial banks	12.3 billion	Loans to less/least affected enterprises but need investment capital after COVID-19. Heavily affected enterprises can also borrow if the ability to repay can be proven
Banks reduce interest rates		Banks reduced interest rates and exempted or reduced fees for making transactions

The unprecedented aid package is expected to benefit more than 20 million people and is seen as critical in ensuring social security and ensuring that "no one is left behind" during COVID-19. VND 11.98 trillion had been distributed as of August 22 to 12.06 million people and 13,725 household businesses (Do et al., 2021). According to the Ministry of Finance, by late September 2020, approximately 12.65 million people would have received social protection assistance, with a total expenditure of approximately US$540 million for this program (T. P. T. Tran et al., 2020).

In addition, preferential economic policies and relief measures have been implemented in response to this pandemic's negative socioeconomic impacts on businesses, society, and individuals (P. B. Tran et al., 2020). On February 7, the Ministry of Finance announced a list of medical supplies that would be tax-free until the end of the epidemic, including face masks, hand sanitizers, and protective suits (Finance, 2020). As a result, tax payments were exempted or deferred in some cases, and electricity tariffs were reduced for three months for individuals and businesses affected by COVID-19 (Minister, 2020c; Taxation, 2020). Isolated people in health care centers and concentrated quarantine facilities are entitled to an allowance of around 80000 VND per person per day (approximately $3.4), and all direct medical costs for Vietnamese citizens are covered. According to the Ministry of Labour, Invalids and Social Affairs (MOLISA), more than 11 million people from an approved list of 15.8 million vulnerable people and 6,196 household businesses will have received more than 11 trillion VND (USD 477 million) in social assistance by June 29, 2020. However, MOLISA's reports highlighted some key challenges in implementing this package, such as complicated procedures resulting in late cash delivery and limited local funds (30–50 percent of total local funds) in poor provinces. A rapid assessment of the COVID-19 social assistance package

conducted by the Department of Social Protection with all provinces in May 2020 revealed that informal workers, small businesses, and families with children had difficulty accessing this package due to complex registration and screening procedures. As a result, novel approaches will be required to boost consumer spending and reduce the vulnerability of those who lost their jobs and earnings as a result of the pandemic (Ministry of Labour, 2020).

Improving the information campaign during the pandemic

Recognizing the importance of the media during the pandemic, in January 2020 the Vietnamese government released a mid-term plan for communicating health risks for the 2020–2025 period. The plan includes a section on communication strategies during a public health crisis, which served as the foundation for communication during the COVID-19 outbreak in Vietnam (T. V. Nguyen et al., 2021). The government has carried out some information and communication campaigns to keep the public informed of the most recent and transparent developments in this pandemic. The Ministry of Information and Communications issued Directive No. 05/CT-BTTTT on the implementation of the new coronavirus outbreak prevention and control on February 2, 2020 (Communications, 2020). Information is provided via text messaging for each mobile subscriber; videos and short films are produced to disseminate anti-nCoV information on social networks such as Facebook, Zalo, Youtube, and Lotus; the hashtag #ICT_anti_nCoV has been introduced to raise awareness; information is disseminated through the media such as newspapers, radio, and television; collaboration and communication between hospitals and health facilities is ensured and improved; network security is ensured; and "fake" messages are corrected immediately. On March 9, 2020, the Ministry of Information and Communications and the Ministry of Health launched two apps: the 'NCOVI' app for Vietnamese people and the 'Vietnam Health Declaration' app for all visitors entering Vietnam; and the contact tracing application 'Bluezone'. These applications provide information to help trace suspected COVID-19 cases (Communications, 2020). Based on the information gathered from these applications, the healthcare system could provide the most timely and effective medical assistance possible. Furthermore, this is an official channel for competent state agencies to send disease prevention recommendations to users. According to a report from the Ministry of Information and Communication, the Bluezone application had been downloaded by approximately 14.9 (14%) of the 96.2 million people in August 2020. Bluezone identified a risk notification as being in an F1 or F2 group by matching a user's movements to those of all index (F0) individuals and suggested general technical guidance for the user (T. V. Nguyen et al., 2021). In addition, MOH collaborated with WHO to create infographics with questions and answers about nCoV infection prevention. MOH created infographics based on COVID-19 preventive measures recommendations for specific subjects such as drivers and passengers on public transportation. Aside from the aforementioned websites and applications, various communication campaigns were also launched on social media, television, radio, and in newspapers to educate the public on prevention measures. Messages were tailored

to encourage people to adopt prevention behaviors, to identify people at high risk of infection, and to direct people with symptoms or a history of exposure to seek health care, declare their status, and be tested.

Vaccine development and vaccination program

The National Institute of Hygiene and Epidemiology in Hanoi announced on February 7, 2020, that it had successfully cultured and isolated the new SARS-CoV-2 coronavirus in the laboratory, making it the fourth country to do so. According to the institute, the achievement would allow for faster COVID-19 test results, implying that thousands of samples could be tested per day. Vietnam declared in May 2020 that their COVID-19 vaccine was developed after scientists successfully generated the novel coronavirus antigen in the laboratory. The vaccine was developed by scientists at VABIOTECH in Hanoi and Bristol University, and it will be tested on animals and evaluated for safety and effectiveness before going into production. According to the National Institute of Hygiene and Epidemiology, developing a vaccine that is safe for humans will take at least 12–18 months. Vietnam is currently researching four COVID-19 vaccines produced by Nanogen, Vabiotech, Polyvac, and the Institute of Vaccines and Medical Biologicals (IVAC). The second Vietnam-produced COVID-19 vaccine (COVIVAC), developed by the Institute of Vaccine and Medical Biologicals (IVAC), began a human clinical trial on January 21, nearly two months ahead of schedule. Since May 2020, IVAC has been researching the vaccine and conducting preclinical trials in India, the United States, and Vietnam with the results demonstrating safety and efficacy in the experiment, fully meeting the conditions for researching with human participants (BaoNhandan, 2021). On September 8, 2021, Deputy Minister of Health Tran Van Thuan met with Xenothera of France to discuss collaboration for the third phase of clinical trials of the XAV-19 COVID-19 treatment drug, as well as the transfer of production technology to Vietnam. This medication is used to both prevent the virus from developing and neutralize the virus and reduce inflammation in patients (BaoLaodong, 2021).

The COVID-19 vaccination campaign in Vietnam is an ongoing immunization campaign against the COVID-19 in response to the ongoing pandemic in the country. Vaccination began on March 8, 2021, after Oxford–AstraZeneca's COVID-19 vaccine was licensed on January, 30, 2021, and will continue throughout the year, to vaccinate 80 percent of the population by June 2022. On March 23, 2021, the Sputnik V was approved for use. On June 4, 2021, Sinopharm COVID-19 vaccine was approved for emergency use, while Pfizer–BioNTech COVID-19 vaccine was approved on June, 12 2021. The COVID-19 vaccination program in Vietnam began on March 8, 2021, with medical workers in Hanoi, Ho Chi Minh City, and Hai Duong province receiving the AstraZeneca vaccine (M. o. Health, 2021a). With over 150 million doses, this is the country's largest immunization campaign to date. In June 2022, Vietnam is expected to reach its vaccination coverage target of 80% (ONISHI, 2021). Although Vietnam has been a success story in disease prevention and outbreak control, the country's COVID-19 vaccination program is considered slower than that of other Asia-Pacific countries (Reuters, 2021).

Recommendations to socioeconomic response and recovery in post-COVID-19

The COVID-19 pandemic is much more than a health crisis; it affects the entire country of Vietnam, affecting nearly every aspect of social and economic life. As a result, developing a response and recovery plan is critical to firmly anchoring the socio-economic response to COVID-19 in national COVID-19 response and long-term development plans, and leaving no one behind. It is also intended to reduce the country's vulnerability to the pandemic by facilitating a transparent, human-rights-compliant, gender-sensitive, and effective recovery process, with a focus on populations for whom the emergency has exacerbated pre-existing marginalization, inequalities, and vulnerabilities. Hence, a post-COVID-19 socio-economic response and recovery strategies should be developed as soon as possible by the Vietnamese Government. This socio-economic response framework should consist of five strategic pillars aimed at protecting the needs and human rights of people affected by the pandemic, with a particular emphasis on the most vulnerable and marginalized groups and individuals at risk of being left behind.

First, protecting health services and systems during the crisis: recovering better necessitates a new perspective on how to achieve the success on health care, which includes emphasizing the links between health and nature. Steps toward recovery include: assisting primary care systems in regaining a stronger and more resilient position; strengthening monitoring and information systems, including assisting rights holders in understanding recovery needs; improving the health system's capacity to respond to public health emergencies (Barnett, Rosenblum, Strauss-Riggs, and Kirsch, 2020); assisting civil society and the private sector to optimize services and better meet people's needs.

Second, social protection and basic services: building on the increased coverage during the COVID-19 response, redesigning social protection systems to be more responsive to shocks, including climate shocks, and strengthening care systems to respond to the needs of women and men, as well as vulnerable and marginalized groups throughout the recovery process should be prioritized.

Third, protect jobs, small and medium-sized enterprises, and the informal sector workers: the recovery phase should highlight the scope and limits of existing productive development strategies, drawing attention to the potential of green economy solutions, e-commerce, and the digital economy. Redoubling efforts to create green and sustainable jobs should be part of a better recovery. Increasing fiscal spending on public employment programs in order to promote greater labor market resilience in the face of future crises, while combating discrimination and addressing inequalities. Ensuring decent work and equal treatment in terms of rights and benefits for workers in various contractual arrangements, self-employed individuals, and unpaid caregivers.

Fourth, macroeconomic response and multilateral collaboration: evidence must guide the macroeconomic response to COVID-19 and multilateral collaboration. This evidence should include a rapid assessment of the potential impact of the crisis (to quantify the spending required to contain it); an assessment of the fiscal space available for increased spending; and an analysis of policy priorities and avail-

able policy measures, given Vietnam's financing and implementation constraints. It should invest in health, education, social protection, long-term infrastructure, and crisis preparedness, while steering economic recovery toward a significantly more sustainable and carbon-neutral path. Examine strategies to reduce inequalities, and assess the human rights and gender implications of proposed economic reforms. Facilitate multilateral and regional collaboration on issues such as data, technology innovation, and transfer, closing the digital divide, sustainable finance, debt management, and crisis preparedness; and making a concerted push for debt repayment suspension.

Fifth, social cohesion and community resilience: the urgent response to the COVID-19 pandemic necessitates the consolidation – rather than the marginalization – of critical ongoing processes of social dialogue, civic participation, and democratic engagement, including gains in gender equality over the past decades. Communities must be at the center of all efforts to strengthen social cohesion. A better recovery will rely on annual assessments that will aid in identifying structural vulnerabilities and inequalities. This will provide opportunities to reverse the trend of shrinking civic space, institutionalize community-led response systems, promote social dialogue, empower local governments for inclusive decision-making, scale-up community, and city-level resilience, and strengthen legal and institutional frameworks.

These five major strategic pillars are linked by an emphasis on environmental sustainability, gender equality, and the need for faster recovery. Developing a better future after the pandemic requires immediate social and economic interventions to increase resilience to future shocks (Bali et al., 2020; Dzigbede, Gehl, and Willoughby, 2020; Egypt, 2020; Moldova, 2020; Rosenbloom and Markard, 2020).

Conclusion

Vietnam is one of the countries in the world to conduct intensive surveillance and lockdown operations for all newly confirmed COVID-19 cases. To date, multiple effective measures have been critical in combating the COVID-19 pandemic in Vietnam, such as swift government action, strict border control measures, widespread community participation, increased testing capacity, and effective social measures. This paper described a summary of valuable successful actions from Vietnam's COVID-19 strategies to respond to the COVID-19 pandemic. This can be useful for policy-makers, researchers, and practitioners to improve the response around the world.

The Vietnamese government's strategies for combating the pandemic could be viewed as an effective model for limited-resource settings. Eights main strategies were identified and analyzed, including: (1) enhancing the capacities of COVID-19 testing; (2) border control, close and entry ban measures; (3) quarantine, lockdown, and social distancing; (4) enhancing the capacity of the healthcare system; (5) financial and economic support; (6) improving field hospital competencies; (7) improving information campaign during the pandemic; and (8) vaccine development and vaccination program. Furthermore, the post-COVID-19 socio-economic responses and recovery strategies were recommended with five primary strategic pillars, in-

cluding (1) protection of health services and systems during the crisis; (2) social protection and basic services; (3) protection of jobs, small and medium-sized enterprises, and the informal sector workers; (4) macroeconomic response and multilateral collaboration; and (5) social cohesion and community resilience.

It is noted that the socioeconomic background, cultural environment, political frameworks, and legal structures are different in Vietnam compared to other countries may limit the wide applicability of the measures described here. Specific challenges for a given country, on the other hand, must be identified and addressed promptly to successfully promote health, prevent transmission, and respond to the COVID-19 pandemic. Furthermore, because this pandemic is spreading at such a rapid pace and at such a complex level, combating the outbreak has become a more difficult mission for Vietnam and other countries worldwide.

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STRATEGY IMPLEMENTATION, CULTURE AND PERFORMANCE IN THE PUBLIC ORGANIZATIONS: AN EMPIRICAL EXAMINATION

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Abstract. It is largely accepted that effective strategy implementation, as one of the most essential phases of the strategy making process, leads to good organisational outcomes. However, there is still very little research addressing which implementation style is associated with better public service outcomes. For public sector organisations, there is a common belief that the implementation of strategies mostly fails in practice. Another important organisational characteristic, seen as an effective tool for increasing performance, is organisational culture. While there are also numerous studies in the literature investigating the relationship between organisational culture and performance in both the private and public sectors, most of this research only investigates the direct effects of culture. This research undertakes a novel approach and explores the separate and combined effects of strategy implementation style and organisational culture on performance in Turkish local government organisations. Survey data were analysed using multiple and robust moderated regression models. The results of the study confirmed the presence of a significant positive relationship between rational strategy implementation and organisational performance and consistently positive influence of hierarchy type of culture on performance. Moreover, a rational strategy implementation style appeared to strengthen the effects of a hierarchical and a market-based culture on performance, while an incremental strategy implementation style seemed to enhance the effects of a clan-oriented culture and an adhocracy culture on performance.

Keywords: strategy implementation styles, organisational culture, Competing Values Framework, organisational performance.

Introduction

Managing people and organizations has become increasingly difficult in today's complex and turbulent world. Strategic management ideas and tools have been brought into play to enhance organisational capacities and accomplish organisational goals in the face of such growing complexities. The vast majority of studies focus on the strategic planning and formulation stages, while less is known about the strategy implementation phase (George, 2021). As a critical phase of strategy-making where many organisational plans fail, strategy implementation is considered the most difficult part of the policy-making process compared to the formulation, planning and decision-making stages (Nutt, 1998; Hrebiniak, 2005; Cina and Cummings, 2018).

Culture is often regarded as the most fundamental element of an organisation. Due to its elusive nature, there is no consensus in the relevant literature on how to deal with it most effectively. Some researchers claim that the concept of culture needs to be examined holistically (Meyerson, 1991; Trice and Beyer 1993), others assert that it is too complicated to investigate as a whole and claim that its more tangible aspects should be studied to integrate them with other organisational components such as personnel, strategy and performance (Denison, 1990; Kotter and Heskett, 1992). By following the latter approach, this study will examine the functional aspects of organisational culture, allowing the topic to be more easily linked with concepts of organisational performance.

A need for cultural change in public organisations has also become a popular topic in public sector literature over the last three decades (Newman, 1994; Ashworth, 2010). Many initiatives have been put forward within the field as well as a variety of practices have been adopted from the private sector, all aimed at producing more innovative and better-performing services in order to determine clear strategies and establish a strong human resource team to direct all these changes (Ozturk and Genc-Tetik, 2021). Understanding and investigating organisational culture is necessary because it forms the essence of all these initiatives as part of the change process. The current study therefore aims to investigate the operational side of organisational culture in line with strategy and performance, as this is one of the most crucial but understudied relationships in contemporary public management.

Strategy Implementation

Strategy implementation is the process of putting strategies into practice, which includes planning and delivering services, developing the efficiency and effectiveness of operations, and designing the organisational structures, evaluation systems

and cultures required to fit the new strategy (Hill and Jones, 2008). It is considered a difficult task that demands persistence, draws attention to details and prepares the organisation for the future (Joyce, 1999). Jenkins et al. (2003) consider that the implementation of a strategy in an organisation is akin to fighting a long and bloody battle.

Strategy implementation is seen as the most difficult phase of the whole strategy process. There is often a concern that strategic management will fail in the implementation phase (Levi and Doig, 2020). It has also been claimed that less than 50% of formulated strategies are actually implemented (Mintzberg, 1994; Nutt, 1999). The challenges and problems faced in implementing strategies and the key attributes of successful strategy implementation have been widely investigated (Alashloo et al., 2005; Elbanna et al., 2015). One of the most important reasons that makes this phase so problematic is the "implementation gap", as formulating strategies and implementing them are frequently considered as entirely distinct processes (Noble, 1999).

The successful implementation of strategic decisions is widely considered critical to the achievement of organisational aims and objectives (Elbanna et al., 2015; Tawse and Tabesh, 2021). Boyne et al. (2010) also assert that delivering well-coordinated public services is directly related to achieving the best possible outcomes. Public sector agencies all over the world have begun to prepare strategy documents or plans to implement their policies more effectively (Desmidt and Meyfroodt, 2021). Where the process has been carried out in practice, there is a common belief that strategy implementation is a powerful determinant of organisational performance (Levi and Doig, 2020). It is extensively acknowledged that no matter whether a strategy is emergent or deliberate, planned or unplanned, it will have little effect on an organisational performance until it is implemented (Mintzberg, 1994). This means that the successful implementation of strategies depends on the particular style of implementation that an organisation decides to adopt, which in turn has important implications for organisational performance (Elbanna et al., 2020). Conceptual studies have developed alternative frameworks for categorising different approaches to strategy implementation (e.g. Mitchell, 2019).

From a rational perspective, strategic management is a deliberate policy that takes shape in a chronological sequence, culminating in the attainment of strategic targets set at the start of the process (Andrews et al., 2017). Strategies are deliberately formulated and implemented, following the classic rationale of *diagnosis followed by prescription*. An emphasis on rational implementation seems to result in better organisational performance because the clearly defined organisational goals on which it rests allows for ongoing review, control and smooth integration of activities. As a result of this evidence, a following hypothesis can be suggested:

H1a: A rational approach to implementation is positively related to organisational performance.

The learning school of thought, which mainly originated from Lindblom's seminal paper, emphasised the elements of incremental strategic decision-making processes based on a chain of small, gradual and unplanned changes taking place over time (Quaye et al., 2015). Unlike the planning school, which emphasises the importance of deliberate and pre-planned strategies, the learning school evaluates the concept of emergent strategies as "a pattern of action which develops over time

in an organisation in the absence of clear mission and goals; or sometimes despite mission and goals" (Griffin 2013, p. 207). Quinn (1978) argues that even with a well-developed strategic planning system, major strategic decisions are taken outside that planning framework because targets are often ambiguous, making their implementation complicated to measure (Hill and Hupe, 2009).

Strategy implementation should therefore take the form of a learning process focusing on continuous adaptation in order to adapt to new situations and possible scenarios arising from contingencies (Mitchell, 2019). Incremental strategy making occurs as a learning process, which automatically makes formulation and implementation identical, thereby minimising the possibility of implementation failure (Hambrick and Cannella, 1989). As a result of this evidence, another hypothesis can be suggested:

H1b: An incremental approach to implementation is positively related to organisational performance, but less so than a rational approach.

Implementation, as a critical element of strategy, is believed to have a significant impact on performance, although existing studies assume that both rational and incremental implementation styles can have positive or negative relationships with organisational performance, depending upon different parameters such as strategic stance, culture, middle manager involvement, political influence and context. Organisational culture can be especially important because it can have an impact on the characteristics and outcomes of strategic management in the public sector (Wynen and Verhoest, 2013).

Organisational culture

Whilst numerous studies over the last few decades have focused on how public service organisations and their staff can perform better, it has also become essential to work out the importance of culture in the performance of public sector organisations (Mudrak et al., 2021). In the 1980s, organisational culture in the public sector began to transform from a traditional bureaucratic culture *(rule-based, hierarchical and process-driven)* to a business-like *culture (competition-based, marketised, results-oriented)* (Newman, 1994). Though shifts in the public sector from a bureaucratic to a market culture and then to a network culture over recent decades appeared to follow a linear process, all types of cultures still coexist within public sector organisations (Cameron and Quinn, 2011).

Although there is a growing body of research on the public sector, investigations are very fragmented and their findings are insufficient in terms of providing any concrete conclusions regarding the relationship between different organisational cultures and performance (Nitzl et al., 2019). The most systematic research on this relationship has been done through the CVF (Competing Values Framework), a model which allows both topics to be examined together. The framework basically conceptualises four different types of culture and links them to relevant characteristics such as the strategic orientation of the organisation, effectiveness criteria and leadership style (Ozturk and Genc-Tetik, 2021). In this way, the CVF maps each type of culture to its most pertinent performance criteria. More specifically, it permits this study to examine the relationship between clan culture

and quality criteria, hierarchy culture and quantity criterion, market culture and citizen satisfaction criteria, and lastly adhocracy culture and innovation criterion. In Figure 1 below, the core axes along which organisations are classified in the CVF depending on whether the organisation has a predominantly internal focus/integration or external focus/differentiation and whether they aim at flexibility or discretion or stability and control (Cameron and Quinn, 1999).
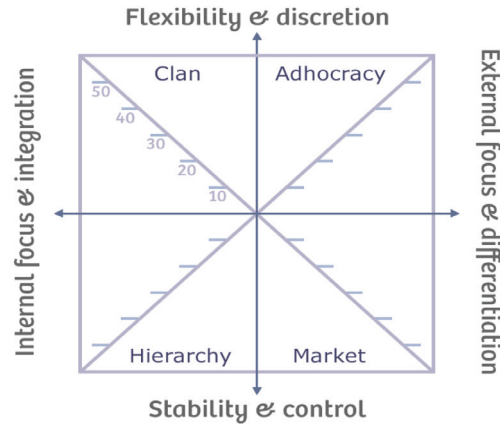
Figure 1: **Competing values framework.**

Source: Cameron and Quinn, 2011.

Hierarchy cultures are stability-oriented and driven by values such as efficiency, timeliness and smooth functioning (Cameron and Ettington, 1988). This means that managers in hierarchy cultures are expected to care about finishing tasks on time and performing better. It is widely agreed that public sector organisations are traditionally associated with this type of culture, which relies on formal rules and procedures as control mechanisms to ensure conformity and predictability (Zammuto and Krakower, 1991). Processes in the public sector are executed mostly through rational planning, which allows the work to be completed in a smooth and timely manner. As a result of this evidence, a hypothesis can be suggested:

H2a: A hierarchy-oriented culture is more positively related to quantity than other types of culture.

In terms of public sector organisations, a market-based culture is a comparatively recent concept, which was adopted as a new organisational model that was designed to be less bureaucratic and more efficient (Ozturk and Genc-Tetik, 2021). With the adoption of market-based initiatives in the government sector, executing and delivering public services became more closely connected with better performance and meeting the needs of citizens (Macedo and Pinho, 2006). Ferrira (2014) also found that market culture is significantly and positively associated with customer. As a result of this evidence, we can suggest a following hypothesis:

H2b: A market-oriented culture is more positively related to citizen satisfaction than other types of culture.

A clan culture, oriented towards human affiliation, is driven by values such as trust, collaboration, empowerment and attachment (Cameron et al., 2011).

The values associated with this type of culture lead to a specific set of behaviours defined by teamwork, participation, employee involvement and commitment (Cameron et al., 1988; Hartnell et al., 2011). In this type of culture, common values generated within the processes are expected to be embraced by all the members of the organisations along with a sense of belonging. When personnel feel attached to organisation and responsible for other personnel, they will be inclined to produce better quality work. In this direction, the current study examines the relationship between clan culture and service quality output within the CVF model. As a result of this evidence, a hypothesis can be suggested:

H2c: A clan-oriented culture is more positively related to quality than other types of culture.

Adhocracy cultures are change-oriented and driven by values such as growth, new ideas, autonomy, and stimulation (Cameron et al., 2011; Hartnell et al., 2011). However, since government bodies inherently favour low risk-taking and stability, a need has been identified for them to adopt a culture, which enables change, improvement and innovation in their services (Manimala et al., 2006). An adhocracy culture has therefore become much more relevant to public sector organizations, especially in relation to innovation and performance (Mudrak et al., 2021). Most empirical research in CVF has found a positive relationship between adhocracy culture and innovation and related performance measures. As a result of this evidence, a further hypothesis can be suggested:

H2d: An adhocracy-oriented culture is more positively related to innovation than other types of culture.

Moderating effect of strategy implementation styles

There is a well-established canon of literature focusing on the fit between organisational strategy and culture. They represent two essential elements, that both play a role in the successful organisational performance. Brenes et al. (2008) conclude that 86% of successful organisations regard the alignment of strategy and culture as highly significant. Organisation theory generally considers that organisational strategy and culture should be intimately connected, as culture can influence strategy and vice versa (Yarbrough et al., 2011). Dobni and Luffman (2003) also claim that the specific characteristics of an organisation culture must align with its organisational strategy, and that any changes in either of these must facilitate the other in order to ensure a well-functioning organisation. More clearly, organisational culture implicitly regulates how employees and managers behave and work, and how their collective beliefs correspond to the strategic targets which directly affect organisational functioning (Quinn, 1988; Deshpande et al., 1993; Weber and Camerer, 2003; Schein, 1997; Scholz, 1987).

Some researchers assert that the congruence between strategy and culture becomes most apparent and prominent in the strategy implementation phase (Bates et al., 1995). Alamsjah (2011) and Bates et al. (1995) suggest that well-structured and well-implemented strategies can affect organisational culture positively by means of the practices, regulations and processes in which organisational strategies are practiced. Other research also concluded that one of the most important

barriers to strategy implementation is an unaligned organisational culture (Heide et al., 2002; Alashloo et al., 2005). From this perspective, a rational implementation style, which emphasises regulations, rational decisions, plans and stability, complements the hierarchy and market-oriented culture that focuses on control. It can be claimed that the artefacts of hierarchy and market-oriented culture under controlled orientation should be in close proximity to the above-mentioned characteristics of rational implementation styles in order to achieve better performance. Likewise, incremental implementation, which emphasises continuous monitoring, changes, cooperation, and openness, can be more easily associated with clan and adhocracy cultures, which are oriented towards flexibility and related outcomes. The flexibility-oriented artifacts of clan and adhocracy cultures are expected to align with the features of incremental implementation styles to achieve optimum performance. Consequently, the moderation effects of the implementation styles mentioned above can be suggested on the relationship between the four types of organisational cultures and performance. Based on these assumptions, four more hypotheses can be suggested:

H3a-3b: A rational implementation style strengthens the relationship between hierarchical/market-oriented cultures and performance.

H3c-3d: An incremental implementation style strengthens the relationship between clan/adhocracy-oriented cultures and performance.

Methodology

Data for this study were drawn from an email survey of managers in Turkish local governments. This study specifically focused on metropolitan municipalities, which represent the largest locally elected bodies in Turkey. To ensure the perceptions of performance and strategy implementation of managers at different levels of the organisation were captured, the survey was distributed to deputy general secretaries, department heads and unit heads in each metropolitan municipality, across a range of core service areas including culture, corporate, back office, distributive, fire, health, finance, police, protection, planning, transport and waste.

The total number of potential informants was 840 from 30 metropolitan municipalities, and the number of actual respondents was 157 (18.6%), of which 134 (15.9%) were complete in terms of the data necessary for this study[1]. The responses covered 20 metropolitan municipalities in different regions, and the actual responses included 6 deputy general secretaries, 28 heads of departments and 99 heads of units. The 30 metropolitan municipalities (20 municipalities included in the study and 10 other municipalities not included) are shown in Figure 2. Incomplete and straight-lined questionnaires (i.e. giving identical answers to survey items) were eliminated. Having done these corrections in the dataset, non-response bias test was run, and it showed that the dataset is robust enough to do the further tests. The data normality test also revealed that the values of skewness and kurtosis of the items were within acceptable parameters and no serious viola-

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[1] Cronbach's alpha value of the data is 0.87

tions of the construct were found. Eventually, Multiple Regression analyses (for 1a to 2d) and Moderated Multiple Regression analyses (for 3a to 3d) were used to test the hypotheses using SPSS 23.0, Stata 22.

This study uses a set of control variables to exclude probable alternative explanations for the findings. Expenditure, population size, population density, municipal district and poverty rate are applied in this study as control variables, as many studies focusing on local government performance have used these variables to control the analysis processes. Initially, the relevant data regarding municipal expenditure were found in performance programme reports published in 2016 and were collected from the website of each municipality. For population size, population density, municipal districts and poverty rates, the relevant data were collected from the reports released by the Turkish Statistical Institute (commonly known as Turk-Stat)[2], which is a Turkish government agency commissioned to produce official statistics on Turkey, its population, resources, economy, society, culture etc.

Results and analyses

Figure 2: **Map of Turkey showing the metropolitan municipalities included and not included in the study**

The analyses presented in the first two tables below investigate the direct effects of the variables hypothesised in the study. It presents the results of the regression analyses of the relationships between the implementation styles and the types of organisational culture as independent variables and two dimensions of organisational performance as dependent variables, including the control variables. Table 3 and 4 examine the moderating effects of implementation styles

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[2] URL: https://www.tuik.gov.tr/

on the relationship between types of organisational culture and organisational performance. The results of testing the effects of the control variables on each type of organisational performance are also explored in detail.

The quantitative analysis results showed that the rational implementation style (RIS) was positively associated with organisational performance, although the impact of the incremental implementation style (IIS) was found to be statistically insignificant. In statistical terms, rational implementation showed a strong positive correlation with the performance aspects of quantity (QUAN), citizen satisfaction (CSAT), quality (QUAL) and innovation (INNOV). These effects were still present when controlling for five exogenous factors, including expenditure, population, population density (POP. DENSITY), poverty level and municipal district (MUN. DIST). However, the incremental implementation style presented no significant relationship with any of these dimensions in quantifiable terms.

The study findings are mainly consistent with previous research on the comparative benefits of the rational implementation style and the incremental style (Miller, 1997; Andrews et al., 2017). As the study examined the four culture types from the Competing Values Framework (CVF) and looked at their relationships with different types of organisational outcomes, the results of the quantitative analysis show that a hierarchical culture (HIER) has a very strong positive correlation with organisational performance. As for the results of the current study on market-oriented culture (MRKT) and citizen satisfaction, the analysis discovered no significant relationship between market culture and citizen satisfaction. When considering the relationship between the adhocracy culture (ADHC) and innovation, the CVF specifies innovation as the primary performance criterion of the adhocracy-oriented culture, explaining this relationship in terms of taking risks, being innovative, encouraging the development, and provision of new ideas and services. Regarding the relationship between clan-oriented culture and quality, the quantitative analysis found no statistical correlation.

The study hypothesised that strategy implementation styles would positively moderate the relationship between the types of organisational culture and organisational performance. Regarding the moderation effects, four hypotheses were generated, and the models included types of organisational performance as dependent variables, organisational culture types as independent variables, strategy implementation styles as moderator variables and control variables. Four separate moderator variables were generated by mixing implementation styles with the different types of organisational cultures.

The results linked the rational implementation style with the relationship between hierarchy culture and performance. Strong links between rational and top-down implementation styles and hierarchy culture in Turkish public administration (Kesik and Canpolat, 2014; Ozturk and Genc-Tetik, 2021) could imply that the results of the study are consistent with the way local government administrations already function in Turkey. This study also investigated the impact of rational implementation on the relationship between market-oriented culture and performance and the findings showed a positive relationship for this interaction. Overall, there were no explicit results for this type of interaction, although it can be said that the most significant impact of rational implementation

is specifically on the relationship between market-oriented culture and citizen satisfaction compared to quality, quantity and innovation outcomes. Regarding the moderation effect of incremental implementation on adhocracy culture and performance relationship, the analysis found a strong connection. The benefits of incremental implementation on the relationship between clan-oriented culture and performance were proved by the quantitative analysis.

Table 1

Strategy implementation styles, organisational culture types and quality – Innovation

PREDICTOR	QUAL	QUAL	QUAL	QUAL	INNOV	INNOV	INNOV	INNOV
RIS		.571***		.291*		.497***		.249
IIS		.052		-.148		.082		-.119
CLAN			.548	.436			.304	.204
ADHC			-.267	-.166			.091	.177
MRKT			-.097	-193			-.202	-.282
HIER			.528**	.493***			.452**	.420***
REGULATORY	-.206	-.223	-.208	-.231	-.147	-.157	-.160	-.179
DISTRIBUTIVE	-.270	-.236	-.163	-.136	.121	.145	.176	.197
SAFETY	-1.01	-.713	-.584	-.529	-.920	-.654	-.548	-.502
POP.	-.157	-.347	-.109	-.268	-.592	-.752**	-.543*	-.678**
POP. DENSITY	-.057	-.180	-.114	-.123	.091	-.021	.047	.038
MUN. DIST	.038	.037*	.022	.030	.068**	.067***	.052**	.059**
POVERTY RATE	.044	.000	.029	.024	.114	.073	.069	.065
EXPENPER1000 CAP.	-1.36	4.85	1.38	3.55	-7.15	-1.60	-3.87	-2.00
CONSTANT	7.48	7.61*	3.38	5.47	11.95***	11.88***	8.49**	10.26**

Notes: ***p < 0.01; **p<0.05; *p<0.1. *Sources:* Completed by the author (- hereinafter).

Table 2

Strategy implementation styles, organisational culture types and quantity – Citizen satisfaction

PREDICTOR	QUAN	QUAN	QUAN	QUAN	CSAT	CSAT	CSAT	CSAT
RIS		.434***		.199		.452**		.198
IIS		.125		-.074		.151		-.072
CLAN			.519	.430			.352	.262
ADHC			-.055	.010			.115	.181

PREDICTOR	QUAN	QUAN	QUAN	QUAN	CSAT	CSAT	CSAT	CSAT
MRKT			-.336	-.395			-.356	-.414
HIER			.456**	.424**			.539**	.506***
REGULATORY	-.071	-.073	-.054	-.067	-.211	-.210	-.209	-.221
DISTRIBUTIVE	-.139	-.127	-.059	-.046	-.193	-.184	-.129	-.117
SAFETY	-1.20	-.962*	-.794	-.761	-.803	-.543	-.384	-.352
POP.	.466*	.333	.447	.341	-.537	-.674*	-.534*	-.640*
POP. DENSITY	-.293*	-.400*	-.315*	-.324*	.154	.040	.129	.119
MUN. DIST	.004	.001	-.007	-.002	.053**	.049**	.038**	.044*
POVERTY RATE	-.011	-.052	-.034	-.039	.102	.057	.059	.054
EXPENPER1000 CAP.	1.18	6.26	4.32	5.83	-4.33	1.04	-6.97	8.01
CONSTANT	0.61	0.29	-2.04	-0.65	11.18***	10.74***	8.15**	9.52**

Notes: ***$p < 0.01$; **$p<0.05$; *$p<0.1$.

