



## The Role of Institutional Capacity and Governance Practices in Service Delivery: The Case of South Wollo Zone Trade and Transport Department

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*The objective of the study was assessing the role of institutional capacity and governance practices in service delivery by employing descriptive survey research method, qualitative and quantitative research approaches and probability and non-probability sampling techniques and 228 sample size.*

*The finding of the study confirmed that the customers as well employees of the organization are unfamiliar with the proclamations, regulations and directives of the sector. The leadership has not committed to understand the job trend, did not take the necessary actions proactively, and have not good achievement and practices on customers and staff communication and engagement. Overall, all the leadership lacks business intelligence (BQ) to influence and inspire all actors in the service delivery process of the sector. Service delivery systems are excellence if they are customer centered, have clear standards and directed by clear and comprehensive legal frameworks in order to be fair and accountable to the service receivers. Therefore, the transport sector leadership has to recognize that service transformation, and particularly customer-centered service delivery, is necessary to meet desired public service outcomes, by putting the customers at the center of the service delivery and organizing services around customers' needs, and in turn aligned more closely with expectations.*

**Key Words: Institutional Capacity, Good Governance, Leadership and Excellence Service Delivery**

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## **1. Background of the Study**

In customary thinking, improving countries transportation bottlenecks, particularly the public transport solely means building new roads or repairing aging infrastructures. However, the current and future public transportation in Ethiopia lies not only in building new concrete roads but also mainly in alleviating institutional capacity related challenges and improving governance practices in the sector internal and external service delivery processes.

### **1.1.Introduction**

Public sectors have a high level of institutional capacity in order to perform successfully their functions, and to deliver excellent services to customers (Imbaruddin, 2005). Achieving government developmental objectives requires a clear understanding of the capacity of individuals and the organization, as well as the range of factors that influence their performance (USAID, 2009).

Strong institutional capacity is essential to the success of any development activity and to deliver effective service in the public sector. Without it, the integrity of development achievements can be compromised and progress can remain rootless and illusory, separated from the capacities that already exist and vulnerable to the increasingly severe and complex challenges facing the world today (UNDP, 2009).

Currently, institutional capacity is one of the leading issues in the development process and in delivering effective public service. Above all, as stated by Mohiddin (2007), the capacity of an institution is essentially the product of the dynamic interactions between the people managing the institution and the policies, rules and regulations that govern the institution.

Designing and implementing a sound and coherent approach of institutional capacity development is crucial to exercise good governance. Good governance is about having effective and efficient institutional capacity and arrangements for the provision of reliable services, and which mainly characterized by accountability, public participation, responsiveness and transparency (USAID, 2004). Similarly, as confirmed by PTUA, Public Transport Users Association (2008), the good governance of public transport

systems means having the appropriate organizations with the necessary powers, responsibilities and skilled human resources to deliver quality service.

The Ethiopian Government has identified the lack of capacity in terms of not having the required number and quality of institutions, working systems, and human resources as the chief obstacles that stand in the way of realizing its development objectives fifteen years ago (MoFED, 2010). Accordingly, to achieve the targets of capacity and good governance pillar of Sustainable Development and Poverty Reduction Program (SDPRP) and Plan for Accelerated and Sustained Development to End Poverty (PASDEP) emphasis were given national capacity building strategies and development of democratic institutions.

Likely, in the Growth and Transformation plan (GTP), the government acknowledged that strengthening institutional capacity is critical to implement the GTP policies, strategies and programs in order to achieve satisfactory results (MoFED, 2010).

Accordingly, both individual and organization level of institutional capacities parameters have gotten great emphasis in this developmental plan. Consequently, building the capacity of top leadership, developing the human resource and developing organizations by improving the working system, procedures and promoting good governance implementation in the public sector are taken as main targets to achieve the capacity building and good governance pillars of the plan (MoFED, 2010).

Unlike, SDPRP and PASDEP a shift has been made in GTP by considering the crucial role of institutional capacity in transport services particularly in public transport. Accordingly, to improve the institutional capacity practical actions has been taken to introduce world class regulatory and service delivery systems and to develop the human resource for better management and service delivery.

## 1.2.Statement of the Problem

Institutional capacity of an organization is central to designing and implementing government policies and to aggregating the general interests of the people by strengthening an organization's ability to provide quality and effective services. It is often postulated that a positive relationship exists between institutional capacity and good governance practice in delivering quality public service. Moreover, as stated by Masum (2011) institutional capacity ensures good governance in the delivery of transport services to the people by creating and strengthening participation of the people in decentralizing decision-making and building sustainable partnerships with customers which facilitates the transparency, accountability and responsiveness principle of good governance. Despite the role played by transport sector in accelerating the overall socio-economic development of the country, there are serious constraints limiting its internal service delivery and its contribution to socio-economic development.

To this end, the finding of a case study conducted by Mobereola (2006) in Lagos State confirmed that institutional weaknesses are the source of many observed failures in urban transport service delivery in developing countries.

