Public Administration in Ethiopia

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New Public Management and Path Dependence in Public Organizations in Ethiopia: A Multiple Case Study

Tewelde Mezgobo Ghrmay

Box 1: Key Points of this chapter

Key findings of the study show that in Ethiopia:

- NPM reforms have been introduced following a system-wide approach for all government organizations, obstructing their clear articulation and communication thereof.
- The levels of performance in design, implementation, output in terms of service delivery, and social outcomes vary among enterprises.
- Leadership commitment, persistence, necessary work in the reward system, and human resource policies (soft S’s), institutional development, autonomy and accountability, and benchmarking and contextualization are some of the factors for effective adoption of NPM reforms.

Box 2: Learning objectives

Reading this chapter will give you insights in:

- The effect of path dependency in reform implementation in Ethiopia.
- How do managers in public organizations in Ethiopia describe path-breaking interventions for the effective adoption of new public management (NPM) in order to improve public services for low-income populations?
- How do managers in public organizations in Ethiopia describe how path-breaking interventions for the effective adoption of NPM can be implemented in order to improve social outcomes for low-income populations?

Box 3: Abbreviations

AWWCE = Afar Water Works and Construction Enterprise
BA = Bachelor of Arts
BSc = Bachelor of Science
FDRE = Federal Democratic Republic of Ethiopia
1. Introduction

The problem this study addressed is that while considerable resources and attention have been allocated to recent good governance (GG) public administration reform in low-income and fragile states, there is little evidence as to what degree this agenda has been implemented, or if it has led to improved services and social outcomes for low-income populations (Goldfinch, DeRouen, & Pospieszna, 2013; Yanguas & Bukenya, 2016). Understanding how NPM reforms can be effectively implemented in public organizations requires broad knowledge of the path dependencies that create barriers in implementing the reforms (Stuteville & Jumara, 2010). Although the views of different writers are in support of the path dependency theory on why reform in the public sector is hampered, it is realistic to expect that organizations should not be stuck in the past if they are to respond to the realities prevailing in the world today (Yanguas & Bukenya, 2016). Hence, to effectively implement NPM programs, public managers must know the social and political contexts and develop new paradigms that direct their strategic thinking and actions (Stuteville & Jumara, 2010). In this regard, extending organizational path dependence research into the public sector is helpful.

The purpose of this qualitative multiple case study was to document how managers in public organizations in Ethiopia describe the nature and implementation of path-breaking interventions for the effective adoption of NPM in order to improve services and social outcomes for low-income populations. Therefore, the unit of analysis in this study was the manager in a public organization in Ethiopia. Data collection was achieved with a purposeful sample using a snowball and chain sampling strategy (Yin, 2014). A structured but open-ended interview process was used in order to elicit the ten identified participants’ perceptions regarding the issues raised in the study (Yin, 2014). The method, scope, and number of interviews for this descriptive case study were similar to other studies relying upon in-depth interviews.
(Griffin, Maloney, Price, Sim, & Vojak, 2009; Stanko, Molina-Castillo, & Bohlmann, 2011). Data was also collected through observational field notes (Katz, 2014) and a quality audit through SME examination and reflection on the data (Yin, 2014).

2. **Background**

NPM embraces a wide range of approaches. Each approach draws on various tools used by the private sector and later adopted by public sector (Hope, 2012). The first criticism of NPM has to do with the paradox of centralization through decentralization (Mongkol, 2011). This situation may arise when more authority is given to public managers in order to appropriately discharge their projects, which may lead to a concentration of power, contrary to the initial claim of decentralization in decision-making. The second criticism is concerned with applying private sector management techniques to the public sector. As the public and private sectors exist in different contexts, it is difficult to directly transplant the management techniques that have proven to be successful in the private sector into the different contexts in the public sector. The third criticism is that although NPM enhances transparency in the public sector, it can lead to the prevalence of corruption. Finally, NPM has become controversial in terms its results, as seen in Western countries. Applying this reform strategy in the contexts of developing countries is certain to create additional levels of complexities.

Hence, Pollitt (2003), looking at the transferability of NPM, argued for the importance of context by raising serious concerns and questions about existing knowledge in the transferability of NPM and other reform initiatives between countries and contexts. In this regard, Pollitt (2003) contended that the success or failure in transferring management techniques is heavily context dependent. The fact that is there is no general management innovation that can work throughout the world and at every time means we have to look carefully at contexts and at the “terms of trade each time we are thinking of borrowing a good management idea from somewhere else” (Pollitt, 2003:122). The author contended that the transfer of management technologies should not be considered as simple transactional relations, as in the purchase of a car. In this regard he claimed that “in short, the analogy of acquiring a car or other mainly mechanical technology does not fit” (p. 126). He further said: “It is not just a question of the complexity of the import, but also one of the complexities of the task and context into which the new management technology is being introduced” (p. 126).
Additionally, the belief that the implementation of management techniques is straightforward and can be undertaken quickly is erroneous. Rather, implementation is a process that demands significant time. In other words, there are debates about the management techniques, but little action. In this regard, the same author maintained that “there can be a formal decision to adopt, but implementation may be unenthusiastic or incompetent” (Pollitt, 2003:127-128).

In explaining the paradox of managerialism, Hood (2000) maintained that although public sector management movements were aimed at making public sector management more businesslike and less politicized, in practice the result has been the opposite. This was supported by Maor’s (1999, cited in Hood, 2000) argument that the images of depoliticized public service management conjured up by advocates of managerial reform in fact produce the opposite result. On the basis of observation of changes in six parliamentary regimes between 1980 and 1996, he argued that politicians fear loss of control over policy implementation following managerial reforms and that senior public service positions thus become more, not less, “political” (and insecure) as a result. (Hood, 2000:6).