Table 3

Hierarchy culture and market culture x Rational implementation

PREDICTOR	QUAL	INNOV	QUANT	CSAT	QUAL	INNOV	QUANT	CSAT
RIS	-.138	-.093	-.179	-.140	-.490	-.436	-.571	-.597
IIS	-.115	-.093	-.045	-.046	-.083	-.061	-.010	-.005
CLAN	.479	.239	.468	.297	.475	.239	.469	.303
ADHC	-.173	.171	.004	.175	-.203	.144	-.026	.142
MRKT	-.246	-.325	-.442	-.456	-.899*	-.901**	-1.091**	-1.132**
HIER	.183	.172	.149	.261	.599***	.512***	.528***	.613***
RIS X HIER	.084	.067	.074	.066				
RIS X MRKT					.148*	.130**	.146**	.151**
REGULARITY	-.214	-.165	-.051	-.207	-.128	-.089	.034	-.116
DISTRIBUTIVE	-.088	.235	-.004	-.079	-.042	.280	.046	-.020
SAFETY	-.491	-.471	-.727	-.322	-.488	-.466	-.720	-.310
POP.	-.240	-.656**	.365	-.618**	-.160	-.583**	.447	-.530
POP. DENSITY	-.140	.024	-.340**	.106	-.170	-.002	-.371**	.072
MUN. DIST	.027	.057***	-.004	.041**	.022	.052***	-.010	.035**
POVERTY RATE	.018	.060	-044	.050	.004	.047	-.059	.033
EXPENPER1000 CAP.	5.06	-7.93	7.17	1.99	6.27	3.84	8.51	3.56
CONSTANT	6.54	.286	10.36*	11.11**	6.96*	.808	11.03**	11.56**

Notes: ***$p < 0.01$; **$p<0.05$; *$p<0.1$.

Clan culture and adhocracy culture x Incremental implementation

PREDICTOR	QUAL	INNOV	QUANT	CSAT	QUAL	INNOV	QUANT	CSAT
RIS	.332**	.275**	.232*	.229	.315**	.262*	.219*	.217
IIS	-1.00**	-.677	-.763*	-.735*	-.924**	-.568	-.710	-.714*
CLAN	-.217	-.220	-.094	-.242	.601**	.300	.565	.399
ADHC	-.302	.088	-.098	.075	-1.088**	-.356	-.744	-.582
MRKT	-.233	-.308	-.427	-.445	-.226	-.301	-.422	-.442
HIER	.710***	.561***	.598***	.674***	.696***	.537***	.589***	.674***
IIS X CLN	.159**	.103*	.127*	.123*				
IIS X ADHC					.152**	.088	.124	.126*
REGULARITY	-.119	-.106	.023	-.134	-.152	-.133	-.001	-.155
DISTRIBUTIVE	-.058	.248	.016	-.056	-.071	.235	.006	-.063
SAFETY	-.599	-.548	-.817	-.406	-.590	-.537	-.810	-.402
POP.	-.262	-.674**	.346	-.635**	-.236	-.660**	.367	-.613**
POP. DENSITY	-.129	.034	-.329**	.115	-.129	.035	-.330**	.114
MUN. DIST	.024	.055***	-.007	.039**	.025	.056***	-.006	.039**
POVERTY RATE	.057	.086	-.012	.080	.045	.077	-.022	.071
EXPENPER1000 CAP.	6.83	1.36	8.47	3.34	5.65	-7.85	7.55	2.54
CONSTANT	7.83**	1.24	11.35**	11.80***	7.41*	0.92	11.12**	11.38**

Notes: ***p < 0.01; **p<0.05; *p<0.1.

Conclusion and discussion

This research investigated the relationships between strategic implementation styles, organisational culture and performance in Turkish local government departments. It specifically explored rational and incremental implementation styles and their separate and mutual relationships with types of organisational culture and performance. The study was based on a survey of Turkish local government managers and the quantitative analyses largely supported the proposed hypotheses.

The results of the study on Hypotheses 1a and 1b demonstrate that rational implementation style is positively associated with organisational performance, although the impact of incremental implementation appeared to be statistically insignificant. These results are consistent with previous research on the comparative benefits of a rational implementation style (Miller, 1997; Parsa, 1999; Schaap, 2006; Schaap, 2012; Andrews et al., 2017) and an incremental style (Miller, 1997). Most of the related research states that provisional plans such as roadmaps, projects and action plans that define work in terms of targets were seen as essential for successful implementation (Hrebiniak and Joyce, 1984; Pinto and Prescott, 1990;

Chustz and Larson, 2006; Fernandez and Rainey, 2006). Moreover, Ansoff (1991) argues that a rational implementation style facilitates the control and review of clear strategies. An incremental style of strategy implementation leads to more effective learning within organisations and can be more responsive to situations in the field (Mintzberg, 1994; Montgomery, 2008). Andrews et al. (2011) argue that incremental implementation can lead to continuous adaptation of strategies as they are adjusted throughout the implementation process.

The Hypotheses 2a-2b-2c-2d proved that different types of organisational cultures correspond to particular organisational outcomes in Turkish local government. Many previous studies support this culture-performance relationship in the public sector (Argote, 1989; Zimmerman et al., 1993; Brewer and Selden, 2000; Parry and Proctor-Thomson, 2003; Scott et al., 2003; Martin et al., 2006), but the question of which type of culture leads to better outcomes remains fundamentally undetermined because of the insufficient number of studies on the relationships. The results in this study showed a consistency with past research (Acar and Acar, 2014; Gerowitz et al., 1996; Davies et al., 2007), all of which correspond to elements of hierarchical culture and its relationship with quantity studied in the current research. In terms of market-oriented culture and organisational performance, no significant relationship was found in the quantitative analysis, as previous studies were dispersed and even in some cases reached contradictory results (Cameron and Freeman, 1991; Gerowitz et al., 1996). The quantitative analysis of the relationship between adhocracy type and performance found no relationship, in contrast to some existing research indicating a positive relationship (Cameron and Freeman, 1991; Gerowitz et al., 1996; Moynihan and Pandey, 2004; Jacobs et al., 2013; Ferreira, 2014). Previous studies suggest that the relationship between clan-oriented culture and organisational performance depends on improvements in quality (Scott-Cawiezell et al., 2005); quality of care (Van Beek and Gerritsen, 2010); quality improvement initiatives in healthcare (Wicke et al., 2004) Regarding the relationship between clan-oriented culture and quality, the analysis in this research found no statistical relationship.

Finally, the Hypotheses 3a-3b-3c-3d addressed the effects of the interaction between strategy implementation styles, organisational culture, and performance. Despande and Webster (1989) argue that a hierarchy-oriented culture must work hand-in-hand with rational processes in order to achieve better performance as this study confirms the positive moderation effect of rational implementation on the relationship between a hierarchy culture and performance. The current study also propounds that rational implementation influences relevant organisational outcomes in a market-based culture. Regarding the moderation effect of incremental implementation on an adhocracy culture and performance relationship, the analyses of the research identified a strong connection. The literature also supports these findings showing that more flexible strategies should perform better in an organic structure to facilitate changes in the organisations (Su et al., 2011). Lastly, the effect of incremental implementation on the relationship between clan-oriented culture and performance was proved by the quantitative analysis.

Summary of hypotheses testing results

Hypothesis	Hypothesized Relationship	Results
H1a	RIS → Organisational Performance	Supported
H1b	IIS → Organisational Performance	Not supported
H2a	HIER → Quan	Supported
H2b	MRKT → Csat	Not supported
H2c	CLAN → Qual	Not supported
H2d	ADHC → Innova	Not supported
H3a	RIS * Hier → OP	Supported
H3b	RIS * Mrkt → OP	Supported
H3c	IIS * Clan → OP	Supported
H3d	IIS * Adhc → OP	Supported

Some theoretical contributions of this paper can be addressed. There are only few studies examining organisational performance together with implementation styles in the public sector (Bantel, 1997; Hickson et al., 2003; Andrews et al., 2011; Schaap, 2012; Elbanna et al., 2020; Mitchell et al., 2021) and organisational cultures (Shortell et al., 2004; Davies et al., 2007; Jacobs et al., 2013; Moynihan and Pandey, 2004). This study is the first to examine implementation styles, organisational cultures and performance concepts in a public sector setting with the direct and moderated effects.

The findings of the study should be considered alongside their potential limitations. The study surveyed senior managers from 11 different departments in 20 metropolitan municipalities. However, there are more departments in 30 metropolitan municipalities throughout Turkey and as the sample size of the study is also limited, the results cannot be generalised to all departments in all of Turkey's metropolitan municipalities. There is also no consensus on which set of performance variables should be taken into consideration while examining public sector organisations. It is also possible to consider other performance criteria such as effectiveness, efficiency, equity (Andrews et al., 2017), value for money (Walker and Andrews, 2015), productivity and staff satisfaction (Brewer, 2005) as criteria used in the literature.

A number of promising directions for future research can be considered. Since cross-sectional design did not allow the study to establish causal associations between the variables, prospective research could take advantage of testing the construct of the present study through a longitudinal research design which would examine causal relationships. There are other factors that have been characterised as important elements of successful implementation, such as external

stakeholders, provision of adequate resources, communication, strategic mind-set and alignment with the plan (Stewart and Kringas, 2003; Fernandez and Rainey, 2006; Andrews et al., 2011; Elbanna et al., 2020; George, 2021). Future studies could also attempt to measure objective performance attributes, which could help to obtain more impartial results, which capture the actual output of Turkish municipalities.

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FACTORS INFLUENCING EMPLOYEE ENGAGEMENT IN PUBLIC ADMINISTRATION

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Abstract. The aim of this study is to examine the relationship between the work engagement of state administration employees and managerial support from their superiors. Attention is focused not only on the direct effect of these two variables, but also on the role of perceived fairness and public service motivation in the examined relationship. For data collection, a questionnaire survey was conducted among managers in the state administration in Slovakia (221 respondents). The PLS-SEM method using SmartPLS 3.0 software was used to test the theoretical research model and the proposed hypotheses. The direct correlation between managerial support and employee engagement in state administration was confirmed as significant. Our study showed that even the support from managers can influence work exposure, but the intensity of the effect is enhanced by the engagement of perceived fairness in the work environment and public service motivation of employees. At the same time, women are more sensitive to the effects of the studied variables compared to men. Therefore, it is essential that government management builds a culture of support and fairness that encourages employee engagement.

The contribution of this article is to explore the deeper mechanisms, that influence employee engagement in public administration.

Keywords: perceived fairness, public service motivation, supervisory support, work engagement, state administration.

Introduction

Recently, more and more attention has been paid to the issues of workforce employment in public administration (Cotton, 2012; Lavigna, 2013; Borst, Kruyen and Lako, 2017; Ancarani et al., 2020; Fletcher et al., 2020). In the context of constant change, a disengaged employee becomes costly for the organization. Given the proven contradictions between bureaucracy and engagement in the public sector (Cooke, Brant and Woods, 2018), it is necessary to examine the factors that can strengthen and increase work engagement in this specific space. Hence, the research question of the present paper is what managerial tools can be used to ensure and increase the work engagement of civil servants.

The issue is important for several reasons. The first reason is the already mentioned growing importance of work engagement in the context of achieving the goals of organizations. The dynamics of changes in the external and internal environment is associated with the dynamics of changes in the work environment and the need to focus on WE (Chandrasekar, 2011; Hameduddin, 2021). Based on their meta-analysis of factors influencing work exposure, Bailey, Madden, Alfes and Fletcher (2015) generally state that there is no systematic evidence base related to exposure. The literature is divided into several areas related to the antecedents of work engagement and its consequences in organizations. Such sub-studies are also not numerous in the public administration and need further investigation. The second reason is the adaptation of the principles of NPM (New Public Management) to the management of public administration organizations and at the same time to principles of modern management, successfully applied in the business environment (Anderfuhren-Biget et al., 2010; Stroińska, 2020). The third reason is the very change in the expectations and behavior of citizens and other stakeholders in solving tasks that significantly affect them. Citizens or other entities, such as customers of public administration services, are very sensitive to the way and form of problem solving, which requires a change in organizational behavior in offices. The implementation of these changes can be realized through the engagement of employees.

At the same time, HR managers (Breevaart et al., 2014; Bal and Lange, 2015) call for the need to move away from management orientation in providing quality and at the same time effective services not only to the end customer, but especially to the employee. A new employee-focused HRM (Adamovic, 2017), based on job demands-resources model and research on quality of work life (Grote and Guest, 2017) is supported in recent years mainly by modern human resources manage-

ment, because only a satisfied employee can create added value and contribute to the satisfaction of the citizen, client, and customer.

Existing studies, focusing on the factors influencing WE in public administration, bring some findings, that point to the need for employee autonomy, support for their cooperation, but also to the correct selection of employees with motivation for public service (Borst, Kruyen and Lako, 2017). However, there is a lack an integrated approach that combines both organizational sources of work engagement, which is the basis for the construction of our model. The starting point of our study is both the context of the job demands-resources (JD-R) framework (Schaufeli, 2013), social exchange theory (Alfes et al., 2013), but also broaden-and-build theory (Fredrickson, 2001) in the form of variables supervisory support, public service motivation and perceived fairness.

1. Theory and development of hypotheses

1.1 Work engagement (WE)

Work engagement, defined as a positive, satisfying state of mind related to work characterized by energy, devotion and absorption (Schaufeli et al., 2002), has become an actual research topic in management literature (Saks and Gruman, 2014; Albrecht et al., 2015). According to Kahn (1990), employees are engaged when they are simultaneously physically, emotionally and cognitively present while performing a task. Studies show that employees who experience high levels of work engagement are physically healthier, experience greater satisfaction of their psychological needs and are more satisfied than employees with low workloads (Ryff, 1989; Barrett-Cheetham, Williams and Bednall, 2016). However, Mann and Harter (2016) speak of a global crisis of employee engagement, with up to 87% of employees not being engaged as according to the Gallup Institute.

Work engagement has also been the subject of research in the environment of public organizations (Jansen, Kole and Brink, 2010; Kernaghan, 2011; Cotton, 2012; Lavigna, 2013), but there is still a lack of research examining work engagement in public administration (Kernaghan, 2011; Vigoda-Gadot, Eldor and Schohat, 2012; Tummers et al., 2016).

One such research is the study by Bors, Kruyen and Lako (2017), who examined the JD-R model of work engagement in public administration organizations. The results of the study show that work engagement mediates the relationship between JD-R and work outcomes. Public organizations can potentially increase work engagement and performance by increasing work-related resources (autonomy, collaboration with colleagues) and the selecting employees with proactive personalities and a high level of motivation for public service.

1.2 Supervisory support (SS)

Supervisory behavior and leadership style are considered important determinants of job satisfaction and engagement of subordinates in different work environments (Yukl, 1989; Durham, Knight and Locke, 1997; Griffin, Patterson and West, 2001). Supportive behavior of a supervisor who trusts subordinates, rewards

performance, strengthens the position of subordinates, cares for their needs, as well as demonstrates the leader's integrity and abilities is a prerequisite for greater satisfaction of subordinates with their work and organization (Fernandez, 2008).

Based on organizational support theory, SS is understood as a construct of social exchange in which employees perceive the extent to which supervisors value their contributions and care about their well-being (Eisenberger and Stinglhamber, 2011). When employees perceive support from a supervisor, they feel attached to the organization and feel obligated to "return the favor" to their supervisor by staying in the organization (Cropanzano and Mitchell, 2005). The relationship with the supervisor is considered one of the main elements of the work environment, where feedback from the supervisor and constructive communication can improve the skills of employees (van der Heijden et al., 2010).

The results of a study by Jin, McDonald (2016), carried out in the environment of state administration and self-government bodies, show that SS influences employee engagement directly and indirectly through its influence on perceived organizational support. The path connecting SS with organizational support is moderated by learning opportunities, so positive relationships are revived by individuals who have stated that they have opportunities for learning and growth at work.

Hypothesis 1: We assume that SS is positively related to WE.

1.3 Mediation effects of PF and PSM

Perceived fairness (PF)

Perceived fairness is another component that affects job satisfaction and organizational performance. Most members of society consider justice to be an important aspect in various contexts, assessing the justice of a particular situation or event (Cropanzano et al., 2001). The assessment of fairness is therefore linked to the rules and social norms governing the way in which results are distributed (so-called distributional justice), the procedures used to make such distribution decisions (so-called procedural justice), the ways in which people are treated (interpersonal justice) and with how the information is provided during the process (information justice). These four forms of justice are interconnected aspects of perceived fairness that affect important human response (Peiró, Martínez-Tur and Moliner, 2014). Research shows that PF is positively and negatively associated with mental well-being and mental distress (Fondocaro, Dunke and Pathak, 1998) and is considered a crucial psychosocial risk factor for health.

Fairness, both distributional and procedural, therefore influences employee behavior and may subsequently affect performance in the work unit due to changes in their attitudes (Cho and Sai, 2013). Several studies have confirmed that PF is directly related to high levels of organizational performance (Cohen-Charash and Spector, 2001; Rubin, 2009) and high levels of confidence in management (Fulk, Brief and Barr, 1985; Reinke, 2003; Harrington and Lee, 2015; Ryu and Hong, 2020). It is therefore important whether employees in the organization perceive the fairness of organizational procedures and policies and whether management can ensure such fairness by enhancing trust and setting certain standards.

Hypothesis 2: We assume that the relationship between SS and WE is mediated by PF.

Public service motivation (PSM)

PSM is considered a "key psychological resource" (Bakker, 2015), that is expected to have a high impact on engagement rates (Lavigna, 2015). However, the actual impact of PSM on work exposure has not been sufficiently investigated. PSM is related to the predisposition of individuals to serve the public interest (Perry and Hondeghem, 2008). It is a personality trait of individuals who are willing to act for the good of citizens without reciprocal benefits for themselves (Perry and Vandenabeele, 2015). PSM is therefore a relatively stable, individual variable of a higher level, which is subject to slow changes and helps civil servants to perform their work with full energy and work engagement (Bakker, 2015). However, this effect may depend on the extent to which employees feel that a particular organizational environment has enabled them to fulfill their motives for public service (Bright, 2007). High degree of agreement between the employee's PSM and the organization therefore supports the achievement of high levels of work engagement. PSM can be considered as a property that gives public employees energy, on the basis of which it is likely to positively affect their work engagement (Bakker, 2015).

The results of studies by Borst, Kruyen and Lako (2017) and Cooke, Brant and Woods (2018) show that PSM has a positive effect on the employment of civil servants. Cooke, Brant and Woods (2018) also examined PSM as a moderator and showed that it mitigates the negative relationship between the perceived level of bureaucracy and employee engagement. Employees who have a higher PSM can therefore be more involved in a bureaucratic environment.

Hypothesis 3: We assume that the relationship between SS and WE is mediated by PSM.

Given that both variables can also operate in organizations simultaneously, we also examined their common indirect effect.

Hypothesis 4: We assume that the relationship between SS and WE is mediated by PSM and PF.

The individual relations are shown in the theoretical model in Figure 1.
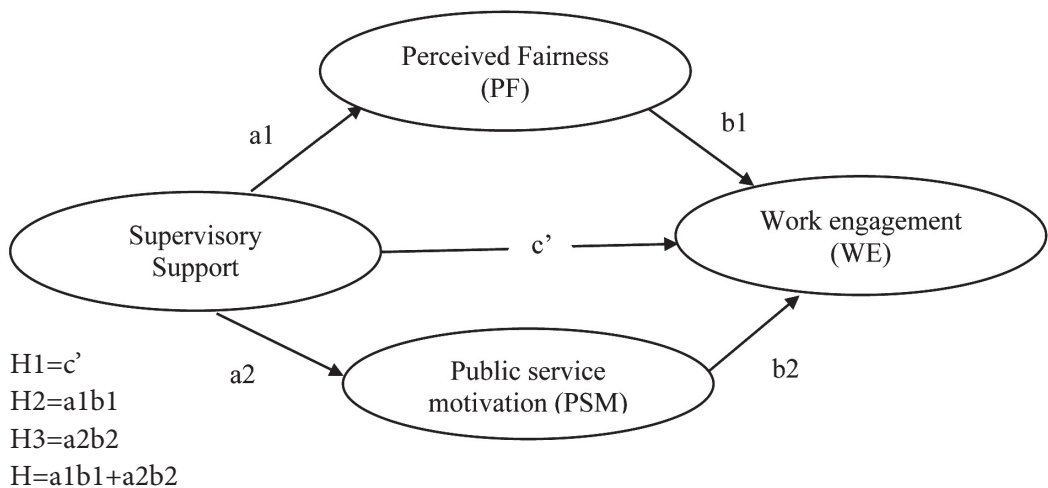
Figure 1. **Theoretical model of the study**

2. Methods

2.1 Sample and data collection

All data were collected in the form of a questionnaire survey, which took place February – March 2021 among employees of ministries as state administrative bodies in Slovakia. In agreement with selected representatives of the ministries, of which there are 14 in Slovakia, the questionnaires were sent electronically on the intranet to employees. The mail also contained an address and a request to participate in the survey, explaining its meaning and purpose and stating that by sending a questionnaire, the respondents consent to the data processing. Since the questionnaires were sent out indirectly, we cannot determine the exact value of the sent applications and thus the response rate of the questionnaires. After evaluating all completed questionnaires, a research sample was formed, consisting of 620 employees from various ministries. The structure of employees was as follows. Average age 42.96 years (min. = 22, max. = 65, SD = 11,369), average experience 18.65 years (min. = 1 year, max. = 41 years, SD = 10.50), sex (65% women and 35% men), education (86% university 2nd degree, 10% university 1st degree, 4% secondary education).

2.2 Measurements

The survey was conducted in the conditions of Slovakia. As the measurement tools we used are not available in the Slovak language, we applied some best practices for verifying the validity and methodological soundness of the constructs used, presented by Schaffer and Riordan (2003) for solving cross-cultural complexities. Some of the recommendations that were not feasible in our research area were listed in the research restrictions. For establishing semantic equivalence, we used back-translation before administering an instrument. Bilingual experts translate the instrument from English to Slovak and then back again to English and subsequently, in case of inconsistencies, the individual items were reworded to establish compliance meaning. At the same time, we tried to use short, simple sentences and repeat nouns instead of using pronouns. (A 5-point Likert-type scale (1 = strongly disagree; 5 = strongly agree; 1 = never; 5 = very frequently) was used.

Measures

Each study variable was measured using items from established measures.

Supervisory supports (SS). The evaluation of SS is based on a tool developed by Choi (2012), who based his design on the principles of instrument development by Eisenberg et al. (1986) and validated in many other studies (Hayton, Carnabuci and Eisenberger, 2012; Shoss et al., 2013; Neves and Eisenberger, 2014). Unlike other constructs, it focuses on the area of public administration. It contains 4 items, while the internal consistency statistics measured by the author using Cronbach's alpha was higher than 0.7, the factor loadings range were between 0.826 and 0.913 and the initial eigenvalue of the scale was 3.028.

The SS variable is operationalized as a score, created based on employees' responses to 4 items, which are scaled using 5-point Likert-type scales (1 = strongly disagree; 5 = strongly agree).

Work engagement (WE). Workload was measured using a 9-point scale, which is an abbreviated version of the original 17-point Utrecht Work Engagement Scale (UWES), which has excellent psychometric properties (Schaufeli, Bakker and Salanova, 2006). Because the three basic dimensions of work engagement (energy, determination, and absorption) are usually highly correlated, the 9-item scale provides a good indicator of work engagement (Schaufeli, Bakker and Salanova, 2006). Respondents rated how often they had experience with each of the nine items on a 5-point scale from 1 ("never") to 5 ("always"), for example, "I feel energized at work," "I'm proud of the work I do, "and" I get carried away while I work."

Perceived fairness (PF). PF was measured using 4 items created and validated by Choi (2012). It is a fair resolution of grievances, low tolerance on personal favoritism, prohibited personnel practices, and disclosure of violation of law without fear. The results indicated acceptable values of validity and reliability within internal consistency statistics. Respondents rated items using 5-point Likert-type scales (1 = strongly disagree; 5 = strongly agree).

Public service motivation (PSM). The PSM variable was measured using a revised construct of PSM (Kim and Vandenabeele, 2010; Wright, Christensen and Isett, 2013; Vandenabeele, 2014), validated for use in samples in the US and several other countries (Kim and Vandenabeele, 2010; Wright, Christensen and Isett, 2013; Vandenabeele, 2014). Because the 4 basic dimensions of Attraction to Public Service (APS), Commitment to Public Values (CPV), Compassion (COM), Self-Sacrifice (SS) are usually highly correlated, the 16-item scale provides a good PSM indicator (Kim et al., 2013) Respondents rated items using 5-point Likert-type scales (1 = strongly disagree; 5 = strongly agree).

Control variables were age (in years), education (0 = secondary, 1 = university 1st degree, 2 = university 2nd degree), gender (0 = female, 1 = male), office size (0 = up to 49 employees, 1 = from 50 to 250 employees, 2 = over 250 employees), region (1 = Bratislava region, 2 = other regions), which were chosen due to their possible impact on the examined relationships on the basis of existing studies. Kurtessis et al. (2017) report age and gender as important factors influencing the relationship of supervisory support with various output variables such as overall performance, job satisfaction or engagement, while age reduces the strength of this relationship and women found a stronger relationship between GTC and output than men. Further studies have shown that age, gender (female) and many years of experience have a positive relationship to work engagement (Markovits et al., 2010).

The questionnaire contained a set of 33 indicator variables (Table 1) for the measurement model. As common method bias is a common and serious problem in research, we took several steps to alleviate it. The items in the questionnaire were randomly scattered and shuffled, the scales of some answers were inverted, and at the same time we divided the questionnaire and presented each part in a different context so that the respondents were not affected by their previous answers and their idea of the results. We also used the calculation of the VIF in-

dicator. The occurrence of a VIF greater 3.3 is suggested to indicate pathological collinearity and as an indication that a model may be contaminated by common method bias. Therefore, if all VIFs resulting from a full collinearity test are equal to or lower than 3.3, the model can be considered free of common method bias (Kock, 2015). After realizing collinearity statistics in Smart Pls, we found that the inner VIF values are all lower than 3.3.

Table 1

Latent variable categories and descriptors

Supervisory Supports (SS)		Perceived Fairness (PF)	
SS1	I have trust and confidence in my supervisor	PF1	Complaints, disputes, or grievances are resolved fairly in my work unit
SS2	Overall, how good a job does you feel is being done by your immediate supervisor/team leader?	PF2	Arbitrary action, personal favoritism, and coercion for partisan political purposes are not tolerated
SS3	My supervisor supports my need to balance work and other life issues	PF3	Prohibited personnel practices (e.g., illegally discriminating for or against any employee/applicant, obstructing a person's right to compete for employment, knowingly violating veterans' preference requirements) are not tolerated
SS4	Supervisors/team leaders in my work unit provide employees with the opportunities to demonstrate their leadership skills	PF4	I can disclose a suspected violation of any law, rule or regulation without fear of reprisal
Public Service Motivation Measurement Scale PSM (APS, CPV, COM, SS)			
APS1	I admire people who initiate or are involved in activities to aid my community	COM1	I feel sympathetic to the plight of the underprivileged
APS2	It is important to contribute to activities that tackle social problems	COM2	I empathize with other people who face difficulties
APS3	Meaningful public service is very important to me	COM3	I get very upset when I see other people being treated unfairly
APS4	It is important for me to contribute to the common good	COM4	Considering the welfare of others is very important
CPV1	I think equal opportunities for citizens are very important	SSf1	I am prepared to make sacrifices for the good of society
CPV2	It is important that citizens can rely on the continuous provision of public services	SSf2	I believe in putting civic duty before self
CPV3	It is fundamental that the interests of future generations are considered when developing public policies	SSf3	I am willing to risk personal loss to help society
CPV4	To act ethically is essential for public servants	SSf4	I would agree to a good plan to make a better life for the poor, even if it costs me money

Work engagement (WE)	
WE1	At my work, I feel bursting with energy
WE2	At my job, I feel strong and vigorous
WE3	I am enthusiastic about my job
WE4	My job inspires me
WE5	When I get up in the morning, I feel like going to work
WE6	I feel happy when I am working intensely
WE7	I am proud of the work that I do
WE8	I am immersed in my work
WE9	I get carried away when I am working

Sources: Completed by the authors (-hereinafter, unless otherwise noted).

2.3 Data analysis

To test our research model and the proposed hypotheses and in order to better understand the relationships between the selected constructs, we used the PLS-SEM method (partial least squares structural equation modeling) (Hair et al., 2014). This method makes it possible to test several hypotheses simultaneously within direct and indirect effects in a complex system (Hair, Ringle and Sarstedt, 2011; Ringle, Sarstedt and Straub, 2012; Ringle et al., 2018). We decided to use it for several reasons. The first is the relatively small sample size (221). Other reasons include the complexity of the research model, the focus of the study on predicting dependent variables, and the use of latent variable scores for predictive purposes. We used SmartPLS 3.0 software (Ringle, Sarstedt and Straub, 2012; Roldán and Sánchez-Franco, 2012) for the assessment of both the measurement model and the structural model. The advantage of this software is that it assesses both models simultaneously.

3. Results

3.1 Measurement model

We investigated whether the model meets all common requirements. These are reliability, validity, and internal construct reliability, which verify the quality of the criteria we set. All standardized loadings are greater than 0.70 (possibly slightly lower than 0.7 in two cases) (Chin, 2010). Cronbach´s alpha (od 0.721 po 0.931) and composite reliability (CR) (od 0.833 po 0.949) were greater than 0.70 and less than 0.95 (Hair et al., 2017). Rho_A is also satisfactory (range 0.866 to 0.962) and should be between Cronbach's alpha and CR according to theory (Ringle et al., 2018). We measured the convergent validity by calculating the average variance extracted (AVE), which in our models exceeds the level of 0,5 (Chin, 2010) for all constructs, which means that the construct explains an average of at least 50% of its item´s variance. Finally, we also subjected our model to discriminant validity analysis using the Fornell-Larcker criterion calculation (Hair, Ringle and Sarstedt, 2011; Henseler, Ringle and Sarstedt, 2015). The table shows

that square-root of AVE for the construct was greater the inter-construct correlation (in two cases, however, problems arose). Discriminant validity was therefore assessed also by heterotrait-monotrait ratio of correlations and since not all are below the threshold of 0.90 (Henseler, Ringle and Sarstedt, 2015), we also performed cross-loading, used in case of problems with discriminant validity (Ringle et al., 2018). Through cross-loading, we verified the loading of factors into parent constructs. We state that discriminant validity is established. We do not provide values in the case of cross-loading due to the large volume of data. Our results (Tables 2 and 3) show that the measurement model meets all requirements.

Table 2

Loadings, reliability and validity

	Construct/ indicator	Factor loading	Composite reliability (CR)	rho_A	Cronbach´s Alpha	Average variance extracted (AVE)
SS	SS1	0.924	0.925	0.895	0.891	0.755
	SS2	0.893				
	SS3	0.817				
	SS4	0.837				
PF	PF1	0.917	0.833	0.866	0.721	0.598
	PF2	0.878				
	PF3	0.865				
	PF4	0.776				
PSM	APS1	0.815	0.949	0.962	0.931	0.589
	APS2	0.812				
	APS3	0.921				
	APS4	0.926				
	CPV1	0.740				
	CPV2	0.777				
	CPV3	0.810				
	CPV4	0.720				
	COM1	0.887				
	COM2	0.822				
	COM3	0.773				
	COM4	0.695				
	SSf1	0.639				
	SSf2	0.720				
	SSf3	0.738				
	SSf4	0.799				

	Construct/ indicator	Factor loading	Composite reliability (CR)	rho_A	Cronbach´s Alpha	Average variance extracted (AVE)
WE	WE1	0,946				
	WE2	0,817				
	WE3	0,925				
	WE4	0,941				
	WE5	0,894	0.943	0.934	0.931	0.649
	WE6	0,840				
	WE7	0,932				
	WE8	0,859				
	WE9	0,853				

Table 3

Discriminant validity (Fornell-Lacker criteria)/HTMT Ratio

	PF	PSM	SS	WE
PF	*0,773*/-			
PSM	0,902/0.901	*0,767*/-		
SS	0.748/0.904	0.828/0,884	*0,869*/-	
WE	0.750/0,893	0.893/0,917	0.797/0,871	*0,806*/-

Notes: Diagonal elements (values in Bold Italic) are the square root of variance shared between the constructs and their measures (AVE). Off-diagonal elements are the correlations among constructs. For discriminant validity, the diagonal elements should be larger than the off-diagonal elements. After the slash are the HTMT Ratio results.

3.2 Structural model

The model is evaluated on the basis of R2 and Q2 values, which assess the predictive significance (Hair et al., 2017) and significance of the paths. The goodness of the model is determined by the strength of each structural path determined by R2 value for the dependent variable (Bernal-Conesa, 2017), the value R2 should by equal to or above 0.1 (Falk and Miller, 1992). The results in Table 4 show that all R2 values are above 0.1.

Hence, the predictive capability is established. Further Q2 established the predictive relevance of the endogenous constructs. A Q2 above 0 shows that the model has predictive relevance. The results show that there is significance in the prediction of the constructs (see Table 4). Furthermore, the model fit was assessed using SRMR.

The value of SRMR was 0.100. SRMR values should be less than or equal to 0.100, indicating acceptable model fit (Hair et al., 2017). Table 4 lists all the results obtained, as well as path coefficients and other values (STDev, T statistics, p values).

Table 4

Predictive capability, predictive relevance, SRMR and effects results

	Original Sample (β)	Sample Mean (β)	Standard Deviation (STDEV)	T Statistics	P Values	LLCI	ULCI	Decision
PF -> WE	0.234	0.231	0.043	5.493	0.000	0.150	0.311	Supported
PSM -> WE	0.532	0.534	0.054	9.791	0.000	0.433	0.639	Supported
SS -> PF	0.748	0.749	0.020	36.937	0.000	0.708	0.789	Supported
SS -> PSM	0.828	0.829	0.014	57.258	0.000	0.800	0.857	Supported
SS -> WE (H1)	0.180	0.181	0.040	4.455	0.000	0.105	0.265	Supported
	R2	Q2	SRMR=0.100					
PF	0.560	0.330	d_ULS=5.682					
PSM	0.686	0.396	d_G=5.128 Chi-Square=12009.302					
WE	0.819	0.525	NFI=0.567					

Notes: WE = work engagement, PF = perceived fairness, PSM = public service motivation, SS = supervisory support, LLCI = Lower Limit Confidence Interval, ULCI = Upper Limit Confidence Interval, p < 0,05; R2 = R Square, Q2 = construct cross validated redundancy.

Next, direct relationships were tested. All direct effects are significant. The results revealed that PF has a significant impact on WE (β = 0.234, t = 5.493, p <0,05), that PSM has a significant impact on WE (β = 0.532, t = 9.791, p <0,05), that SS has a significant impact on PF (β = 0.748, t = 36.937, p <0,05), that SS has a significant impact on PSM (β = 0.828, t = 57.258, p <0,05) and that SS has a significant impact on WE (β = 0.180, t = 4.455, p <0,05). Hypothesis 1 proposed that SS is positively associated with WE. We therefore find support for the first hypothesis (H1 is supported).

3.3 Mediating effects

Using the bootstrapping method, we investigated the effect of mediation variables, namely PF and PSM (Bolin, 2014). We developed two sets of hypotheses: H2 for mediation of PF between SS and WE (H2=a1b1) and H3 for mediation of PSM between SS and WE (H3=a2b2), H4 for mediation of PSM and PF between SS and WE. The individual mediations are listed in Tables 5 and 6.