In most quarterly and annual performance review meetings of South Wollo Zone Trade and Transport (SWZTTD), the participants of the meetings have reported problems such as lack of adequate skilled human resource, clear and comprehensive legal and regulatory framework and technical capacity as a source of failure to provide excellent service. In addition, absence of organizational structure of the transport sector at Woreda and city administration where services would be accessed to customers in their nearby and existence of unclear systems and service procedure, have been reported by participants of these meetings for the failure of excellence service delivery in the sector.

In consistence with the governance practices of the sector service delivery, there are so many gossips that the customers and governing bodies have spoken orally. In this regard, since the student researcher was one member of the management committee and staff member in zone, the researcher observed that the public service like vehicle registration, driver competency assurance certification and vehicles leveling and route management

and planning have been raised as sources of governance problems in the service delivery process. Additionally, individual transport operators have complaint in their participation and consultation during formulation of laws, rules, regulations that govern the sector's service delivery process. They said that 'we did not participate and consult properly in these processes.

Despite the aforementioned institutional as well as governance problems were raised by the customers and governing bodies, the responsible sector (SWZTTD) was not trying to identify the causes of these problems to be responsive and improve its service delivery process (Minutes recorded on April 16/2010). In addition, no adequate research effort has been made to address the causes of these problems in the study area by anybody. Because of this, conducting this study is becoming attractive for the student researcher to identify cause of the mentioned problems and to ascertain whether the gossips are real or not. Therefore, it turns out to be important to conduct a critical assessment of the role of institutional capacity in relation with good governance practices in the service delivery processes of the sector so as to understand the institutional capacity factors and good governance problems which underlying the ineffective service delivery in the study area.

### **1.3.Objective of the Study**

This study has general and specific objectives;

#### *1.3.1. General objective*

The general objective of this study is to assess roles of institutional capacity of SWZTTD with respect to its governance practices in terms of transparency , participation , responsiveness and accountability in the service delivery process.

#### *1.3.2. Specific objective*

To achieve the general objective, the study has pursued the following specific objectives:

1. To investigate the working system of the transport sector.
2. To identify good governance practices of the sector in the service delivery process.
3. To assess performance evaluation and reward HRM practices of the transport sector.

4. To examine the role played by institutional capacity and governance practices and their magnitude for excellent service delivery.

#### **1.4. Research question**

To achieve the specific objective of the study the following research questions were formulated.

1. To what extent the working system of the transport sector is effective to deliver the intended service;
2. How good governance in the service delivery process has implemented in the sector;
3. What mechanisms are employed for performance evaluation and reward HRM practices in SWZTTD?
4. To what extent institutional capacity and good governance practices ensure excellence in service delivery.

#### **2. Theoretical and Empirical Literature Review**

Unfortunately no single definition of institutional capacity currently exists, yet the concept of capacity building remains complex and difficult to grasp and put into practice, institutional capacity can be defined as development of effective and efficient institutions and human resource who have ability to perform tasks and produce outputs, to identify and solve problems that adheres to good governance principles and ensures successful service delivery (EA, 2005; Hendricks et al., 2008).

Odeck, Langaas and Bjørvig (n.d) , define institutional capacity in terms of three main activities such as skill upgrading, procedural improvements, and organizational strengthening. Similarly, UN (Economic and Social Council, 2006) defines institutional capacity development as the process by which entities develops abilities to perform functions, solve problems and set and achieve objectives. It needs to be addressed at three inter-related levels: individual, institutional and societal.

Over the years, the notion of capacity development has been changed. According to Warburton (1998), two broad approaches dominated institutional capacity.

First, capacity building is often understood as training and other methods to help people develop the confidence and skills necessary for them to achieve their purpose. Such

approaches have attempted to support organizational needs by identifying immediate and urgent impediments to improved performance.

A second approach, whilst recognizing the importance of developing individual skills and competences focuses instead on an understanding of capacity as interconnectivity and mutual interdependence. In this approach, capacity-building initiatives must consider the ways in which staffs in organizations operate in context.

The UNDP (2009) applies a three-level conceptual approach to analyze and assess the capacity of public institutions in a systemic manner. In this approach, capacity issues should be analyzed at individual, organizational/entity and enabling environment/system different levels. The individual level refers to are the skills, experience and knowledge that allow each person to perform and the work ethic that the staff embraces in performing their functions efficiently and effectively within the organization. The organizational refers to the internal structure, policies and procedures that determine an organization's. It is in this level that the wider institutional environment such as political, economic and cultural factors benefits is put into action and collections of individuals come together.

The enabling environment refers to is the broad social system within which people and organizations function. It includes national and regional Regulatory framework and policies that manage the institutions, and how these institutions inter-relate, interact and depend on each other.

Above all, four core parameters seem to have the greatest influence on institutional capacity development. These core parameters are picked up from empirical evidence and UNDP's first-hand experience (UNDP, 2009:13). These are:

- **Institutional arrangements:** are the policies, practices and systems that allow for effective functioning of an organization or group.
- **Leadership:** is the ability to influence, inspire and motivate others to achieve or even go beyond their goals. It is also the ability to anticipate and respond to change.