The same findings have also been seen in the application of specific elements of NPM packages, like decentralization. For example, Smoke (2015), looking at empirical findings on the issue at hand, maintains that while many researchers have been conducting studies on different aspects of decentralization reforms, their findings are not conclusive and generalizable. He notes that the reasons for the failure of robust generalizations may, first of all, be attributed to variations “on political, institutional, and socioeconomic context and how reform is approached, but in rather idiosyncratic ways” (Smoke, 2015:106). He goes on to say that those seeking success or failure will both be able to find evidence to support their view, and those with no preconceived expectations may be left confused. Second, instances of relatively good performance exist, but many empirical studies reveal more problems than achievements. (Smoke, 2015:106).

Discussing the concept of path dependence, Pierson (2000) maintained that there is no clear understanding of the concept. According to the author, “in the broader version, path dependence refers to the causal relevance of proceeding stages in a temporal sequence” (Pierson, 2000:252). This definition generally means that “history matters.” This is a loose definition of the concept. In this regard, Sydow, Schreyogg, and Koch (2009) contended that if we base path dependence explanations on the “history matters” argument only, the notion is likely to become indistinct. All human activity and organizational processes are imprinted by their history in a way, so we would end up by concluding that all organizational decisions and actions are path dependent. (Sydow et al., 2009:690).
Accordingly, in order to get the advantage of greater clarity, Pierson (2000) proposed a more narrow definition, noting that the concept of path dependence, in which preceding steps in a particular direction induce further movement in the same direction, is well captured by the idea of the increasing returns process, in which the probability of further steps along the same path increases with each move down that path. (Pierson, 2000:252).

Based on the economists’ application of increasing returns, North’s (1990) research on institutional emergence enabled him to provide a prominent argument on the divergence of economic performance and increasing returns. More recent research has highlighted that “up to now, studies of path dependence (in this specified sense) neither addressed the persistence of organizations nor explored the logic and dynamics of internal organizational processes leading to a lock-in” (Sydow et al., 2009:690). Beyond that, Notteboom, De Langen, and Jacobs (2013) have applied the concept of path dependence and lock-in in seaports through the research lens of institutional economics, evolitional economics, and the role of geography and place.

Institutions are the humanly devised and/or socially constructed sets of rules that constrain and enable human interaction (North, 1990), or “formal and informal rules guiding actors’ perceptions and activities” (Strambach, 2010: 408). Scott (2001) distinguishes three pillars of institutions: the regulative, the normative, and the cultural-cognitive, each with their own unique sets of logic, mechanisms of enforcement, and bases of compliance and legitimacy. Common to all three pillars is that institutions both constrain and enable human behavior. While economic historians have focused on regulative institutions at the macro level in the form of constitutions and rule of law governing capitalist societies, transaction cost economists look at firm-level structures, or what is referred to as governance systems (Notteboom et al., 2013). A critical source of regional path dependence as distinguished by Martin and Sunley (2006) is region-specific institutions or regulatory frameworks, social conventions, and cultural traditions, which can make firms and organizations located in a region become “socially embedded” (Granovetter, 1985).

3. Statement of the Problem

The problem is that while considerable resources and attention have been allocated to recent “good governance” (GG) public administration reform in low-income and fragile states, there is little evidence regarding to what degree path-breaking interventions have been implemented or if they have led to improved services and social outcomes for low-income populations
(Goldfinch, DeRouen, & Pospieszna, 2013; Yanguas & Bukenya, 2016). Previous research indicates mixed results regarding NPM performance in developing countries (e.g., Larbi, 2003; Smoke, 2015).

Although there are instances of relatively good performances in some countries, there are many failure stories. This implies that it is imperative to fill the research gap on how to effectively implement reform initiatives of NPM in the public sector and the reasons for the mixed performance. Additionally, many important aspects of path dependence and lock-in and how to implement NPM are identified in the extant literature as place-dependent processes, and as such require geographical explanation (Boschma, 2014; Martin & Sunley, 2006). Although many sub-Saharan African countries introduced NPM in reforming their public sector, evidence shows that there is a mismatch between the reform initiatives and their intended outcome of enhancing service delivery and poverty alleviation (Goldfinch et al., 2013).

Public sector reform (PSR) initiatives as currently designed in sub-Saharan countries consistently fall short of their intended targets, with much less significant outcomes than expected in terms of service delivery or poverty reduction (Goldfinch et al., 2013; Yanguas & Bukenya, 2016). The different lines of research undertaken to explain these phenomena includes research by dependence theorists. However, most of the theorists in this vein follow a retrospective approach and emphasize the constraints of NPM resulting from past decisions on present actions. Kelman and Hong (2013) have indicated the need for a new approach to path dependence in public administration that strives to look beyond the identification of constraints as advocated by most research on path dependence, which takes a retrospective approach. In this regard, they “propose a different theoretical stance as a path forward for public administration research to make a contribution to path dependence literature” (Kelman & Hong, 2013: 14). Accordingly, this study seeks to make an original contribution to path dependence theory, by taking a prospective approach on how to break the path in the effective implementation of NPM.

After the fall of the Dergue through military defeat by the EPRDF in 1991, the new government undertook numerous different reform endeavors in order to solve the socio-political and economic problems of Ethiopia. The process of bureaucratic reform in Ethiopia is a chain effect of what began in 1991. These reforms can be categorized in to the following phases: The first phase of the reform was from 1991 to 1995, and took place in three interrelated areas, namely, economic, political and constitutional reforms. In terms of economic reform, the old form of central planning was replaced by a market economy. The adoption of federalism and power and fiscal decentralization was also one of the breakthroughs in political reforms. In terms of constitutional reform, a new
constitution was enacted to accommodate the new state structure. The question was, however, whether Ethiopia had a bureaucracy capable of carrying out these reforms. The Ethiopian bureaucracy of the time was quite hierarchical, and characterized by many non-value adding works/positions/staffs, nepotism and lack of transparency and accountability, corruption, lack of leadership capacity, and an input-based (as opposed to output-based) orientation (Berihu, 2000).