Table 5

Path coefficients, total, direct and indirect effects in the action of the PF mediator

	Original Sample (β)	Sample Mean (β)	Standard Deviation	T Statistics	P Values
PF -> WE	0.576	0.579	0.036	16.100	0.000
SS -> PF	0.748	0.748	0.020	37.858	0.000
SS -> WE (direct effect)	0.366	0.363	0.034	10.671	0.000

	Original Sample (β)	Sample Mean (β)	Standard Deviation	T Statistics	P Values
SS -> WE (total effect)	0.797	0.796	0.016	49.233	0.000
SS -> PF -> WE (indirect effect)	0.431	0.433	0.026	16.814	0.000

Notes: WE = work engagement, PF = perceived fairness, PSM = public service motivation, SS = supervisory support, p < 0,05.

Hypothesis H2 has support. The indirect effect of PF is significant. This is an incomplete mediation as the effect of both direct and indirect effect on the total effect is somewhat equal (54% indirect, 46% direct effect).

Table 6

Path coefficients, total, direct and indirect effects in the action of the PSM mediator

	Original Sample (β)	Sample Mean (β)	Standard Deviation	T Statistics	P Values
PSM -> WE	0.741	0.745	0.042	17.462	0.000
SS -> PSM	0.828	0.828	0.015	55.707	0.000
SS -> WE (direct effect)	0.183	0.181	0.045	4.076	0.000
SS -> WE (total effect)	0.798	0.797	0.017	46.242	0.000
SS -> PSM -> WE (indirect effect)	0.614	0.616	0.036	17.083	0.000

Notes: WE = work engagement, PF = perceived fairness, PSM = public service motivation, SS = supervisory support, p < 0,05.

Hypothesis H3 has support. The indirect effect of PSM is significant. It is an incomplete mediation. 77% of the total effect is transmitted through PSM. The joint action of mediators is shown in Table 7.

Table 7

Path coefficients, total, direct and indirect effects in the joint action of mediators

	Original Sample (β)	Sample Mean (β)	Standard Deviation	T Statistics	P Values
PF -> WE	0.234	0.231	0.043	5.493	0.000
PSM -> WE	0.532	0.534	0.054	9.791	0.000
SS -> PF	0.748	0.749	0.020	36.937	0.000
SS -> PSM	0.828	0.829	0.014	57.258	0.000
SS -> WE (direct effect)	0.180	0.181	0.040	4.455	0.000
Indirect effect through PF	0.175	0.173	0.031	5.608	0.000
Indirect effect through PSM	0.441	0.443	0.047	9.373	0.000
Total effect SS -> WE	0.797	0.797	0.017	47.631	0.000

Notes: WE = work engagement, PF = perceived fairness, PSM = public service motivation, SS = supervisory support, p < 0,05.

Hypothesis 4 has support. It is a mediating effect of two mediators. This means that SS contributes only 22.6% of the total effect of SS on WE (0.797) through its direct effect (0.180). The remaining 77.4% of the total effect passes through PF (0.175), which is 22% of the total effect and 28% of the indirect effect, and through PSM (0.441), which is 55% of the total effect and 72% of the indirect effect. The empirical model is shown in Figure 2.
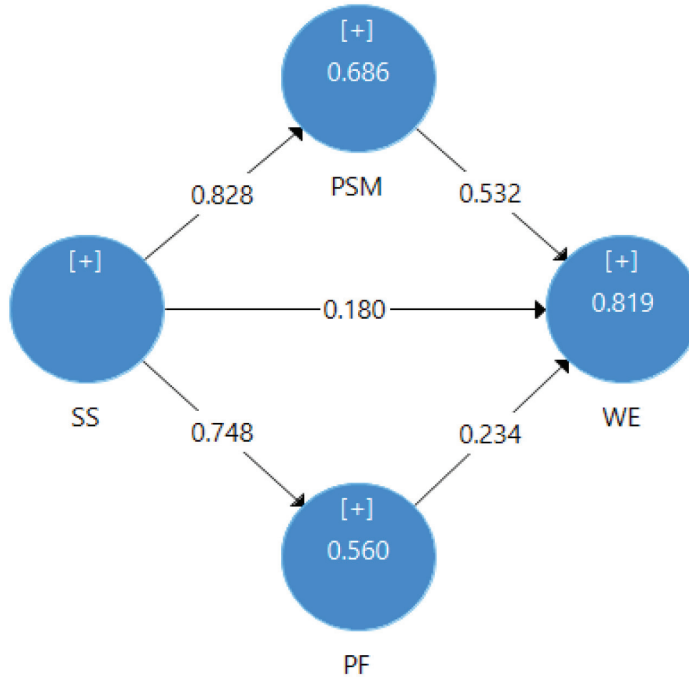
Figure 2. **Empirical study model**

The mediation effects are shown in the Figure 3.
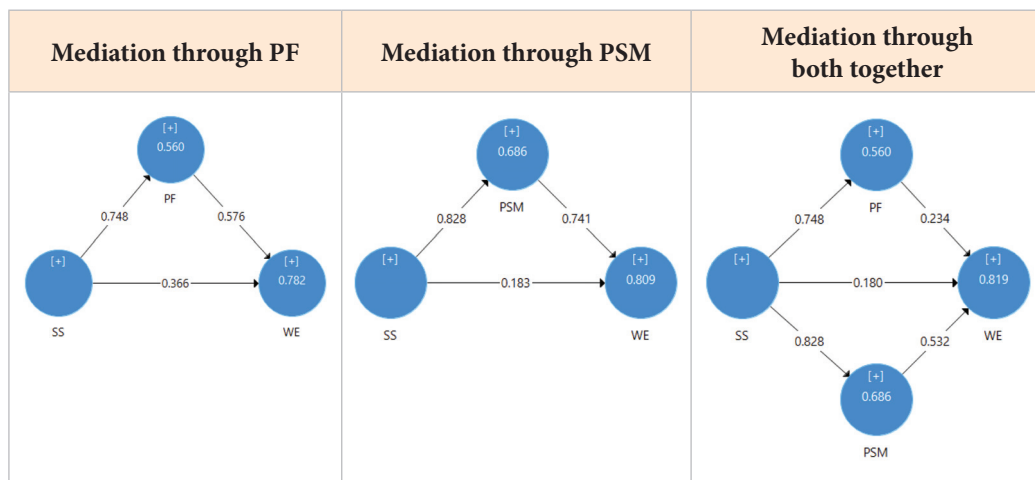
Figure 3. **Models of mediation relations**

3.4 Multigroup analysis

The condition for the implementation of multigroup analysis is full invariance, determined using measurement invariance of composite models (MICOM) (Henseler, Ringle and Sarstedt, 2015).

We performed all three necessary steps for testing, namely configuration invariance, compositional invariance, and equality of composite means and variations (Henseler, Ringle and Sarstedt, 2015; Hair et al., 2017). The conditions were met for the criteria of gender, education, and length of practice. Tables 8 and 9 present the multi-group parametric test results according to the segmentation variables.

Table 8

PLS-SEM/multigroup analysis for employees by gender

	Path Coefficients-diff (female vs male)	p-Value original	p-Value new
PF -> WE	-0.164	0.967	0.066
PSM -> WE	0.318	0.004	0.008*
SS -> PF	-0.046	0.846	0.308
SS -> PSM	0.049	0.045	0.091
SS -> WE	-0.167	0.988	0.024*

Note: *Significant difference between path coefficients.

In terms of gender, a significant difference was found between women and men for PSM paths – WE a SS – WE in benefit of women.

Table 9

PLS-SEM/multigroup analysis for employees by education

	Path Coefficients-diff (higher education vs other)	p-Value original	p-Value new
PF -> WE	-0.050	0.664	0.672
PSM -> WE	0.056	0.338	0.676
SS -> PF	0.115	0.015	0.029*
SS -> PSM	0.027	0.186	0.372
SS -> WE	-0.005	0.519	0.962

Note: *Significant difference between path coefficients.

Differences by education show that significant differences in favor of employees with a university degree were found for the SS-PF path. No significant differences were found for the length of experience criterion.

4. Discussion

As already mentioned, the importance of work engagement in the context of achieving the goals of organizations is a current topic. We agree with the statement of Merchant and Van der Stede (2012) that for organizations it is mainly employees who are crucial for their ability to achieve set goals. The aim of this study is to enrich existing knowledge in the field of employee engagement in public administration in several ways.

The first is to point out the need for managerial support, which directly affects the level of employee engagement. This factor is also an important factor in the state administration environment. The results of our research show its significant direct effect, supporting the growth of engagement. According to Borst et al. (2017), work engagement in public administration mediates the relationship between resources and work results, so it is naturally in the center of attention of managers.

However, our intention was not only to explore the direct relationship between SS and WE, but to expand knowledge about the impact of other variables and the relationship between managers' attitudes and employee engagement, which will significantly support the performance and sustainable development of organizations. The findings show that the perception of PF by employees as well as their SPM plays an important role in this context.

The findings significantly showed that the relationship between SS and WE is mediated by PF, with the share of the indirect effect in the total effect being 54%. Our findings are consistent with the results of studies by Alexander and Ruderman, (1987), Folger and Konovsky, (1989), Sweeny and McFarlin (1993), according to which the perception of rules and decision-making procedures by employees as fair is positively associated with their organizational engagement, confidence in managers and job satisfaction.

In the case of PSM, its role as a mediator in the relationship between SS and WE was also proven, the share of the indirect effect in the total effect is up to 77% in the case of this factor. If both factors act simultaneously, i.e., the organization employs employees with high PSM and they perceive the environment and processes as fair, PF and PSM contribute significantly to the overall effect of SS on WE (77.4%), it is almost complete mediation with a higher effect of PSM (72%), the effect of PF was quantified at 28%. The share of PF thus decreases in the joint action of mediators compared to its separate mediation action.

Our findings are consistent with the results of Bors et al. (2017), who also point to the importance of choosing employees with a proactive personality and a high level of motivation for public service, which can potentially increase work engagement and employee performance. We agree with Lavigna's (2015) statement that the challenge is to recruit and retain employees who have a high degree of PSM and then build high levels of engagement on that basis. For government organizations, this means that PSM assessment needs to be included in recruitment (e.g., as a selection criterion for interviews). According to Bakker (2015), managers must maximize the factors that maintain or improve PSM and, conversely, eliminate the factors that reduce it. Consistent with the findings of Lavigna (2015) and Bakker (2015), research and practice confirm that this can be done in several ways, such as effective com-

munication, performance management, support for employee autonomy (Borst, Kruyen and Lako, 2017) and building an atmosphere of trust.

Regarding the impact of gender on the relationships examined, a significant difference between women and men was demonstrated for the PSM – WE and SS – WE paths in favor of women. The findings show that women are more sensitive to managerial support, which can be helpful for their engagement. It is also more intensely influenced by their prosocial motivation. Differences by education indicate that significant differences were found in the SS-PF path in favor of employees with a university degree. This category of employees more strongly combines the managerial approach of superiors with the perception of environmental justice. No significant differences were found for the length of the practice criterion.

4. 1 Conclusions

An important aspect of this paper is that it comprehensively clarifies the context of employment of government employees. The study confirmed the existence of significant direct relationships between MS and WE, but also showed that the engagement of other variables in the work environment can significantly increase the intensity of this relationship. The results of our study confirm the role of PF, which has the potential, together with the correct selection of employees, to create optimal conditions for supporting employee engagement. For government organizations, this presents a challenge to implement a culture of support and justice, from which they can benefit significantly by increasing the engagement of their own employees.

Despite their important role in the functioning of society, state administrative organizations remain under-represented in professional management literature and research. The results of our study therefore partially contribute to filling this gap while opening up perspectives for further research in this area.

4.2 Limitations

Our research study also has several limitations. The first is a relatively small sample of respondents (221) and its limitation to Slovak conditions. On the other hand, it includes state administration organizations from the whole territory of Slovakia, thus the results could be generalized for this region. At the same time, given the content of the discourse on the topic of work engagement, we assume that our study can also enrich the scientific discussion within a wider area. Research may also be limited by not using the pilot survey as one of the best practices for verifying the validity and methodological soundness of the constructs used. However, we applied other recommendations that we considered sufficient. Although we used several steps to mitigate common method bias, they did not perform data acquisition from various sources. We obtained data from the managers of the state administration themselves, while we are aware that the collection of data from several sources, i.e. the demand not only of managers but also of employees could increase the objectivity of research. Finally, in addition to the factors concerned in this study, there may be other factors that may affect the examined relationships. Our model worked with sectional rather than longitudinal data, which may be unable to reflect the real causal relationship because of the time-lag effect, and the use of panel data could be the future direction.

Despite these limitations, we believe that the results obtained contribute to the expansion of knowledge in several ways. Our findings broaden our understanding of how PF and PSM fundamentally affect the relationship between MS and WE. Building a culture of support, justice and the right selection of employees appears to be a highly functional strategy for government employee engagement.

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APPENDIXES

Appendix 1

MICOM results for employees by gender

Variables	Compositional invariance		Equality of composite mean values			Equality of composite variance values		
	Original correlation	5% quantile	Mean difference	2,5%	97,5%	Log Variance Ratio	2,5%	97,5%
PF	0.997*	0.995	0.090*	-0.184	0.179	-0.261*	-0.311	0.216
PSM	1.000*	1.000	0.048*	-0.167	0.167	-0.203*	-0.352	0.214
SS	1.000*	1.000	0.016*	-0.162	0.177	-0.175*	-0.336	0.189
WE	1.000*	1.000	0.101*	-0.160	0.157	-0.222*	-0.212	0.181

Note: *Significant result: score correlations are greater or equal than the 5% quantile of the empirical distribution, and composite mean and variances values are outside the permutation-based interval of confidence.

MICOM results for employees by education

Variables	Compositional invariance		Equality of composite mean values			Equality of composite variance values		
	Original correlation	5% quantile	Mean difference	2,5%	97,5%	Log Variance Ratio	2,5%	97,5%
PF	0.959	0.992	0.008*	-0.235	0.226	-0.123*	-0.434	0.328
PSM	0.999	0.999	0.084*	-0.190	0.260	-0.355*	-0.414	0.316
SS	1.000*	1.000	-0.032*	-0.214	0.219	-0.149*	-0.431	0.262
WE	0.999*	0.999	0.132*	-0.219	0.227	-0.192*	-0.329	0.256

Note: *Significant result: score correlations are greater or equal than the 5% quantile of the empirical distribution, and composite mean and variances values are outside the permutation-based interval of confidence.

MICOM results for employees by tenure

Variables	Compositional invariance		Equality of composite mean values			Equality of composite variance values		
	Original correlation	5% quantile	Mean difference	2,5%	97,5%	Log Variance Ratio	2,5%	97,5%
PF	0.998*	0.993	-0.037*	-0.253	0.202	-0.273*	-0.291	0.264
PSM	1.000*	0.999	0.027*	-0.250	0.209	-0.240*	-0.262	0.241
SS	1.000*	0.999	0.157*	-0.247	0.203	-0.140*	-0.328	0.443
WE	1.000*	0.999	0.162*	-0.191	0.207	-0.369	-0.290	0.261

Note: *Significant result: score correlations are greater or equal than the 5% quantile of the empirical distribution, and composite mean and variances values are outside the permutation-based interval of confidence.

HUMAN RESOURCES PLANNING PROCESS WITH THE IMPACT OF THE NEW PUBLIC MANAGEMENT

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Abstract. As a result of the new approach to public management, a change in human resources planning has gained momentum. The study aims to evaluate the impact of the theoretical changes in the practices of the new public management approach, particularly in human resources planning. In this context, the primary purpose of the study is to determine the effect of the New Public Management approach on Human Resources Planning. This study used a qualitative method. The data was derived from semi-structured interviews and secondary data sources. The semi-structured interviews included 12 administrative managers selected by the snowball-sampling method. The data were analysed using content analysis. In the light of our findings, it is evident that the Norm Staff approach is inadequate compared to the new human-oriented, flexible managerial approach. To cope with the inadequacy of Norm Staff, it is recommended to implement HRP processes consisting of HRP scope. The study is original in three respects. Firstly, while the other studies in the literature describe the Norm Staff approach, this work provides a critical perspective on it. Secondly, the relationship between the New Public Management approach and Human Resource Planning has not been explored in other studies. In this regard, the study pioneers the field. Finally, a new process that consists of different phases in HRP has been proposed. This new process is different from what has been suggested in previous studies.

Keywords: HRM, Human Resources Planning, Norm Staff, NPM, HRP process.

Introduction

Nowadays, public administration has changed radically. Globalisation is one of the primary reasons behind these changes. Today the problems have become more complicated and global rather than the traditional systems of public administration. In addition, the development of information technologies, the change in the understanding of the nation-state, the differences in the value system, the increasing power of the market, the public choice theory, and the transition of the management approach to the public are among the reasons for these changes. Over time, the strict bureaucratic and centralised understanding of the state gave way to a more flexible and participatory approach to management. The name of this new management model is the new public management approach.

Parallel to the developments in the world, our country was also affected by this change. The traditional understanding of public administration was gradually challenged. Total quality management, accountability, openness, participation, effectiveness, and efficiency applied in remote administration have become mandatory in public administration. Thus, more output will be achieved with fewer resources, saving time, resources, and personnel.

In the current situation, personnel management must change from traditional public administration to New Public Management (NPM). Human Resources Management (HRM) with a human-oriented perspective has been adopted in public institutions. As a result, the current personnel management has changed from the ancient Mughal period, the British period, and the Pakistan period personnel management (Robinson, 2015).

The first step in Human Resources Management practices is Human Resources Planning (HRP). HRP means the provision of human resources in sufficient number and quality at the right time and place. In traditional public administration, the Norm Staff understanding is applied as a tool of HRP. However, as a result of the changes New Public Management (NPM) has brought to HRP, it is seen that the norm staff understanding is insufficient in the face of the new structure. In this context, there is a need for a new HRP process in public administration.

The study aims to examine whether HRP has been reflected in the practise of the public institutions that have declared that they accept the understanding of NPM. The study's main research question "Do the changes that NPM creates in theory on HRP reflect in practice?" has been determined. The study's primary purpose is to determine the effect of the New Public Management approach on Human Resources Planning. Considering public administration, which has been the scene of many reforms and new approaches in recent years, the problems and proposed solutions arising from this research will serve as an example for other public sector institutions and the results of the study will contribute to the literature. Also, while other studies in the literature are content with describing the Norm Staff practice, this study brings a critical perspective to Norm Staff practices. The relationship between NPM and HRP has not been the subject of study earlier. It is an original study that proposes a process consisting of different stages.

Literature review

The management concept took a long time to evolve as a distinct approach in public intellectual discourses. Only recently researchers have seriously engaged with it and discussed it within a paradigmatic scheme (Mahmoud and Othman, 2021; Poor et al., 2021; Oliveira et al., 2021; Boselie et al., 2021). However, there is no simple way to distinguish between public administration and public management based on the difference between administration and management. Transcending the practical sides of administration and general management has advanced as a new approach to public administration (Pollitt, 1994).

Public administration (PA) is a well-known concept, quite old, subjected to numerous analysis (Pollitt and Bouckaert, 2011). It establishes the conditions under which the representatives of public administration can make decisions, such as the clear identification of the duties through the perspective of job description, the establishment and exact observance of hierarchies, the procedural institutionalisation of the decision-making process based on depersonalised rules and laws, working for the good of the community and managing public goods and services in the light of the mentioned above principle, etc. Public administration is directly linked to the idea of governance and government (Lee, 2003, p. 5).

Public administration, for which there are many different definitions, is defined as serving the public and executing public activities and policies by public employees (Henry, 2016). The critical elements of traditional public administration can be defined as the dominance of the "rule of law"; a focus on administering set rules and guidelines; a central role of bureaucracy in policymaking and implementation; the politics – administration split within public organisations; the commitment to incremental budgeting; and the hegemony of the professionals in the service delivery system (Osborne, 2006, p. 378).

The features of traditional public administration, which was the dominant paradigm until the last quarter of the 20th century, "centrism", "excessive hierarchy", "blind adherence to rules", "cumbersome bureaucracy", "increased public expenditures" created a "crisis of confidence" in the relations between the state and society (Pollitt and Bouckaert, 2011). Thanks to these features, public administration has turned into a structure that prevents efficiency and effectiveness in the public sector with an uncertain general notion.

The Economic Depression of 1929 and the World Oil Crisis of 1973 brought changes in the understanding of public administration. Since the 1970s, a new era has begun with the characteristics of post-modernism, post-Fordism, and neo-liberalism, which is called post-industrial society. The developments in information technologies, the effects of globalisation, the change in the value system, the increasing power of the market, the failure of the welfare state, the rise of the new right, and the introduction of the concept of business administration led to the emergence of the idea of NPM (Boston, 2016).

Christopher Hood first used the term New Public Management (NMP) in 1990 (Şandor, 2006, p. 13). New Public Management has the following characteristics: the objective-based management, the introduction of the principle of budgeting based on null-sum games, the measurement of performance through different techniques

and technologies, authority size of the leader of the organization, the imposition of rational management, but also of individualism as a competition beat, as well as an explicit formula for ranking of all roles defined at the administrative level (Maesschalck, 2004, p. 471). NPM means bringing flexible, decentralised, market-based, small-scale, and business logic to public administration. Briefly, it means the "transition from politics to administration" (Henry, 2016).

The NPM approach, which started under the leadership of Reagan (1981) in the United States and Thatcher (1979) in the United Kingdom, began to take effect in Turkish public administration after 1980 (Chomsky and Amin, 2017, p. 69). In Turkish public administration, the NPM understanding was adopted because traditional administration was outdated and inadequate in the face of the advancing and changing world. As a result of this transition, the traditional understanding of management in Turkish public administration has evolved to NPM understanding since the 2000s "in terms of the structural, organisational and personnel system" (Özden, 2016). The adoption of the NPM philosophy marked a paradigm shift in the management of the public service, particularly in relation to labour practices and employee relations (Brown, 2004). In other words, the adoption of NPM practices leads to the application of HRM in managing the public sector workforce.

Private and public sector of HRM increasingly converged with the spread of NPM via the normative and mimetic transplanting of private sector HRM best practice to the public sector endeavouring to create a culture of high performance and high commitment (Poole et al., 2006). In this regard, the existing gaps and challenges of implementing NPM reforms by public organisations have significantly affected public servants' behaviours, conditions, and performance by developing, motivating, and assessing the performance via HRM practices and policy towards public organisations (Cantarelli et al., 2020; Fletcher et al., 2020).

The centrality of HRM to change processes made it a tangible face of public sector reform, articulating this new agenda and linking NPM to HRM reform (Battaglio, 2015). Generally the HRM unit should have the autonomy to deliver services efficiently (Suhail and Steen, 2018). Most importantly, HRM is the backbone of any organisation, and HR practices and policies are of significant concerns to the public sector regarding staff performance (Truss, 2013). In addition, the shape of HRM in public organisations differs according to the implemented NPM reforms (Knies and Leisink, 2018). The institutional pressures and constraints that characterise the public sector have a direct impact on HRM (Boselie et al., 2021).

HRM is a set of management decisions about practices and policies that shape public servants' efforts and contributions to achieve specific goals (Boselie et al., 2021). Human Resource Management is a management function that is based on, and guided by the values and principles of the organisation and typically includes some principles (Hirono, 2020). The principles of HRM are (Gruening, 2001):
– determination of personnel needs, taking into account the necessary competencies and skills;
– selection, professional training, development of employees and setting tasks and priorities for them;

–   leadership and personnel management;
–   creating and maintaining working conditions in which workers can demonstrate the best results;
–   establishing a management system and infrastructure, in particular, policies, legislation, procedures, a system of accountability, tools, and information;
–   constant monitoring and verification of the effectiveness and efficiency of HRM.

Briefly HR practices in public emphasise the shift from a short-term 'transactional' psychological contract to a longer-term 'relational' psychological contract (Boxall and Purcell, 2011). Studies show that for the effectiveness of new public management practices such as governance, it is necessary to focus on human resource management tools (Oliveira et al., 2021). In this way, HR management plays an essential role in promoting democracy, transparency, meritocracy, and performance in public administration.

The main indicators of the transition to HRM in the public sector; are total quality management, seeing the citizen as a customer, seeing the employee as an internal stakeholder, strategic plan, performance processes, in-service training, flexible working styles, contracted personnel practices (Eryılmaz, 2019, p. 278). In addition, changing the titles of the personnel department and personnel manager to the human resources directorate is one of the main indicators. As a result of "globalisation, the shrinkage of the state, and the restriction of its fields of activity, the redefinition of the public manager duty, the softening and localisation of centralism, privatisation programmes, the presentation of public goods and services and democratic management", a transition to HRM understanding in the public personnel regime was experienced (Özden, 2016).

The study of HRM, in its broadest sense, is concerned with the choices organisations make from the various policies, practices, and structures for managing employees (Boxall and Purcell, 2011). For these reasons, the term Human Resource Management (HRM) is gaining popularity in public management research (Osborne, 2017). As human resource management in the public sector differs from other sectors in terms of size, structure and mission (Knies and Leisink, 2018), it is interesting to extend HRM research to the public sector because the public sector is a people-oriented service (Stanton and Manning, 2013). Managing Human Resources can therefore be considered more important in the public sector than in the private sector, where performance does not rely on technology, but on the people who implement policies and deliver services (Groeneveld and Steijn, 2016). Finally, research into HRM in the public sector is significant because public organisations deal with many new challenges.

The application of NPM demands a more efficient approach to the management of human resources whereby the workforce needs to be fully equipped with appropriate human resource practices to achieve performance goals (Bach and Kessler, 2007). Given the significant changes that these reforms have spurred and their influence on the HRM of public entities, there is a need to investigate HRM practices and policies, including the way of regulating, managing, rewarding, developing, and evaluating public servants' performance (Leisink and Knies, 2018).

When the literature was examined, it was found that the effect of the New Public Administration on Human Resources Management is generally reviewed (Mahmoud and Othman, 2021; O'Rourke, 2020; Brunetto and Baettie, 2020). The different approaches to the New Public Management effect on human resource management between countries have also been examined (Poor et al., 2021; Bach and Bordogna, 2011). Interestingly, it has been suggested that the mechanisms linking HRM practices with both employees and organisational outcomes might differ in the public sector as compared with the private sector due to the different characteristics of the workforce (Knies et al., 2015). In this context, the impact of new public administration on HRM functions such as performance management (Vermeeren, Kuipers and Steijn, 2014), and labor relations (Ibsen, Larsen, Madsen and Due, 2011) has been studied. However, it is seen that the effect of the New Public Management on human resources planning has not yet been the subject of a study.

The first step in HRM implementation is planning. The new understanding has "systematically" increased the importance of planning in the public sector due to its strategic and human-oriented perspective (Budak, 2016, p. 80). HRP analyses the possible effects on human supply and demand to maximise the future performance of the institution (Attwood, 1989, p. 12). Another definition states "the attempt to predict how many, and in what quality of employees will be needed and to what extent this demand is likely to be met" (Graham and Bennett, 1998, p. 163). In short, HRP is the process of determining the current and future employee needs and numbers of the institution following the institution's objectives, mission, and strategies (Boxall and Purcell, 2011). Reasons for HRP include "internal changes, and limits in human resources; training of existing employee; timely announcement of vacancies; recruiting new employee; adapting to rapidly changing social conditions; responding to technological innovations and market conditions; to comply with legal regulations, legal rules, and judicial decisions" (Langford et al., 2014).

The practice of the norm staff in traditional management has been used as a tool of HRP. The term Norm Staff refers to the arrangement of the structure that allows similar tasks to be carried out in the institution according to the purpose. The main purpose is the determination of the qualification and number of staff required to fulfill the tasks. Briefly, depending on the organisational analysis to be made, the job analysis for each unit in the institution, job descriptions for each staff, and the qualifications to be sought of those who will work in the position can be summarised as the determination of the required Norm Staff number for the units.

The process consists of organisational analysis, a job analysis, creating job definitions and requirements, a job evaluation, the determination of the number of norm staff, and the creation of a norm staff guide. As a result of the changes that the NPM has brought about in personnel regime and HRM, the Norm Staff is insufficient against the flexibility, management logic, and human priorities perspective of the new structure. In this context, a new HRP process is needed. In this context, this study proposes a new process by examining the effect of NPM on HRP.

Methodology

This study is based on Neuman's definition of qualitative research. Qualitative research does not analyze problems by separating them from the value system in which they occur but tries to reveal their meanings by interpreting the phenomenon in the environment in which it occurs (Neuman, 2016, p. 224). The study's main research question is "Do the changes that NPM creates in theory on HRP reflect in practice?" Since there is no hypothesis in the qualitative method, no hypotheses are made in this study. Instead, the following sub-research questions are used to cover the main research question (Neuman, 2016). What are the applications of HRP in public institutions?

– How to make a Human Resources Needs Plan in public institutions?
– How to make a Human Resources Provision Plan in public institutions?
– How to make a Human Resources Placement Plan in public institutions?
– How to make a plan for the reduction of human resources in public institutions?
– How to make a plan for the development of human resources?

To reach findings, secondary data sources consisting of the website of the institution, reports, staff policy, and all records of the Norm Staff study conducted in the institution as well as the semi-structured interview techniques were used to obtain the results .

The 20 semi-structured interview questions for the research were prepared by examining the local and foreign literature, considering the themes mentioned in the literature, and taking the opinions and suggestions of one Professor and two Associate Professors in the field of HRM. The interview questions were prepared to determine the applicability of the proposed HRP process by obtaining information about the institution's HRP tools, techniques, and practices. The distribution of the interview questions can be expressed as follows:

– The first question refers to the demographic characteristics of the participants;
– The second question relates to the first finding, human resource planning practices;
– The third to seventh questions relate to the second finding, human resource needs plan;
– The eighth to thirteenth questions relate to the third finding, human resource provision plan;
– The fourteenth and seventeenth questions relate to the forth finding, the human resource placement plan;
– The eighteenth questions relate to the fifth finding, human resource development plan;
– The last two questions relate to the sixth finding, the reduction of human resources.

The study examined an institution that has embraced the concept of NPM. Administrative personnel in this institution constitute the population of the study. Using the snowball method, 12 executive managers were determined as the sample. The reasons for selecting this sample are the following, they have been working in the institution since the establishment of the institution, have participated

in norm staff practices, know the subject due to their administrative leadership position, and are willing to share information. The participants work in the same institution. However, practices in public institutions are determined by law. Therefore, the information obtained from the participants generally reflects the practices in public institutions.

The interviews lasted for 9 hours in total and an average of 45 minutes with one person. Audio recordings were made during the interview, with the consent of the participants, which were then transcribed. The findings were reached by applying content analysis to the obtained data. Content analysis was preferred because it is used to interpret similar data by combining them into specific concepts or themes. Participants were coded according to the order of the interviews to protect personal and institutional information.

Findings

Based on the NPM understanding stated in the theoretical section on the public sector, a new HRP process will be defined. In this context, the findings were collected under seven subtitles. Thus, the five fundamental themes of the HRP process (Human Resource Need, Procurement, Placement, Development, and Reduction Plan) have been reached. These themes are HRP Practices that are listed as Norm Staff Practices, Flexible Employment Practices, in-house and outsourcing in Personnel Recruitment, Rotation and Job Enrichment, In-Service Training Planning and the Effect of HRP practices on Performance. Data obtained from the interviews and data obtained from secondary sources are discussed under these headings.

Theme: Human resources needs plan

Human Resources Needs Plan consists of an organisational analysis, a job analysis, a job valuation, norm staff determination, and the creation of norm staff guide. Based on the findings titled HRP Practices and Norm Staff Practices, an attempt was made to determine whether this theme is fully and correctly implemented in the institution.

Human resources planning practices

It was determined that the institution recruited personnel with the Civil Servant Examination (CSE) before the Public Personnel Selection Examination. It was stated that after these written exams, interviews were made. Thus, it has been determined that a system based on references that do not attach importance to the merit system is applied before the Public Personnel Selection Examination.

"In theory, in which unit you need personnel, what qualifications are required, who will be recruiting, they are determined, but in practice, this is not the case, especially in the public sector.… previously, the institution's staff was recruited through its exams. After the written exam, there was an oral interview. There are exceptions, of course, but before Civil Servant Examination (CSE), references were important in public sector recruitment in general". (Respondent F)

It was noted that from 1999 to 2002, public personnel recruitment was carried out through the Civil Servant Examination (CSE).

"… since 1999, appointments have been made with CSE. However, after a few years, the examination system was changed again". (Respondent A)

It was noted that the institution has made most appointments since 2002 through the Public Personnel Selection Examination (KPSS).

"Since 2002, the institution has been recruiting staff through the PPSE". (Respondent A)

Norm staff practices

When the interview findings and secondary data sources were examined, it was determined that the Business Organization was not carried out before the Norm Staff work in the institution. Business organization means exploring the organization's organizational structure, mission, vision, policies, and goals. It is one of the rules that must be done before the Norm Staff practices.

"There is no thought that the mission, vision, and these job descriptions in the institution should be according to this vision.…or they did not examine the organisation chart systematically". (Respondent C)

Both the interview results and the information in the secondary data sources show that job analysis is applied in the institution. It was found that the job analysis was only based on Branch Managers and that there were no one-to-one interviews with the officers who did the job.

"A job analysis was conducted within the scope of the norm staff study, but I was not interviewed because I was only a civil servant at that time. The job analysis was made by meeting with the Branch Managers". (Respondent K)

It was found that the Job Descriptions and Requirements were prepared within the framework of the Quality Management System for the Turkish Standards Institute (TSI) in 1999–2000. The statement that the Job Definitions and Requirements prepared as a result of the study cannot go beyond updating the existing ones also draws attention.

"We entered job description and requirements system in 1999 to apply to TSI in 2000. So it is more correct to say that it was an update". (Respondent J)

There is no information about job evaluation in the secondary data sources and interview results. Moreover the 657 Civil Servants Law cannot do this.

It was determined that the Norm Personnel Guide was not prepared. This means that the Norm Staff studies have been completed, but no feedback has been given to the staff. However, Norm Staff studies are concluded with the Personnel Guide.

"No feedback was given as a result of the Norm Staff studies… I have never seen the Norm Personnel Guide". (Respondent L)

Theme: Human resources provision plan

Within the scope of Human Resources Provision Planning, the findings entitled Flexible Employment Practices and Internal and Outsourcing in Personnel Procurement were taken as a basis. In this context, an attempt was made to determine whether the institution benefits from flexible forms of employment in its employment policy, whether flexible working hours are applied or applicable.

Flexible employment practices

According to the evidence obtained from the interviews and the secondary data sources, the flexible employment types used in the institution include subcontractors, temporary workers and contract workers. According to the secondary resources obtained from the Tender Office, there are 629 subcontracted workers in the institution.

"There are subcontracted workers employed in each unit". (Respondent A)

Flexible types of employment are hired by the tendering method. The Tender office deals with all work and procedures of subcontracted workers from recruitment to termination. Other units convey their satisfaction or complaints about subcontracted workers to the relevant department.

"The Tender office conducts the service procurement. We only provide information about the service officer working with us and we do not disclose other transactions from notification of our satisfaction". (Respondent B)

It was found that the institution can use flexible forms of employment by obtaining permission from the Higher Education Board (YOK), the Ministry of Finance, and the State Personnel Presidency.

"The State Personnel Presidency, YOK, and the Ministry of Finance must permit flexible employment types". (Respondent A)

Based on interviews and data obtained from the secondary sources, it was found that subcontracted workers with flexible work arrangements have been doing the same job in the same place without changing for years, and that they are employed within the working hours from 7.30 am to 4.30 pm and are subjected to an entire employment system.

"The working hours are between 7:30 am and 4:30 pm. But since the same people have always been with us for years, they are like normal civil servants". (Respondent I)

While ten years ago, flexible forms of employment were expanded in the public sector within the scope of the NPM application. It was found that work is being done to regulate the recruitment of all flexible employees in the public sector.