- **Knowledge:** Seen from the perspective three levels of UNDP capacity development approach, knowledge has traditionally been fostered at the individual level, mostly through education. However, it can also be created and shared within an organization, such as through on-the-job trainings and capacity development programmes.
- **Accountability:** From a capacity development perspective, the focus of accountability is on the interface between public service providers and its clients or service providers and oversight bodies. More specifically, it is about the willingness and abilities of public institutions to put in place systems and mechanisms to engage citizen groups to capture and utilize their feedback as well as their capacities.

### **2.1. Conceptual Framework of the Study**

In an organization when the working system specifically presences of clear and comprehensive rules and regulation, strategies and policies, helpful mechanisms and customer focused organizational structures are crucial to provide customer insight services. Because it the working system of the organization which influence and direct the interaction and relationship between the customers and service provider organizations. Working system of an organization is very crucial to provide public services that raised standards and level of services, which in turn ensure service excellence by developing an in-depth understanding of the organization customers.

The human resource is one of the major components of institutional capacity. This enforces all the working systems indicators, and decides whether the organization engaged in customer insight strategies or give emphasis customer focused approaches throughout the organization in order to deliver excellent service to all customers. Hence, it is imperative practicing human resource management boosts motivation, commitment and performance of this irreplaceable resources and continually developing its capacity.

The leadership is the architect of excellent service delivery standards in a given organization. The standards of excellent service are measured in terms of the successful achievement of the organization goal, mission and vision. Therefore, it is the architect's vision and energy as well as managerial and technical competence that keep the human

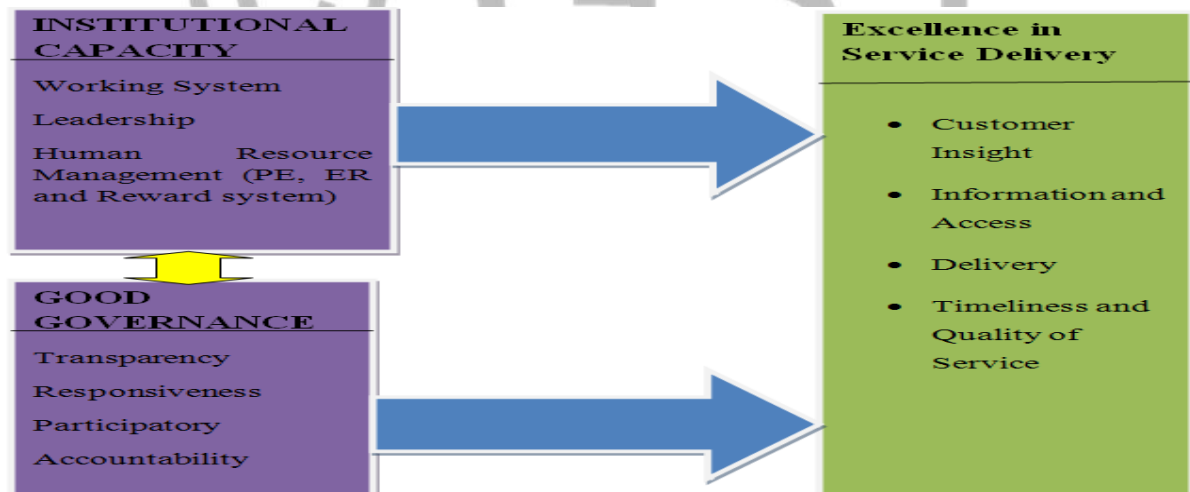


resource management (HRM) and working system aspects of institutional capacity indicators to be in balance and adapted to in the real organization context.

There is a broad consensus that good governance is crucial for excellence service delivery in public organization, which needs to be supported through institutional capacity development (Schenionek et al., 2009). This implies that achieving good governance requires a strategy for institutional capacity, which takes into account leadership vision and decision-making processes, commitment of employees and the way in which these parameters integrated with the working systems of an organization. More specifically excellence service standards such as timeliness and quality of service and information and access can be achieved if and only if the organization has practicing transparency and responsiveness principles of good governance.

Additionally the customer’s insight standards of excellent service delivery are achieved via in practicing the participatory principle of good governance.

Figure 2.1. Conceptual Framework of the Study



Source: researcher own interpretation, October 2012

Legend: PE=Performance Evaluation ER= Employees Relation

### 3. Research Methodology and Design

The researcher used both qualitative and quantitative approaches for the study to describe the role of institutional capacity and good governance practices in service delivery in the study area. Hence the study used descriptive survey type research method.

The population consists of all vehicles the 400 owners who have gotten leveling certificate to provide public transport in SWZTTD in the year 2010 and 2011, all the 32 attendance listed technical staffs in SWZTTD in the transport sub sectors are considered as target population, the department heads in police and trade and transport departments, road safety competency assurance and Transport services competency assurance process owners in the transport subsector and Transport Associations (TAs) managers who are based in Dessie city and Drivers Training Center (DTC) Managers/owners would be considered as target population. The reason TAs selected only from Dessie city is such association works in public transport throughout the zone are based only in this city.

The study employed both probability and non-probability sampling techniques and census sampling method was employed to determine the sample size of the technical staff population and statistical formula for vehicle owner population.