As this the system was not prepared to implement change, the government established a new institution called The “Ministry of Capacity Building” with the mandate of undertaking reforms in all public institutions (Proclamation No. 256/2001: 1630-1632). This ministry was the leading institution to implement the civil service reform programs throughout the country, with the objective of creating a modern civil service staffed with high human resource capacity. Simultaneously, the government established an “Anti-corruption Commission” with the mandate of eradicating unaccountable and nontransparent procedures in public institutions.

Subsequently, the second phase of public sector management reform was initiated with the launch of the Civil Service Reform Program (CSRP) in 1996. The CSRP was designed to improve the efficiency, effectiveness, and transparency of public institutions, while seeking to build on the bureaucracy’s reputation for discipline and compliance. It included as the following components: (i) expenditure management and control (ii) human resource management, (iii) top management systems, (iv) ethics, and (v) service delivery.

This reform effort tried to address issues like improving governance of human resource management and control, improving performance and service delivery in the entire civil service, improving transparency and accountability in civil service, and strengthening the top management system of the federal civil service. Yet, even with all the above efforts, the bureaucratic system was still too archaic and nonresponsive to the technological and social changes that had already been taking place for a number of years.

Following the prescriptions of International Monetary Fund and World Bank, the Ethiopian government implemented reform tools in order to improve the performance of government institutions in their service delivery in the beginning of 1990s. The reform tools (based on NPM) included BPR, BSC, Change Army, Citizens Charter, and deliverology. These change tools were implemented across all government organizations in the country. The problems in effective implementation of NPM in the Ethiopian context have been identified in the process, contents, contexts, and outcomes of the reform initiatives implemented in the country (Assefa, 1996; Assefa & Gebre-Egziabher, 2007; Getachew & Common, 2006; Merera, 2007; Paulos, 2001). However, there is no single study that specifically addresses path
dependence as an impediment in implementing NPM in public organizations in Ethiopia and what interventions are needed to break the barriers of effective implementation of NPM.

4. Research Questions

In line with the proposed research problem and purpose of the study, the research questions are as follows:

**RQ1:** How do managers in public organizations in Ethiopia describe path-breaking interventions for the effective adoption of NPM in order to improve public services for low-income populations?

**RQ2:** How do managers in public organizations in Ethiopia describe how path-breaking interventions for the effective adoption of NPM can be implemented in order to improve social outcomes for low-income populations?

5. Theoretical Framework

From the literature review there are many research studies on NPM reforms that either consider specific elements like decentralization or that follow a holistic approach. In both cases, although there are many findings regarding the success or failures in implementing NPM programs in different parts of the world, there are no robust findings. Regarding path dependence theory in public organizations, there are many findings that explain how path dependence can be a constraint for effective implementation of NPM reforms. Looking at areas of future research on path dependence, Kasabov (2010) contended that there is a lack of research on demand-side determinants like informal institutions in explaining path dependence in the public sector. Beyond that, there are few attempts that follow a prescriptive approach to the study of public organizations.

Accordingly, rather than attributing contextual factors as reasons for failures in NPM implementation, this study sought to identify path dependence in public organizations in Ethiopia and what can be done to break the path. As such, this study sought out the opinions of different managers in different public organizations and researchers on the issue to gain insights as to what makes these organizations path dependent and what interventions are needed to change their trajectories.

The concept of path dependency is broadly defined as “history matters” (Pierson, 2000). For analytical purposes, he recommended even more narrow
definitions, suggesting that path dependence can be characterized as an increasing returns, positive feedback, or self-reinforcing process. The concept of increasing returns points to two important features of path dependence: “First, they pinpoint how the costs of switching from one alternative to another will, in certain social contexts, increases markedly over time. Second, and related, they draw attention to issues of timing and, distinguishing formative events” (Pierson, 2000, p. 251). Stuteville and Jumara (2010) have also cited Pierson (2000), noting: “Early events matter more than later ones in an ‘increasing returns,’ path-dependent process” (Stuteville & Jumara, 2010: 5).

Path dependence theory is significant in comprehending the challenges of formal and intentional reform programs emanating from institutional inertia (Torfing, 2009, cited in Stuteville & Jumara, 2010). Beyond that, the present study employed Sydow et al.’s (2009) framework of path dependence, which offers insights into the possibilities and limitations of breaking out of organizational path dependence. In particular, path breaking requires a thorough understanding of the social mechanisms driving the path process. Understanding these mechanisms in turn provides a platform for developing path-breaking interventions. (Sydow et al., 2009: 704)

Thus, this research aimed at providing an original contribution to path dependence theory.

6. Literature Review

The transfer of NPM has engendered mixed results, and elicited both praise and criticism from outside observers. While some have concluded that such transfers are futile (Hood & Jackson, 1991; Metcalfe & Richards, 1991; Osborne, 2006, citing Farnham & Horton, 1996), others enthusiastically advocate NPM initiatives (Flynn, 2002; Hughes 2002). Similarly, research findings in developing countries show mixed results on the application of NPM (Bhatta, 2003; Samaratunge, Alam, & Teicher, 2009). In developing nations, an attempt to transfer NPM can create further complications due to variations in levels of development, capacity, culture, and other related context differences. This view is supported by different institutional theories (Thoenig, 2011) that propose context variation as a challenge. Other institutional theories consider how successful institutional change may be accomplished (Kingston & Caballero, 2009).

The implication is that contextualization and adaptation to institutional variation is crucial. On the other hand, context variations are identified as reasons for failures in reform. Therefore, it was deemed imperative to conduct case studies on how NPM is adopted in developing countries and to develop
theories and a hypothesis to explore the reason why NPM philosophies cannot work in the specific cases (Smoke, 2015).