"Let me give you a simple example. In the early 2000s, the government sought to develop an employment policy that was in line with this New Public Management approach. They kept contracted personnel in the municipalities and the issue of service procurement started to spread. However, ten years ago, the government of the same party suddenly said that we should include contract staff in the workforce". (Respondent G)

Flexible working hours were found to suit public officials, primarily since most transactions can be carried out over the internet. However, it was also found that the personnel were skeptical due to the risk of salary being affected.

"We work with an internet-based programme, so flexible working practices suit our job. I can access the EBYS system from home. I can see the documents received on the internet and initialise them. However, there is a problem. Nobody wants to do this because of the risk a pay cut". (Respondent A)

Internal and external sourcing in personnel recruitment

It was observed that the institution appointed staff based on the KPSS implemented by the Student Selection and Placement Center. Based on data obtained

from the secondary sources, it was found that the administrative staff is appointed according to the rules specified in the regulation.

In the outsourcing of the institution, it was found that the transfer assignment was preferable as more information about the personnel is obtained through the interview.

"Transfer assignment is preferred because it gives an opportunity to having information about the person through an interview". (Respondent F)

It was determined that after examining the petitions considering the reasons of priority (such as to be from the same city, to be the first degree relative in the province where the institution is located), the decision on who to transfer was made by interview.

"...everybody wants that with their parents to be in the same city. Those who want to work in their hometown find references. Since they want to work here, they are called". (Respondent C)

It has been observed that recruiting personnel from internal resources is preferred. As the current staff know the corporate culture, they are more accessible to adaptation.

"Generally, recruiting personnel from internal sources is preferred rather than outsourcing because you know the corporate culture and can quickly be investigated". (Respondent E)

It was found that promotion and title change were made by selecting the appointment criteria in accordance with the Regulation on Higher Education Supreme Institutions and Higher Education Institutions Personnel Promotion and Title Change.

During the establishment of the institution, applications were made for the vacant positions in the number of titles given by the State Personnel Presidency. The Application Review Board examined the applications. For those who met the conditions (for example, the service period should be eight years, the associate license should be ten years for the validity of the application), it was determined that the candidates were announced.

It was determined that those who passed the 70 thresholds in the written exam passed the exam. It has been determined that among those who pass the exam, those who get the highest score are given the right to be promoted. While the OSYM can also prepare the exam questions, the institution generally designed the questions by its academicians. If promotion to the same title is to be made within two years, it was determined that the first person to reach the 70 threshold in the previous examination and could not get a title was promoted without review.

"There is a regulation called promotion, and title change, promotions are made accordingly. Exam questions are prepared in the institution. Questions on the task can be asked in the legislation. People apply with a petition, and the application review board reviews these applications. The candidates are announced. The highest-rated person is promoted in the task". (Respondent A)

A person who meets the conditions in all the units can apply and be appointed for the promotion examination, regardless of the department in which the position is advertised. It was determined that the assigned person is in a superior

place and does not know the unit's jobs he was assigned to, creating a problem area. Still, it is a situation protected by the regulation.

"There is a regulation called promotion title change. Unfortunately, this also binds public institutions. For example, not everyone is assigned chief to their unit. He does not know the job as well as the staff who came as chief. The superior know the work to be done and the work done by the unit. Thus, he will know how to behave as a superior. He should not be appointed just because he was successful in the exam". (Respondent I)

There had been no promotion and title change in the institution for about seven years. However, after the data for the study had been collected and analysed, the institution conducted the Promotion and Title Change Examination but it was not included in this study.

"…there has been no Promotion and Title Change exam for about seven years, and there is a lot of waiting". (Respondent A)

The secondary data sources revealed that the condition of employing disabled personnel at the rate of 3% was applied in the institution and that the disabled personnel were appointed according to the KPSS results.

In addition, with the change in the examination regulations for promotion and title change, an oral interview was included in the regulations and the written examination. However, there is no data on this subject as it has not been implemented yet.

Theme: Human resources placement plan

With the effect of the NPM, an attempt was made to determine whether rotation and job enrichment are applied in the Human Resources Placement Plan, which is one of the HRP practices in public institutions.

Based on Branch Managers in the institution, a 3-month rotation was made to the stationary periods of the units, but it was not efficient.

"Over a period of 3 months, a rotation was done at the Branch Manager level. We did not see much benefit from it. Nothing can be learned in 3 months". (Respondent F)

"It has been done in the past. It was thought of as unit rotation, but everyone continued to do their jobs. The rotation should be out of the unit and must be changed literally. The application should not become a transformation of names. Its duration should not be too short, the work of that unit should be done, and those things should be learned. In other words, the previous application was an application made to show that rotation was done." (Respondent I)

The institution usually makes appointments instead of rotations.

"… rotation is not required actually because we have assignments". (Respondent C)

Job enrichment was not applied in the institution. Nevertheless, mutual assistance was used under the name of job enrichment to alleviate someone else's workload or to finish the job.

"There is no formal job enrichment. But in an informal sense, it is done in the context of increasing the workload of people who have a high ability for the person's motivation". (Respondent C)

Theme: Human resources development plan

The Human Resources Development Plan, sought to determine whether in-service training was carried out to increase the efficiency of the institution's human resources and how the process was working.

Secondary sources data indicated that in-service training is described in the institution's human resources policy as follows:

"Training needs are determined, plans and programmes are prepared and implemented. Whether it has achieved its purpose is evaluated. Annual training plans are determined according to the training needs analysis".

The training subjects were determined by the Personnel Department in-Service Training Branch Directorate. After the compulsory training was written on the in-service training request form and six other trainings were added, the annual training program was created. An average of 10–15 trainings are conducted annually.

"A form is sent to the units to get information about the training they need, such as September-October each year. The form already includes certain trainings. If training other than this is required, additions are made to the form. However, this added training is given if the demand is high". (Respondent F)

According to the interview data, the analysis of training needs is not carried out systematically, training is provided to facilitate routine work, and training is not provided within the scope of career planning.

"We demand training because we think it will help the staff do their jobs". (Respondent K)

Based on the data obtained from the interview, it was found that the number of people trained is essential, while meeting the needs is not.

"The number of people attending the training is essential, and it is stated in a report". (Respondent J)

After the training, it was not determined whether the training was useful or not by analysing efficiency and benefits.

"Nobody looks. One year, two years, or three years after the training, it is necessary to measure whether the training is successful or not. However, there is no such thing in the institution. I don't think it was done in any public institution". (Respondent G)

A new staff were not assigned to replace any person who participated in in-service training. Instead, they applied for a twin assignments. The application is called a twin assignment. It was determined that the personnel to be assigned to replace each personnel is determined, and it is a system that requires to learn each other's duties. It was also stated that the rotation is not deemed necessary because the training is carried out in the institution, the duration of the training is short, the colleagues help, and the twin assignments are applied in the institution.

"There is a twin assignment. Personnel are not assigned to replace the personnel who attend in-service training. I don't think it's essential because the training is held in the institution and it is carried out quickly". (Respondent I)

Theme: Human resources reduction plan

Based on the results of the norm staff studies implemented in the institution within the scope of the Human Resources Reduction Plan, an attempt was made

to determine whether there is the effect of the HRP practices on the performance, whether the staff were dismissed or relocated in the determination of redundant staff as a result of job analysis. The principles of dismissal of personnel were clear and defined in advance.

It was stated that a civil servant is a safe job. Besides, it was also stated that dismissal was only possible for offences specified in the legislation. In addition, it was also stated that the investigation of the crime was conducted by the Higher Education Council (YOK).

"Our work is under state guarantee. In 657, it is clear that we will be punished for what we do. An investigation is made to those who do one of these behaviors and sent to YOK. If YOK approves, their job is terminated". (Respondent A)

Within the scope of the Norm Staff studies conducted in the institution, it was found that the decisions such as relocation, merging of units, closure of units stated, according to the Norm Staff guidelines, were not implemented. It was found that the Norm Staff work is not effective in terms of performance.

"Let's not say that the norm staff was applied. Let's say the norm staff work was done. There was no result. Because there was no harmony between the goals of the norm staff and the expectations of the current working style in public institutions, it isn't easy to implement this in public institutions. The current legal system does not allow this". (Respondent G)

Conclusion and discussion

This study was conducted in an institution that declared that it accepted the concept of NPM. To avoid deviating from the subject, the effect of NPM on HRM is mentioned here. It was found that the institution-specific practices to HRP are in the form of Norm Staff. Even the Norm Staff practices seem to have deficiencies. However, it is expected that the features that NPM should bring from a theoretical point of view have changed the HRP in the institution. The result of the research demonstrates that planning is done with the Norm Staff, which is a traditional public management tool. On the other hand, Norm Staff is not suitable for the flexibility and merits of the NPM understanding.

As a result, in response to the research question of the study specific to the institution, which declared that they accept the understanding of NPM, it was found that the changes in theory were not reflected in the practice of public institutions. Briefly, NPM remains in theory within the scope of personnel planning and is not reflected in the practice of HRP. It was found that the Norm Staff practices, which are the planning tools of traditional public administration, do not coincide with the understanding that NPM brings to public institutions, such as merit, flexibility, and performance, and that the Norm Staff practices are lacking in terms of today's HRP. To meet the requirements of our age, such as human-priority perspective, flexibility, management of public institutions with business logic, and a strategic view, the processes under the HRP should be put into action. In terms of NPM, it was stated that the public sector should be shaped according to the process of the HRP.

In the light of all these results, it is seen that the changes in theory caused by NPM in the public sector are not reflected in practice within the scope of per-

sonnel planning. Besides, it is observed that current practices for the HRP are insufficient due to the effect of NPM. To bring flexibility, a human-priority perspective, and business logic to public institutions, the HRP approach should be made following its scope to meet the characteristics and expectations of the new understanding. Since the Norm Staff planning process ignores the scope of the HRP, it faces limitations in practice. It is suggested that the HRP process in the public sector with the effect of NPM, should consist of the following stages:

Human Resources Needs Plan. It consists of organisational analysis, job analysis, job descriptions and requirements, job evaluation, and determination of the norm staff number. While ensuring that the institution does not have more or less personnel than necessary, it aimed at recruiting a sufficient and qualified personnel in the required time.

Human Resources Provisioning Plan. This is the process of setting the employment policy to ensure that human resources are able to meet the needs of the organisation. It is determined whether the procurement of human resources will be done with internal or external resources. If internal resources are to be used, it is determined whether a horizontal or vertical allocation will be made. In outsourcing, it is determined whether or not it will use resources such as subcontracting. At this stage, it is aimed to supply a sufficient number of personnel with suitable qualifications for the job.

Human Resources Placement Plan: It is the process of designing the job to increase the morale, motivation, and productivity of the staff. It consists of determining whether rotation and job enrichment will be applied. It consists of the stages of deciding how the application will be made. Business and human resources harmony is aimed.

Human Resources Development Plan. It includes all the procedures to increase the performance of human resources from the moment they enter the institution until they leave. It consists of an in-service training phases. It aims to increase the efficiency of human resources in the process.

Human Resources Reduction Plan. It consists of the stage of dismissing excesses or relocation in determining a large number of human resources based on the human resources requirement plan. It aims to minimise the dismissal damages for the employee and the institution by making planned dismissals of staff.

In addition, Civil Servants Law No. 657 should be amended or even reformed to establish an HRP that meets the requirements of the NPM in public. In this context, in the Law No. 657 there should be planned changes such as flexible working hours, performance payments can be reflected on the implementation, the cumbersome, bureaucratic, over-centralised structure of the civil service can evolve into a flexible, operational logic and strategic structure that is in line with the understanding of NPM, and an environment that will allow the implementation of the changes in HRP.

In conclusion, considering the flaws and weaknesses of the current system applied in public administration, a new system should be adopted, and the public institutions that have adopted the understanding of NPM in the discourse should pass the reflection of the latest theoretical findings. Especially this reflection should start in the field of HRP.

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EXPLORING CONNECTEDNESS BETWEEN REGULATORY IDENTITY AND STRATEGIC OUTCOMES

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Abstract. This study aims to extend the concept of organizational identity, the soul of organizational culture, and its five characterizing attributes, namely, purpose, philosophy, priorities, processes, and projections, to the regulatory space. It has been done through a thematic review of previous articles. Although a few academic articles in the public policy arena have dealt with one or two of these attributes, there is a lack of a holistic evaluation of the regulatory framework covering all these five attributes of regulatory identity. After building an understanding of how these elements have evolved in public policy and regulation domains, we have hypothesized that processes and projections of the regulatory framework need to be aligned with the core regulatory identity (constituted by purpose, philosophy, and priorities) for achieving strategic outcomes. On the other hand, a change in the long-term strategy should trigger a reassessment of organizational priorities followed by the realignment of the core regulatory culture to guide decision-making and organizational actions. Finally, since the regulatory processes or practices, both internal and external, are the actions that keep the regulatory identity alive, therefore, they should be aligned with the core identity and culture of the regulatory framework.

Keywords: regulatory identity, regulatory philosophy, regulatory purpose, regulatory priorities, regulatory practices, regulatory projections, strategic outcomes.

Introduction

Regulation, as a concept, bears multifarious meanings, such as social control mechanisms at the disposal of the state; various efforts made by the government to drive the economy and reduce market failures (Jordana and Levi-Faur, 2004); framing of a set of rules along with some mechanisms for implementation and compliance of these rules. Regulation may be viewed as a control function of the government, prescribed by law, which directs the decisions and actions of firms in the public interest. A sound regulatory institution design should incorporate purpose, board, legislative procedures, executive procedures, judicial procedures, and reporting. If mandated by the underlying legislation, this design clarity may establish feedback loops through which the state's capacity may get enhanced.

Regulatory institutions refer to government departments, agencies, and bureaus that implement regulatory provisions. The regulatory provisions may cover framing, enforcement, and monitoring of standards that guide the regulated community (Pink and Marshall, 2015). The regulatory system consists of a collection of regulatory practices that implement regulatory provisions, while the environment in which regulatory systems operate may be referred to as regulatory environments.

The regulatory framework is defined as an infrastructure support (set of agencies, actors, and supervisors) that exists to control, direct, oversee and implement an adopted rule, law, or course of action (Zama and Hedley, 2016). The regulatory framework is an underlying structure used by the government to manage laws, rules, and regulations for addressing social, economic, and market imbalances (Vivoda et al., 2019). It presents the legal basis of operation to society, incentivizes investment, ensures the effectiveness of linked markets, and assists in setting up a commercial environment while preventing anarchy and limiting certain undesired activities.

Regulatory culture is an abstract concept used to explain the behavior of regulatory authorities and private players in the regulatory space (Meidinger, 1987). It may be viewed as the infrastructure that translates legislative requirements to compliant practices in reality. A regulatory culture may be characterized by shared values regarding the relationship between individuals, markets, and the government; common administrative and legal traditions and principles; regulatory discretion enjoyed by public authorities; regulatory competencies distribution and associated organizational structures (Meidinger, 1987). At a national level, the inherited ethical behavioral norms for government, industry, and individuals constitute regulatory culture. In addition, the regulatory culture is characterized by lawful authority and reporting structure, formulation of specific rules, technology adopted for monitoring compliance, penalties for violations, roles of consultations, rights of judicial review with regulation (Kane, 2016).

The usage of organizational culture and associated concepts is popular in Human Resource Management (HRM) literature. Culture is described as one of the most powerful and stable forces operating in organizations (Schein, 1996). The interest in organizational culture may be traced to its relationships with other

important variables such as employee retention, improvement initiatives, knowledge management, discipline, and productivity (Margolis, 2009). Many academicians have linked organizational culture with HRM practices. Another construct close to the 'organizational culture' construct is organizational identity. The organizational identity captures its meaning, spirit, and enduring characteristics/attributes. It is a phenomenon central to social processes, perceived by outsiders and experienced by organizational members in real organizational outcomes (Corley et al., 2006, p. 89). Culture presents the much-needed context wherein identity is established and operated.

The concept of regulatory culture, particularly regulatory identity, may play a very important role in implementing reforms. If not accounted for appropriately, the regulatory culture may often retard the regulatory reforms. For instance, privatization and other regulatory reforms requiring transition to a new mode of regulation were mostly complicated and difficult to complete in practice. The delay in the onset of the required new regulatory culture may be attributed to old behavior patterns and habits.

From the preceding paras, it is evident that there is adequate realization in public policy literature regarding the importance of regulatory culture in the outcomes of regulatory reforms. However, there is a lack of study making use of regulatory culture as a concept. Moreover, there is a lack of consensus regarding their definitions, applications, and theoretical implications. This study attempts to approach regulatory culture and regulatory identity by building on the understanding of organizational culture and identity as found in the HRM literature. Further, we have explored how the alignment of regulatory identity with the regulatory reforms / regulatory framework may assist in achieving strategic outcomes and also in enhancing regulatory effectiveness. This has been done through a thematic review of over 70 relevant articles.

The next section (section 2) elaborates on the research methodology adopted in this study, followed by section, inter-alia, covering an overview of organizational culture and organizational identity as prevalent in the HRM literature. Section 4 deals with application of the 5Ps model to the regulatory space, while the next section describes the growing interest areas and status of adoption of regulatory governance. Similarly, section 6 contains a thematic review on regulation, national interest, and strategic outcomes, while sections 7 and 8 deal with discussion and conclusion of this study.

Research methodology

This section elaborates the research methodology used in the study to explore following research objectives – (i) to explore the concept of regulatory culture and regulatory identity based on the understanding of organization culture / identity found in HRM literature; (ii) to explore how alignment of regulatory identity with the regulatory reforms and regulatory framework may improve strategic outcomes and regulatory effectiveness. The research methodology used in this study is influenced by the literature review technique suggested by de Oliveira et al. (2018). The thematic literature review consisted of eight steps:

(i) identify literature review period, (ii) identify search keystrings, (iii) identify search engines/database, (iv) identification of academic articles, (v) removal of duplicate articles, (vi) reading of articles and elimination of unrelated articles, (vii) preparation of database for thematic articles, (viii) identification of major themes and their descriptions.

The literature review period was left unrestrained to capture seminal work using three academic search databases: Google Scholar, Emerald, and Science Direct. These multiple academic search databases are multidisciplinary and possess electronic search capabilities, inter-alia, covering social sciences domains (Sigerson and Cheng, 2018). The academic search databases short-listed are multidisciplinary, electronic databases, inter-alia, covering social sciences. The multi-database selection ensured coverage of more possible research articles from extensive sources. The study used multiple search strings: organizational culture, organizational identity, 5P model of regulatory identity and its five attributes (purpose, philosophy, priorities, practices, and processes), regulation in OECD and developing countries, smart regulation, national interest, and strategic outcomes. The identification of academic articles using multiple academic search databases, reading of articles and elimination of unrelated articles resulted in identification of 74 relevant peer-reviewed articles for undertaking thematic articles. We adopted a funneling approach to short-list articles using search strings in the title, abstract, and keywords only. The industry reports, conference articles, and duplicate articles were eliminated.

Thematic analysis

Thematic analysis intends to categorize the state of the art relevant academic articles, whose results are presented in the subsequent sections. The two research objectives have been addressed using thematic analysis of the content of short-listed academic articles. Thematic analysis is a popular qualitative method based on the identification of patterns in data. It is often viewed as a basic method that can cater to broad theoretical perspectives and research interests (Braun and Clarke, 2013). The six-phases of thematic analysis, presented in Figure 1, should be viewed as a recursive process rather than a linear one.
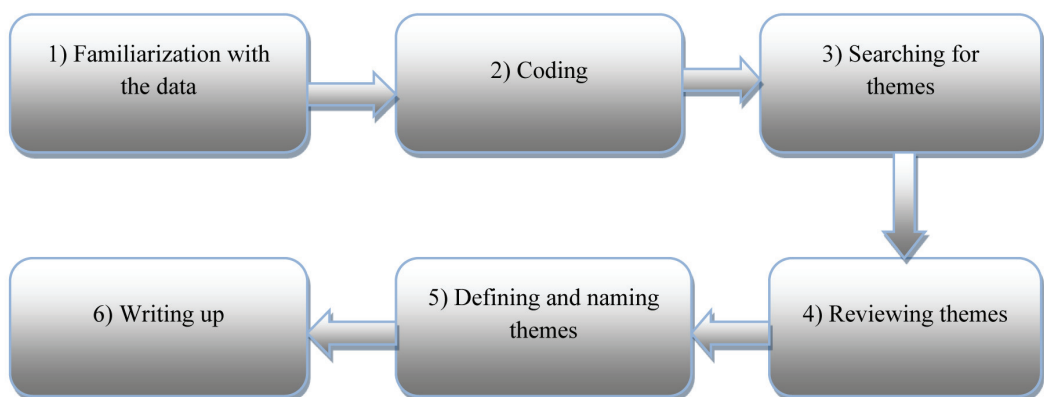
Figure 1. **Steps followed in thematic analysis**

Organizational culture and organizational identity

The concept of culture is common to many academic disciplines. The Organizational culture may enable a group of people to coordinate with each other. Shared understanding about the system gives a meaningful reference to the people who interact and interpret the system's information (Meidinger, 1987). The Five Ps organizational attribute model propounded by Margolis (2009) uses purpose, philosophy, priorities, practices, and projections to depict an organization from a system-wide perspective. It facilitates the definition and management of organizational identity (refer to Figure 2).

Organizational identity, regarded as the soul of organizational culture, captures the organization's meaning, spirit, and enduring attributes by using three central defining criteria: central, distinctive, and enduring. These triads, taken together, distinguish one organization from another (Whetten, 2006). Centrality, the first central defining criteria, refers to norms, values, and beliefs anchored to the organizational mission, which are fundamental, essential, widely shared, deep, and core essence (Whetten, 2006, p. 221). The distinctiveness criterion refers to the unique characteristic that acts as distinguishable organizational features. It justifies the existence of an organization as a distinguishable actor (Whetten, 2006, p. 223). Finally, the endurance criterion reflects the deepest commitments, something which is resistant to change – has emerged over time. Thus, it acts as an anchor and inertia for the organizational stakeholders (Whetten, 2006, p. 224).
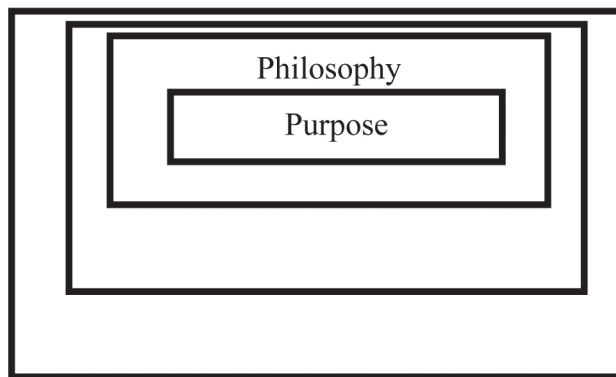
Figure 2. **5Ps Model of organizational identity**

The 5 Ps of the model are related to each other through linkages of interactions, beliefs, images, behaviors, and interactions. The organizational purpose explains why the organization exists (important work that members do), thereby inspiring and motivating its stakeholders. Hence, to enhance organizational purpose, it must be conscious, discussed, and shared. The organizational philosophy is the fundamental, essential and enduring belief that distinguishes the organization from the rest. It reflects the personality of the organization, explaining how members execute their work, and deliver the organizational purpose.

The combo of purpose and philosophy, forming an organization's nature, adds distinctiveness and endurance to the organizational identity. Organizational priority in terms of values guides how the organization shall attain its strategies (what/ which). Priorities play a dominating role in the finalization of shared principles that guide behaviors of the organizational members. A change in strategy may trigger a reassessment of organizational priorities. Important priorities may include teamwork, partnership, cooperation, and collaboration, etc. The purpose, philosophy, and strategic priorities constitute the core culture of an organization, which creates a framework that guides decision-making and organizational actions.

Practices, both internal and external, are those actions and behaviors that keep the organizational core culture alive. External practices are the interactive activities between the organization and the outside world (including customers, products and services, partners, suppliers, and vendors). Therefore, it must be aligned with the core culture of the organization. Organizational projections are the reflections of organizational culture to the public, and hence need to be aligned with the organization's core culture. They are meant to influence the outsiders but also impact the views of organizational members about the organization. It may include name, brand, logo, symbols, leadership image, public relations, etc. (Margolis, 2009).

Applying 5Ps model to regulatory space

The organizational culture and organizational identity are established as powerful and sustainable forces that drive an organization to interact with its environment or undergo organizational change. We hypothesize that regulatory culture and regulatory identity, either within the context of regulatory institutions or at the macro-level of sector/ nation-wide regulatory framework, may help in better understanding of wicked problems[1] related to regulatory governance. For instance, (i) why do privatization and other regulatory reforms exhibit variation in adoption and outcomes in different sectors and countries/regions? (ii) why do repeated regulatory reforms fail to bring in desired changes in the industry or timely achieve the intended objectives connected to those regulatory reforms? In line with the concept of the core culture of an organization, the core regulatory culture shall comprise a regulatory purpose, regulatory philosophy, and regulatory priorities. The regulatory practices and regulatory projections need to be aligned with the core regulatory culture.

Regulatory purpose

Regulation is viewed as a way of social control guided by the procedure and purpose of the regulation (Noll, 1980). The general meaning associated with the purpose of regulation has evolved with the passage of time (refer to Tab. 1).

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[1] A wicked problem may be construed as a complex problem that lacks definition clarity and is difficult to solve.

Table 1

Evolving meaning of purpose of regulation

Author (Year)	Purpose of regulation
Noll (1980)	Make the change in market/ business less abrupt and affect the performance of firms by indirectly influencing their decision making
Shapiri (1994)	Tackle market defects, market failures and enhance market efficiency (economic theory perspective)
Llewellyn (1995)	Protection of consumer interest on the rationale of economic rather than paternalistic
Ritter (2010)	Initiatives are taken to protect the public good and control risks that society may face.
Chalmers et al. (2012)	The dominance of regulators by regulation does not characterize the purpose, but it is the private interest that dominates the public interest
Barton (2012)	Facilitate product development by providing appropriate guidelines to manufacturers to achieve a balance between benefits and risks
Mirrlees-Black (2014)	Protection of consumer interest from the perspective of public policy (primary purpose)

Source: Created by authors based on literature review.

The interconnections among the variables influencing regulatory decisions and conflicts among the welfare criteria adopted by the regulators make the regulator's role (and purpose of regulation) much more complicated (Noll, 1980). Although any regulation may not intend to change the firms' behavior directly, the behavioral change may unintentionally occur due to linkages between performance and decision variables.

A narrow perspective regulation may consist of actions/initiatives by the government to steer the economy and govern using rules. Economic instruments like taxes, charges, exemptions and subsidies, advertising codes, and tradable permits may shape market outcomes (Ritter, 2010).

The secondary purpose of the regulation (consumer protection being the primary purpose) may range from control of inefficiency, high costs, earning of excess profits, incongruous high wage payments, which may lead to higher prices at the consumer end (Mirrlees-Black, 2014).

The normative tradition views regulation as state activity to serve the common interest, where the regulatory purpose is to achieve publicly desired outcomes. Therefore, it demands disinterestedness and trustworthiness of regulator specialists and uses expert knowledge to achieve the targeted regulatory goals (Lidskog et al., 2005).

The regulatory purpose has also been explained from the perspective of a specific sector –

(i)   In the context of mobile health applications, the regulation may be intended to safeguard users' interests by mitigating potential risks that can arise from a device (Barton, 2012).

(ii) Regulations meant for consumer protection in retail investment services are associated with economic rather than any paternalistic cause. Possible reasons may include – improved quality standards, enhanced investors' confidence in the market, consumer benefits naturally flowing from economies of scale. Further, consumer welfare is linked with corrective regulatory measures to promote competitiveness and overcome market imperfections (Llewellyn, 1995).

(iii) In the health sector, the purpose of regulation is to promote uniform and high-quality health services at optimum cost (Welsh, 1996). The author has suggested the use of self-regulation to increase the acceptability of regulation among the network of physicians.

(iv) In the context of the financial and capital markets, the purpose of regulation should be to appropriately fix the lowest ceiling of utility product price without compromising the ability of the company to raise the capital needed to operate sustainably.

(v) The purpose of regulation in electricity network regulation is to secure public interest and serve that part of the market where full competition fails to deliver by creating a condition similar to the competition. The regulator has to deal with the exclusion of prices, significantly exceeding the one in a competitive industry, and low prices obstructing competition due to cross-subsidization (Kinnunen, 2004).

From the organization's perspective, the improvement of organizational performance vis-a-vis regulator's expectations has been viewed as the purpose of regulation. Therefore, the mechanisms adopted by the regulator may include forcing the companies to commit fulfillment of those regulatory expectations, inter-alia, by following the regulatory expert advice (Spira and Page, 2010).

Regulatory philosophy

The regulatory philosophy is the general approach of regulatory institutions towards regulations that helps them identify priorities, rationalize activities, and establish effective communications with their stakeholders (Bayne, 2012). The regulatory institution must be aware of, situated within, and establish an engaging relationship with its environment. Evaluation of existing regulatory frameworks and trends gives good insight into the underlying regulatory philosophy. Further, the extent to which one is aware of "seeing and being seen" has profound implications for how regulatory institutions allocate their time and other resources (Bayne, 2012).

Regulatory philosophies have been grouped into the continental and Anglo-Saxon categories. The continental philosophy views regulation as a tool to achieve socio-political goals, out of which the market adopts those that are coincidental with their goals. The Anglo-Saxon philosophy, on the other hand, emphasizes a neoclassical economic approach to ensure that market works efficiently without getting burdened by regulations. There is a shift in regulatory focus towards Anglo-Saxon philosophy, thereby marking a distinct movement into the age of deregulation and market liberalization (Button, 2005).

Regulatory philosophy exhibits region/ country-specific popularity. For instance, the regulatory philosophy of Japan is driven by medium and long-term

goals and emanates from the "no-principle" approach (Schaede, 1992). It is inspired neither by free market theory of the US nor by the explicit responsibility of government to ensure market fairness and social security (Germany model). Japan modulates the medium and long-term rules whenever goal achievement demands it. The Japanese no-principle approach is also assisted by "consultative capitalism" (institutional consultation and cooperation between business and government) and credible commitments to sync with goals and strategies. As Japan progressed from a developing country to a an industrialized nation , it was guided by policy tools to achieve economic growth goals. However, the underlying regulatory philosophy remains unchanged. Unlike a free market, regulation here is not associated with a negative connotation of intrusiveness and disturbance in the minds of those regulated (Schaede, 1992). Haggard (2015) has argued that debates about the future of the developmental state should encompass the role of industrial policy as well as the issue political change. Moreover, development of state may also be inherently linked to state capacity, rather than attributing it to market-oriented policy and appropriate interventions alone.

The regulatory philosophy also shows sector-specific characteristics:

(i) The philosophy of drug regulation has progressively embraced newer concepts and attributes. It started with adulteration and expanded to misbranding, safety, efficacy, and investigational control.

(ii) In the 1970s, a debate took place among activists about the philosophy of regulation of the aviation transport sector. One group didn't find any deficiency in the existing air transport system. In contrast, the other group of 'deregulators' advocated a fundamental change in regulatory philosophy in the industry by removal of almost all controls related to entry, exit, fares, and routes. The deregulators won the battle when the Airline De-regulation Act was passed in 1978. It virtually removed the whole regulatory system except for safety and airworthiness (Tucker, 1982).

(iii) While financial reforms in the US in response to the 2008 financial crisis through the Dodd-Frank Act stipulated for the separation of trading and banking books, the EU reform proposals aimed at redesigning banking regulation based on Basal Committees reports. However, a comparison of these two financial reforms revealed similar underlying philosophy as the philosophy drives both to encourage financial innovation to increase welfare of consumers and society (Tropeano, 2011).

(iv) Japan has a resilient professional self-regulation ecosystem in healthcare that continues to impact its direction of policy development, although some common trends (such as the creation of arm's length regulatory organization and greater transparency) are also visible (Kodate, 2018).

(v) Kramer et al. (2014) identified emerging tools / techniques that could be adopted to revolutionize medical device regulation in developed countries (like Japan) and developing countries. The article focused on regulatory institutions, adverse event reporting, premarket evaluation, post-approval studies, and quality system regulations.

The responsive regulation philosophy covers a wide spectrum of regulatory enforcement styles (for example, the behavior of inspectors towards regulated par-

ties). At one end of the scale is a facilitative/ consultative approach, while at the other end is a rigid legislative approach (Van der Heijden and De Jong, 2009).

Regulatory priorities

According to the German historical school, the regulatory priorities of each historical period and society are characterized by a few unique qualities established by their political, economic, ideological, and cultural interests. Thus, the choice of regulatory decision-makers is influenced by their wisdom, shaped by the political and legal culture of their community (Andriychu, 2010).

Regulatory decision-making is mostly required on issues that lack scientific knowledge and can rarely be expressed scientifically or addressed by scientific methods. Consequently, regulatory priority is normally assigned to the issues that are newly discovered, poorly understood, devoid of scientific knowledge, and gained sudden importance (Otway and von Winterfeldt, 1992). Thus, regulatory institutions have to consistently deal with the inevitable gap between the requirement of adequate information and the ability to collect it .

A few researchers have dealt with regulatory priorities from the perspective of a specific sector/industry. For instance, in the context of the Nuclear Regulatory Commission's regulation of licencing and reprocessing facilities, Park and Shin (2016) categorized regulatory gaps into high and moderate priority, namely, regulatory framework and definition, waste and environment, safety and licensing, safeguards and security, financial protection and fees.

The regulatory priority is assigned to insolvency prevention in the insurance sector (Nektarios, 2010). Similarly, the topmost regulatory priority is assigned to long-term stability in financial reforms (Tsang, 2017). The study was based on an analysis of post-crisis financial reforms. The author advocated for an urgent balance in the government's approach to the financial ecosystem to maintain its topmost regulatory priority.

Regulatory processes

The policies, procedures and steps that guide the formulation and implementation of regulation by governments are known as regulatory processes/practices (Martin et al., 2007). Regulatory practices (or processes) can be viewed as the activities undertaken by a regulatory institution to give effect to regulatory provisions. The regulatory processes also include human resource management engaged in their day-to-day work (Pink and Marshall, 2015). The regulatory process creates a framework that assists in skillfully designed applications for better laws from the perspectives of formulation and implementation. It is done by allowing transparent contestations of regulatory options. Poor regulatory processes may result in poor design and implementation of regulations (Martin et al., 2007).

Regulatory process can also be viewed as the ability of regulation participants to address issues related to excessive demands vis-à-vis mechanisms in place to find collective demands and transform them into motivation/pressure to achieve them in an adaptive manner. However, Hall and O'Toole (2004), while suggesting an appropriate design of the formal implementation network of actors, argue that the regulatory process, in general, adds complexity to im-

plementation patterns by complicating existing implementation structures and introducing new actors into them.

There is a lack of understanding of how the regulatory process affects regulatory substance and vice versa. A comparative evaluation of the regulatory process in two presidential regimes revealed that although the regulatory preference of Bush and Clinton appear different on the surface, there was hardly any difference in the regulatory process adopted by the two regimes (Shapiro, 2007). These findings cast doubt on the effectiveness of procedural reforms in the regulatory process. One possible explanation for the similarity found in regulatory processes by the two presidential regimes can be attributed to coalition drift. The regulatory processes of the Clinton administration , which favored regulation, were introduced by the earlier regimes of Reagan and Bush, who favored deregulation. Another explanation is the concept of bureaucratic organizations that were common in the two presidential regimes (Shapiro, 2007).