For the vehicle owners' population, who have leveling certificate, the sample size has determined by the following formula developed by Cochran (1963:75);

For a population that is large;

$$n = \frac{z^2 pq}{d^2} \dots\dots\dots \text{eq1}$$

The sample size (n) can be adjusted using Equation 2 for small population then the sample size can be corrected for proportions and reduced slightly.

$$fn = \frac{n}{1 + \frac{(n - 1)}{N}} \dots\dots\dots \text{eq2}$$

Where, N= population size

n= desired sample size

$z$ = confidence level (95% = 1.96)

$p$ = estimated characteristics of study population (0.5)

$q$ = 1- $p$

$d$ = level of statistical significance set/margin of error (0.05).

By assuming that the size of certified vehicle owners' population in the zone trade and transport is larger, the sample size of the study would be:

$$n = \frac{z^2 pq}{d^2} \quad \text{where } Z= 1.96, \quad p= 0.5, \quad q= 1-0.5, \quad d= 0.05$$

$$n = \frac{(1.96)^2 * (0.5) * (0.5)}{(0.05)^2}$$

$$n = 385, \text{ for larger population (N)}$$

Since the total certified vehicle owners' population of the study is estimated 400, that is small population, the sample size using 95% level of confidence will be:

$$fn = \frac{n}{1 + \frac{(n-1)}{N}}$$

Therefore,  $N= 400$  and  $n= 385$ , then the sample become calculated

$$fn = \frac{385}{1 + \frac{(385-1)}{400}}$$

$fn = 196$  , Then including 32 technical staff, 4 key informants, 6 TAs managers and 4 Driver Training Center Managers/owners the total sample size of this study was 242 and the detail population and sample sized distribution of this study listed in table 3.1 below.

**Table 3.1: Population and Sample Size Distribution**

S.No	Respondents	Population	Sample Size	Sample size in %	
1	Vehicle owners	Level 1	125	61	31.12
		Level 2	200	98	50
		Level 3	75	37	18.88
2	Technical Staffs	32	32	100	
3	Leaders	Trade and Transport Department Head	1	1	100
		Police Department Head	1	1	100
		Road Safety & Competency Assurance Process Coordinator(RSCA)	1	1	100
		Transport Services Organization & Competency Assurance Process Coordinator(TSOCA)	1	1	100
4	TAs Managers	6	6	100	
5	Driver Training Center Managers	4	4	100	
	Total	446	242	54.26	

#### 4. Findings and Discussion

Based on the primary and secondary data, the following main findings, interpretation and discussions are illustrated.

##### 4.1. Analysis of Institutional Capacity

The working system and human resource capacity and management, practice of SWZTTD analyzed based on the field survey result as per the current working rules, regulations, and procedures. This can be carried out by analyzing the responses of the vehicle owner and technical staff respondents as well as the key informants' attitude and understanding on the subject qualitatively and quantitatively.

##### 4.1.1. Analysis of Working System

The respondents answered about their knowledge on the presence of comprehensive regulatory framework and standards. In this regard out of 32 technical staff respondents 56.2% have agreed that the organization has adequate and comprehensive rules and regulations to govern service delivery, the remaining 43.8% have not agreed. Similarly, 51.6% of these respondents did not agree that the organization has working documents like transport policy and other working manuals and the remaining 48.4 % are agreed on the presence of working documents.

In the contrary out of 182 vehicle owner respondents 55.6% (99) explained that they 'did not know' proclamations, regulations and directives that guide them to get service in SWZTTD, whereas 44.4% (79) confirmed that as they 'know' proclamations, regulations and directives to get services in the zone..

Out of 100 respondents that claimed for 'we don't know' prerequisites and service standards 85.3% (87) believed that the reasons that makes them unfamiliar is because of the service prerequisites and standards are not being clearly publicized. 58.8 % ( 60) and 29.4% (30) of these respondents have considered service prerequisites and standards are not easy to understand and personal problems to understand and exercise the prerequisites and standards as reasons that made them unfamiliar with the standards and prerequisites.

Regarding on the knowledge on the presence of comprehensive regulatory framework and standards one of the interviewed process coordinator (RSCA) has disagreed with the response of the vehicle owners. He said that....

*“The proclamations, regulations and directives are well known by customers and employees of the organization. Trainings had been given on the transport proclamation, regulation to control road transport traffic. Furthermore, we have prepared and distributed more than 500 template and brochures two times in 2004 fiscal years. He added also, there is no transport policy, but it integrated in the industry and urban policy of the country (November 21/2012)”*.

Of course, the industry policy of Ethiopia has taken in to account road construction and road transport in a sense that improving the managerial role of Ethiopian Road Authority and the private sector capacity in building and repairing roads as a favorable condition for industrial development and developmental entrepreneurs. However, the researcher believed that transport issues and services have not magnified and articulated well in the industrial policy, but it considered as one accessory means of infrastructure development. This in turn makes the sector to run the service delivery process with fragmented and unclear regulatory framework and direction. Because, policy serve as a framework to develop comprehensive and clear legal frameworks in order to ensure excellence in the internal and external service delivery process of the sector.