From the different lines of research on path dependency, this study selected Kelman and Hong’s (2013) approach to path dependence in public administration, which strives to look beyond the identification of constraints as advocated by most research on path dependence that takes a retrospective approach. In this regard, they “propose a different theoretical stance as a path forward for public administration research to make a contribution to path dependence literature” (Kelman & Hong, 2013:14). On top of that, “governments need to accompany their reform proposals with a strategy to manage change” (Melchor, 2008: 4). As many PSR initiatives are related to the politics of the public sector, the literature review discussed the role of the state in development. In this connection, Dang and Pheng (2015) maintained that the early views concerning the role of the state were characterized by extreme debates of communism (Smith, 1976) and capitalism (Marx, 1933). This ideological debate was explained by the historical developments surrounding PSR in developing countries (Ayee, 2015; Bukenya & Yanguas, 2013). Despite the differences in the focus of the PSR in developing countries, there has been a general agreement as to the role of the state in development.

However, there is less clarity on the concept of state. Despite continuing disagreements about the issue at hand, the developmental role of state capacity is well recognized.

According to Barkey and Sunita (1991), generally state capacity means the capability to implement policy, enforce legislation, and deliver services. “State capacity provides a powerful tool for the study of development” (vom Hau, 2012:4). Approaching state capacity from bureaucratic or administrative capacity is appropriate to address the capability of government organizations to effectively manage and implement public policies (Barkey & Sunita, 1991; Evans & Rauch, 1999; Fukuyama, 2013). This is also supported by policy researchers emphasizing institutional deterrents in the effective implementation of NPM designs and policies (Andrews, 2013; Booth, 2012b; Grindle, 2007). However, according to Yanguas and Bukenya (2016), the major challenge in PSR is related to incorrect assumptions about the state capacity in developing countries. Looking at the prevailing realities in developing countries, these authors maintain that the political and moral economy of PSR is challenged by administrative patrimonialism, public corruption, and political capture. From these bold analytical critiques of the underlying assumptions of public service reform new PSR agendas have emerged, advocated by development communities: leadership, social accountability, and policy adaptation.
7. Research Method

This study employed a multiple-case study approach (Yin, 2014) to address the topic “New Public Management and Path Dependence in Public Organizations in Ethiopia.” The study’s research problem was that while considerable resources and attention have been allocated to recent GG public administration reform in low-income and fragile states, there is little evidence as to what degree this agenda has been implemented, or if it has led to improved services and social outcomes for low-income populations (Goldfinch et al., 2013; Yanguas & Bukenya, 2016). In order to answer this question, data for the study was gathered from interviews with ten managers of public enterprises in Ethiopia (the following table provides a brief summary of the ten cases).

<table>
<thead>
<tr>
<th>Participant</th>
<th>Sex</th>
<th>Age</th>
<th>Education (highest degree)</th>
<th>Management experience in years</th>
<th>Organization</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>F</td>
<td>55</td>
<td>LLM</td>
<td>21</td>
<td>Ethiopian Airlines</td>
</tr>
<tr>
<td>2</td>
<td>M</td>
<td>40</td>
<td>MBA</td>
<td>20</td>
<td>Commercial Bank of Ethiopia</td>
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<td>3</td>
<td>M</td>
<td>34</td>
<td>MSc</td>
<td>8</td>
<td>AWWCE</td>
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<td>4</td>
<td>M</td>
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<td>MBA</td>
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<td>M</td>
<td>42</td>
<td>MCom</td>
<td>6</td>
<td>Ethiopian Insurance Company</td>
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<tr>
<td>6</td>
<td>M</td>
<td>51</td>
<td>MSc</td>
<td>17</td>
<td>Ethiopian Shipping and Logistics Enterprise</td>
</tr>
<tr>
<td>7</td>
<td>M</td>
<td>39</td>
<td>MBA</td>
<td>8</td>
<td>Bahir Dar Textile Factory</td>
</tr>
<tr>
<td>8</td>
<td>M</td>
<td>32</td>
<td>BSc Electrical Engineering</td>
<td>7</td>
<td>EthioTelecom</td>
</tr>
<tr>
<td>9</td>
<td>M</td>
<td>35</td>
<td>BA</td>
<td>5</td>
<td>Tendaho Sugar Factory</td>
</tr>
<tr>
<td>10</td>
<td>M</td>
<td>56</td>
<td>Post Graduate Diploma in Hydropower</td>
<td>23</td>
<td>Ethiopian Electric Power Corporation/EEP</td>
</tr>
</tbody>
</table>

In selecting the sample respondents, both purposeful and network/snowball sampling (Hatch, 2002) was used. Specifically, the sampling procedure began with random sampling to minimize the total population into a manageable
size that guaranteed an equal chance for all public enterprises to be included in the sample (Zikmund, Babin, & Carr, 2012). After that, and in line with the selection criteria, the typical cases of the sample were chosen (Seawright & Gerring, 2008).

To fulfill the purpose of this descriptive case study, a multiple-case study research design (Yin, 2014) was employed. The data sources and evidence included ten in-depth, face-to-face, semistructured interviews with PEMs, field notes (Katz 2014), and SME review and reflection on the data collected (Patton, 2002). The recorded interviews were transcribed. For coding and analysis, NVivo for Microsoft was employed. To reinforce data security, the data has been stored and coded anonymously and confidentially (Patton, 2002; Yin, 2014).

As the research topic was complex, the researcher had (almost) no control over the observed phenomenon, and the issue at hand was dynamic and could not be isolated in a laboratory experiment, a multiple-case study research design was selected as the best fit (Baxter & Jack, 2008). The design was further justified because PEMs’ (unit of analysis) perceptions and opinions were inseparable from the context of the study, and NPM in the public sector is a contemporary issue (Yin, 2014). To analyze the content of the qualitative interview data, a thematic analysis was applied, using the cross-case synthesis analytical technique. Accordingly, each individual case was treated as a separate case, but synthesis of the data of each case strengthened the overall case study data. In other words, research data was collected on individual cases and compared to determine consistency and variance between cases (Yin, 2014). To ensure validity and reliability, data triangulation was applied. The use of multiple sources of evidence and different data collection strategies enhanced construct validity (Gibbert, Ruigrok, & Wicki, 2008). Additionally, the careful sampling of the ten cases enhanced the validity and reliability of this multiple-case study research.

