

The Effects of Loyalty to Accountability and Public Trust in Local Government Service Delivery

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Abstract: Loyal bureaucrats in government institution are not an easy discussion because the performance measurements for government staffs are not the same with that of private sector. In this sense, loyalty is considered as one of ethical values and it may come in conflict with the practice of professionalism in the delivery of the service. Even with ethical values embedded in the system, there is still evidence of misconducts in the service that challenges the notion of accountability to the extent it effects public trust. The question of organizational loyalty is 'not a big issue' for public servant because loyalty is always been disregarded. Thus, how to measure loyalty? What is the area of concern in loyalty of public servant? In some part, loyal public servants are difficult to measure. Public service continues duties and responsibility in serving the public are not been questioned and they must perform it without fail. Loyalty has always dictated as one to the owner, i.e the government instead of the very people the services go to. Thus, there are more than ethical values that would ensure accountability and public trust in public service delivery. Hence, this paper investigates the influence of inner value of civil servants with respect to organizational loyalty as a key element overriding ethical values as such. Empirical data using a questionnaire was applied on six local government bodies in Peninsular Malaysia covering 608 respondents. Our analysis using Smart-PLS technique finds loyalty to significantly mediate accountability and public trust.

Key words: *Local Government Service Delivery, Mediator, Public Trust, Accountability, Loyalty.*

INTRODUCTION

Not much been discussed about loyalty in public services [1; 2]. In the political realm, loyalty normally rest in the political figures. Democratic practices need loyal voters or followers to fulfill their political agenda that is to become a ruling government [3]. Government per say appoint administrative officers delegating their work and give services to the public at large. Goods and services delivered by the government are supposed to be free that is at zero cost. Postmodernism belief the world is changing, and it is the same with politics, economics and social frameworks [4]. These changes transformed accordingly and these phases can be witnessed by the changes in economics and social lifestyles of the world population. What is supposed to be free before may not be so in today's phenomenon.

Government's transformation can be seen in their changing style of government and the introduction of technology in managing services [5; 6]. Services and goods may not be free in the near future. Even it is free, it is with low quality. Technologies are there, but it is not widely spread to the rural area and even it is existed, the internet is slow and the coverage is limited. Thus, public have no choice, they have to get access through private services. Malaysia incorporated introduced privatization and the amalgamation of public services to private business such as TNB, TELEKOM and as such. This move 'compelled' the public to pay for these services. Goods and services are no longer free in these postmodern lifestyles. Thus, the question can be asked such as can loyalty to public services been exercise or felt? How loyalty to public services is shown by the public servants? If loyalty in private sectors can be exercised through 'exit' by the consumer, what are the initiatives to exercise loyalty in public sector, because public cannot switch 'brands' in services?

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As the main front in delivering services, local governments are seen as the backbone in testing the quality of services given to the public. Federal Constitution of Malaysia stated that local government is under the control by state governments [7]. This paper investigates organizational loyalty in local government service delivery. The central focus discussed is whether organizational loyalty has connection with trust among the public?

LITERATURE REVIEWS

Loyalty is the expression of being faithful and willingness to sacrifice. Bureaucratic loyalty been distinguish into five aspects; (a) personal conception that is emphasis on the beliefs and personal values of the administrator; (b) Social conception which is loyalty lies with colleagues friends, clients, family, subordinates and acquaintances; (c) Professional conception that is loyalty is driven by their profession and professional rules; (d) External moral consideration which is considering outside influence such as groupthink, peer pressure; (e) civic that is loyalty to citizens [8]. Public service loyalty is not being studied thoroughly. Most of the studies centers around towards ministers or government. One study found that the Dutch civil servants have varied conceptions regarding their roles in an organization [3]. Most of them saw themselves as loyal advocates served as advisory roles in an organization. On the other hand, public service loyalty to citizen implies that in appealing to general public interests, such as preserving the rule of law or preventing large-scale waste of resources, public employees are allow to disobey political leaders. This is a strong force on conception of loyalty [8]

A classic conception of loyalty in civil service envisioned by Max Weber is that loyalty is neutral, predictable and has unquestioned obedience to the higher authorities [9]. The portrayed description by Weber's has been questioned both normatively and empirically. Uncritical loyalty to officials is dangerous and can lead to morally disastrous conduct. In this sense, strict loyalty may not always lead to efficient and effective administration. To affectively address societal problems, administrators often have to bend rules and instructions. These necessities are linked to the complexities and contextual demands of everyday work. Rationality demands flexible organisations with members who are not given strict instructions but have some discretion in how they perform their tasks. Greater discretion does not mean that the

wishes of superiors and politicians should no longer guide a public servants' action. Being loyal is not synonymous with strict following instructions [3]. In addition, motivation also been asserted that the motivation for public service loyalty is organizational rewards for loyal employees [2]. Government rewards are not contractable and the sustainability of the rewards needed by repeated interaction. There should exist check and balance in implementing duties that is the civil servants can decline orders that exceed formal powers and civil servants can decline orders that exceed formal powers and civil servants do not contribute to act that undermine existing system and accountability. By being loyal to their organization, by being partial, by competing with and acting against others, government officials serve the common interest [3]. Studies also found that civil servants have become more involved with the public than just merely executing policy [3; 9].