The other interviewed process coordinator (TSOCA) explained that:

*‘Of course, there are rules that govern and direct the department business, and these rules are amended time to time. The staffs of the organization have known these rules through different trainings. However, we did not strive a lot to make the customers familiar with the sector rules. We did not organize public stages and not used various communication mechanisms to aware the customers about the governing rules of the organization (November 21/2012)”*.

However, the finding of the discussion held with the two focus groups revealed that different idea from the response of the process coordinators. The driver training centers managers stated that:

*“The proclamations, regulations and directives are not accessible for not only the training centers but also the department. Therefore, employees of the organization ‘had not known’ regulations and directives, and it is unthinkable expecting us to know the proclamations prior to*

*the owner. We managed conflicts based on our experiences and awareness we have in the past, not with written rules (November 20/2012)''.*

However, TAs managers have advanced one-step forward in knowing the proclamation that established their associations, proclamation No14/84. They said that:

*‘As per proclamation No14/84, regulation and directives were enacted. These regulations and directives are not comprehensive and stable. Managers in TAs are familiar with these proclamations, directives and regulations. However, employees in the transport sector ‘haven’t known’ these rules. We observe capacity gap from one employee to the other in implementing and implemented these rules (November 21/2012)''.*

The overall findings on knowledge of respondents on the presence of comprehensive regulatory framework and standards implied that the customers and employees of the organization did not know the governing rules, which determine the governance of the organization. Therefore, in such practices, it is impossible to ensure excellence in service delivery in the organization, because excellences service delivery requires clear information and understanding the governance of the organization by all actors. Hence, according to Australian Public Service Commission (2007:1) public sector governance covers:

*‘The set of responsibilities and practices, policies and procedures, exercised by an agency’s executive, to provide strategic direction, ensure objectives are achieved, manage risks and use resources responsibly and with accountability’’.*

#### **4.1.2. Human Resource Management Practices**

The human resource management practices of the transport sector in SWZTTD can be analyzed quantitatively and qualitatively from the data obtained via questionnaires, which is filled by the technical staff and to some extent by the vehicle owners and interviewed official responses.

In order to ensure excellence in the service delivery effectively leading skills development, training and capacity building of employees within the given sector have paramount importance.

As it can be shown in Table 4.1, out of 32 technical staff respondents 72.4 % (21) are believed that their organization SWZTTD has not staffed with adequate and trained human resources, whereas 24.1 % (7) agreed that their organization staffed with adequate

and trained human resources. Similarly, out of 131 vehicle owner respondents that claimed for holding up problem in the service delivery process, 64%(87) have identified lack of adequate staff as a main reason for not getting speedy service in the sector.

Regarding on provision of the required capacity development training to experts, out of 32 respondent 90.6% (29) confirmed that SWZTTD ‘has not’ offer capacity development trainings for employees that help them to realize mission and vision of their organization. Only 6.3% (2) and 3.1% (1) respondents agreed and have neutral idea on the capacity development trends of the organization respectively. Similarly, the focus group discussion conducted with the DTC also supports this finding.

**Table 4.1 Attitude and knowledge of technical staffs on capacity development trend of their organization**

Themes	Description	Category	Frequency	%	Valid %	Cumulative %
HRM Practices	Your organization has staffed with adequate and trained human resource.	Strongly disagree	8	25.0	27.6	27.6
		Disagree	13	40.6	44.8	72.4
		Neutral	1	3.1	3.4	75.9
		Agree	7	21.9	24.1	100.0
		Strongly agree	0	0	0	0
		Total	29	90.6	100.0	
		Missing	3	9.4		
	Your organization offers the required capacity dev’t training for its staff that would help them to realize the mission and vision of the sector.	Strongly disagree	13	40.6	40.6	40.6
		Disagree	16	50.0	50.0	90.6
		Neutral	1	3.1	3.1	93.8
		Agree	2	6.3	6.3	100.0
		Strongly agree	0	0	0	0
		Total	32	100.0	100.0	
		Missing	0	0		

Source: Field survey result, November 2012

Performance evaluation helps in establishing clear-cut standards, which may be compared with the actual contribution of each employee for excellence service delivery. Table 4.2 disclosed that, since the organization had not recognized (table 4.1) importance of capacity development for better achievement of mission and vision of the organization; it had not also established mechanisms that could help to evaluate employees’ performance and hence, to reward best performers.



**Table 4.2 Attitude and knowledge of technical staffs on performance evaluation mechanisms**

Themes	Description	Category	Frequency	%	Valid %	Cumulative %
HRM practices	Are there mechanisms to evaluate employees' performances and rewarding best performers in your department?	Yes	5	15.6	15.6	15.6
		No	27	84.4	84.4	100.0
		Total	32	100.0	100.0	
	How do you level the importance of the mechanisms in boosting the employees' motivation?	Very high	0	0	0	0
		High	1	3.1	25.0	25.0
		Average	3	9.4	75.0	100.0
		Low	0	0	0	0
		Very low	0	0	0	0
		Total	4	12.5	100.0	
	Are you satisfied in your job within this department?	Missing	28	87.5		
		Yes	6	18.8	18.8	18.8
		No	26	81.3	81.3	100.0
		Total	32	100.0	100.0	