8. Findings

Based on the key insights emerging from the in-depth interviews, an overarching theme was that there is no one criteria or variable that makes one public enterprise effective in adopting the NPM reforms and enhances the services and outcomes for the low-income population. PEMs suggested that the factors for success in NPM reforms were different for every public enterprise and depended on that organization’s specific situation and external influences. However, a number of themes were identified that relate to effective adoption of the NPM reforms in public enterprises in Ethiopia.
The first research question revealed twelve themes. These include the types of NPM tools introduced, the rationale or intentions of the NPM tools, the initiator of the reform tools, the appropriateness of the NPM tools, the pressure for the NPM tools, the rhetoric on NPM, by whom the rhetoric was communicated or announced, the way it was communicated, the design process, level of contextualization, responsibility for the design process, challenges in the design process, and extent of success from rhetoric to actual design.

The second research question revealed twenty-one themes. These include the process, contextualization, challenges, level of success, the level of customer service, specific changes for the level of performance, challenges faced, system of evaluation, the impact of the reform, employment, social responsibility, local business development, accessibility of the services to low-income populations, capacity building, leadership commitment, persistence, soft S’s, institutional development, about the NPM reform tools, autonomy and accountability, and benchmarking and contextualization.

The evaluation of findings based on the literature used for this multiple-case study research indicates that there is no single answer on how NPM reforms can be effectively implemented in public organizations in Ethiopia and lead to service improvements and impact the socioeconomic outcomes of the population in general and the low-income society in particular. This is because understanding how NPM reforms can be effectively implemented in public organizations requires broad knowledge of the path dependencies that create barriers in implementing the reforms (Stuteville & Jumara, 2010). Hence, to effectively implement NPM programs, public managers must know the social and political contexts and develop new paradigms that direct their strategic thinking and actions (Stuteville & Jumara, 2010; Yanguas & Bukenya, 2016).

In this regard, NPM reform initiatives should begin with proper analysis of the existing situation and the rationale of the reform should be well articulated and clearly defined (Goldfinch et al., 2013). As the different NPM technologies have their own particular emphasis and application (Goldfinch et al., 2013), it is imperative for reformers to clearly define the rationale that the NPM technologies are going to address (EuropAid, 2009; Goldfinch et al., 2013).

For the NPM reform to be successful, the management of the organizations should have a clear understanding of the pressures and intentions in introducing the different NPM tools (EuropAid, 2009; Goldfinch et al., 2013). Then, they should clearly communicate the rhetoric of the NPM reform both internally and externally (Goldfinch et al., 2013). Scholars have underscored the importance of context on how reforms should be designed (Mongkol, 2011; Pollitt, 2003; Smoke, 2015). Regarding the level of success in the actual
design of the NPM tools in comparison with the rhetoric, there were mixed findings (Larbi, 2003; Smoke, 2015).

Related to the extent to which NPM reforms moved from design to actual action, the first conclusion concerns the care that must be exercised in the process (Andrews, 2013; Pollitt, 2003; Pollitt & Bouckaert, 2011; Yanguas & Bukenya, 2016). The need for contextualization is the second (Pollitt, 2003; Smoke, 2015). The third concerns the challenges in implementing the NPM designs into actual action, identified by almost all of the interview participants (EuropAid, 2009; Kelman & Hong, 2013; Pollitt & Bouckaert, 2011). The fourth concerns the extent of success in the actual implementation, which was described by the PEMs as mixed (Larbi, 2003; Smoke, 2015).

When it comes to the factors identified by PEMs as necessary for effective adoption of NPM reform, the first is leadership commitment (Bhatta, 2003; Samaratunge et al., 2009; Yanguas & Bukenya, 2016). The second factor is persistence (Pollitt, 2003). The third is related to soft S’s (EuropAid, 2009; Galbraith, 2002; Goldfinch et al., 2013; Paulos, 2001; Yanguas & Bukenya, 2016). The fourth factor is institutional development (Bhatta, 2003; Stuteville & Jumara, 2010; Thoenig, 2011; Yanguas & Bukenya, 2016). The fifth concerns the suitability of NPM tools (Pollitt & Bouckaert, 2011; Yanguas & Bukenya, 2016). The sixth is related to the availability of autonomy and accountability (Smoke, 2015; Yanguas & Bukenya, 2016). The seventh and final factor is the need for benchmarking and contextualization (Booth, 2012; Mongkol, 2011; Smoke, 2015).

9. Conclusions, Implications, Limitations, and Recommendations

9.1. Conclusions

To achieve the purpose of the study a multiple case study was applied to compare and contrast the divergent opinions of managers working in different government organizations. In this regard, Yin (2014) contended that multiple case studies are selected to follow a replication logic: each case study should be selected to establish either similar results (literal prediction) or contrasting results (theoretical replication). Accordingly, this study used a multiple-case study design in order to compare and contrast results. This was also helpful in achieving the goals of objectivity and rigor in the research design (Yin 2014).

The unit of analysis in this study was the manager in a public organization in Ethiopia. Qualitative data was based on insights derived from in-depth
interviews from the identified participants. Data collection was achieved with a purposeful sample using a snowball and chain sampling strategy (Yin, 2011). A structured but open-ended interview process was used in order to elicit the ten identified participants’ perceptions regarding the issues raised by the study (Yin, 2011). The method, scope, and number of interviews for this descriptive case study were similar to other studies relying upon in-depth interviews (Griffin et al., 2009; Stanko et al., 2011). Data was also collected through observational field notes (Katz, 2014), and a quality audit was conducted through SME examination and reflection on the data (Yin, 2011).