Regulatory processes, in general, are characterized by the need for a constant balance between the interests and conflicts of different stakeholders. Further, pressure to change and needs complicate finding a stable and consistent policy course representing a regulatory process. Thus, in practice, regulatory processes may show many complexities and dynamic fluctuations.

There is an increase in the participation of third-party agencies (private entities comprising of professionals, businesses, and industries) in the regulatory process for public enforcement activities. However, the traditional cost-benefit approach is not effective in capturing/explaining non-compliance by third-party agencies.

Regulatory projections

Regulatory projection may be viewed as the image that any regulatory institution may promote among its various stakeholders. For instance, the legal profession may intend to promote its image of altruism.

Regulatory projection has been presented as the competency of any regulatory actor to extend domestic regulations beyond geopolitical borders (Buenger, 2016). Here, domestic laws, with territorial jurisdiction are used to bring in extra-territorial effect in untethered normative space.

Regulatory projection can be influenced by internal regulatory actors' collective capacities and perceived competencies of those collective capacities by external regulatory actors. Regulatory projections, a consequence of globalization, can play an important role in setting global standards and segment-specific regulatory competition and cooperation. Regulatory projection is popular in economic-centric considerations – for example – management of competition, global financial system, and policing. The regulatory projection also gains importance in addressing non-economic and value-centric issues – for instance, labor rights, human rights, and environmental and climatic degradation.

While extending domestic regulation beyond the geopolitical border, regulatory projection gets strengthened by the perception of virtual citizenship (for asserting rulemaking authority), association between domestic interests and extraterritorial behavior (for asserting regulatory jurisdiction), and the relative dif-

ference in the capacities of regulatory actors. Regulatory projection has often been viewed as diminishing the importance of international regulations and regulatory cooperation (Buenger, 2016).

Regulation, national interest, and strategic outcomes

Regulation and national interest

From a realism perspective, the national interest may be given paramount importance by the regulatory institutions (Caney, 2002). Thus, from the realism perspective, a state can adopt in protectionist policies and design its foreign policy to protect its national interest. However, this approach may prove detrimental to international trade.

The 'national interest', an outcome of debate, deliberations, negotiation, and questioning in the nation-state context, is majorly at stake in regulatory processes. However, its expression gets complicated at the international level relying on negotiations and contestations. Thus, the nation-interest gets involved in the continual, uneven, and reflexive regulatory process. It may undergo a radical shift with a change of government or under political and media pressure (Dodd, 2000). In many cases, state regulation has to compete with other forms of competition in the regulatory space. The regulatory process can involve four stages of emergence, drafting, implementation and impact. Regulation of industry to gain a political advantage may result in the adoption of protectionist approaches and policies. Domestic import-competing industries may seek a protectionist response from their regulator. Such initiatives may be led by national interest groups. Even autocratic regimes may do policy management in the garb of coincidence between their self-interest and national interest. Although democracies cannot afford the selfishness of their leaders, they have to defend their policies in terms of the national interest. Thus, the search for the articulation of the national interest is constant.

National interest influence on sector-specific regulation

The insurance market well serves the national interest if the regulations can ensure strong competitiveness through independent regulatory agencies. A strong competitive insurance market can extend high-quality policies and services at low prices to citizens and businesses (Skipper and Klein, 2000). A general subsidy could carry the best way to preserve industries, firms, and services in the national interest. This is in line with the suggestion given by critics of price regulation (Noll, 1980). Therefore, the price regulation undertaken by regulators in the national interest is justified as the secondbest option. A popular mode of price regulation is to subsidize the un-economic services for regional and local airline operators on economic constraints. Price regulation cannot be seen as a complete regulatory failure since one of the important purposes of regulation is to protect certain industries, firms, and services from lower-cost competition for their continued economic viability. Cross-subsidization is another form of price regulation wherein the prices are set above incremental costs that generate adequate revenues to support additional services that are priced below incremental cost (common in electric, telephone, and transportation services). Conflicts between the new demo-

cratic governments and the media sector in post-apartheid South Africa arose due to difference of opinion on whether media should serve the national interest or public interest. Unlike in the US, where the national interest referred to control measures taken on the flow of information in the interests of state security, the South African media asserted its role to serve the 'public interest'. In the globalization of higher education, many sovereign states are accused of regulating their internal affairs, which is detrimental to the global transmission of knowledge.

National interest amid the federal government

Often, regional states in the US, relying on their power to regulate all forms of conduct, rely on regulations that prioritize regional state interests over national interests. Federal agencies (federal courts and Congress) can limit a state's power to compromise national interests. A spillover model can be used to resolve federalism disputes arising among local versus national regulations. In the spillover model, each federal agency evaluates the state regulations that are made in its regulatory area. In case of possible conflict, the federal agency enters into a dialogue with concerned state authorities; while preempting any state regulation, the federal agency is required to ensure the participation of concerned state authorities in the proceedings (Pierce, 1984). The American Constitution grants power to Congress to enact laws for regulating interstate commerce. The Supreme Court has found implied affirmation of national interest to protect interstate commerce from interferences. This national interest prohibits states from enacting laws that may compromise the free flow of interstate commerce. However, the occasional pursuit of incompatible national interests can lead to conflicts between societies.

International regulation and national interest

Regulatory arrangements at the international level may not be construed straightforwardly as an outcome of competition between national interests (Dodd, 2000). The researchers working on transnational and international regulatory issues should consider the nation-state a central unit of analysis. A set of factors (in addition to national interest) act as an incentive for cooperation among nation-states. More than one national regulatory regime may compete against each other in a few cases, while in other cases, national regulation and international regime may coexist. Thus, National-state plays a central role in international/ transnational regulatory processes and may also play a role beyond 'national interest'.

Regulatory outcomes

In view of insignificant improvement in public safety risks despite a number of reforms initiatives in Russia, Yuzhakov et al. (2020) recommended for implementation of reform in regulatory enforcement/inspection activities based on the perceptions of the citizens. The authors conducted a sociological survey to investigate the viewpoints of the private business community on the intermediate outcomes of the regulatory enforcement reform undertaken in Russia to transform the business climate. Less than 28 percent of the respondents agreed that general regulatory enforcement had a positive impact on their business performance.

Regulatory quality

Regulatory quality is one of the six dimensions of governance, the others being voice and accountability, government effectiveness, political stability and absence of violence, rule of law, and control of corruption (World Bank, 2019). Regulatory quality reflects the perception of the "ability of *the government to formulate and implement sound policies and regulations that permit and promote private sector development".* It is calculated based on various representative and non-representative sources (World Bank, 2020).

The regulatory quality indicator estimate ranges from approximately -2.5 (weak) to 2.5 (strong). As per the Regulatory Quality Index of the World Bank (Global Economy-RQI, 2019), Hong Kong ranks highest with a regulatory quality indicator (RQ indicator) of 2.16, while North Korea ranks lowest (-2.34). India is ranked 109 (RQ indicator of -0.25) which is lower than China (97th with an RQ indicator of -0.15). The global average value of the RQ indicator, covering 193 countries is -0.02. However, India's RQ indicator estimate has improved from -0.55 in 1996 to -0.25 in 2017 and the corresponding percentile rank (100 for the highest value) has improved from 26.09 to 42.31.

Börzel (2016) has delved on the issue that Europe, due to lack of integration, has failed to govern the multiple crises. The author has argued that a widening "commitment-compliance gap" by the member states, rather than a lack of authority, is the reason behind the regulatory deficits of EU governance. The difficulties of member states to translate commitments at EU platform into practice can be traced to the dominance of Euro-nationalists in EU policies and institutions. In the author's view , there is an outright rejection of European integration, through mobilization of illiberal, nationalist ideas of Europe –Euro-nationalism undermines the legitimacy and effectiveness of EU governance. The resulting structure is not able to address redistributive issues. The EU despite this constraint has an average RQ indicator value of 1.13.

OECD and regulatory governance

The Organisation for Economic Co-operation and Development (OECD) has worked closely with with OECD members and non-members States in various ways to promote co-operation in regulatory policy and governance (OECD, 2017). The OECD support countries to "develop and implement good regulatory practices; help countries achieve better social, economic and environmental objectives; assist governments in improving regulatory quality to foster competition, innovation, economic growth and meet important social objectives". OECD views safety inspections as an effective regulatory enforcement mechanism. Inspection is viewed as a set of activities (visit, check, etc.) conducted on documents, products, activities, or business premises to control compliance of regulations (OECD, 2014). Risk based approaches to regulation and enforcement perceives risk as something that could be mitigated through intervention, thereby leading to creation of new rules, regulations and regulatory institutions (Blanc and Pereira, 2020).

Dobrolyubova (2017) used a mix of qualitative and quantitative methods to explore how the approaches to measure the performance of government en-

forcement/inspection bodies in OECD countries have evolved. This review of various such enforcement/inspection bodies helped in identification of objectives of those organizations, important indicators (along with data sources) that could be used to assess their performance.

Use of regulation for strategic outcomes

The strategic use of regulation may be construed to include attempts on the part of business organization(s) or others with similar interests to modify the economy's underlying legal or political framework to their advantage. Many times, a few firms succeed in wrapping their private strategic interests in the garb of public interests to justify regulations that serve their interests rather than support public welfare or the free-market (McCormick, 1984). Globalization, characterized by integrating societies and economies worldwide to develop a global economy, may be viewed as strategic political, economic, and technological exchanges driven by advancements in infrastructure, transportation, and communication. Positive integration factors contributing to globalization include the standardization of international economic policies and laws. In contrast, negative integration may occur in the form of reduction/ removal of trade barriers such as quotas and tariffs. Both positive and negative integration played a very strategic role in globalization.

Regulation is strategically used both by regulators and industry to their advantage. The regulators use it to achieve desired outcomes, enhance compliance with the law by modifying the behavior of industry, firms, and individuals. Regulation can also generate losers and winners through a set of political and legal processes. The regulations often reward the industry for investing in influencing legislators and regulators to gain favorable regulations (Veljanovski, 2013). The regulatory benchmarking can lead business firms to tweak virtual (rather than true) performance improvements by gaming, with the regulatory benchmarking, violating the schemes' objectives. The strategic behavioral change may result in deadweight losses, welfare transfers from customers to firms or among firms. Firms' strategic behavior may be countered by increasing data accuracy and improving data collection procedures (Jamasb et al., 2003). Other researchers have investigated how business organizations can make strategic use of regulation to derive strategic competitive advantage and protections from the regulators.

Governmental regulations may greatly influence the performance outcomes and strategies adopted by business organizations. For instance, in the aviation sector, operators which adopted coherent strategies vis-à-vis regulations achieved better profitability and efficiency. In particular, defender firms performed better than those that adopted prospector strategies. Researchers have emphasized that interventionist industrial policy may bring beneficial strategic effects on the aviation industry. For instance, such a policy may exploit strategic competitive advantages conferred by abundant land and substantially large domestic aviation markets. Steinitz and Ingrassia (2009), through comparative case studies of France, the United States, and India, have identified key issues that an investor needs to examine while planning strategic investments, namely, governing law, screening mechanisms, judicial review mechanisms, sensitive sectors, etc. In addition, innovation

in environmentally cleaner technology may be incentivized through ratcheting up regulations in a scenario where firms do not follow regulation-takers behavior. For this, a shift from welfare-improving regulation to a strategic regulator-firm game (with stricter regulations) may be required (Puller, 2006).

OECD suggestions on Regulatory Governance in developing countries

The new set of five priorities outlined for India and other developing countries by OECD in 2017 are – "reducing administrative and regulatory burdens on companies; simplifying and modernising labour laws to create more and better jobs for all; enhancing access to, and quality of, the education system; improving infrastructure and easing land acquisition; undertaking wide-ranging financial sector reforms" (OECD, 2017). India is among the most active participants in OECD activities among non-member States. India adheres to twelve OECD legal instruments and plays an active role in the "development of international standards on international taxation, corporate governance, competition, chemicals, steel and energy".

Responsive regulation vs Smart regulation

Responsive regulation expects governments/ regulators to be responsive to the conduct of the regulated entity and the overall regulatory environment while deciding on the extent of required intervention response (Ayres and Braithwaite, 1992). The responsive regulation does not bestow exclusive regulatory rights to the government but even allows civil society actors to regulate responsively. It can go one step further and allow civil society to regulate governments responsively, if needed (Gunningham and Sinclair, 2017).

The smart regulation approach demands focus on broader regulatory interactions/ influences, including: trading partners, supply chain, financial institutions, and commercial institutions; international standards institutions; self-regulation by industry associations and peer pressure; culture and internal environmental management; and civil society (Gunningham and Sinclair, 2017). The realization that both traditional command-and-control regulation and the free market failed to solve complex environmental problems resulted in the evolution of smart regulation. Smart regulation uses a broader range of policy tools (self-regulation, economic instruments, and information-based strategies). The weakening of the state and neoliberalism dominance have also enhanced the influence of NGOs and businesses in the regulatory space, thereby, catalyzing the emergence of smart regulation based on a series of regulatory design principles.

Discussion

Meaning of regulatory identity

From the previous sections 3 and 4, it is obvious that academic articles have dealt with one or two attributes of regulatory identity failing to draw a holistic evaluation of the regulatory ecosystem using all the five attributes of regulatory identity.

The purpose of regulation carries a spectrum of definitions and descriptions for general and sector-specific instances. The restrictive approach of authors and

practitioners to a few specific descriptions of regulatory purposes adds another dimension to this problem. It appears as if the purpose of regulation is picked differently or given words on a need basis by different stakeholders. Thus, it is very difficult to come up with a list of universal, country-specific, or sector-specific regulatory purposes. From the regulator's perspective, the general purpose of the regulation (optimum welfare of the public) supports the growth of all segments of the industry, firmness in the market forces. Regulatory policy at the international level, national level, and sector-specific application description may be kept flexible. The list of regulatory purposes includes making changes in the market less abrupt, enhancing market efficiency, vying for a perfect competitive market, tackling market failure, protecting from the low-cost competition, protecting the interest of consumers and the common public, protecting the public, and controlling risk business.

The regulatory philosophy may not be as explicit as the regulatory purpose. Understanding of philosophy of regulation is more subjective. However, the variation may be less as compared to the purpose. A possible explanation may be that it is less talked about as a concept compared to the purpose. The regulatory philosophy is the general approach of regulatory institutions towards regulations that help them identify priorities, rationalize activities, and establish effective communications with their stakeholders. The evaluation of existing regulatory frameworks and trends can be used to understand the underlying regulatory philosophy of a regulatory eco-system. The regulatory philosophy exhibits region-specific support. For instance, the US, Germany, and Japan regulations are driven by free-market theory, market fairness and social security by government, and no-principle approach, respectively. The political, economic, ideological, and cultural interests together may characterize the regulatory priorities of each society in each of its distinct timeperiods. The regulatory decision-making, on the other hand, is influenced by the regulator's wisdom, along with political and legal culture. Regulatory decision-making is mostly required on issues that lack scientific knowledge. Regulatory priority is normally assigned to the issues that are newly discovered, poorly understood, devoid of scientific knowledge, and gained sudden importance.

Regulatory practices may include activities undertaken to give effect to regulatory provisions, procedures, and steps that guide the formulation and implementation of regulation by governments. The regulatory processes may allow transparent contestations of regulatory options. Regulatory processes, in general, are characterized by the continued requirement of balancing interests and conflicts among different stakeholders. Poor regulatory processes may result in poor design and implementation of regulations. The bureaucratic organization may add to inertia associated with regulatory practices and processes. This explains why the change in political regime may not necessarily result in a change in regulatory processes. Regulatory projection covers the image which any regulatory institution promotes about itself among its various stakeholders. For instance, an image of altruism promoted by the legal profession may be viewed as their projection. In the global context, it reflects the competency of any regulatory actor to extend domestic regulations beyond geopolitical borders.

Meaning of strategic outcome

The strategic outcomes of the regulatory process can be mostly linked to the national interest, which is an outcome of the debate, deliberations, negotiation, and questioning in the context of the nation-state. When intended to gain political advantage, industry regulation may result in the adoption of protectionist policies and regulations under the aegis of national interest groups. However, this approach may prove detrimental to international trade. Often, the national interest is perceived as well served if regulations can ensure strong competition in the market. Similarly, price regulation and cross-subsidization carried in the national interest are justified because of economic constraints, protection of certain industries, firms, and services from lower-cost competition for their continued economic viability.

The regulatory process may vie for the following strategic outcomes:
– reduce bureaucratic interference that protects incumbents and undermines the desired regulatory autonomy;
– bring in checks and balances to protect consumer interests, give more importance to consumers' voices;
– make regulatory processes more transparent and accountable, both in case of sectors with independent regulators and government-styled regulators;
– improve safety and soundness of institutions and also strengthen efficiency, diversity, and profitability of business systems;
– synchronise business systems with global standards in terms of prudent regulation and performance;
– develop a coherent philosophy of regulation for ensuring a uniform and consistent regulatory framework;
– prevent the occurrence of frauds.

Regulation may be strategically used by both regulators and industry to their advantage. The regulators may use it to achieve desired outcomes, enhance compliance with the law by modifying the behavior of industry, firms, and individuals. On the other hand, the regulatory benchmarking may lead business firms to tweak virtual performance improvements by gaming with the regulatory benchmarking, and violating the schemes' objectives.

Variation in adoption and outcomes of regulatory reforms

This subsection shall find why privatization and other regulatory reforms exhibit variation in adoption and outcomes in different sectors countries, and regions.

The political, economic, ideological, and cultural interests together may characterize regulatory priorities, which may, in turn, affect the targeted strategic outcomes of a nation in any given period. Thus, regulatory decision-making is influenced by the regulator's wisdom and national political and legal culture. The strategic outcomes of the regulatory process can also be linked to the national interest, which is an outcome of the debate, deliberations, negotiation, and questioning in the context of the nation-state.

Although the privatization and liberalization reforms in most developing nations were fuelled by the recommendations of multilateral agencies, like the

IMF and World Bank, there existed no straight jacket approach when it came to implementation at ground level. Further, the core regulatory cultures, the political systems, and the bureaucracy that existed in those countries before reforms were vastly different. The difference in core regulatory culture, particularly regulatory priorities, existing in developing countries might have given a slight but distinct variation to the initial direction of regulatory reforms. The variation in the adoption of regulatory reforms among different countries and sectoral variation within a country might have attributed to diverse outcomes vied by the policymakers and regulators (Mishra and Kumar, 2021). For example, when intended to gain political advantage, regulation of the industry may result in the adoption of protectionist policies and regulations under the aegis of national interest groups.

The privatization and market liberalization reforms demanded a shift in the underlying approach from continental to Anglo-Saxon philosophy. However, different countries that undertook such reforms might not have accepted such a shift in regulatory philosophy similarly whereby they were required to give a neo-classic emphasis on efficient market and agile regulations.

The leaderships in developing countries were often skeptical about the real intent of globalization and neoliberalism reforms against their projection as a harbinger of economic growth. The reforms were critiqued as a new form of free-trade imperialism, practiced by the UK and the USA, and increasing the degree of inequality among countries and among the rich and poor citizens within a country. Thus, there was always a lack of trust in these reforms, which prevented developing a cohesive regulatory philosophy across different sectors in the adopting countries.

Enhancing the effectiveness of regulatory reforms

This subsection shall find why repeated regulatory reforms fail to bring in desired changes in the industry or timely achieve the intended objectives connected to those regulatory reforms. It shall also explain how to enhance the effectiveness of regulatory governance.

5Ps model of Regulatory Cultural Identity – Regulatory priorities, the strategic layer of values, surrounding the purpose and philosophy attributes of the core culture relax to some extent the requirements of endurance and distinctiveness in the organizational core culture. The practice and projection attributes need to be aligned with the core culture to ensure strategic outcomes. Regulatory change may be executed effectively by understanding, managing, and realigning the organizational identity appropriately. Effective regulatory identity may entail bringing in the sense of stability by preserving purpose and philosophy from abrupt changes. This is based on the assumption that the regulatory change may be executed by modifying its priorities, processes and practices, and projections in most cases. The new changes being introduced should be aligned with the purpose and philosophy attributes of the regulatory framework (refer to Figure 3).

The failure of regulatory reforms to bring desired outcomes may be linked to handicaps prevalent in the regulatory decision-making. The capability of decision-making is influenced by the regulator's wisdom, along with political and le-

gal culture. Further, regulatory decision-making is mostly required for issues that lack scientific knowledge. Regulatory priority is normally assigned to the issues that are newly discovered, poorly understood, devoid of scientific knowledge, and gained sudden importance.

The erstwhile Planning Commission, the Planning Body of Government of India, attempted to develop a coherent philosophy of regulation for ensuring a uniform and consistent regulatory framework (institutions and vested powers) across different sectors, autonomy to regulators, and enhancement of competitiveness (Dubash and Rao, 2008). This proposed regulatory philosophy was supposed to cater to telecom, electricity, airports, ports, post, petroleum and natural gas, water, and other planned sectors. However, the adoption of this propsed regulatory philosophy was not satisfactory.
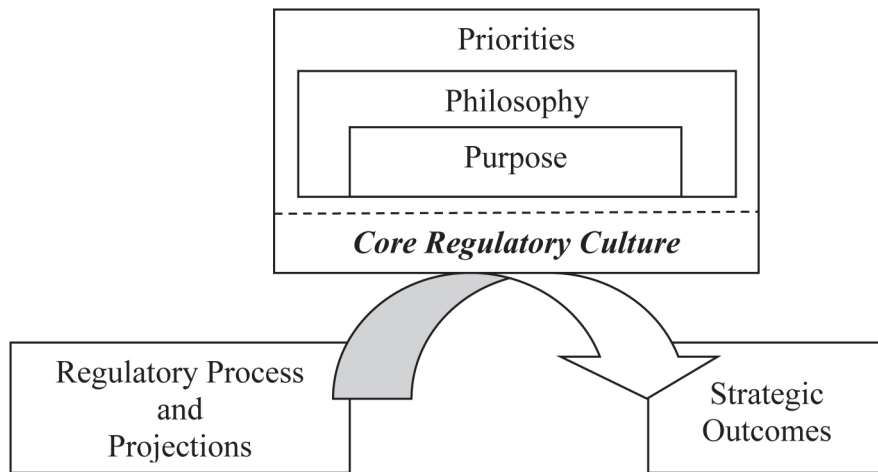
Figure 3. **Regulatory institutions: 5 Ps model of Regulatory identity**.

Sources: Inspired by Margolis (2009).

The regulatory processes may often lack transparent contestations of regulatory options. Regulatory processes, in general, are characterized by the continued requirement of balancing interests and conflicts among different stakeholders. Poor regulatory processes may result in poor design and implementation of regulations. The bureaucratic organization may add to the inertia associated with regulatory practices and processes. This explains why the change in political regime may not necessarily result in a change in regulatory processes. Many regulators fail to build appropriate regulatory projections among their various stakeholders, due to which they cannot develop strong collaborative relationships with them. Regulatory priorities together with regulatory projections also impact the views of regulatory institutions' members about their organizations. In the global context, regulatory projections reflect the competency of any regulatory actor to extend domestic regulations beyond geopolitical borders. The regulatory identity and its role in regulatory space dynamics needed for strategic outcomes are depicted in Figure 4.
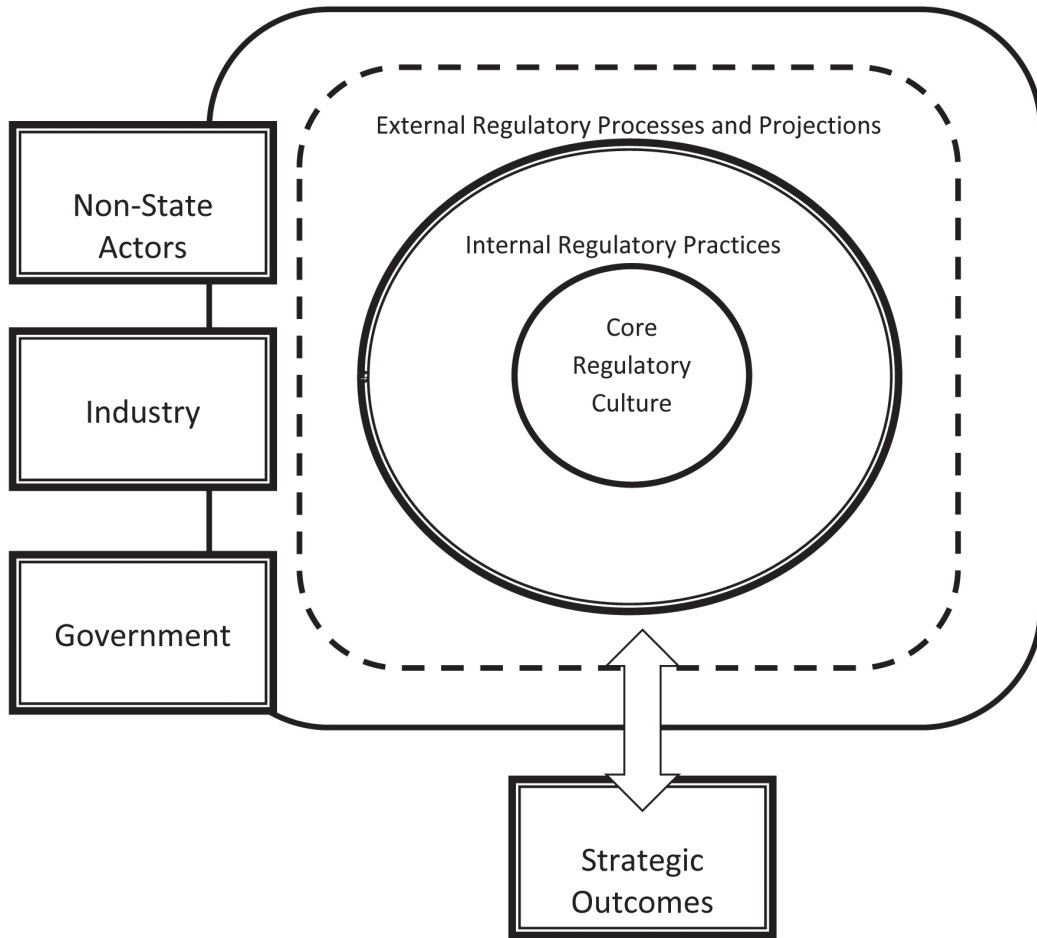
Figure 4. **Regulatory identity and regulatory space dynamics for strategic outcomes**

Conclusion

In the study, we have extended the concept of organizational identity and its five characterizing attributes to regulatory institutions in the regulatory space through a thematic review of the previous articles. There is a lack of a holistic evaluation of the regulatory framework covering all these five attributes of regulatory identity. We have attempted to bridge this research gap by first building an understanding of how these regulatory identity attributes have evolved in public policies and regulation domains. Next, we have applied regulatory identity as a conceptual lens to understand wicked regulatory governance issues. Finally, we have proposed a framework for regulatory identity and regulatory space dynamics needed for strategic outcomes.

A regulatory culture may be construed as a matrix of ideas, attitudes, and beliefs used by a regulator in rule-making, investigation, and setting ethical standards for fair use of government power. The underlying traditions, standards, and taboos set the contours of behaviors of regulators deemed 'normal' in contrast to others criticized (Kane, 2016).

The regulatory framework, deficient in understanding the existing regulatory culture and identity, may not effectively operationalize regulatory reforms. In addition, there may be a general lack of understanding regarding the linkages among the 5Ps attributes and reforms desired in any industry. We hypothesize that the processes and projections of the regulatory framework need to be aligned with the core regulatory culture, constituted by purpose, philosophy, and priorities, for achieving strategic outcomes. In other words, transforming the regulatory framework for strategic outcomes shall entail better alignment among the purpose, philosophy, priorities, practices, and projections of the regulatory governance institutions.

A change in the long-term strategy should trigger a reassessment of organizational priorities followed by the realignment of the core regulatory culture to guide decision-making and organizational actions. Regulatory processes, both internal and external, are those actions and behaviors that keep the organizational core culture alive. Therefore, they must be aligned with the core culture of the organization.

We have used the conceptual lens of regulatory culture and regulatory identity to understand better two wicked problems related to regulatory governance (Why do privatization and other regulatory reforms exhibit variation in adoption and outcomes in different sectors, countries and regions? Why do repeated regulatory reforms fail to bring in desired changes in the industry or timely achieve the intended objectives connected to those regulatory reforms?). Future studies may apply regulatory identity as conceptual lenses to better understand a wider set of wicked problems related to regulatory governance.

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INSTITUTIONAL COMPLEXITY OF HR PRACTICES: CHALLENGES FOR SUSTAINABLE BUSINESS

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Abstract. Sustainable Development Goals (SDGs) are important phenomena in public administration and many reforms have been introduced in Pakistan to ensure the achievement of SDGs committed by the political leaders. This study targets SGD 11 that relates to sustainable urban development through effective municipal corporations. For this purpose, the study explores the HR practices of public organizations operating under the Lahore Municipal Corporation and explains the institutional complexity of these practices. This complexity arises from the lack of implementation of new HR practices that are at odds with the prevailing bureaucratic logic. The study supports the argument of the institutional logic perspective that multiple institutional logics co-exist in organizations resulting in contrasting and contradictory practices.

Introduction

Sustainable Development Goals (SDGs) pose major challenges to nations around the globe. These goals demand to focus on key areas of the public service which include data, knowledge sharing, innovation, capacity building, localization, decentralization, contextualization, collaborative initiatives, and political will (Greenwood et al., n.d.; Ministry of Planning, 2018). In Pakistan, the vision of the government strategy has a major focus on the achievement of SDGs. The development goals are important phenomena in public administration and many reforms have been introduced in Pakistan to ensure the achievement of the SDGs committed by the political leaders[1]. This study is concerned with SGD 11 i.e., making cities and human settlements more inclusive, safe, and sustainable. This SDG addresses one of the most important concerns of urban development and highlights the importance of managing rapid urbanization and population growth, as well as the need for urban infrastructure to minimize municipal waste, and public transportation (GCPSE and UNDP, 2015).

It has been established in the literature that to achieve development goals, the local level government can play an integral role (Asangansi, 2013; Bergh et al., 2019; Paracha, 2003). Decentralization of public services can yield better results because localized sectoral spending may result in better service quality being close to citizens (GCPSE and UNDP, 2015). Therefore, it is important to have an integrated model that links all the levels of the government's ineffective implementation of the sustainable goals (GCPSE and UNDP, 2015; Sicilia et al., 2016). Although the role of the federal government is fundamental, decentralization and delegation of authority create an impact at the grass-root level and ensure contextualization of the implemented reforms. These measures reduce the chances of failure and performance lags. Hence, the role of local government is imperative for achieving development goals, and municipal corporations are the key actors for urban development.

This study investigates one of the current problems associated with municipally owned corporations (MOCs) , which is hindering the road to the sustainable – public service delivery at the local level, namely the complexity and ambiguity of HR practices in municipal corporations. HR practices play a critical role in the effectiveness of municipal corporations and the implementation of reforms. Municipal corporations are making significant changes in their HR practices to become more efficient and results-oriented. In this process, the HR system and practices in public organizations are becoming complex through the incorporation of new practices, which are in sharp contrast to the prevailing traditional HR practices. These changes have led to institutional complexity, resulting in low performance, survival risk, and poor outcomes. This study therefore addresses the HR-related problems in these organizations due to the multiplicity and competing logics in these practices that have been introduced as a result of the reforms. This study highlights the need for HR sustainabil-

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[1] URL: https://www.sdgpakistan.pk/

ity, a newly emerged concept with a sharp focus on the importance of the role of HR in sustainable development. HR sustainability is a collection of skills, motivation, attitudes, and trust developed to avoid negative environmental consequences through the adoption of justice, development, and welfare principles. Sustainable HRM methods enable organizations to achieve their financial, social, and environmental objectives (Mohiuddin et al., 2022).

Research objectives:

The main focus of this study is to:
1. Explore the problems related to HR practices in MOCs in Lahore
2. Highlight the problems that hinder the road to sustainable development for these MOCs

The study was desighned as a case study to explore the phenomenon in depth remaining in a real-life context. The study is conducted on local companies responsible for water and sanitation, transport management, and waste management. Three MOCs are taken as the unit of analysis. The HR challenges faced by these MOCs in achieving their goals are highlighted and possible solutions to overcome problems specifically related to HR practices are offered. The study addresses the problem of survival of these organizations through an HR lens. This study helps to understand the process through which complex and ambiguous HR practices lead to the vulnerability of these local organizations.

This study unfolds how the new public management (NPM) based reforms have shaped the HR practices of these organizations and to what extent they are linked with the overall mission of the organizations. NPM based reforms are translated as the new layering and shuffling of authority lines and the introduction of independent agencies to improve urban issues. Previously, the functions were performed by the city district of Lahore in a traditional public sector manner. The reforms have created ambiguity and complexity which consequently impacted the organizational performance.

The independent agencies are considered to be modern in terms of their efficiency focus and HRM practices, which are investigated in the current research. The study analyzes the extent to which these practices are implemented. The gap between expected and actual practices is theoretically explained through the institutional logic (IL) perspective. The study highlights institutional complexity created by the overlapping of traditional and new HR practices in public organizations and links it to the company's performance. In institutional theory, the literature has captured the powerful role of institutional pressure and the absorption of institutional pressure by organizations. However, this phenomenon is narrowly addressed by researchers due to the predominant assumption of isomorphism under new institutionalism (Naveed et al., 2017). Under this assumption, researchers mainly support the convergence and conformity of organizations to institutional pressures (Dimaggio and Powell, 1983; P. DiMaggio and Powell, 1991; Meyer and Rowan, 1977). Whereas, in reality, the old practices are not replaced, but both old and new practices may exist in the organization at the same time. The institutional logics perspective highlights that multiple in-

stitutional logics may co-exist in organizations over an extended period creating complexity and contradictory pressures for the organization (Thornton, Ocasio, and Lounsbury, 2012). This study empirically captures this phenomenon and strengthens the argument of the institutional logics perspective.

This study is significant due to its focus on the specific real-time issue, which is rarely explained through the institutional logic perspective in the literature (Fred, 2020; Mohiuddin et al., 2022). The role of HR practices in sustainable development of the organizations is a relatively new phenomenon and needs academic attention. The study is conducted on local companies responsible for water and sanitation, transport management, and waste management. The challenges faced by these MOCs in achieving their goals are highlighted, and possible solutions have been provided to overcome problems associated with HR practices specifically.

NPM reforms, HRM practices, and institutional complexity

The administrative and institutional reforms are an important area of investigation for public administration scholars and academicians. The drivers of reforms, their outcomes, and processual analysis have been the primary focus of the recent research (Christensen and Laegreid, 2011; Christensen and Lægreid, 2011b; de Vries and Nemec, 2013; Seth, 2018). Moreover, development goals are important phenomena around the globe and many such reforms have been introduced in Pakistan to ensure the achievement of development goals promised by political leaders. It is a normative principle that the developmental plans fail at the implementation phase due to several reasons. The underlying reasons associated with the failure of plans are the skeptical view of the stakeholders about the effects of the reforms, their unwillingness to adapt to change and their lack of capacity to unlearn and learn the new challenges of the global economy (Dimaggio and Powell, 1983; DiMaggio and Powell, 1991; Meyer and Rowan, 1977).