Source: Field survey result, November 2012

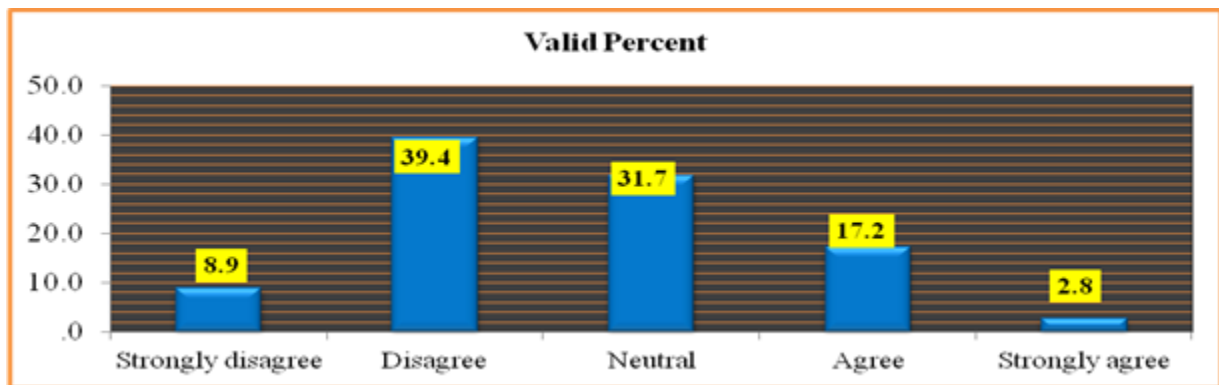
Out of 32 technical staff respondents, 84.4% (27) assured that absence of such kind of mechanism in the organization, whereas 15.6% (5) were assured the presence of such mechanisms. Though, 15.6% assured the presence of employees' performance evaluation mechanism in the organization, 75.5 % of these respondents have leveled the importance of the mechanisms in boosting their motivation in average scale, the remaining 25.5% leveled in high scale.

The two interviewed process owners have supported the response of technical staff on the absence of performance evaluation. Both of them agreed up on the idea, the organization has no clearly defined performance evaluation and rewarding mechanisms; however, they believed that the organization has tried to identify best process coordinators and started to give rank, but the approach is fragmented and have no continuity.

The finding presented in figure 4.1 below, support the above argument. Out of 182 vehicle owner respondents, 48.3% (77) did not believe employees in SWTTD serve the customers and understand their need in the service delivery process. Similarly, we can

observe that from figure 4.4, 20% (36) of vehicle owner respondents believed that the staffs of SWZTTD have understood the need of the customers in the service delivery process. Therefore, the organization has to provide capacity development vision and commitment to motivate and satisfy employees in order to bring excellence in the service delivery.

**Figure 4.1 Understanding the needs of customer by the staff in the service delivery process**



Source: Field survey result, November 2012

### 4.3. Leadership as Institutional Capacity Entity for Excellent Service Delivery

Leadership is the vein and artery of public organization for excellent service delivery. It is not debatable all criteria's of excellent service delivery can be designed and realized in to practice due to the influence of the leadership in the given organization. The current performance of SWZTTD leadership assessed through questionnaires and interviews.

As depicted in Table 4.3, out of 182 respondents 51.7% (92) did not believed that the leaders in SWZTTD have commitment to put customers of the organization at the heart of the service delivery process, where as 21.3% (38) believed that the leaders have commitment to put customers at the heart of the service delivery.

The finding in Table 4.3 implied that the leaders were not proactive in managing customer expectation, and have not to strived to ensure that the services delivery in the sector to be customer friendly. In addition, the leaders have not understood as well as have not acted accordingly operations and procedures of the organizations that meet

customers’ needs and expectations; in particular, they did not understand the high flow rate of customers of the organization and the service weight.

**Table 4.3 Attitude of vehicle owner respondents on the leadership**

Theme	Description	Category of response	Frequency	%	Valid %	Cumulative %
Leadership Performance	The leaders in South Wollo Zone Trade and Transport have commitment to put the customer at the heart of service delivery.	Strongly disagree	22	12.1	12.4	12.4
		Disagree	70	38.5	39.3	51.7
		Neutral	48	26.4	27.0	78.7
		Agree	34	18.7	19.1	97.8
		Strongly agree	4	2.2	2.2	100.0
		Total	178	97.8	100.0	
		Missing	4	2.2		

Source: Field survey result, November 2012

Regarding on attitude of technical staff on the leadership trends and performance out of 32 technical staff respondents, 74.2% believed that the leadership in their organization has not confidence understanding the job trends and patterns of each process, and determining necessary actions. Only one respondent strongly agreed on the confidence of the leadership in understanding the job patterns.

Concerning on the utilization of collective approach, 33.3% of the technical staff respondents believed that the leadership utilizes collective approach in planning and organizing work, by cascading goals to process and staff, while 66.7% did not believe the leadership use collective approaches in executing strategies of the organization

Similarly, as indicated in Table 4.4, 93.7% of technical staffs respondents did not believe that the leadership in their organization proactively leverages employee strengths while providing targeted development opportunities, the remaining 6.3% have no clear idea on the issue.