The section on findings presented the implications from the research findings and compared these to the literature review. Discoveries and implications were analyzed in response to the study’s statement of the problem and alignment with the research purpose and its significance. Recommendations for future research conducive to path-breaking interventions on the effective adoption of NPM reforms in order to enhance services and outcomes for the population in general and low-income populations in particular were also discussed. Additionally, findings and implications that were identified during the research phase that relate to the effective adoption of NPM reforms were presented. PEMs, SMEs, and policymakers will be able to reference this study as they attempt to understand the key criteria for the successful adoption of NPM reform tools aimed at enhancing service delivery and outcomes related to the socioeconomic development of the population in general and low-income populations in particular.

Additional opportunities for research include expanding the scope of this research through qualitative analysis of PEMs living and working in different global regions as well as quantitative analysis of PEMs. The research can also be expanded to SMEs of public enterprises and other government organizations to determine the extent to which there is convergence or divergence on the findings between these groups. There is also an opportunity to find and develop case studies that support each of the main research questions as a way to highlight successful organizations that have implemented the suggested findings. Finally, qualitative and quantitative research can be completed on current and historic NPM reform trends to test assumptions stated by PEMs as essential for the effective adoption and performance of NPM reform technologies.

9.2. Implications of the Study

The implications of the study findings are discussed in this section and are organized by research question. In relation to the first research question, the first implication is that there is a gap in clearly articulating the rationale for the
reform at national level (EuropAid, 2009; Goldfinch et al., 2013). This is because the Ethiopian government announced the NPM reforms for all government organizations without a clear specification of which tool should be used for which public enterprise, which is a serious deficiency given that there is variation in emphasis and application across enterprises (Goldfinch et al., 2013).

According to EuropAid (2009), NPM reforms can follow either a system-wide approach or reforms targeted to specific public organizations. To decide on the level of the reform, it is imperative to decide on the level of change required. If there is a need for cultural change in the whole public sector, it is logical to do something at a system-wide level. On the other hand, as different government organizations have different socio-technical systems, each organization should select from the bundles of NPM tools for its own purposes. However, the NPM reform in Ethiopia followed a system-wide prescription of bundles of NPM technologies for all government organizations despite variations in the socio-technical systems. Hence, there is no clear decision on the level of change intended by the NPM reforms (EuropAid, 2009; Goldfinch et al., 2013).

Another implication is that whatever the specific targets of the NPM tools, the general move in introducing private sector technologies into the public sector has created some positive changes. Having a clear understanding of the pressure that forced governments to introduce NPM reform is a fundamental prerequisite before prescribing the specific reform designs (EuropAid, 2009). This implies that the PEMs are trying to employ the NPM tools to address the specific organizational pressure, even though the national pressure for the reform is not clearly articulated.

In relation to the national rhetoric, the fact that interviewed PEMs had divergent opinions on the latter suggests it is not clearly articulated and communicated to the specific PEMs. Evidently, the PEMs were not clear about the intended outcome of the NPM reforms in relation to the general public. This clearly shows a gap in cascading the national rhetoric down to each enterprise.

Concerning the way the rhetoric was transferred to actual design, the implication is that as each enterprise follows its own process, there is no clear guidance by the higher government agencies in charge of the reform. In relation to contextualization, the implication is that there is a gap in how the reform designs should be applied in the specific circumstances and contexts of the different enterprises.

A further finding concerns responsibility in the design process. In this regard, the implication is that the gap in NPM transfer and implementation could be filled by combining technical and functional knowledge and taking into account
the local context. Hence, to address the knowledge gap, both practitioners and experts in the NPM tools have been involved in the design process.

Furthermore, our study revealed challenges in the design process. The implication in this connection is that necessary preconditions in breaking the learning curve, attitudinal problem, and awareness creation about the NPM tools have not been realized. The second implication is that the level of knowledge of the PEMs about the NPM tools was not enhanced, required resources for the NPM technologies were not in place, and necessary work in breaking the past bureaucratic procedures was not accomplished.

We further found that there were mixed results regarding the level of success in the actual design of the NPM tools in line with the rhetoric. Hence, PEMs need to study the specific factors necessary for effective performance in the adoption of NPM tools.

In relation to research question two, analysis of the data from the semi-structured PEM interviews revealed twenty-one themes. Of these, one subset is related to the extent to which NPM reforms moved from design to actual action, and addressed the thematic areas of: process, contextualization, challenges, and level of success. In this connection, the implication is that the way the design was implemented into actual action varies from enterprise to enterprise, to the extent that in some enterprises there was no persistence and full follow-up of the implementation process. The other implication is that there was a general tendency to accept what the higher officials said without considering the objective realities on the ground.

Regarding contextualization, in six out of the PEMs, there was a tendency not to consider contextual situations of the enterprises in turning design into actual action. In relation to the reform technologies, the implication is that there was confusion on how the intentions of the reform tools should be reconciled with the objectives of the enterprises, contradictions in the different NPM tools, a lack of awareness of the objectives of the NPM tools, diverse interpretations of the NPM tools, and lack of persistence or full follow-up and support in full-scale implementations of the NPM tools. These problems clearly show that the reform process lacked a proper strategic change management process (Melchor, 2008). Similarly, strategic leadership in the NPM reform process was lacking (Melchor, 2008).

Concerning the extent of success in the actual implementation of the NPM reform designs, the implication is that there is a need for detailed investigation by PEMs on the factors contributing to the successful implementation of NPM tools.

After the implementation of the NPM tools, even though in most cases there was an increase in the level of customer service, there were also negative
evaluations of the issue at hand. Hence, detailed investigation of the issue at hand is imperative in order to understand the factors for effective performance in customer service improvements.