A predominant model for public sector reforms model is the New Public Management (NPM) reforms, that aim to increase the efficiency and effectiveness of the public sector by exposing it to private sector practices. The NPM model is followed by several other reform models in various directions. The reform contents vary from the introduction of NPM- based practices in the public sector to the creation a partnership venture through public-private partnership arrangements (Bank, 2003; Christensen and Laegreid, 2011; Christensen and Lægreid, 2011b; Participation and Services, 2010). These reforms also affect organizational practices, specifically human resource management (HRM) practices. Although the role of HR in the 21st century is well recognized the theoretical underpinnings of the concept have not been fully explored. One of the important areas that need scholarly attention is the institutional context in which HR practices are shaped in an organization in a given context (Mahmoud and Othman, 2021).

It has been argued in the literature that human resource management is influenced by the institutional context of the organizations and therefore varies

from country to country (Mahmoud and Othman, 2021; Rehman and Mamoon, 2018). Institutional theory, especially institutional isomorphism, plays an important role in shaping public organizations (Frumkin and Galaskiewicz, 2004). This theory explains to a significant extent the drivers that are changing the public administration model from old hierarchal to managerialism and now to a more coordinated governance model (Li and Chung, 2018; Oliver, 1988). In public administration, institutional isomorphism not only explains the type of public agencies but also has the highest appeal in explaining the adoption of modern practices in public agencies (Panda, 2015).

Institutional isomorphism is the adoption of practices, organizational designs, and models to gain legitimacy and ensure survival (Chen and Chi, 2017; Dimaggio and Powell, 1983; Li and Chung, 2018). Institutional isomorphism can take three forms: coercive, mimetic, and normative. Coercive isomorphism refers to the adoption of practices under the influence of powerful agencies. These agencies can be donor agencies or international agencies, which pose multiple pressures to adopt certain practices. Mimetic isomorphism is the imitation of the practices and organizational structures just because others are doing it. Normative isomorphism refers to taking rationalized decisions about a problem (DiMaggio and Powell, 1983; DiMaggio and Powell, 2000; Frumkin and Galaskiewicz, 2004; Glynn and Abzug, 2002; Toinpre et al., 2018).

Organizations show isomorphic behavior when faced with ambiguous and conflicting situations. The environment plays a determining role in establishing organizations types, designs, and practices (Oliver, 1988). The environment puts pressure on organizations to converge excluding the laggards in adopting the practices that are being legitimized by the environment. This leads to a more similar model within the institutional environment (Frumkin and Galaskiewicz, 2004; Glynn and Abzug, 2002; Oliver, 1988).

Human resource management in the public sector is an important example of practices that are adopted due to being socially desirable in the organizational field (GCPSE and UNDP, 2015; Voravivatana, 2017) . These practices can be linked to the NPM reforms which prescribe more managerial practices. The content of these practices is more like private sector practices including more autonomy, more explicit controls, the clarity of goals and targets, and efficiency in operations (Ehsan and Naz, 2003). Whereas, the prevailing practices in public organizations are based on bureaucratic norms, rules and regulations, and a process-oriented culture. Private sector practices are based on corporate logic which is in sharp contrast to the prevailing bureaucratic norms and practices of public organizations.

The literature has highlighted that organizations are embedded in a pluralistic environment that is characterized by different and even contradictory norm and rules. Greenwood and fellows (2010) discussed fragmentation as the plurality of uncoordinated institutions upon which an organization is reliant for legitimacy or material resources. Fragmentation is the existence of uncoordinated organizations within an institutional environment (Meyer, Scott and Strang, 1987). Therefore, it can be argued that fragmentation relates to a diverse set of logic involved in a field and is exerting pressure on the organizations. This

phenomenon is conceptualized by the institutional logics perspective as institutional complexity whereby organizations are exposed to multiple institutional logics putting diverse pressures on organizations (Thornton and Ocasio, 1999). Since logics in organizational practices are multiple and stem from different perspectives, they may contradict each other (Hinings, 2012; Thornton and Ocasio, 1999). For instance, state logic is in natural tension with the corporate logic of autonomy and freedom. Public good propagated by the public sector contradicts private sector ideas of profit maximization and revenues.

To understand institutional complexity, the literature highlights several approaches. Thornton and Ocasio (2008) have discussed the characteristics of institutional logic that determine the institutional complexity of an organization. The multiplicity of the logics and their competing nature are taken as important features to discuss institutional complexity. Christensen (2010) has provided another important approach that distinguishes between structural and cultural complexity. The study is more focused on the former logic approach. Institutional complexity tends to emerge when organizations face multiple logics. Therefore, multiplicity is an important aspect of complexity. There is a higher level of institutional complexity in an organization when the number of logic is higher in the fields in which the organizations are operating (Daudigeos et al., 2013).

Institutional complexity is determined by identifying different institutional logics present in local corporations. The framework presented by (Hammerschmid and Meyer, 2004) is used as a basis to determine institutional complexity. Institutional complexity is expected to be high in organizations that adopt multiple parallel practices simultaniously. For example, merit hiring and patronage are in practice (Asangansi, 2013; Marschollek, 2011; Reay and Hinings, 2009). HR is more prone towards state logic while symbolically relying on the new jargon and terminology. Institutional complexity increases as demands from multiple constituents in the external environment increase. Institutional complexity is also higher for organizations operating in fields with uncontested prioritization of the logic.

Methods

The study is based on an abductive research approach where the findings are altered through an iterative process of feedback. The research approach adopted for the study is phenomenology, which facilitates the findings of the realities out there. The researcher investigated the phenomena through in-depth interviews and each new theme in an interview is further explored by the other participants. The iterative process facilitated the researcher to gain an in-depth understanding of the HR practices prevalent in the organizations. Three organizations; Lahore Transport Company (Case 1: LTC), Lahore Waste Management Company (Case 2: LWMC), and Lahore Parking Company Limited (Case 3: LPCL); under Municipal Corporation were selected as the unit of analysis and the data was collected from 30 participants. The details of the respondents are shown in Table 1.

Table 1

Interview details

MOCs	No of interviews	Interview level in organization	Some key interviewees	Average interview time
Case 1: LTC	8	Senior management and middle line management	CEO, HR manager	40 mins
Case 2: LWMC	10	Senior management and middle line management	Deputy managers, CFO, HR manager operations manager	45 mins
Case 3: LPCL	9	Senior management and middle line management	HR manager, CFO, deputy managers	60 mins
MCL	3	Senior management	Mayor, DCO	60 mins

Sources: Created by the authors (- hereafter unless otherwise noted).

The participants of the research belong to the higher and middle line management, which are approached through purposive sampling and snowball sampling. Data is also collected from document sources including company Ordinance and HR policy manuals. Different patterns and themes are identified through thematic analysis to give meaning to the data. The context of the data is very critically analyzed. Emerging patterns have been reiterated in the remaining interviews, which has strengthened the content of the data. Transcriptions have been coded and the excerpts used in the data analysis are given proper reference code. For example, TC represents case 1, WM represents Case 2 and PC represents Case 3. Similarly, Senior Management is represented by SM and Middle Management by MM.

Findings

The HRM practices investigated for the study were recruitment and selection practices, the focus on capacity building, and performance management systems. Moreover, the strategic and operational HR autonomy were also investigated to determine the domain of decisions of MOCs. The NPM reforms and corporate governance laws place a high significance on these practices and organizations working on corporate governance models are expected to integrate the modern HRM mechanisms into their organizational philosophy.

HR policies refer to the establishment of policy documents regarding recruitment and selection systems, in the organization, performance evaluation systems, and pay and promotion criteria. It has been found that HR policies are not explicitly established and lack transparency. Only LWMC (Case 3) has a complete HR manual that helps in guiding the HR operations, whereas, in the other two cases no formal HR policies exist. The following excerpt indicates the weakness of HR policies are quoted as follows:

"There are no policies of HR in place… our director is overnight terminated at the whim of senior politician, there is no reward performance link… how can we claim of so-called HR policies" (PC-SM-R4).

Recruitment and selection of employees depict a traditional mechanism within all MOCs. Lateral hiring is common, and the company can decide on the number of resources required to meet the job requirements. Newspaper advertisements, Linked In, and other common sources are used as recruitment mechanisms, however the final approval after the selection process comes from the board. It has been found in 1 of the two organizations that hiring is not done on merit, rather, political interventions affect the process of hiring and firing the employees. This indicates that the previously dominated logic is not changed, but that the new logic – parallels the older ones creating more ambiguity and uncertainty. This multiplicity and the conflicting nature create an ambiguous situation for the company managers to decide on the right channels for the organization. One of the respondents indicated:

"HR policies are there but when any order come from the top, HR manager has to follow, even it conflicts with the said policies" (PC-MM-R6).

Capacity building of employees is completely missing in all three cases and very few employees have talked about these practices. According to the majority of the respondents, there is no significant focus on training and development practices within the selected organizations. Some of the respondents highlighted:

"To serve public we must be very much equipped with the latest knowledge… I guess this can be done through training… I hardly remember any such effort" (TC-MM-R4).

Performance management was an important theme in the data. The participants frequently advocated for the establishment of performance indicators, however, only one organization has truly implemented the targets and objectives as parameters of performance. According to the respondents opinion, KPIs are one of the major intruments that should integerate individual efforts with the business strategy and achieving sustainable development. Respondents agreed with the fact that performance categories are established but that linking to the compensation based on these categories is still not in practice.

"Our internal system of performance management is quite active. Although there is no 100%, Implementation of performance pay yes we are told about our targets and receive feedback, Linking performance and rewards are done to a moderate level. Some instances of biasness are also there" (WM MM4,5).

As an overall case, mostly these organizations have not focused on the KPIs and the compensation is not linked to the performance. Most of the respondents indicated the traditional performance management system based on the supervisors' opinion about the increase or decrease in the pay raise. Moreover, explicit KPIs are not found in most instances. Some of the respondents highlighted:

"After that senior-level hiring and promotions should be endorsed by CDGL. The board always seek advice for important decisions".

"No there are no such KPIs but yet job descriptions are communicated and moving towards a formalization phase".

HR autonomy refers to the level of independence of decisions regarding HR. It has been found that political influence has reduced the strategic HR autonomy of these organizations. HR practices are highly influenced by political interests, indicating a low level of strategic autonomy in HR-related matters in the organization. Some of the participants indicate the political influence in decision mak-

ing related to human resource practices. Organization members talked about the limited autonomy which consequently hinders their progress and performance. The following excerpts provide mixed opinions on HR autonomy:

> "Yes political influence is there but in some areas, not every operation is influenced. we have enough freedom to manage our day to day activities..." look, organizations have to work within boundaries set by the authorities in our case MCL is the governing authority which assesses performance, target achievement and overall performance of LWMC" (WM-SM-3).

> "Our director is overnight terminated at the whim of senior politician" (PC-SM-R4).

In one out of three cases, the research participants indicated that the organization has moved a bit to the modern HR system. In this organization, HR practices are completely typified by managerial logic. Company designations, concepts of teams, and target-based teams are clear indications of the NPM-ness of the company's internal functioning. Most of the respondents illustrate the merit pay and transparent appraisal mechanisms that depict that company has clear HR policies. Documentary shreds of evidence such as detailed HR manuals also supported these findings from the interview participants. The presence of private contractors in the form of Turkish companies also poses professional as well as business logic that are competing logics in the face of bureaucratic logic already present in the company.

Managerial logic is evident in most of the dimensions selected for determining competing logic but the prevalence of state and political logic cannot be discounted. Hence, there is an element of hybridity in an organization characterized by managerial practices under the impact of traditional mechanisms and political influence. Moreover, the private logic posed by the Turkish companies is another source of a multiplicity of logic in the organization.

Discussion

This study found that the major logic prevailing in the HRM practices of these organizations is a bureaucratic one, which significantly explains the low performance and ineffective service delivery at the local level of the government. Based on corporate governance principles, these organizations operate under governing board which indicates sufficient autonomy in policy implementation. It also indicates the prevalence of corporate governance rules for HRM practices. The organizations are following ESTACODE in their operations. These rules depict NPM-based practices but the actual practices described in the interviews reveal mixed results.

It was identified that although HR departments are functional in these organizations the role of an HR department in organizational strategy and policy is still missing. The administrative tasks are still in operation, but the HR has not achieved a strategic position yet.

This is due to the coercive pressures of the institutional drivers that have led to the formal compliance of the policies rather than truly embedding these features in the organizations (DiMaggio and Powell, 2000; Frumkin and Galaskie-

wicz, 2004; Weeks, 2015). The training and development of employees are completely missing in all three cases and very few employees have talked about these practices. The recruitment sources are quite traditional and most employees are hired on a contractual basis. The policy of pay for performance does not strictly apply in any case, nevertheless, LWMC policies regarding compensation and increments are more clear and vivid as compared to the other two cases. The element of secrecy is mostly found in reporting in LTC and LPCL. In these cases, the HR policy manuals were not provided or discussed. However, the HR policies of LWMC are quite transparent and available. The performance evaluation methods are outdated and do not reflect any significant NPM logic in LTC and LPCL, while there is an indication towards target-based jobs in LWMC. In all cases, the head of the organization exercises operational HR autonomy. As far as strategic HR autonomy is concerned, the board has the ultimate authority to formulate and implement HR policies. However, the data show that HR decisions face political interference. These practices depicted multiple logics which create institutional complexity. These practices indicate that although the organizations have been created at a distance from the local government the actual purpose of this autonomy has not yet been realized. Hence this creates an incompatibility between the existing logic in the organization (Pache and Santos, 2010). Moreover, respondents indicate the clash of multiple rules and systems which depict institutional complexity argued by institutional logics perspective (Thornton, Ocasio, and Lounsbury, 2012).

Serious political and economic-institutional reforms in developing economies are clearly advantageous to everyone, regardless of political inclination or opinions. It is interesting to note that institutional improvements are required whether the economy is growing or in a state of crisis. If a country is in the midst of a crisis, reforms are an important aspect of crisis management (Zhao et al., 2021). But the sequencing of reforms matters a lot. Literature highlights many such examples where structural segregation leads to a more fragmented public sector without actually achieving its purpose (Adejuwon and David, 2014; Ekelund, 2010; Overman and van Thiel, 2016; Randma-Liiv et al., 2011). The reasons for these results are quite obvious. Reform prescriptions should be critically scrutinized by policymakers even in the case of coercive pressures. This is due to the fact the contextual realities of a country pose a major hindrance in reform implementations (Christensen and Lægreid, 2011a; Jay, 2013; Van De Walle and Hammerschmid, 2011).

The comparison of the cases also reveals that the organizations face complexity, but the level of complexity varies across the cases. Case 3 faces more competing logics in which state logic and political logic are dominant ones. Figure 1 presents the comparison of the three cases.

The table provides an insight into the institutional logic dominant in HR practices in the three cases. It is evident that despite the modern model of the corporation, the operational functions of the companies are still typical and traditional. The administrative side of the HR practices is still intact with the old HR philosophy and hardly any practices comply with the modern approaches to HR. Therefore state and political logics are dominant in the HR practices of the cases.

The symbolic compliance of HR practices is restricted to the labels and names of the positions. The strategic decisions are still under the political representation of the board. The partial and modified adoption of the HRM practices is the real problem that hinders the organizational capacity to perform. Institutional influences on public service organizations (both internal and external) cause strategic behavior modifications in organizational domains such as in modernizing disciplines like HRM. Resultantly, organizations utilize varying responses to address complexity. Our study found that in case of LTC , the state logic is quite dominant due to which modern HR practices could not replace traditional HR practices. Whereas, LWMC is more receptive to incorporate the modern HR practices such as performance management system and linkage of rewards with employee peformance.

LTC	LWMC	LPCL
• Traditional recruitment sources (SL) • Absence of target based jobs (SL) • Performance reward link is missing (SL) • Operational autonomy with limited strategic HR autonomy (SL) • Absence of explicit indicators (SL) • No policy manuals (SL)	• Traditional recruitment sources (SL) • target based jobs (SL) • performance reward link (SL) • Operational autonomy with limited strategic HR autonomy (SL) • Explicit indicators • Policy manuals (ML)	• Traditional recruitment sources (SL) • Absence of target based jobs (SL) • Performance reward link is missing (SL) • Low operational autonomy with limited strategic HR autonomy (SL) • Absence of explicit indicators (SL) • No policy manuals(SL) • political interference in HR matters (PL)

Figure 1. **Comparison of HR practices in the selected cases**

Conclusion

Sustainable development goals are important phenomena in public administration and many reforms have been introduced in Pakistan to ensure the achievement of the development goals set by the political leaders. It has been a normative principle that the developmental plans fail at the implementation phase due to several reasons. The underlying reasons associated with the failure of plans are the skeptical view of the stakeholders about the effects of the reforms, their unwillingness to adopt change, and the lack of capacity to unlearn and learn the new challenges. In this regard, local government can play a critical role in the successful implementation of SDGs. Under decentralization reforms, local government has received much attention and are assuming major responsibilities. However, their effectiveness has mixed results and needs further exploration. Particularly, in Pakistan, the effectiveness of the key actors at local gov-

ernment such as municipal corporations is the least investigated area. Through empirical research, this study explores HR related problem in MOCs in Pakistan introduced under NPM reforms.

This study has presented the HR practices and the problems associated with them. Since the organizations are public agencies working at the local level of government, they have to be more responsive to the need and challenges of the society and must adhere to the policies that motivate the employees to achieve organizational goals, which is only possible through effective management of HR practices. The study found various challenges related to HR including less focus on capacity building of professionals, ambiguous KPIs and a less effective performance management system, political influences in the hiring process, and less developed institutional framework to ensure implementation of HR policies.

The study shed light on the coercive pressures behind the adoption of HR practices by MOCs. Moreover, the findings revealed that the organizations have introduced HR practices in policies whereas in practice the traditional HR practices prominently exist in the organizations. The contradiction between traditional and new HR practices is creating institutional complexity for the organization and that is the crux of the ambiguities and intricacies in human resource management practices. The study supports the argument of the institutional logics perspective that contradictory institutional logic creates complexity for the organization due to their contracting principles and practices and thus hinders sustainable growth of the public organization.

The findings imply that in order to improve public service, it is important to understand the management dimension of the organizations, without which no policy formulation for the attainment of SDGs may help. Policy implementation is highly dependent on the governance and management of organizations serving the public. HR is an important dimension and the prevalence of institutional complexity in these practices means more ambiguity and less effectiveness, which in turn affects the management dimension of the organizations.

In light of the research findings, the following recommendations are provided to adress the HR challenges faced by public organizations in Pakistan in general and local companies in particular.

– It is found that the local companies do not pay much attention to the capacity building of their resources. They should provide need-based training to the resources by allocating more funds for the capacity building and professional growth of the resources.
– Pay and promotion of the employees should be linked to employee performance. For this purpose, objective KPIs should be designed that can link the evaluation process with the performance of employees.
– Political influences are found to be a major hindrance to merit-based hiring in these companies. To reduce political influences, transparent processes are imperative. Outsourcing the hiring process to expert consultants can result in a better and more transparent hiring process.
– Local companies also need to work on well-documented HR policies, that can serve as the basis for an institutional framework to ensure the implementation of HR policies.

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FDI AND ADMINISTRATIVE DECENTRALIZATION: THE IMPORTANCE OF EMPOWERING LOCAL GOVERNMENTS

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Abstract. This study analyzed the relationships between administrative decentralization, empowering local governments, and attracting foreign direct investments (FDI) based on an online questionnaire completed by government officials in Uzbekistan. The examined data suggests that empowerment of local governments is positively related to attracting foreign direct investments as mediating variable, while administrative decentralization does not directly affect foreign direct investments attraction. The paper presents the first comprehensive analysis of the mediating role of empowering local governments in Uzbekistan, and highlights policy implications that need to be implemented to establish a new legal status for local authorities. Further research is required on the specific way that the survey will be conducted only among government officials who are in charge of departments in investment policy. Based on the analysis, the study developed recommendations for changing the administrative environment that can create conditions that are more favorable for foreign investors. This study might help public administration, policy scholars, and, to be more specific, the policymakers, government officials to put better regulation into their agendas.

Keywords: administrative decentralization, foreign direct investments, empowering local government, attractiveness, reforms, administrative environment.

Introduction

It has been four years since the administrative reforms introduced by the central government. Over this period, the administrative development has taken a giant leap from the medium-level static era to a dynamic cycle. The social, political, and economic changes have rightly satisfied the perceptions of the citizens nor only in urban places, but also in rural areas as well.

One of the most comprehend debates over the seven decades is the decentralization or the interrelations between central and local bodies of the public administration. In this case, the example of Uzbekistan is unique and merely touches on the administrative structure due to the organizational environment. Administrative reform questions are tempted for policymakers.

The explanation of decentralization has been used by international scholars in terms of changing a central character. However, there is little consensus on what decentralization is and how this could be measured. In spite of different measurements, the scholars are in consent on standard criteria of decentralization that incorporate three cornerstones: administrative, fiscal, and political (Schneider, 2003). These essential dimensions refer to the theories of fiscal federalism, public administration, and political science.

The advance of the performance and contemporary paradigm in terms of new public administration and the President's strategy for the development of a country is the demand of our time. At the same time, a comprehensive analysis of the past stage of the country's development, the changing situation in the world economy in the context of globalization and increasing competition require the development and implementation of fundamentally new ideas and principles of further sustainable and forward-looking development of the country. To radically improve the effectiveness of reforms, create conditions for the comprehensive and accelerated development of the state and society, the implementation of priority areas for the modernization of the country and the liberalization of all spheres of life – the Strategy of Action on Five Priority Areas of Development of the Republic of Uzbekistan in 2017–2021 was approved. The Strategy is based on a comprehensive analysis of current issues of concern to the population and entrepreneurs, the analysis of current legislation, law enforcement, and best foreign practices (Decree of the President of the Republic of Uzbekistan, 2017). In this case, administrative decentralization in Uzbekistan is a universal claim as a developing country. Nevertheless, this research will go through best practices. It will depend on the current agendas and national strategies to implement the above reforms.

Literature review

Administrative decentralization

There is considerable literature on the various types and concepts of decentralization. They should be distinguished because they have distinct policy implications and conditions for implementation. The types of decentralization include political, administrative, fiscal, and market decentralization (World Bank Group,

2001). In this case, administrative decentralization tends to be used in three forms: deconcentration, devolution, and delegation (UNDP, 1999). Scholars generally accept this concept.

This study is going to examine reciprocal relationships between variables in theoretical prospective. The theory could help to examine the framework of administrative decentralization in the context of reforms to reconsider the role of regional governments in attracting more FDI for the economy of Uzbekistan. In this case, many types of research have highlighted the administrative reforms in terms of sustainable development; nonetheless, there is still significant room for improvement.

For example, we claim that the state institution's elements such as civil reforms, and more precisely, decentralization reforms should be considered, as appropriate, in devising the aforementioned national policies and strategies. In the preceding decades, a developing perception has risen that active public service is a significant requirement for sustainable progress (Scott, 2011).

Many studies reveal that a systematic examination of the specific literature on administrative reforms in development has been conducted on the part of some investigations. Many studies also state the political way, red tape legacy, and administrative faculty to be the main decisions of reform outcomes (Rinnert, 2015). The imminent reforms, best described as 'performance-based decentralization,' liberated a period of innovation and rose through the calculation of different levels of capability (Wu, Ramesh and Yu, 2017). The Conception of the Administrative Reform of Uzbekistan provides a new trajectory that the central authority should be decentralized and local government's standing can be revised (Decree of the President of the Republic of Uzbekistan, 2017).

Moreover, other studies aim to contribute to this debate by analyzing the role of decentralized governance in attracting foreign direct investment (FDI). It is often argued that decentralization is beneficial for improving the investment climate. In particular, competition among regional governments can lead to improved investment conditions for private investors and a reduction in the ability of local governments to allocate part of the return on investment through taxation after investing in a particular location. This competitive effect is due to the horizontal aspect of decentralization (Kessing, Konrad and Kotsogiannis, 2007).

Conclusively, incentives for officials can only play an essential role if they have the capacity and authority to carry out reforms or take measures to stimulate growth, etc. (Xu, 2011). The empowering local governments must also be accompanied by human resource development issues. In this case, FDI attraction could be included in personal contracts (Wang, 2010 cited by Rochlitz, Kulpina, Remington and Yakovlev, 2015).

Empowering local governments

In public administration, and more precisely in economics, the issues of economic development are related to the institutional structure of the central and local governments. In general, well-organized administrative institutions are very crucial factors in driving economic growth. Fiscal, political, and administrative decentralization issues is no exception in this perspective. It is worth to note

that these kinds of institutional reforms can encourage the empowering of local governments as well. In its own right, the forthcoming study represents a quantum leap compared to much of the previous literature on public administration (Hutchcroft, 2001).

In the case of Uzbekistan, social and economic improvement at the local area is controlled by khokims (local mayors) on a special basis and concerning national and local agendas targeted at particular welfare issues. Local mayor of the region, district, city annually submits a report to the relevant local councils on the most important and current socio-economic development issues (Law on Local Public Administration, 1993).

In recent years, there has been a growing interest in decentralization, the strengthening of local governments, and its relationship to economic growth. For instance, the study by scholars of Institute for the Study of Regionalism and Self Government, Department of Geography and Environment – London School of Economics and Political Science, Governance and Economics research Network (GEN). They pointed out that the growth-enhancing effect of fiscal decentralization depends to no small extent on the powers of subnational governments: tax decentralization leads to higher (lower) economic growth rates if combined with high (little) administrative and political decentralization (Filippetti and Sacchi, 2016). However, the issues of investment promotion policy should consider a balance between the central government's decision-making and an appropriate parallel for local governments to exercise their power. It is nearly impossible for the central government alone to increase economic attractiveness in local areas. Therefore, a multi-level mechanism is crucial (OECD, 2021).

Attracting foreign direct investments

In the modern world and the rapidly changing regulatory environment validated iteratively the fact of the worthiness of central-local relations, which are a core issue in the countries reform process, therefore, for both economic development and of course, in attracting foreign direct investments. Foreign direct investment (FDI) is a kind of international financing that involves a long-term relationship. It reflects the long-term interest and control of a resident organization in one country of an enterprise resident in another country (Kokkinou and Psycharis, 2004). Many international scientists provide theoretical and practical knowledge of FDI. According to these perceptions, FDI can play an essential role in the development process.

In the literature, we can see how relevant the administrative environment is for FDI. The coexistence of different organizational management structures has generated essential debates on the determinants of specific government structures, as well as issues related to the optimality of various forms of attracting FDI. For example, some studies aim to contribute to this debate by analyzing the role of decentralized governance in attracting foreign direct investment (FDI). It is often argued that decentralization is beneficial for improving the investment climate. In particular, competition among regional governments can lead to improved investment conditions for private investors and a reduction in the ability of local governments to allocate a part of investment return through taxation after invest-

ing in a particular location. This competitive effect is due to the horizontal aspect of decentralization (Kessing, Konrad and Kotsogiannis, 2007).

There are long-lasting efforts towards FDI policy liberalization, and the initiatives of central governments to reduce of approval procedures in FDI to enhance local economic development. Followed by decreasing approval processes in attracting foreign direct investments the competition among local governments will be increased (OECD, 1999).

It is worth to note that according to national legislation of Uzbekistan, more precisely, in conformity with the new Tax Code, the government may provide holidays for land, property and water use taxes to some companies with FDI. Within this framework, local governments have limited administrative power to offer some additional preferences, and only presidential decrees or special government resolutions can grant tax incentives for foreign investors (Bureau of Economic and Business Affairs, 2021).

Districts compete for the economic increase, the attraction of foreign direct investment, etc. At the same time, the improvement of the status of local government also creates high incentives for all county administrations to compete for promotion opportunities. National statistics and the media consistently announce regional indicator rankings, which are becoming an essential part of the assessments to fix the elevation of officials of subnational governments. Chinese subnational governments have the capacity and authority to take responsibility for the economy inside their domain. They are granted a relatively high degree of autonomy in economic action. Opportunities and empowerment are in themselves vital sources of incentives. Conclusively, incentives for officials can only play an essential role if they have the capacity and authority to carry out reforms or take measures to stimulate growth, etc. (Xu, 2011). Furthermore, few studies have been published on flexible contractual forms. The article asserts that some policies, such as flexible forms of contracts and the creation of special economic zones, besides lessen the transaction costs of doing business and attract foreign direct investment (Fan, 1998).

Research question

Therefore, various literature on the topic of this research tried to define the relationships of variables between the independent, mediating, and dependent variables, and in this case – administrative decentralization, empowering local governments, the attraction of foreign direct investments. The administrative decentralization reforms are very important in terms of the institutional context of each country, respectively. Hence, as a researcher to investigate the relationships of the variables in the theoretical framework (Figure 1), the research question is as follows:

a. Research Question: Does empowering local governments play a mediating role between administrative decentralization and attracting foreign direct investments?

In this study, based on this question, there is an intention to investigate how the new experience will work, mainly because of the fundamental assumptions of the consequent changes in Uzbekistan.
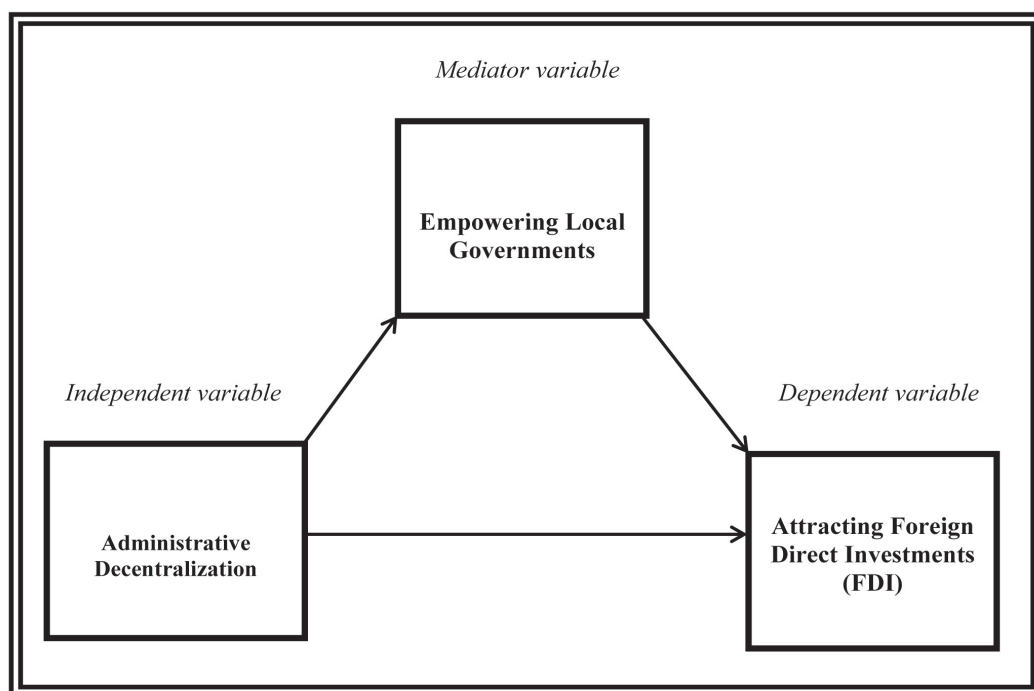
Figure 1. **Theoretical framework**

Hypotheses

Independent variable: Administrative decentralization

Administrative decentralization is not aimed at undermining the position of the central government, but at empowering local governments and taking into account the needs that are more sympathetic to users. It intends to lessen dependence on the central government, enhance accountability, systematize change, and spur economic growth (Grindle, 2007). Moreover, decentralization is characterized as a trigger for local development. It is believed that more considerable local autonomy could stimulate local development, as it could support local authorities and communities to take the inventiveness necessary to make the required measures and regulate in their interest. Empowering local institutions and building the potential of local leaders is therefore critical for decentralization to move forward (Firman, 2009).

Mediating variable: Empowering local governments

The pro-arguments for empowering local governments and some experimental proofs have led to a broad decentralization trend, especially among countries with economies in transition like Uzbekistan. The systematic study was carried out on decentralized economic development initiatives that allow local governments. The study examined the results of the improvement of the empowerment system in China. It shows that the change has not contributed as much to the development of the county economy as expected, but has led to a significant increase in income. This county empowerment study in Zhejiang Province has some policy

implications for other developing countries (Fan, Wu, Y., Wu, A. and Wang, 2018). What is more, as local governments are better informed about local circumstances and choices, attempts have ordinarily been reoriented to match the need for public goods. In most cases, the high degree of autonomy granted to local authorities at all levels of the administrative hierarchy has had an unexpected impact on the level of infrastructure conditions (Démurger, 2001).

We have defined in some circumstances the positive sides of empowering, and therefore we should also remember the opposite sides. For example, decentralization policy can be considered challenging for states with a unitary system; meanwhile, if the central government change rules to enable local governments in establishing local FDI policy, then the central-local relations should be predictable in by-laws. They should be at the permissible level to monitor local governments in a certain way.

Dependent variable: Attracting FDI

The positive impact of FDI on local economic development and growth is enormous. However, Kessing and his co-workers (2007) recommend that the policy-makers seeking to attract FDI need to be aware of the pitfalls of decentralization. The horizontal aspect of decentralization should not address the problem of delays in FDI, as it is rooted in the persistent irreversibility of investment. Also, the vertical dimension of decentralization, which involves the inevitable multiplicity of levels of government that are created in the process of devolution, potentially harms FDI.

There are different types of FDI attraction in local areas. In particular, local governments use a tournament approach to participate in regional production, and the study reveals that local governments manage to choose less regulation to strive for more FDI (Deng, Zhang, Ahmad and Draz, 2019). Another striking observation that emerged from the data comparison was using statistics on FDI inflows at the provincial level from 1995 to 2002; this research shows that provinces with more economic power have more significant FDI inflows (Canfei, 2006). When choosing a location, investors should consider that they will fall under the jurisdiction of all these levels of government. When the private sector is dealing with multiple levels of government, this can create problems of competition between different levels of government, failures in coordination, preferential conditions for decision-makers at different levels of government, universal issues of the pool in making independent tax and financial decisions, problems in the performance of implicit contracts between the state and private investors. An investor should deal with a single agency rather than with many other agencies.

Consequently, administrative decentralization is argued to be positively related to empowering local government, which states the following hypotheses:

Hypothesis 1. *Administrative decentralization is positively related to empowering local governments in Uzbekistan.*

Hypothesis 2. *Administrative decentralization is positively related to attracting foreign direct investments directly.*

Hypothesis 3. *Administrative decentralization is positively related to attracting foreign direct investments indirectly*

Hypothesis 4. *Empowering local governments is positively related to attracting foreign direct investments.*

Research methodology

This research uses a quantitative method to conduct research based on the questionnaire to examine our conceptual framework and its hypotheses to develop practical recommendations in designing the new administrative policy for the objectives of the study. Notably, the means of accumulating descriptive quantitative data is often pointed as "conducting a survey" or "survey research," and several researchers accept the word "survey" as an analog for the questionnaire (Simion, 2016). Hence, our quantitative method will define the interrelationship of different variables in terms of investment policy reform in Uzbekistan. The responses could identify the main reasons for the reform, positive sides of change, and of course, legal barriers in the existing administrative two-way relationship between local governments and central authority. The researcher tried to define indicators and external issues by creating a survey for the study. Overall, 158 government officials were surveyed in the public sector.