Concerning on the effort of the leadership in improving work practices, 90.6% of the technical staff respondents replied that the leadership did not try to improve work practices to achieve the mission of the organization, whereas three respondents (9.4%) believed that the leadership has tried to improve work practices. As described by the

three respondents fighting rent seeking practices, scaling up best practices and leading in plan and make, employees to improve punctuality practices are actions taken by leadership to improve work practices.

**Table 4.4 Attitude of technical staff on the leadership trends and performance**

Theme	Description	Category of responses	Frequency	%	Valid %	Cumulative %
Leadership practices for excellences service delivery	The leadership in your organization is confident at understanding the job trends and patterns of each process, and determining necessary actions	Strongly disagree	13	40.6	41.9	41.9
		Disagree	10	31.3	32.3	74.2
		Neutral	7	21.9	22.6	96.8
		Strongly Agree	1	3.1	3.2	100.0
		Total	31	96.9	100.0	
		Missing	1	3.1		
	Is the leadership of your organization utilizes a collective approach to planning and organizing work, by cascading goals to process and staff?	Yes	10	31.3	33.3	33.3
		No	20	62.5	66.7	100.0
		Total	30	93.8	100.0	
		Missing	2	6.3		
	The leadership in your organization proactively leverages employee strengths while providing targeted development opportunities.	Strongly disagree	13	40.6	40.6	40.6
		Disagree	17	53.1	53.1	93.8
		Neutral	2	6.3	6.3	100.0
Total		32	100.0	100.0		
Is the leadership in the department tries to improve work practices to achieve the desired mission of the department?	Yes	3	9.4	9.4	9.4	
	No	29	90.6	90.6	100.0	
	Total	32	100.0	100.0		

Source: Field survey result, November 2012

#### 4.2. The Role Good Governance for Excellence Service Delivery

Practicing good governance principles in services delivery brings service excellence and builds trust and confidence of customers in the organization.

**Table 4.5 Attitude of respondents for good governance principles indicators for excellent service delivery**

Description	Vehicle owner					Technical staff				
	N	Min	Max	Mean	St.D	N	Min	Max	Mean	St.D
Being clear about the organization's purpose and its intended outcomes for customers	166	1	5	2.31	1.418	31	1	4	1.45	.810
Being clear about relationships between governors and the public	165	1	5	2.16	1.308	31	1	4	1.39	.715
Individual employees behaving in ways that uphold and exemplify effective governance	162	1	5	2.36	1.363	30	1	4	1.20	.610
Putting organizational values into practice	164	1	5	2.42	1.383	31	1	3	1.26	.575
Being rigorous and transparent about how decisions are taken	162	1	5	2.24	1.373	31	1	5	1.32	.832
Having and using good quality information, advice and support	160	1	5	2.54	1.396	31	1	5	1.52	.851
Making sure that appointed and elected governors have the skills, knowledge and experience they need to perform well	151	1	5	2.07	1.312	31	1	5	1.32	.871
Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group	158	1	5	2.17	1.402	30	1	5	1.70	.988
Understanding formal and informal accountability relationships	162	1	5	2.36	1.486	30	1	5	2.03	1.033
Taking an active and planned approach to dialogue with and accountability to the public	156	1	5	2.28	1.389	30	1	5	1.83	1.085
Taking an active and planned approach to responsibility to staff	156	1	5	2.15	1.410	31	1	4	1.84	.934
Engaging effectively with institutional stakeholders	168	1	5	2.67	1.633	31	1	5	1.90	1.136

*Source:* Field survey result, November 2012 *Legend:* 1= Very important 2= Important 3= Averagely Important 4=Less Important 5= Very Less Important

As depicted in Table 4.5 the highest mean score 2.07 with St.D of 1.312 and least mean score 2.67 with St.D 1.67 for vehicle owner respondents, and highest mean score 1.20 with St.D 0.61 and least mean score 2.03 with St.D for technical staff respondents has scored for those good governance indicators. These mean score value implies that believe of the vehicle owner and technical staff respondents on the importance role of those good governance indicators for excellence service delivery. However, relatively high St.D in the vehicle owner response for each indicator shown that relatively high variability in response ranges. Moreover, relatively less St.D in the response of technical staffs indicated that the staffs as they ranked all indicators in terms of the roles have for excellence service delivery in 'very important', 'important' and 'average' scale.

#### **4.3.The Role of Institutional Capacity for Excellence Service Delivery**

Moreover, as shown in Table 4.6, the highest mean score 1.13 with St.D 0.428 and least score 2.10 and with St.D 1.263 implies technical staff respondents have believed that the absence of each institutional capacity indicator listed in the table seriously affect excellence service delivery in the organization. Mean score 1.13 with St.D 0.428 indicated that leader without vision can deteriorate the institutional capacity of an organization even more than any institutional capacity indicators. Because transformational leadership is a hub in connecting all institutional capacity indicators for excellence service delivery, by dealing with the factors that constrain capacity, and to realign relationship in strategies, structure, rewards, coordination and evaluating mechanism and staff relationship.