In relation to the specific changes necessary to reach a satisfactory level of performance, the first implication is that whatever the level of performance in enhancing the level of customer service, the introduction of the NPM tools made PEMs think about the customer service orientation and they devised some mechanisms to measure the level of performance in that regard. Moreover, there is a lot that needs to be done for the NPM tools to deliver positive performance in enhancing customer service.

A further finding is related to the challenges inherent in the actual implementation of the NPM tools. In this regard, according to North (1990, cited in Pierson, 2000), “Established institutions generate powerful inducements that reinforce their own stability and further development” (Pierson, 2000: 225). Hence, without changing these institutional frameworks into a type that would favor the requirements of the NPM tools, the effective implementation of the reform tools will be a futile endeavor. This implies that the NPM reform process was implemented without the required preconditions of institutional change.

Regarding the system of evaluation, the implication is that the level of success of the reform initiatives was not linked with the outcome in socio-economic aspects of the population in general and the low-income society in particular.

Another subset of themes from data related to question two concerns the outcome of the reform. Here the thematic areas are: impact of the reform, employment, social responsibility, local business development, accessibility of the services to low-income populations, and capacity building.

In regard to the impact of the reform, the implication is that although it is very difficult to specifically measure the outcome of the NPM reforms, it is clear that after the introduction of these tools there are positive changes in outcomes to the population. In the same way, the impacts in terms of employment and social responsibility are positive. Similarly, when it comes to business development for the MSEs and local businesses the implication is that there is a positive impact in local business development.

In relation to the accessibility of services to low-income populations and capacity building there were positive impacts. In other words, the implication is that there is a positive impact in terms of accessibility of services and capacity building to low-income populations.

Finally, a subset of themes in data from question two dealt with the effective adoption of NPM reform. The themes are: leadership commitment,
persistence, soft S’s, institutional development, about the NPM reform tools, autonomy and accountability, and benchmarking and contextualization.

Looking at NPM in Asia, Samaratunge et al. (2009) concluded that “countries like Bangladesh and Sri Lanka, where strong leadership and appropriate accountability systems are not in place, could not expect successful outcomes from their NPM reform agenda” (Samaratunge et al., 2009:42). On the other hand, countries with strong leadership and effective accountability mechanisms experience success in their efforts. In other words, Bhatta (2003) concluded that “while different countries will focus on different aspects of NPM, the key to any success in public sector governance will remain the level of political will” (Bhatta, 2003:13). Likewise, strengthening the capability of top-level executives to spearhead the nucleus of PSR initiatives comes out as a new reform agenda (Yanguas & Bukenya, 2016). This implies that for NPM reforms to be effectively implemented leadership commitment is a very crucial factor.

A further finding here is that the crucial factor for effective adoption of the NPM technologies is persistence. This implies that on top of leadership commitment to the issue at hand, the existence of persistence and follow-up from start to finish is critical for effective adoption of NPM reform tools.

In introducing new management technologies like NPM, many organizations emphasize the changes to their structures and operational procedures. However, it is equally important to change the soft S’s related to human resources (Galbraith, 2002; Yanguas & Bukenya, 2016). Similarly, according to Paulos (2001), the absence of a well-developed bureaucratic structure with competent personnel was identified as a major challenge in Ethiopian PSR.

Regarding the soft S’s, the implication is that if the NPM reform initiatives are to be successfully implemented there is a need to work on the soft S’s.

In connection to the preconditions of effective NPM reform the implication is that there should be a proper governance environment and institutional development (Yanguas & Bukenya, 2016). In the same way, for effective adoption of NPM reforms, proper governance structure and institutional development is a critical factor.

Yet another finding is related to the NPM tools introduced by the Federal Government of Ethiopia for all government organizations. This implies that in relation to the NPM tools prescribed by the government for all government organizations, there is no clear understanding about the philosophy behind these new technologies and the difference and similarities behind the different bundles prescribed by the general name NPM reform; moreover, there is no credible governmental agency at national level with a capacity to alleviate these confusions and concerns.
Another finding concerned autonomy and accountability. In this regard, the implication is that rather than ordering PEMs to follow this or that tool, it is better to give them autonomy to select which NPM tool is appropriate for their enterprise’s context and, in fact, make them accountable for their independent decisions.

The final finding is related to benchmarking and contextualization. In this connection, the implication is that the NPM reform tools should be internally motivated and be applied based on the given context of the different government organizations; additionally, there is a need for the benchmarking of successful adopters in the effective implementation of the NPM technologies.

9.3. Limitations of the Study

This research has several limitations. The first limitation is the broadness of the concept of NPM. Second, because empirical studies on path dependence in the adoption of NPM in public enterprises in Ethiopia are rare, the current study will significantly depend on the primary sources and office documents. Third, this multiple case study research is based on a sample of ten PE managers, which represents a case study of public organizations that have both public and enterprise objectives. A sample of other category of public organizations like ministries, and various types of specialized or executive agencies (Ayee, 2015) might come up with different findings. Fourth, geography and location are important considerations in path dependence and lock-in (Martin & Sunley 2006; Notteboom, DeLangen, & Jabobs, 2013).

In this study only PEs in Ethiopia are considered. Accordingly, the findings of this study are mainly relevant for PEs in Ethiopia. Consequently, further research is required in order to judge the generalizability and transferability of this research to PEs in other countries and places (Hancock, Ockleford, & Windridge, 2009). The final limitation of this study is related to the source of evidence. This study mainly uses semi-structured personal interviews rather than actual observation in the workplace. In this regard, Yin (2014) maintained that the major problem of the interview as a source of evidence is the problem of question and answer bias. Thus this problem is also a limitation of this study.

9.4. Recommendations

Recommendations for Management Practice

The first recommendation is that rather than prescribing the same NPM tools for all public enterprises, the specific NPM tools prescribed should take into account the specific context and problem of each enterprise (EuropAid,
This is because of the fact that each NPM tool has its own emphasis and application (Goldfinch et al., 2013).