The questionnaire in this study was conducted among government officials, and the gender distribution shows that 82.9% of them are male, while 17.1% are female. The age distribution shows that the majority of the respondents are in the range of 25–34 years old covering 57% of the total population, 23.4% are between 18 and 24 years old, the third category comprises 16.5% of 35 to 44 years old, while other 2.5% are in the range of 45–54 years old. The last group, 0.6%, is ranged over 55 years old, respectively. In terms of educational background, most of the respondents have public officials with a bachelor's degree that comprised 54.4% of the total population, 37.3% of the sample have a master degree, 6.3% have a PhD degree, and last sample category belongs to high school degree with 1.9% respectively. In the context of responsibilities, 43.7% of the respondents work in middle management, 23.4% consider themselves as non-management professionals, 17.7% are in the sample of a supervisory position, and 15.2% is the last sample, which comprises of officials in senior management category. In the sphere of experience, the most respondents or 43% have been working in the public sector from one to five years, and interestingly, 25.3% of the sample have been working for government over ten years with substantial practical experience. Accordingly, 17.7% of the total sample is in the service from 5 to 10 years. Last but not least, 13.9% of the respondents have less than 1-year experience, respectively.

Geographically, the public officials are from Andijan – 8.9%, Bukhara – 2.5%, Fergana – 6.3%, Jizzakh – 5.1%, Khorezm – 7.6%, Namangan – 1.9%, Navoi – 2.5%, Kashkadarya – 5.1%, Samarkand – 20.3%, Syrdarya – 3.8%, Surkhandarya – 3.8%, Tashkent region – 10.1%, Karakalpakstan – 2.5%, and Tashkent (capital area) – 19.6%, accordingly.

The questions of the survey are made according to the previous literature review, and most importantly, some indicators have been added in national perspectives to be more relevant to provide insights into the policy recommendation agenda for the potential outcome. The questionnaire items were compiled from validated indicators correlated to the existing administrative environment, and all items in the questionnaire were measured using a five-level Likert scale from 1 to 5, that is, strongly disagree, disagree, neutral, agree, and strongly agree.

Analysis and results

Descriptive statistics

This part of the research consists of descriptions of the independent, mediating, and dependent variables. In this context, the means of all items in variables display a high level of perception by the respondents. Determination of respondents' perception is based on the Likert Scale, and this analysis categorization will be seen in other studies as well that the possible mean scores related to five-point Likert Scales. The classification is divided into three levels of low (1–2.33), moderate (2.34–3.66), and high (3.67–5) (Nazari et al., 2014). Hence, independent variable administrative decentralization has a mean value of 4.25 (Std. Deviation = 0.69), and on the other hand, our mediating variable empowering local governments has a mean value of 4.20 (Std. Deviation = 0.73). Meanwhile, the last variable as an outcome or dependent variable attracting foreign direct investments has a mean value of 4.09 (Std. Deviation = 0.81). Consequently, in our descriptive statistics, we can see a high level of mean value as more than 4 points. The Table 1 below displays the descriptive statistics.

Table 1

Descriptive statistics of variables

Variables	Mean	Std. Deviation	Minimum	Maximum	Skewness	Kurtosis
Independent Variable						
Administrative decentralization	4.25	0.69	1.00	5.00	-1.29	2.80
Mediating Variable						
Empowering local governments	4.20	0.73	1.20	5.00	-1.32	2.66
Dependent Variable						
Attracting FDI	4.09	0.81	1.00	5.00	-0.85	0.49
Demographics						
Gender	1.17	0.37	1	2	1.76	1.13
Age	2.00	0.74	1	5	0.73	1.32
Education	2.48	0.64	1	4	0.57	-0.14
Responsibility	2.49	1.01	1	4	0.25	-1.08
Working experience	2.54	1.020	1	4	0.20	-1.14
Region	8.52	4.27	1	14	-0.31	-1.10

Sources: Compiled by the author (-and hereafter, unless otherwise noted).

Reliability and Validity Analysis

Reliability and validity as concepts demonstrate how well a method measures something. Reliability relates to the coherence of measurement, and validity means

the accurateness of this measurement (Figure 2). It is crucial to assess reliability and validity when writing up results in quantitative research (Middleton, 2022).

Reliability vs validity logic	Reliability	Validity
What does it tell you?	The extent to which the results can be reproduced when the research is repeated under the same conditions.	The extent to which the results really measure what they are supposed to measure.
How is it assessed?	By checking the consistency of results across time, across different observers, and across parts of the test itself.	By checking how well the results correspond to established theories and other measures of the same concept.
How do they relate?	A reliable measurement is not always valid: the results might be reproducible, but they're not necessarily correct.	A valid measurement is generally reliable: if a test produces accurate results, they should be reproducible.

Figure 2. **Reliability and validity**

Cronbach's alpha is an examination reliability procedure that needs only a sole test organization to present a different estimation of the reliability for a delivered analysis. Cronbach's alpha is the medium rate of the reliability coefficients one would receive for all potential sequences of details when breaking into two half-tests (Gliem and Gliem, 2003). The reliability test was conducted using IBM® SPSS® Statistics Version 20 to predict the validity of each independent, dependent, and mediating variables. The following table demonstrates the reliability coefficient that ranges between 0 and 1, and accordingly, Cronbach's alpha of independent variable =.830, Cronbach's alpha of mediating variable = .700, Cronbach's alpha of outcome variable = .896 respectively (Table 2). According to scholars, these rules of thumb are comparable to the results of the analysis: "_ > .9 – Excellent, _ > .8 – Good, _ > .7 – Acceptable, _ > .6 – Questionable, _ > .5 – Poor and _ < .5 – Unacceptable" (Mallery and George, 2003 quoted by Gliem and Gliem, 2003).

Table 2

Reliability statistics of Cronbach's Alpha

Variable	Number of items	Cronbach's Alpha
Administrative Decentralization	4	.830
Empowering Local Governments	2	.700
Attracting FDI	7	.896

Exploratory factor analysis (EFA)

Factor analysis is a set of methods used to investigate how the underlying design influences the response to several measured variables. Exploratory factor analysis (EFA) seeks to identify the characteristics of the constructs that affect the set of reactions.

We used IBM® SPSS® Statistics Version 20 to decrease numerous individual items into a less amount of dimensions. The app was ordered to define descriptives with initial solutions in the reproduced model, and we organized to extract KMO and Bartlett's test of sphericity.

The rotation part of the analysis method was in the Varimax model with a rotated solution, which displayed maximum iterations for convergence as 25. Factor analysis extraction was in the principal component's method. In this case, the correlation matrix was analized, and the display was in the unrotated factor solution. The fixed number of factors was 3 as our variables. Importantly, our analysis shows the loadings of more than .500. Consequently, our result in the table below demonstrates the fillings ranging from 519 to 847 in terms of variables, namely administrative decentralization, empowering local governments, and attracting foreign direct investments. More details are in Table 3 below.

Table 3

Results of exploratory factor analysis

Rotated Component Matrix[a]			
	AFDI	**ELG**	**AD**
AD_1			.520
AD_2			.579
AD_3			.847
AD_4			.775
AFDI_13	.698		
AFDI_15	.762		
AFDI _16	.723		
AFDI _17	.633		
AFDI _18	.609		
AFDI _19	.519		
AFDI _20	.639		
ELG_7		.647	
ELG_9		.726	

Notes: Extraction method: principal component analysis.
Rotation method: varimax with Kaiser normalization.

[a] Rotation converged in 7 iterations.

The sampling adequacy of the analysis is assessed by using the Kaiser-Meyer-Olkin (KMO). It has been suggested that a KMO correlation above 0.60–0.70 is supposed to be sufficient for analyzing the EFA result (Netemeyer et al. 2003 cited by Taherdoost et al., 2014). The table of Kaiser-Meyer-Olkin (KMO) below shows a measure of sampling adequacy in the range of .922, and Bartlett's Test of Sphericity was more concise than 0.001, which means the appropriateness of EFA (Table 4).

Table 4

KMO and Bartlett's test

Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy	.922
Bartlett's Test of Sphericity	
Approx. chi-square	1949.209
df	190
Significance	.000

Confirmatory factor analysis (CFA)

CFA enables the researcher to question the hypothesis that a connection within the checked variables exists and their underlying latent construct(s) subsists. The researcher applies information from the theory, empirical study, or both, guesses the link model a priori, and then examines the hypothesis statistically (Suhr, 2006). The given information as results displays that the model fits for CFA. Our data summary of public sector in terms of fit indices shows the following evidence (CMIN/DF, GFI, NFI, IFI, TLI, CFI and RMSEA): minimum discrepancy per degree of freedom (CMIN/DF) = 1.992 >1 is acceptable (Kline, 1998). Goodness-of-fit index (GFI) = .905 The GFI range between 0 and 1, with a value of more than .9 generally meaning passable model fit (Baumgartner and Homburg, 1996). Normed fit index (NFI) = .907 (>.90), Incremental Fit Index (IFI) = .952 (>.90), Tucker-Lewis Index (TLI) = .934 (>.90), Comparative fit index (CFI) = .951, and root mean square error of approximation (RMSEA) = .079; RMSEA values between 0.05 and 0.08 are acceptable (Fabrigar et all., 1999). In other words, the values over 0.9 means a good fit for model (Bentler, 1990). The last result, SRMR = .049 (<.10). The next Table 5 and Figure 3 display the CFA results of research.

Table 5

CFA results

Model	CMIN/DF	GFI	NFI	IFI	TLI	CFI	RMSEA	SRMR
Suggested		>.90	>.90	>.90	>.90	>.90	<.08	<.10
Cut-off values	> 1							
CFA results	1.992	.905	.907	.952	.934	.951	.079	.049
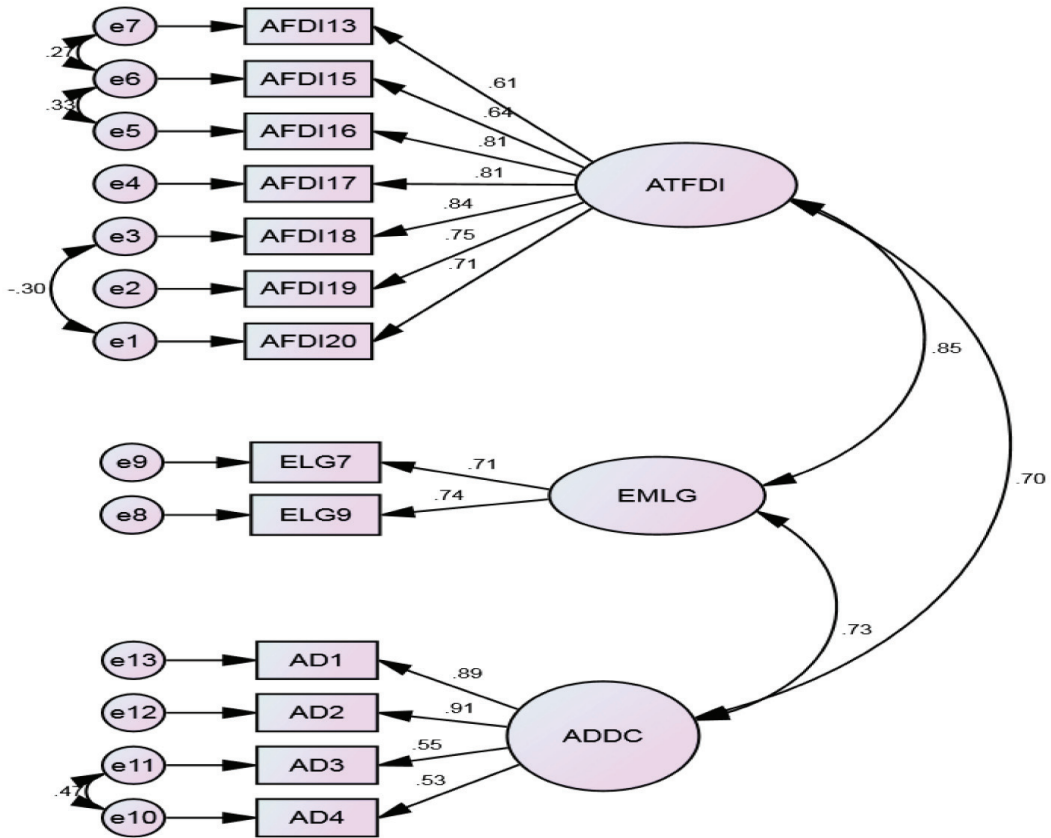
Figure 3. **Results of confirmatory factor analysis**

Correlation analysis

Correlation analysis is valuable, while researchers are trying to verify if a relationship exists between two variables. It is necessary to regard that correlation is evidence that there is a relation linking two variables. However, it shows that one variable affects the other. The relationship connecting variables A and B could be a consequence of A causing B, or there could be another variable that generates both A and B (O'Brien and Sharkey Scott, 2012). A correlation value of +1.00 means an absolutely positive relationship, while an amount of -1.00 describes a distinct contradictory correlation, and a value of 0.00 symbolizes no direct connection in the X and Y variables or within two variables (Tabachnick, Fidell and Ullman, 2007).

The table shows that the independent variable administrative decentralization is positively and sufficiently correlated with other variables. In other words, the independent variable administrative decentralization is positively correlated with the dependent variable attracting foreign direct investments (r = .652). Nevertheless, there is a correlation between administrative decentralization and empowering local governments (r = .562). Table 6 below shows the detailed correlation analysis results.

Table 6

Correlations analysis

	1	2	3	4	5	6	7	8	9
AD	1								
ELG	.562**	1							
AFDI	.652**	.645**	1						
Gender	-.110	-.097	-.136	1					
Age	-.099	-.102	-.167*	-.113	1				
Education	.033	.079	-.019	.131	.211**	1			
Responsibility	-.086	.019	-.033	.128	-.117	-.083	1		
Experience	-.108	-.064	-.129	-.194*	.501**	.209**	-.262**	1	
Region	.026	.125	.000	.055	.099	.202*	.052	.022	1

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

* Correlation is significant at the 0.05 level (2-tailed).

Regression analysis

Regression analysis is based on the opinion that the researcher needs first have some actual purposes for considering that there is a causal connection among two or more variables. In regression analysis, an imminent model must match both the data and the model. In addition, later, we can apply the effect to prognosticate the values of the dependent variable (DV) and the independent variables (IVs) (O'Brien and Sharkey Scott, 2012). In this part of the research, we conducted our regression analysis using IBM® IBM® SPSS® Amos version 21 to predict a relationship between variables called independent variable, mediating, and dependent variables of our study. The table below shows that independent variable – administrative decentralization is positively related to empowering local governments (significant P-value). However, administrative decentralization is not positively related to attracting foreign direct investments directly (P-value = .228; not significant). Therefore, our mediating variable – empowering local governments is positively related to attracting foreign direct investments (significant P-value). The last hypothesis of the study is also supported by regression analysis; that is, administrative decentralization is positively related to attracting foreign direct investments indirectly. As we can see in the regression table, the analysis mostly defined the variables significantly enough; P-value is less than 0.05. The more detail is provided in Table 7.

Table 7

Regression analysis

Path			Unstandardized Estimate	Standardized Estimate	S.E.	C.R.	P
ELG	←	AD	.883	.730	.167	5.273	***
AFDI	←	AD	.188	.171	.155	1.206	.228
AFDI	←	ELG	.659	.729	.168	3.915	***

Structural equation model (SEM)

Structural equation modeling is a statistical methodology that exercises an affirmative (i.e., hypothesis testing) strategy to the examination of an architectural theory supporting some phenomenon. Typically, this assumption expresses "casual" manners that provide evidence for multiple variables (Bentler, 1988 cited by Byrne, 2013).

That is to say, the goal of SEM is to question a group of relationships within one or more intrinsic variables, independent variables, and one or more external variables – dependent variables (Malkanthie, 2015). IBM SPSS Amos performs the comprehensive strategy to data interpretation recognized as structural equation modeling (SEM), also comprehended as an examination of covariance compositions, or causal modeling.

This method covers, as exceptional cases, many well-known traditional procedures, including the generalized linear model and typical factor analysis (Arbuckle, 2011). Hence, the term structural equation modeling means two major aspects of the method:
a) that the causal manners under research are described by a set of structural equating and
b) that these structural relationships can be illustrated pictorially to facilitate a more explicit conceptualization of the assumption under investigation.

The hypothesized design can then be examined statistically in a concurrent study of the whole arrangement of variables to define the degree to which it is harmonious with the data.

If goodness-of-fit is satisfactory, the pattern presents for the probability of proposed connections among variables; if it is incompetent, the firmness of such associations is denied (Byrne, 2013).

As done in CFA analysis, the SEM data summary of public sector in terms of fit indices describes the following evidences (CMIN/DF, GFI, NFI, IFI, TLI, CFI and RMSEA): minimum discrepancy per degree of freedom (CMIN/DF) = 2.101 >1, which means that it is acceptable. Goodness-of-fit index (GFI) = .900. The GFI range between 0 and 1, with a value of more than .9 generally meaning passable model fit. Normed fit index (NFI) = .901 (>.90), Incremental Fit Index (IFI) = .945 (>.90), Tucker-Lewis Index (TLI) = .927 (>.90), Comparative fit index (CFI) = .944, and root mean square error of approximation (RMSEA) = .084. It is suggested that the values over 0.9 mean a good fit for a model (Bentler, 1990). The last result, SRMR = .050 (<.10). The next table 8 and figure 4 show the SEM results of the analysis.

Table 8

SEM results

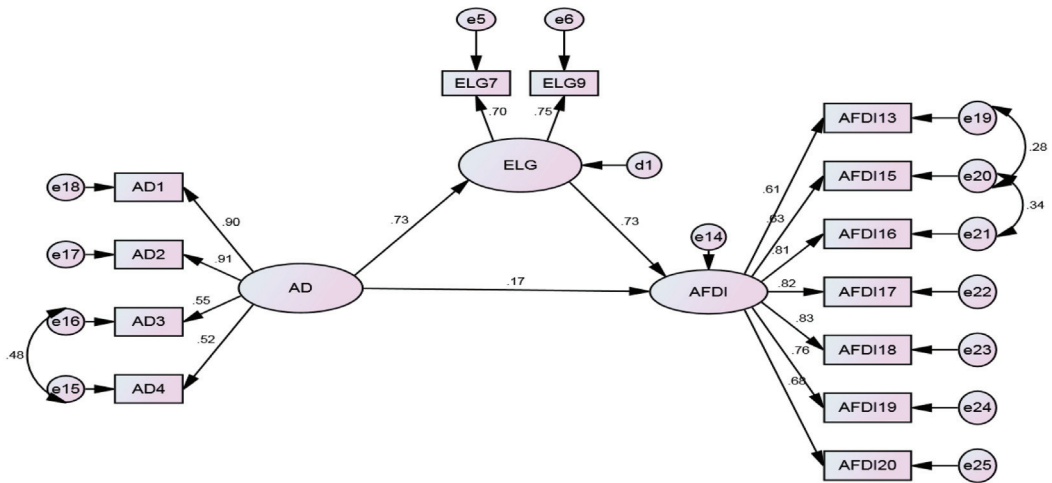| Model	CMIN/DF	GFI	NFI	IFI	TLI	CFI	RMSEA	SRMR
Suggested		>.90	>.90	>.90	>.90	>.90	<.08	<.10
Cut-off values	> 1							
SEM Results	2.101	.900	.901	.945	.927	.944	.084	.050

Figure 4. **Structural equation model**

Variable definitions: a = regression coefficient for the reciprocal relationship within the independent variable and the mediator; b = regression coefficient for the reciprocal relationship within the mediator and the outcome variable; SE_a = standard error of the for the reciprocal relationship of the predictor variable and the mediator; SE_b = standard error of the reciprocal relationship of the mediator variable and the outcome variable.

Mediation analysis

In mediation analysis, mediation is a third-variable impact that demonstrates how or why two variables associate. By planning, mediation analysis suggests a causal manner that relates two variables (Fairchild and McDaniel, 2017). The mediation figure analyzes the effect of a mediating variable, which is placed to convey the importance of an independent variable, X – administrative decentralization, onto a dependent variable Y – attracting foreign direct investments. Preferably, rather than a straightforward causal connection among the independent variable and the dependent variable, a mediation model aims that the independent variable impacts the mediator variable that affects the dependent variable.

Therefore, the mediator variable assists in clarifying the characteristics of the correlation within the independent and the dependent variables (MacKinnon, 2008). One of the methods of mediation analysis is bootstrapping. Bootstrapping can be used to create an estimate of the sampling arrangement to get assurance intervals that are more reliable than confidence intervals applying conventional methods while making no opinions whatsoever about the form of the sampling arrangement. Bootstrapping does not restrain the researcher from making many of the distributional hypotheses necessary for parametric modes (Hayes and Preacher, 2010).

Accordingly, this research uses the Sobel test, which means it is a method of experimenting to define the significance of a mediation impact. It is merely an alternative method to bootstrapping. The study is based on the articles

of Michael E. Sobel (Sobel, 1982; Sobel, 1986). In this case, a variable may be recognized as a mediator to the degree to which it leads the impact of a presented independent variable (IV) to an assigned dependent variable (DV). Usually, mediation can be supposed to happen when (1) the IV significantly influences the mediator, (2) the IV significantly touches the DV in the deficiency of the mediator, (3) the mediator has a notable uncommon result on the DV, and (4) the outcome of the IV on the DV narrows upon the extension of the mediator to the pattern (Preacher and Leonardelli, 2001). The below test describes that Sobel test statistics of our AD, ELG, AFDI variables, namely independent, mediating, and dependent variables, respectively. Sobel test statistics is equal to 3.15033580, and the reported one-tailed probability p-value = 0.028, and two-tailed probability p-value = 0.001, which are significant, and support our hypothesis positively (Table 9). In this mediation, the influence within the independent and the dependent variables are encouraged to be a direct effect that occurs based on the impact of a third variable – ELG (empowering local governments) – the mediator.

Table 9

Sobel test results for SEM

Hypothesis	Sobel test	P value	Result
One-tailed probability	3.15033580	0.000	Significant
Two-tailed probability		0.001	Significant

Hypotheses testing

As required at the beginning of the study, we set the research hypotheses, and hypothesis testing is used to acquire the result of a hypothesis performed on questionnaire data from a sample population. For the study, SEM, Sobel test, and regression analysis demonstrated results whether the proposed hypotheses were supported or vice versa. The following table shows that all our hypotheses, except one, are supported (Table 10).

Table 10

Results of hypothesis testing

Hypotheses No.	Relationship	Direction	Result
1.	Administrative decentralization is positively related to empowering local governments.	+	*Supported*
2.	Administrative decentralization is positively related to attracting foreign direct investments directly.	–	Not Supported
3.	Administrative decentralization is positively related to attracting foreign direct investments indirectly.	+	*Supported*
4.	Empowering local governments is positively related to attracting foreign direct investments.	+	*Supported*

1. Independent variable – administrative decentralization is positively related to empowering local governments (significant P-value);
2. Administrative decentralization is not positively related to attracting foreign direct investments directly (P-value = .228; not significant).
3. Administrative decentralization is positively associated with attracting foreign direct investments indirectly, which means that empowering local governments play a mediating role between independent and dependent variables (significant P-value).
4. The last hypothesis of the study is also supported by regression analysis; that is, empowering local governments is positively related to attracting foreign direct investments (significant P-value).

Conclusion/recommendations

The study analysis revealed the relationships, and we found high values of the empirical findings concerning the theoretical framework. The examined data showed that our goal is supported and tested with the quantitative analysis. Finally, in an effort to define the relationships of variables between the independent, mediating, and dependent variables, an answer to the research question is provided. The analysis showed that administrative decentralization is positively related to empowering local governments, and the study also supported by regression analysis that administrative decentralization is positively related to attracting foreign direct investments indirectly. With a few exceptions, however, our results show administrative decentralization did not affect attracting foreign direct investments directly.

Therefore, it is found that empowering local governments are positively related to attracting foreign direct investments. Indeed, in the national perspectives, the administrative decentralization reforms became a crucial factor in terms of the institutional context of each country, respectively. In sum, empowering local governments play mediating role between administrative decentralization and attracting FDI. The findings confirm that local authorities recognize not only the concerns of the local population strictly, but also, they can be closer to foreign investors in the needs of their local-based enterprises. The results extend our knowledge of empowering local governments in attracting FDI in the scope of decision-making at the local level is responsive to the needs of foreign investors for whom services are provided. The benefits of this responsiveness can promote efficiency, especially if services are also decentralized. Remarkably, eliminating unnecessary levels of jurisdiction with the reduction of cost and highlighting time-consuming in central-local relations can intensify the incentives of investors in choosing regions for capital investments. The most striking advantage of this new policy could be increased cross-jurisdictional competition and innovation. Similarly, the ideal decentralized system secures the level and succession of public services following the preferences of users while creating incentives for the adequate provision of government services. As such, the implementation and designing of this policy demand the administrative, organizational, and managerial transformation.

As part of the research on what our findings mean, we need to draw out the policy implications that depend on the outcomes. We attempt to place conclusions in the context of future policy forms in the table below (Table 11). Contextualizing the findings within the table helps researchers catch the significance of this study – how our policy implications build upon and contribute to the administrative policy of the country. As we proposed, the central government provides less extensive opportunities for local executive governments to participate in the promotion of foreign direct investment.

Table 11

Policy recommendations

Set up government task force

1. Provide transparency for the users (foreign investors) of public service.
2. Identify the quantity and quality of service provided.
3. Cost and benefit analysis of the new policy.
4. HRD issues in administrative decentralization.
5. Design propitious institutional infrastructure that will increase foreign direct investment incentives.
6. Create a knowledge-sharing strategy between local governments

Creating service-oriented local government

1. Facilitate competition between regions as an incentive in case of central reduction control in attracting FDI.
2. Use project management as one-side control to improve efficiency.
3. Establish indicators of economic development as a control mechanism in case of a reduction of the authority of the central government.
4. Use ICT factor to facilitate the communication between the local government and foreign investors and in increasing efficiency and building trust.
5. Use Key Performance Indicator (KPI) in the contracts as a control mechanism in case of a reduction of central authority

Establishment of desired legal environment in regions

1. Make less regulation process an essential mechanism in encouraging new business growth in the local area.
2. Promote the simple service delivery as legal policy.
3. Create favorable microclimate in the local area for foreign businesses supported by law to encourage investment attractiveness.
4. Make flexible contractual forms available to foreign investors to reduce the transaction cost of investing.
5. Create the presence of detailed procedures and mechanisms in attracting foreign direct investments to remove organizational barriers.
6. Decrease the approval processes to attract more foreign direct investment

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A QUALITY EVALUATION MODEL FOR PUBLIC SERVICES BASED ON INTERNAL INDICATORS

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Abstract: This paper presents the development and validation of a questionnaire-based model to assess the quality of services provided by public institutions based on internal service variables. This model comprises four latent factors (Systems, Human Resources, Regulation and Relationship) that allow analyzing a set of 19 managerial variables involved in the perception of quality from the point of view of managers. The developed methodology was based on an empirical study that was statistically validated for the Brazilian federal public services, with the collaboration of the Digital Government Secretariat of the Ministry of Economy, which carried out a data collection survey with 289 services from 52 Brazilian public institutions. The model allows a standardization in the planning of the internal processes of the public services offered, with vision and administrative rationalization strategies to be adopted to optimize the quality offered by the services.

Keywords: Management information; digital government; public services; quality evaluation.

JEL Classification: C52

1. Introduction

The digital transformation of public services brings new management procedures and new requirements, for example, how to assess the impact of the services provided on society. This requirement yields a change in the attitude of governments that regard the satisfaction of their users as an important source for

determining measures to improve the quality of the services provided. It is not an isolated requirement, but a consequence of a set of transformations that are redefining the role of the State, worldwide (Mergel, Edelmann and Haug, 2019).

Until recently, adopting quality assessment programs was a typical private sector initiative. In fact, theories and practices have been developed in the private sector to serve as the basis for various experiences aimed at assessing the satisfaction of users/consumers of goods and services (Hartwig and Billert, 2018). The generalization of this corporate policy allowed for a great accumulation of results. Considering the public sector, even the countries that have already implemented satisfaction rating systems, are still at the beginning of the process, despite the relevant results. Each these countries have sought to develop its own methodologies, appropriate to local circumstances and the specific characteristics of its service networks (Asif, Awan and Haque, 2016).

In the case of public services, with the increasing adoption of digital government services, there is now a demand for new instruments and tools that allow managers to evaluate actions and identify quality indicators for their services, as well as compare their initiatives with those adopted by other public institutions. According to (Kunstelj and Vintar, 2004), most tools for assessing the quality of public services focus on only one aspect of government, mainly measuring quality by considering front-office and service delivery processes to citizens. Quality cannot be limited to these aspects, as public service customers comprise different stakeholders, such as employees, taxpayers, communities, non-governmental organizations (NGOs) and non-profit organizations (NGOs), and the press. Therefore, the authors state that there is no complete service evaluation tool that enables effective quality management aimed at public services. Especially in the current context of the digital government transformation, the quality of the public service is highly dependent on its internal organization, for example the Information Technology infrastructure.

An aspect that has not yet received much attention in the literature is that there is a difference between the customer's perspective and the manager's perspective on service quality (Li et. Al., 2019). Quality, from the manager's point of view, is the quality of compliance, that ensures that the service meets the described management standards and quality specifications. This means that on the side of the service provider (internal view), quality is related to the internal processes that can represent the quality of the services it provides (Anosike and Eid, 2011; Caruana and Pitt, 1997; Wildes, 2007). However, there is still a gap in the identification of internal aspects in the public sector that can influence users' perception of quality, such as the view of public administration in the regulation of the service, human and technological resources, relationship with citizens, etc.

This work aims to identify which internal factors of the public service, according to its managers, are more linked to changes in the level of quality perceived by users. The proposal is to obtain dimensions and indicators to measure quality in service delivery and to enable the comparison between different services offered to the same target audience. This research is intended to assist public service managers by providing a mapping of dimensions and indicators that managers will be able to know, analyze and improve the services they provide and compare their strategies with those of other public institutions.

This work presents in its methodology quantitative research with a significant sample of information from the Brazilian public services. This survey was carried out in partnership with the Digital Government Secretariat of the Brazilian Ministry of Economy, which collected data from 289 services from 52 Brazilian public institutions. The methodology of this study was developed so that the metrics are universal, that is, applicable to any type of service in any country. The variables were developed in such a way that they could be classified into exhaustive and mutually exclusive categories, and thus allowing to identify where the responsibility for quality lies and how much each variable should be considered in the process of policy and service design.

This paper has been divided into five parts. Section 2 presents some works related to the evaluation of quality in the public and private sectors. Section 3 presents the methodology used to develop the proposed evaluation model, from conception to statistical validation of the collected data. Section 4 provides some considerations/discussions on the information analyzed. Finally, Section 5 presents the conclusions of the paper.

2. Quality in services

Quality management is seen as an effort to provide high quality services. In the private sector, there is a wide variety of techniques that organizations can choose to assess the quality of their service provision (Black, Briggs and Keogh, 2001). Using these techniques, the organization can be analyzed and evaluated on various characteristics, for example, leadership style, partnerships, strategy, and planning. Based on this analysis, service action plans can be designed to improve organizational aspects in which the organization has not performed well and thereby achieve better service delivery.

Public services face many challenges due to their differences from private services. While public services are operated by bureaucracy, private services are driven by market forces (Parker, Waller and Xu, 2013). For this reason, public services are less innovative than private services and more standardized. In fact, private services tend to be fast and dynamic as they have to respond to the external environment and competition.

For the public sector, service quality and customer satisfaction have been recognized since the 1990s as a critical strategic imperative for reinventing the sector. In the literature, however, most researchers directly adopt the five quality attributes based on the SERVQUAL model to measure the quality of public service (Bigné, Moliner and Sánchez-García, 2003; Brysland and Curry, 2001; Wisniewski, 2001). These five attributes are: reliability, tangibility, responsibility, security, and empathy. Each dimension can be considered more or less important depending on the type of service evaluated.

SERVQUAL is a quality model that is well known in the literature and has been used to measure the quality of the process in private services, where contact with people is important to provide a satisfactory service to customers (Parasuraman, Zeithaml, and Berry, 1988). Only few studies address other measures, such as equity and feedback, which are especially important in public services (Ra and

Park, 2001). In Rhee and Rha's work (2009) four main qualities of public service are identified: quality of process, quality of result, quality of project and quality of relationship. The findings suggest that the critical attributes of public service quality for customer satisfaction differ according to the type of customers in the public sector. The final customers (beneficiaries) prioritize the qualities of process and result, while the intermediate customers (social workers) have great consideration for the qualities of design and relationship.

Implementing operational and quality management in the public services means redesigning to answer questions such as improving productivity, reducing response times, reducing production costs, improving quality and meeting customer expectations. Bamford and Forrester (2010) argue that the goal of any service, retail and industrial public service, is to provide goods and services of a quality, quantity and availability that satisfy the needs of customers while enabling more effective use of resources. This statement classifies quality management as an integral part of operations management.

However, more intensive efforts are needed to improve the quality of services. Quantitative customer satisfaction surveys have a long history in the private sector. In some countries such as the United States, Canada and New Zealand, studies on citizens' satisfaction with public services are well consolidated (Lee, Hwang and Choi, 2012). In Latin America, initiatives such as Latinobarómetro or the World Bank's Doing Business report (2004), suggest that the quality and satisfaction of citizens with public transaction services is a problem. Latinobarómetro studies the overall satisfaction with central and local government services. Using a composite index that includes five central and six municipal services, the study finds that, on average, Latin Americans are dissatisfied with public services (5.1 points on a scale of 0 to 11).

Considering Latin America, the Simplifying Lives project (Pareja et. al., 2016) presents a new methodology to measure the quality with which services are managed and the satisfaction that citizens experience when receive them. The project was applied to six transactional services (procedures) in a pilot mode in the Caribbean and six Latin American countries: Chile, Ecuador, Panama, Paraguay, Trinidad and Tobago, and Uruguay. This project was the first time that measurement at the regional scale in Latin America was carried out. The results made it possible to identify specific areas for improvement, taking into account what citizens value most and what kind of projects to be implemented in each case. The project also made it possible to identify factors and dimensions internal to the service that allow assessing the quality of a service. These five factors and the respective analysis of variables are described in Figure 1.

The theoretical review of this work revealed that for the public sector there are still opportunities to develop new quality models and not just adopt private sector models. It is worth mentioning that due to the intangible nature of a service, there are several factors that can affect the perceived quality, both for the manager and the user. The Simplifying Lives project has shown the importance of developing a new evaluation methodology for public services that aggregates management information when assessing quality. This project also served as inspiration for the elaboration of the variables considered in this research work.
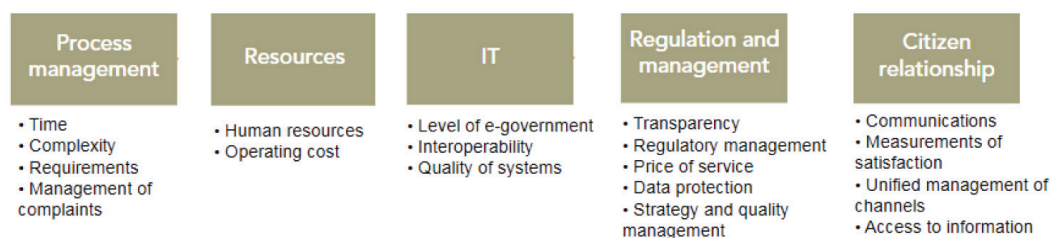
Process management	Resources	IT	Regulation and management	Citizen relationship
• Time • Complexity • Requirements • Management of complaints	• Human resources • Operating cost	• Level of e-government • Interoperability • Quality of systems	• Transparency • Regulatory management • Price of service • Data protection • Strategy and quality management	• Communications • Measurements of satisfaction • Unified management of channels • Access to information

Figure 1. **Factors and variables of the internal evaluation model of the IDB model**

3. Research methodology

This work aims to identify which management processes and variables of the public institution influence the quality of services from the perspective of managers. For this purpose, the methodology was developed in several stages to incorporate the maximum possible response from the managers of the institutions that provide public services to the Brazilian federal government and this information is statistically significant for the development of a reliable evaluation model.