Moreover, as depicted in Table 4.6 the response given for each indicator has not relatively varied except for organizational structure and coordination mechanisms indicated that the same understanding of the respondents on importance of each institutional capacity indicator for excellence service delivery.

**Table 4.13 Attitude of technical staff respondents on institutional capacity indicators for excellent service delivery**

Description	N	Min	Max	Mean	St.D
Leader with vision	31	1	3	1.13	.428
Committed human resource	30	1	4	1.40	.724
Absence of clear rules and regulation	31	1	3	1.42	.672
Absence of Policies and strategies	30	1	5	1.43	.858
Leader that has leadership/managerial competence	32	1	3	1.44	.669
Presence of unskilled human resource	31	1	4	1.45	.850
Leaders that can understand effective human resource management practices particularly employees' motivation and reward systems, evaluation and performance management systems and securing legal benefits of employees.	30	1	3	1.47	.681
Absence of helpful mechanisms for complaint submission for customers and employees	31	1	4	1.84	1.003
Absence of coordination mechanisms with stakeholders, and the regional counterpart bureau	30	1	4	2.00	.910
<i>Organizational structures not reached to woreda level</i>	29	1	5	2.10	1.263

**Source:** Field survey result, November 2012      **Legend:** 1= Very serious 2=Serious 3= averagely serious 4= Less serious 5= Very less serious

## **5. CONCLUSIONS AND RECOMMENDATIONS**

### **5.1. Conclusion**

The diffusion of the regulatory frameworks in the organization is very weak or much neglected. There is no designed strategy or internal policy for effective communication and announcement of the existing legal frameworks for all concerned actors. The customers as well as employees of the organization are not familiar with the proclamations, regulations and directives that determine interaction and relationship and responsibilities and accountability role of all actors involved in excellence service delivery of the organization.

The human resource management practice of the organization is very poor. Significant amount of the technical staff respondents, interviewed process coordinators have confirmed that the organization has not given emphasis for capacity development programs. 90.6% and 84.4% of the technical staff respondents have confirmed the absence of capacity development trainings and performance evaluation mechanisms respectively in the organization; and consequently, 81.3% of these respondents have not satisfied with their jobs.

The failure of the leadership participating and consulting customers and employees in decision-making process has been happened because of the leadership failure in understanding the job patterns of the organization. The leadership has not considered that the customers are the focal point of the service delivery, and has not build connectivity with the HR in the organization.

Both the customers and employees of the organization have not engaged and communicated on the organizational matters, specifically on issues that affect their interests. More specifically missing to consult and involve customers and employees on the setting, reviewing and raising of standards, organization fiscal plan and decision making and problem solving process makes hard the accomplishment of delivery standard of excellence service delivery.



It is evident to conclude from the response of FGD and open-ended responses that absence of accountability in the organization and unfamiliarity of the customers to the regulatory frameworks make the service delivery of the sector not to be speedy and quality.

## **5.2. Recommendations**

Based on the findings of this study, the student researcher strongly recommended SWZTTD to put in place the following points in the service delivery process to alleviate the current institutional and governance related problems.

### *5.2.1. Institutionalizing Legal Frameworks*

Governance of the sector need to ensure appropriate level of visibility, accountability and decision making on strategic and operational aspects of the organization based on comprehensive legal frameworks. This can be achieved by making the proclamations, regulations and directives easily accessible by the customers and employees of the organization.

### *5.2.2. Exercising Good Governance in the Service Delivery Process*

The sector has to put mechanisms that enhance customers' engagement, communication and to inform them in order to improve the challenges in the service delivery. Good governance practices is not limited only for the immediate customers, it is also crucial for staffs of the organization, and the good governance process in the organization focuses on improving the key human resource management practices.

In order to fight corruption, civil service laws need to prescribe strict rules of conduct backed by criminal sanctions and IT Systems that help to minimize corruption practices has to be established by Bureau of Trade and Transport (BoTT) in order to make excellence the service provided by the zone

### *5.2.3. Enforce effective HRM practices*

Employees are the key players of the organization and they have to be satisfied, motivated and committed with their jobs and the organization. Short and long term and need based capacity development programmes have to enforce.

Due to the demands on excellence service delivery, the human resource management should tend to exhibit an incentive-based approach.

The department has conducted skill audit and align the skills and field of study with the responsibilities and function of the sectors.

### *5.2.4. Promoting coaching and shared leadership*

The process coordinators in the sector have to strive consistently and regularly to reinforce the organization service delivery governance. To this end, they have to make all employees must be encouraged to take their responsibilities seriously, and to be active participant in the sector governance processes.

Frequent and consistent communication to all staff has to be conducted by the top leadership of the organization in order to ensure coaching and to understand mission of the sector and roles and responsibilities the staffs.

### *5.2.5. The Importance of further research*

This study tried to assess the role of institutional capacity and governance practices for excellence service delivery in SWZTTD in Amhara regions. However, this study is not in depth and has not assessed all institutional and governance parameters that affect excellences service delivery and limited it in assessing the public transportation service delivery. Thus, potential researchers are invited to conduct study on issues like the role of institutional capacity in public transportation, the role of automation in transport sector excellence service delivery and institutional capacity and customer satisfaction in public transport.

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