The second recommendation is that before introducing these NPM tools the government should clearly define and articulate the rationale of the reform at the national level (EuropAid, 2009). Then, to address the rationale at the national level the government should make strategic decisions on the logical link between the specific NPM tools and the rationale. This is because of the fact that the emphasis and application of the NPM tools differ from one tool to another (Goldfinch et al., 2013).

The third recommendation is that instead of introducing the NPM reform at the national level as a campaign, the government should first become clear on the level of change required (EuropAid, 2009). Then, among the different reform tools, the government should first make a policy decision in connection with the NPM tools that should be system-wide and the NPM tools that should be internally motivated and selected by the different public enterprises, given context variations and the specific problems they face.

The fourth recommendation is that although the general NPM reform as applied in the government enterprises in Ethiopia has created positive changes, further achievements and positive changes could be realized if the government clearly specifies which NPM tools are to be used for which enterprise and decides on the specific target of each NPM tool given contextual difference and variations in the problems faced by each enterprise.

The fifth recommendation is that for effective adoption of the NPM tools in the context of public enterprises, the government should make concerted efforts in effectively communicating the national pressure for introducing the NPM reforms at the national level, and allow the PEMs to make a logical link with their respective enterprises.

The sixth recommendation is that the national rhetoric should be clearly communicated to the specific PEMs for the effective adoption of the NPM reforms.

The seventh recommendation is that to justify the investment in the introduction of NPM tools, PEMs should develop their strategic plan by incorporating specific and measurable targets regarding the level of change in the outcome to the society and measure the level of change after the introduction of the NPM reform tools.

Concerning the way the rhetoric was transferred to actual design, the first recommendation is that rather than leave each enterprise to design and implement the NPM reforms prescribed by the government based on their own interpretations, which results in variation in the process, the government should establish an agency at the national level with the capacity, knowledge,
resources, and the mandate of providing effective guidance in the specific reform processes for each enterprise. The other alternative is to give each enterprise’s managers the autonomy and resources to select specific reform tools that are appropriate in their specific context and to follow their own reform process by employing international consultants who are well-versed and experienced in guiding the effective adoption of reform processes.

A corollary recommendation is that rather than giving the reform design and implementation process solely to the PEMs or consultant experts, involving both practitioners and experts is appropriate for an effective reform process as each participant has complementary knowledge of the issue at hand.

We further recommend that for effective design and implementation of the NPM reforms, required interventions should be devised in breaking the learning curve, past bureaucratic procedures, and attitudinal problems. On top of that, enhancing the knowledge and understanding about the reform tools and providing required resources for the NPM technologies are necessary preconditions for success. Additionally, for effective adoption and performance of the NPM tools, the PEMs should undertake detailed investigation into the factors most conducive to effective performance and adoption.

Regarding the extent to which NPM reforms moved from design to actual action, the first recommendation is that rather than simply accepting what higher officials said, in turning the NPM reform designs into actual action, there should be some flexibility in relation to the objective realities on the ground. On top of that, there should be persistent follow-up in the implementation process. Concerning the level of contextualization on actual implementation of the NPM reform tools, four out of the ten participants emphasized the need for contextualization (PEM 4, PEM 5, PEM 8, and PEM 10). On the other hand, the remaining PEMs did not mention the need for contextualization, which is advocated by writers like Smoke (2015) and Pollitt (2003). In this connection, a second recommendation is that, for the effective adoption of NPM tools, PEMs should take into account the contextual situations of their enterprises. The third recommendation is that, for effective implementation of the NPM reforms, PEMs should accompany their reform initiatives with a proper strategic change management process (Melchor, 2008).

Related to the level of performance in customer service improvements, the recommendation is that had the NPM reform tools been prescribed based on the specific conditions of the enterprises and implemented accordingly, its output in enhancing service delivery could have been more than the current level of performance. A second corollary is that there should be concerted efforts to develop the preconditions for institutional development. A third
recommendation here is that the level of success of the reform initiatives should be linked with the outcome in socioeconomic aspects of the population in general and the low-income society in particular.

Regarding the outcome of the reform, it is recommended that the PEMs should develop mechanisms on how the specific impact of the reform should be measured if the investments related to the introduction of the NPM reforms are to be justified.

In relation to the effective adoption of NPM reforms, the final recommendation is that leadership commitment, persistence, required work on a reward system and human resource policies (soft S’s) (Galbraith, 2002), and institutional development be recognized as the crucial path-breaking interventions required for the effective adoption of NPM reforms. Additionally, in relation to the NPM tools prescribed by the government for all government organizations, there should be clear understanding about the philosophy behind these new technologies and the difference and similarities behind the different bundles prescribed under the general name NPM reform. Furthermore, there should be a credible governmental agency at the national level with the capacity to alleviate these confusions and concerns. Beyond that, rather than ordering PEMs to follow this or that tool, it is better to give them autonomy to select which NPM tool is appropriate for their enterprise’s context and, in fact, make them accountable for their independent decisions. Finally, the NPM reform tools should be internally motivated and be applied based on the given context of the different government organizations, and there should be a benchmarking of successful adopters in the effective implementation of NPM technologies.

**Recommendations for Further Research**

This qualitative multiple-case study research has several limitations that can offer new ideas for future research. Additional opportunities for research include expanding the scope of this research through qualitative analysis of PEMs living and working in different global regions as well as quantitative analysis of PEMs. The research can also be expanded to SMEs of public enterprises and other government organizations to determine the extent to which there is convergence or divergence on the findings between these groups. There is also an opportunity to find and develop case studies that support each of the main research questions as a way to highlight successful organizations that have implemented the suggested findings. Finally, qualitative and quantitative research can be completed on current and historic NPM reform trends to test assumptions stated by PEMs about the factors necessary for the effective adoption and performance of NPM reform technologies.
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