In short, our research methodology is divided into three phases:
– Phase I: Context design and data collection.
– Phase II: Statistical validation of the collected data.
– Phase III: Regression analysis.

This empirical study was conducted to find quality variables and develop a new conceptual model of service quality that can be applied to quality management in the public sector. The questionnaire-based model developed in phase I assumes that all analysed aspects of service management have some influence on one or more determinants of service quality. In phase II, a statistical validation and factor analysis of the data collected from the managers of Brazilian federal public institutions was carried out. Finally, in phase III, a regression analysis is performed to test the degree of importance of latent factors related to the quality of service from the managers' perspective.

The activities developed in each phase are presented in detail below.

3.1. Phase I: Context design and data collection

Initially, the Digital Government Secretariat of the Ministry of Economy developed a qualitative survey of an exploratory nature, using the focus group method, in order to elicit information, opinions, and suggestions with a group of managers of Brazilian public institutions on what public managers expect in terms of monitoring and evaluating their services. This survey was conducted in June 2018 with a group of 27 representatives from 7 institutions of the Brazilian Federal Government and aimed to identify the variables used in the composition of scale for evaluating of the perceived quality, which was later incorporated into the data collection instrument of this study. After the exploratory phase used to construct the data collection instrument, the present study was designed as descriptive quantitative research with a single cross-section of analysis.

However, before starting the quantitative research, a preliminary questionnaire was applied and subsequently improved, based on a pre-test conducted between 3 and 12 September 2018 with public service managers from 9 federal institutions, representing a total of 5% of the responses expected for the final survey. 68 comments and suggestions for improvement were received. Of the total suggestions, 88.88% were incorporated into the final version.

Table 1 shows the test questionnaire validated semantically after the initial pre-test. This questionnaire contains only 20 questions and the expected answers in each case. Some questions are dichotomous questions (yes or no), while others are affirmative questions, for which the Likert-4 scale was used, i.e.: totally agree, partially agree, partially disagree, totally disagree. The last question of the questionnaire in Table 1 refers to a score from 1 to 10 for the perception (opinion) of managers regarding the quality of service perceived by the users. This information was collected to be used in Phase III (regression analysis) in order to determine the relevance and importance of the factors in the managers' perception.

The questions in Table 1 are divided into four factors:
– Factor 1: questions T1 to T5 related to the systems of the service offered;
– Factor 2: questions R1 to R6 related to the human resources of the service;
– Factor 3: questions D1 to D3 related to the opinion of senior management (regulation) on the management procedures of the service;
– Factor 4: questions G1 to G5 related to quality management variables and the relationship with service users.

Table 1

Questionnaire developed for the collection of information in federal public institutions

ID	Question	Answer
T1	Systems facilitate day-to-day service management	Likert-4
T2	Systems provide reliable data and information	Likert-4
T3	Existing systems guarantee full support of the service provided	Likert-4
T4	Systems are reliable in terms of availability	Likert-4
T5	Systems meet accessibility requirements	Likert-4
R1	Employees receive training to provide the service as soon as they start their activities	Likert-4
R2	The current number of employees is adequate to provide the service	Likert-4
R3	The institution promotes the transfer of knowledge between employees	Likert-4
R4	There is a training policy for all employees	Likert-4
R5	Employees are selected based on the skills required to provide the service	Likert-4
R6	Are there people specifically responsible for quality assessment?	Sim/Não
D1	Top management assesses the coherence between the mission of the institution and the services it offers	Likert-4
D2	Top management monitors the quality standards of the services provided	Likert-4

ID	Question	Answer
D3	Top management promotes the improvements of management processes, with the aim of reducing requirements for service users	Likert-4
G1	Does the institution have a regular process for evaluating the quality of services provided?	Yes/No
G2	Is there a measurement of waiting time?	Yes/No
G3	Is there a tool for the users to assess their satisfaction with the service received?	Yes/No
G4	Are users involved in service improvement processes?	Yes/No
G5	Does your institution use complaints and suggestions to improve the service?	Yes/No
Score	At what level do you think users would rate the performance of the service in terms of quality?	1 a 10

Sources: Compiled by the authors (-hereinafter, unless otherwise noted).

The questionnaire in Table 1 was subjected to a quantitative survey with managers of federal institutions. In all, information was collected from 289 public services offered by 52 federal institutions. Among the 289 evaluated services, 53 services are provided exclusively to private individuals, 76 services are aimed at legal entities and 160 services are provided to both private individuals (individuals and legal entities).

3.2. Phase II: Statistical validation of the collected data

The quantitative research data from the previous phase were subjected to statistical and factorial analysis to verify the convergence and reliability of the information collected. Factor analysis helped to identify whether the categorical nature (factors) of the issues addressed is adequate and how these factors influence the perception of managers regarding the quality perceived by users.

Sample adequacy tests

Before proceeding with the factor analysis of the data, it is important to present some statistical information about the sample. Two statistical tests were used to analyze the adequacy of the sample collected: the KMO test (Kaiser – Meyer – Oklin) and Bartlett's test of sphericity. Table 2 shows the values obtained.

KMO test is a statistic that indicates the proportion of the data variance that can be considered common to all variables, that is, that can be attributed to a common factor. The closer to 1, the better the result, that is, the more adequate the sample is for the application of factor analysis. For the analyzed case, KMO value obtained shows that there is an average correlation between the variables.

Bartlett's test of sphericity can be defined as a statistic test used to examine the hypothesis that the variables are not correlated in the sample. When analyzing Bartlett's test of sphericity, a low sig value is observed, which would lead to the rejection of the correlation matrix being identity, for a significance level of 0.05, showing, therefore, that there is a correlation between some variables. In both cases, the tests evaluated suggest that the data are adequate for factor analysis.

Table 2

Statistical values used to measure the adequacy of the collected sample

Test		Valor
Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy		0,846
Bartlett's sphericity test	Approx. chi-square	2163,804
	gl	171
	Significant	,000

Factor analysis

The data collected were subjected to exploratory factor analysis to determine the underlying factor structure of the questions addressed in the quantitative research questionnaire, as shown in Table 1. Oblique rotation (Promax) was used and, given the exploratory nature of the study, the number of factors was determined by keeping all factors with eigenvalues greater than 1.0. This resulted in a solution with four factors (the same factors previously defined) explaining 59.61% of the variation.

The factorial loads for the four-factor solution can be seen in Table 3. Only loads greater than 0.40 are shown, since loads less than this value are not normally used in the analysis (Rossoni, Engelbert and Bellegard, 2016). The loads indicate that the questions of the same factor are, in fact, correlated since none of them presents a complex structure, that is, factorial loads above 0.40 in more than one factor. Through the factorial loads it is also possible to observe which issues have more influence on each factor: T1 and T2 for Factor 1, R1 for Factor 2, D1 for Factor 3 and G3 for Factor 4.

Table 3

Factor load of each variable and its most related component

ID	Component			
	Factor 1	Factor 2	Factor 3	Factor 4
T1	0,851			
T2	0,851			
T3	0,792			
T4	0,781			
T5	0,660			
R1		0,789		
R2		0,660		
R4		0,603		
R3		0,564		
R5		0,555		

ID	Component			
	Factor 1	**Factor 2**	**Factor 3**	**Factor 4**
R6		0,518		
D1			0,864	
D3			0,806	
D2			0,805	
G3				0,720
G2				0,705
G1				0,658
G5				0,525
G4				0,520

Table 4 presents the summary of the values obtained for the adjustment measures of the four-factor structural model given in Table 3. All adjustment values prove to be statistically adequate, making the four-factor solution sufficiently adjusted to the collected data.

Table 4

Adjustment measures of the 4-factor structural model obtained by factor analysis

Measure	Values obtained	Reference values
χ²/gl – Chi-square over degrees of freedom	2,28	$2 < \chi^2/df \leq 3$ (Schermelleh-Engel and Moosbrugger, 2003)
CFI – Comparative Fit Index	0,909	>0,90 (Hu and Bentler, 1999)
RMSEA – Root Mean Square Error of Approximation	0,067	<0,10 (Hu and Bentler, 1999)
SRMR – Standardized Root Mean-Squared Residual	0,061	<0,10 (Worthington and Whittaker, 2006)

Validation of the measurement model

After the factor analysis and its adjustment, the convergent validity, the discriminant validity and the reliability of the factors obtained by the factor analysis were examined. Convergent validity indicates the degree to which the variables measure the same factor. To verify the convergent validity, the criterion proposed by (Fornell and Larcker, 1981) was used, which indicates convergent validation when the Average Extracted Variance – VME – is greater than 0.5. Table 5 shows in bold the VME values for each factor and all values are higher than the standard threshold, indicating the convergent validity for each factor.

Discriminant validation verifies the degree to which one factor is truly different from the others. This validation can be established when the VME for a given factor

is greater than the correlation between that factor and all others in the model (Fornell and Larcker, 1981). In fact, Table 5 shows that this criterion is met and, therefore, discriminant validity is established in the data collected. However, it should be noted that Factor 4 has a correction close to Factor 3. This could indicate that possibly some issues of Factor 4 could be semantically similar to the questions of Factor 3. Therefore, it is important to analyse the reliability of the factors.

Reliability indicates the degree of consistency between the items of a construction. To measure reliability, Cronbach's Alpha and Composite reliability are used. Composite reliability, must be greater than 0.70 to indicate internal factor consistency, and values greater than 0.60 are also accepted (Hair et. al., 2009). Table 5 shows that the composite reliability ranges from 0.631 to 0.891, confirming high internal consistency and good construction reliability.

Another criterion for determining reliability is the use of Cronbach's alpha. According to Nunnally (1978), reliability is demonstrated when Cronbach's alpha is at least 0.70 for exploratory measures. A review of Table 5 indicates that all factors meet this criterion, with values ranging from 0.742 to 0.884.

Table 5

Measures evaluated to validate the 4-factor structural model*

	Alpha Cronbach	Composite reliability	Inter-factors correlation			
			Factor 1	Factor 2	Factor 3	Factor 4
Factor 1	0,873	0,891	*0,790*	-	-	-
Factor 2	0,742	0,786	0,527	*0,621*	-	-
Factor 3	0,884	0,865	0,506	0,345	*0,825*	-
Factor 4	0,765	0,631	0,346	0,432	0,759	*0,765*

Note: * The values of the average variation extracted are reported in bold on the correlation diagonal.

3.3. Phase III: Regression analysis

After the development and validation of the information in Phases I and II, linear regression was used to understand the impact of Factors 1, 2, 3 and 4 on the quality perceived by managers. The adopted regression model, given by Eq. 1 has as a dependent variable Q the score of the last question in the questionnaire in Table 1. The score of each factor refers to the average of the scores of the observed variables that constitute the factors.

$$Q = \beta_0 + Factor1 * \beta_1 + Factor2 * \beta_2 + Factor3 * \beta_3 + Factor4 * \beta_4 \qquad \text{Eq. 1}$$

The regression results in Table 6 show that Factors 1, 2 and 3 are significant predictors ($p < 0.05$) of t overall quality of the service. However, although Factor 4 did not present a value of $p < 0.05$, it should be considered that the sample size may have influenced the result. A new regression test was run with Factor 4 (non-significant) removed from the analysis and, in fact, no significant difference in the result was found.

Values obtained by linear regression

Component	Beta coefficient	p-value
Factor 1	,123	,034
Factor 2	,152	,015
Factor 3	,351	,000
Factor 4	,046	,071
R^2	0,495	
Adjusted R^2	0,467	

The use of the four factors together explained 49% (that is, adjusted R^2 = 0.467) of the variation in service quality. Of the four factors analyzed, Factor 3 (related to top management's view of service quality planning and management) had the highest coefficient value in the regression, indicating the greatest relevance in the perception of quality.

4. Discussion

This work brings new significant contributions to the literature by proposing a causal model of public service quality from the internal perspective of the service. This contribution becomes significant as the collection of the evaluated data can be carried out directly by managers, without the need to use external sources.

The quality model in questionnaire format offers managers a direct way to measure the performance of their service. By presenting the statistical validity of the new instrument, this work has made the quality management process more effective and feasible, as managers have reliable information, validated in line with other public institutions, on the quality of the services they provide. These procedures will make it possible to structure and disseminate, at the three levels of the Brazilian public administration, a set of norms and references regarding regular research dedicated to assessing the quality of the public services.

However, a number of important limitations need to be considered. One of the criticisms of quantitative techniques is that, in an attempt to measure and compare attitudes and behaviors, much of the understanding and meaning is lost. In fact, questionnaires are a widely used tool, and while they allow for relatively simple administration of some form of feedback, they often fail to address issues of concern or support the development of a real understanding of the diversity of experiences.

Another limitation of the research developed is that there may be additional variables or alternatives to describe the concept of service quality based on internal variables that were not considered in this research. Finally, as mentioned earlier, the survey participants are civil servants working within the framework of public sector laws and under the requirements of an established quality assur-

ance system, which means that they know the basic concepts of quality. Therefore, future research can explore the view of service quality considering the level of knowledge of managers.

5. Final considerations

This work presented a questionnaire-based model for managers of public institutions to assess the quality of their services using internal variables, referring to service management. The development methodology includes quantitative research conducted with managers of 289 services offered by 52 Brazilian federal institutions. The statistical validation of the model based on this significant sample of information makes the model reliable in terms of perceived quality. Thus, public service managers can develop and test interventions to manage the quality of their services more effectively.

The model has 19 universal questions, applicable to any type of public service comprising four mutually exclusive latent factors: Systems, Human Resources, Regulation and Relationships. Statistically, these four factors have been shown to be reliable and highly relevant in the perception of quality. The literature also shows the relevance of these dimensions to quality management, both in the private and public sectors.

The study presented in this paper opens up future opportunities for investigation, for example: analyzing the relative importance of factors in predicting service quality, considering differences in organizational culture, type of service delivery (in person and / or digital) and type of service user (Individual and / or Legal Persons), in addition to testing new factors that, together with the four presented in this paper, could improve the quality assessment model of public services.

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THE READINESS OF INDONESIAN MILLENNIALS TO ACCEPT E-FILING TAX REPORTS SERVICES

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Abstract. The phenomenon of demographic bonus is one of the opportunities to increase tax revenues since the increase in productive age population will be inversely proportional to the increase in the number of taxpayers in the future. The problem facing the government is still the same, the lack of tax compliance and tax awareness among the taxpayers. One of the services in the field of taxation which is provided by the government, the Directorate General of Taxes, is the online based facility to report taxes through an e-filing system. However, it seems that many millennials, as the successors of the nation's next-generation, do not utilize the e-filing system well. The current study sought to examine the acceptance process of e-filing technology among the millennials. This study used a quantitative approach with a questionnaire as the research instrument. The population of the study was people who were in the age of millennials, namely those who were between 20 and 40 years old in 2021. The results show that the factors of innovativeness of the millennials are a crucial factor that suggests that e-filing is not difficult to be implemented. Nevertheless, the findings also revealed that there is a risk factor that prevents them from using e-filing. It cannot be denied that millennials may technically not find any problems with the systems implemented. Although the current study showed the implementation of the TAM theory in e-filing issues, there are some limitations. The current study did not show whether there is a difference between the millennials' behaviour of the acceptance of e-filing and their high or low incomes or their lifestyle.

Keywords: e-filing System, Millennials, Demographic Transition, Tax Compliance, Tax Awareness, TAM Theory.

Introduction

Indonesia is expected to experience a significant demographic transition in the next few years. It is estimated that the demographic transition is going to reach its peak in 2045 (Central Bureau of Statistics, 2018). Demographic transition is a change in the structure of the population that is characterised by a decline in the number of births and deaths, which results in a larger number of productive age population compared to the number of non-productive age population (Setyoningrum, Astuti, Si, and Diponegoro, 2020). The current demographic transition, when reaching its peak later, will bring up the phenomenon of the demographic bonus. The demographic bonus is expected to have a positive impact on the country's economy, especially on tax revenues.

The phenomenon of demographic bonus is one of the opportunities to increase tax revenues, as the increase of productive age population will be inversely proportional to the increase in the number of taxpayers in the future. However, the increase in the number of taxpayers has not necessarily been accompanied by an increase in tax revenues. In 2019, Indonesia experienced a shortfall of taxes around 245.5 trillion rupiahs or was only able to achieve 84.4% of the tax revenue target (DDTC, 2020). Specifically, the revenue from productive age millennial taxpayers has not shown a significant result. The problem facing the government is still the same, the lack of compliance and awareness among taxpayers. The solution is to improve the compliance and awareness among taxpayers, so that the demographic bonus has a significant effect.

Looking at the management of good governance, the application of e-filing is one of the ways to revamp the bureaucracy to provide a better facility for citizens. In general, the application of e-governance is shown by carrying out various attempts to shorten the public service bureaucracy by using various kinds of information technologies that exist (Saxena, 2005). The government is always looking how to improve the government services (G2C), including the tax service system by implementing e-government service. The implementation of system-based government services can increase cost efficiency as everything is processed by the system so that the cost of providing manual services can be reduced (Kochanova, Hasnain and Larson, 2019). The e-government service in taxation has a clear goal to provide better facilities; thus, citizens can experience a convenient way to pay taxes efficiently. The efficient system services will improve the compliance of taxpayers since they will be more cooperative if they get similar treatment (Ottone, Ponzano and Andrighetto, 2018). However, the compliance of taxpayers basically cannot be easily increased. There should be a triggering factor, which is their will-

ingness to pay taxes. Taxpayers' willingness to pay taxes is an indicator- of their level of participation. The higher their willingness to pay taxes, the higher their participation in paying taxes. The convenience of system-based government services indirectly gives support to the taxpayers to actively pay taxes. Furthermore, the government service is a display of how well Good Governance has been implemented (Kalsi and Kiran, 2015). In this way, it can increase the public confidence of the future generation.

The convenience of the tax service provided by the Directorate General of Taxes is the existence of a technology-based facility to pay taxes online in the form of e-filing. Even though the system was developed in 2007, currently the Directorate General of Taxes still provides the manual system for filing taxes. The current implementation of the e-filing system shows that the Directorate General of Taxes has not fully utilised it, and the taxpayers have not fully accepted it. The Directorate General of Taxes should be able to ensure that the technology-based system (e-filing report) is fully accepted by taxpayers. In the context of demographic bonus, the government should be able to make sure that the tax system (taxation service system) can accommodate the rapid increase in taxpayers in the future.

The Directorate General of Taxes should be able to ensure that the implementation of e-filing technology is fully accepted by the taxpayers, especially by the productive age population whose number is predicted to increase in 2045 due to the demographic bonus. It is important to conduct a study that predicts and explains whether a new system or technology can be well accepted by users in terms of their age. This article focuses on the taxpayers' perception, especially millennials, regarding the adoption of e-filing to report taxes in Indonesia.

Theoretical Review

E-Filing as a form of Good Governance

For more than a decade, trust has been an important variable in the field of public service. Someone will hesitate to do something, eat something, or even try something if they do not have a clear image of a particular thing that will be consumed. One of the ways that the future generations, the millennials, have enough trust is by demonstrating good governance. Kalsi and Kiran (2015) considered that information and communication technology can make a significant contribution to public service process, which reflects the implementation of Good Governance. Millennials are critical, and they grow with the development of technology; thus, there is a possibility that they will pay attention and criticise on how government is managed by older generations, and they might have a bad impression of Good Governance in the field of public service. Therefore, the best way is to transform the bureaucracy into an oriented information technology which is a mandatory thing (Krishnan, 2013) to achieve the high ratings of Good Governance in the future (Sapru and Sapru, 2014).

E-filing is a form of effort performed by the Directorate General of Taxes of Indonesia to use the medium of tax reports that utilizes the technology of communication and information technology in preparation for Golden Indonesia with

the high number of millennials in the future. If the form of public service such as E-filing is not introduced and not cultivated, Indonesia will be left behind other countries that have already applied this technology in their public service systems. Therefore, the obstacles in the form of digital literacy related to e-governance services, such as e-filing in the field of taxation, should be overcome soon, so that millennials are ready to accept a new technology (Giri, 2019).

TAM theory

The Technology Acceptance Model (TAM) is a theory that is suitable to be used as basic thinking in predicting a person's acceptance of a new technology. TAM is used specifically for the development of technology, especially computer technology, and this is very useful for measuring whether the developed technology will be accepted in society or not (Lee, 2009). The theory states that there are two main factors why someone is willing to adopt a new technology, namely the convenience of using it and the perception that the new technology is very useful for daily life. The theory has been implemented in other fields, such as education, which is currently shifting to digital learning (Liu et al., 2010; Scherer et al., 2019), and the field of retail that reflects the collapse of the dominance of physical retail because of the emergence of various kinds of online marketplaces (Gefen et al., 2003). Even now people can do their banking anytime and anywhere as long as they are connected to the internet network (Ghani et al., 2017), including e-government services (Xie et al., 2017). Based on this theory, we would like to build a millennial acceptance model towards the use of e-filing technology. Although the millennials are considered to have a very high level of technology adoption compared to previous generations, there is only a small number of evidence that specifically shows the factors that influence their behaviour in adopting e-filing services. In a previous study, Kris et al. (2020) found no significant influence between personal innovativeness and usefulness in the TAM model. However, in the case of millennials, they should have a high level of innovativeness that should have no influence on their perception of e-filing function. Hence, this is the research gap that should be further investigated.

Indonesian millennials

Generation Y, also referred to as millennials, is a demographic group that is identified as the generation after Generation X and characterised by changes in behaviours such as increasing use of digital media and technology (Blackburn, 2011). This generation is identified to be in the range of people who were born between 1980 and 2000. This generation has typical characteristics for their daily behaviour that cannot be separated from digital devices such as smartphones and is highly dependent on the internet. They are very good at using technology and digital infrastructure; thus, this generation is also referred to as the creative generation that offers brilliant ideas, especially related to business and digital service applications including fintech, e-government, and e-filing. According to BPS (Central Bureau of Statistics) in 2018, Indonesia noted that the population of this generation is about 90 million people. Indonesia's total population aged 20–40 is expected to reach 83 million people, or 34% of the total population of Indonesia,

which is about 271 million people in 2020. The number is higher compared to the number of Generation X which is 53 million people, or 20% of the population. This indicates that Indonesia, in 2020, has a demographic bonus and possesses the substantial potential to be a progressive nation.

Although millennials are a form of manifestation of the potential for the large nation of Indonesia, there are only few studies that assess whether this generation is able to provide a significant effect on the economic growth of the country. Millennials are assessed as a generation that quickly adapts to the changes of technological climate and are expected to possess high productivity to generate high income. Millennials are characterised as a generation that actively learns new things, is looking for new knowledge, possesses high level of critical thinking, and dislikes slowness (Blackburn, 2011). On the other hand, the development of industry 4.0 demands a high internet speed to support the millennials' activity to gain new knowledge through an online platform to increase their convenience in performing networking activities (Aviles and Eastman, 2012). In the case of tax reports, millennials should have a high level of innovativeness to easily fill electronic tax returns compared to previous generations.

Personal innovativeness

Personal innovativeness is a person's desire to understand, find out and try out new information technologies (Lu, 2014). Personality is one of the elements that shapes how a person has a high level of innovativeness (Kristanto et al, 2020). Someone who has a high level of innovation themselves tends to update their knowledge of the new technology earlier than others (Tan and Foo, 2012; Mardiyah et al., 2020). In the case of millennials, the high curiosity trait may encourage them to continue to keep exploring. Curiosity is also increasingly enhanced by the convenience of accessing information through online platforms. On the other hand, millennials tend to prefer learning new things on the online platform rather than attending classes which according to them are tiring. They are more selective in searching for the information that they need (Aviles and Eastman, 2012), and this is a stimulation that encourages them to continue to innovate.

Ease of use is a person's perception of whether a new object, a new device, or a new technology is something that is easy for them to master. It is easier for a person with an innovative character to master new technologies.

H.1. Personal innovativeness has a positive influence on the ease of use.

Social norm

People do not live alone. Society will always transmit the things that become the newest trend in its environment. This encourages someone to follow the trends that are happening as part of the changes in the community. Lee (2009) refers to social norms as a person's perception of most of the people around him, which he recognises and knows. Thus, the subjective norm is an important variable in predicting whether someone is likely to adopt a new technology or not. When the people think that the new technology is very helpful and easy to use, then someone who perceives the strong subjective norm will tend to try out this new technology (Scherer et al., 2019). In the case of technology diffusion, a social group

is one of the communication channels that strongly influence a person to consider whether the use of the technology is a positive thing or not (Aviles and Eastman, 2012), and millennials is a group that is very sensitive to social norms.

H.2. Social norms have a positive influence on perceived usefulness

Perceived risk

The new technology is always perceived as something that is at risk due to the nature of human beings who have not understood the function and usability of this new technology. In the era of Generation X, a new technology is adopted by them at the end of the era as they tend to avoid the risk of the high cost of the new technology. Millennials, on the other hand, were born in the era of technological advancement, they are more familiar with the technology (Porral and Sanchez, 2019). Therefore, they tend to assume that technology is a part of their lives and they cannot be separated from the technology. However, their maturity in utilizing the technology is still influenced by the perceived risk of using new technology.

H.3 Perceived risk has a negative effect on perceived usefulness

H. 4 Perceived risk has a negative influence on millennials intentions to use e-filling

Ease of use and perceived usefulness

The Technology Acceptance Model is a good theory to describe the process of someone's acceptance of new things, especially technologies (Kristanto et al., 2020). Essentially, people want to use the new technology based on the benefit elements and also whether they have the ability to use the proposed new technology. When someone has sufficient knowledge and basic skills to operate a computer, he/she will easily accept the offer of new computer device or new software. TAM fundamentally explains two main variables, the ease of use and the perception that the new technology will be useful for everyday life (Mardiyah et al., 2020).

Ease of use is the perception of a person whether a new object, a new device, or new technology is something that is easy for them to apply or wear. Meanwhile, the perception of technology that is useful to daily life (perceived usefulness) is the perception of whether the technology that is offered is something that can help him solve the problem (Kris et al., 2020; Mardiyah et al., 2020). In the context of e-filing, if millennials assume that e-filing is a good option, and that their lives will be easier in the future by the existence of e-filing, they are likely to use e-filing more often to report their taxes.

H. 5 Perceived usefulness has a positive influence on millennials intentions to use e-filing.

H. 6 Ease of use has a positive influence on perceived usefulness.

H. 7 Ease of use has a positive influence on millennials' intentions to use e-filing.

Methodology

This research used a quantitative approach with a questionnaire as the research instrument which was operationalised by means of a survey in the field. Figure 1. shows a model of research that is used in the current study.
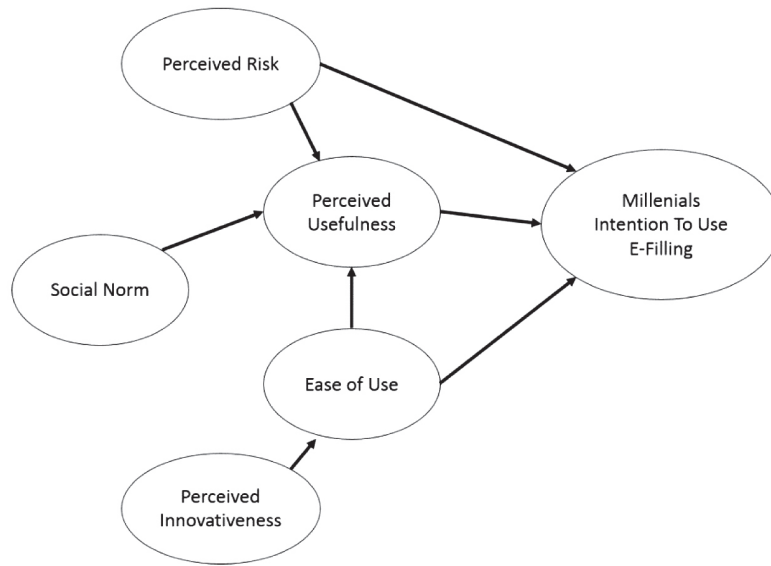
Figure 1. **Model of research**

The population in the study were millennials, namely those who were in the age range of 20–40 years in 2021. They were millennials who were part of the working-age population. The samples were 249 people from diverse backgrounds and those who possessed NPWP (Tax Indentification Number).

Results

The data were gathered from February until March 2021. These months were selected because the Indonesians report their taxes. The survey was conducted offline by distributing the questionnaire. Respondents were to be pre-screened to ensure they met the research population criteria. Based on the survey, there were 117 male respondents and 132 female respondents. Most of them were in the range of 31–35 years old (93 respondents) and the rest were in the range of 26–30 years old (68 respondents).

Table 1

Respondent profiles

	Frequency	Percentage
Gender		
Male	117	47.0
Female	132	53.0
Total	*249*	*100*
Age		
20–25	33	13
26–30	68	27
31–35	93	37
36–40	55	22
Total	*249*	*100*

	Frequency	Percentage
Education		
Elementary School	1	.4
Junior High School	0	0
Senior High School	53	21.3
Diplome	65	26.1
Bachelor	85	34.1
Master	42	16.9
Doctoral	3	1.2
Total	**249**	**100**
Income		
< Rp. 4.500.000	139	55.8
Rp. 4.500.000 – Rp. 9.000.000	78	31.3
> Rp. 9.000.000 – Rp. 15.000.000	22	8.8
> Rp. 15.000.000	10	4.0
Total	**249**	**100**

Sources: Completed by the authors (- hereinafter, unless otherwise noted).

Most of the respondents had a bachelor's degree (85 respondents), and most of them earned less than Rp 4.500.000,00 (139 respondents). The respondent profiles can be seen in Table 1.

Tabel 2

Validity test and Reliability test

Construct	Cronbach's Alpha	AVE	Composite Reliability
EASE OF USE	.875491	.728423	.914699
INTENTION TO USE	.889912	.752426	.923880
PERCEIVED INNOVATIVENESS	.866503	.601684	.899895
PERCEIVED RISK	.619973	.594559	.760819
PERCEIVED USEFULNESS	.900444	.768567	.929933
SOCIAL NORM	.841926	.604120	.883226

The result of the validity and reliability test can be seen in Table 2. Table 2 shows that the entire variable is reliable (score composite reliability > .5, score Cronbach's alpha > .5) and valid (score AVE > .5).

Tabel 3

Results of the hypothesis tests

Hypothesis	β	T Statistic	Result
H.1. Personal innovativeness has a positive influence on the ease of use	0.595806	14.168534	Accepted
H.2. Social norms have a positive influence on perceived usefulness	-0.002253	0.032319	Rejected
H.3 Perceived risk has a negative effect on perceived usefulness	-0.160769	3.390956	Accepted

Hypothesis	β	T Statistic	Result
H.4 Perceived risk has a negative influence on millennials intentions to use e-filing	-0.126234	2.707284	Accepted
H.5 Perceived usefulness has a positive influence on millennials intentions to use e-filing	0.222201	3.840061	Accepted
H.6 Ease of use has a positive influence on perceived usefulness	0.538434	8.786884	Accepted
H.7 Ease of use has a positive influence on millennials intentions to use e-filing	0.508354	8.529793	Accepted

The research model was formed using a partial least square (PLS) based on structural modelling approach. Table 3 is the result of the hypothesis testing. It is seen from table 3 that not all hypotheses are supported. H2 is not supported in the current research. Hypothesis testing for H1 shows that personal innovativeness has a positive effect on ease of use (β = 0.595, t = 14,168). The hypothesis tests for H3 and H4 show that perceived risk has a negative effect on perceived usefulness (β = -0.160, t = 3.390) and millennials intention to use e-filing (β = -0.126, t = 2.707). Based on the theory, the perceived usefulness of TAM influences the intention of doing something, and the ease of use also has a positive influence on the usefulness and the intention to do a thing. This is reflected in the results of the hypothesis testing that accept H5 (β = 0.222, t = 3.840), H6 (β = 0.5 38, t = 8.786), and H7 (β = 0.5 08, t = 8,529). = 8.786).

Discussion

We understand that millennials are indeed an age group that has very different behaviours compared to the previous generations. The main characteristic of millennials is that they grow up with the development of digital technology such as smartphones from a very young age. Furthermore, their living habits cannot be separated from the digital devices to carry out their daily activities. Even for reporting taxes, they prefer to use their digital devices to report their taxes online. Therefore, the system for annual tax reports should be created as simple as possible, including the user interface and the data entry process to avoid any confusion. It is also essential to provide a system that users can learn to use independently. The characteristic of independent learning is a phenomenon not found in the previous generation. Thus, millennials as the current generation, should be able to report taxes independently through the e-filing platform. The current study plays a very important role because, first of all, this study tested the model to predict the acceptance of e-filing by millennials. . Secondly, the descriptive data from the questionnaire, is used to show to what extent millennials are ready to use e-filing technology.

The current study found that only hypothesis H2 is not supported. The H2 hypothesis is aimed at finding out whether the social norm factor is an incentive for someone to introduce a new technology for electronic filing of tax reports. The fact that H2 is not confirmed shows that the supposed usefulness arises from the fact that millennials taxpayers believe that using an electronic tax filing sys-

tem is more useful, and not because other people use it. They independently want to learn whether e-filing is a thing that can be applied easily and whether it offers convenience when doing their annual tax return. It is supported by H1, which indicates that millennials' ability to innovate is a crucial factor that creates a perception that e-filing is not difficult to implement.

Nevertheless, the findings have also revealed that there is a risk factor that prevents them from using e-filing. It cannot be denied that millennials may not technically find any problems with the systems implemented, but there is a risk factor, which is whether they can complete e-filing correctly and whether their data are secure. These two issues are the negative factors that influence them to decide whether they want to use e-filing or not. Therefore, the Directorate General of Taxes is expected to enhance the quality of the application or website in terms of e-filing service and its security. The doubts that millennials have about the quality of security and the potential risk that may occur significantly influence the evaluation of Good Governance. Is the government really serious about providing digitally-based public service? Is the government really serious about managing people's data? Hence, the doubt of millennials should be eliminated by providing routine socialisation, system updating, and the most importantly, simplicity of the e-filing process.

Conclusion

The main characteristic of millennials is that they grow up with the development of digital technology from an early age. Furthermore, their living habits cannot be separated from the digital devices to carry out their daily activities. Even for reporting taxes, they prefer to use their digital devices to report their taxes online. Therefore, the system for annual tax reports should be made as simple as possible, including the user interface and the data entering process to avoid any confusion. It is also essential to provide a system that the users can learn to use independently. The characteristic of independent learning is a phenomenon not found in the previous generation. Thus, millennials as the current generation should be able to report taxes independently through the e-filing platform. The current study plays a very important role, because, firstly, in this study a model was tested to predict the acceptance of electronic applications by millennials. Secondly, descriptive data from the questionnaire is used to show to what extent millennials are ready to use electronic filing technology.

Nevertheless, the findings also revealed that there is a risk factor that prevents them from using e-filing. It cannot be denied that millennials may not technically find any problems with the systems implemented, but there is a risk factor, which is whether they can complete e-filing correctly and whether their data are secure. Although the current study shows the implementation of TAM theory in e-filing issues, there are some limitations that occur. The current study did not show whether there is a difference between millennials behaviour regarding the acceptance of e-filing and their high or low incomes or their lifestyle. Nevertheless, the self-innovation factor and the safety of use are the dominant factors in whether someone is willing to adopt a new technology or not.

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