New Public Management (NPM) puts accountability at the forefront as the benchmark in measuring performance. Accountability involves performing a certain action that corresponds to a positive expectation of the result of that action and justifying that action when the result is not as expected [10]. Public accountability refers to a situation where public officers are held liable or responsible for any decision or action involving public interest [11; 8]. The practice of public accountability represents the exercise of good governance [8]. It is the relationship and a process that relates policy makers, policy implementers and the public, where government becomes subservient to and answerable to the public [11].

Hirschmans's theory of exit, voice and loyalty reflect the situation when anybody or any firm faced unsatisfactory situation where he/she can run away or exit from that situation instead of staying in that place, whereas, loyalty modify the scene where when he/she feels that it is their right to defend himself/herself, he/she will put a defense and voice up. "Exit" as Hirschman stated in the state can be apply when there is dispute or unsatisfactory situation between groups, thus, the defeated groups will detach themselves and will not put their loyalty to those in power (12). In public organization, both situation cannot be apply as public need service from public sectors and it is a duty obligated to the public sectors to provide services. Thus, the theory can be redirect to loyalty of public employees towards the organization if the employee tries to improve the work performance instead of leaving the organization.

METHODOLOGY

This paper focused the investigation on public sectors in Malaysian local authorities. Local authorities in the state of Selangor and Kuala Lumpur are chosen as representatives of governments. Furthermore, the third tier government which is local government was selected as the domain because of the various services delivered to the public and because through geographical nature in term of services and as a field government that closest to people [7]. Thus, five local authorities in the state of Selangor and one local authority in the Federal Territory of Kuala Lumpur and all employees in these local authorities form the sampling frame. We approached the local authorities who then distributed the questionnaires to their department members as an internal procedure to reach the employees as respondents. Although 1300 set of questionnaires were distributed, finally, we obtained 608 respondents which translated about 46.8% responses rate.

Three hypotheses were developed for this study namely;

- H1 Accountability influences loyalty in local government service delivery
- H2 Loyalty influences public trust in local government service delivery
- H3 Loyalty mediates the relationship between accountability and public trust in local government service delivery

RESULT ANALYSES AND DISCUSSIONS

The application of Smart-PLS technique was used to analyse the data [13; 14]. Inter-item consistency of our measurement items was measured using Cronbach Alpha. This is an assessment on how well the items are positively correlated to one another. As shown in Figure 1, the measurement model test the relationship between accountability and public trust, in which, loyalty served as mediator variables. The model showed the hypothesized relationship of accountability, loyalty and public trust. Table 1 checked on the reliability of the construct. This study provides the alpha values ranged between 0.778 and 0.932. The Harman single-factor test was also conducted to examine the existence of common method variance. Common method bias is one of the main issues of measurement error, and it weakens the validity of the conclusion about the measures. Consequently, it leads to misleading conclusion. By using the Harman single factor test, un-rotated factor analysis showed that it was 43.9% and thus common method variance was not a danger to the

study. Fornell-Larcker criterion was used to assess discriminant validity. It compares the square root of AVE with the latent variable correlation. The square root of each construct should be higher than any other construct. The result in Table 2 shows that all off-diagonal elements are lower than the square root of AVE. Table 3 shows the result on hypothesis testing.

The main focus of this research is to test on the hypothesis of direct and indirect relationship between the three constructs (accountability, loyalty and public trust). To study the mediation effect, we used Preacher and Hayes technique to test whether the indirect effect of the independent variable on the dependent variable through the mediator is significant or not [14]. Current views stress that the focus in mediation analysis should be weighed more towards assessing the magnitude and significance of indirect effects relationship between accountability and public trust. The three hypotheses in regards to accountability, loyalty and public trust show positive result in which they have positive relationship. Alongside this, the result proof that loyalty is significant as mediator variable to public trust. Most studies of loyalty were found in marketing research in which loyalty were investigated to verify loyal customer to the product or companies. Most studies conducted in public organization / government centers on loyalty as the end to be achieved. This finding confirms that loyalty as important mediator to public trust in local government service delivery.

Base on the result of H₁ (Accountability influences loyalty in the provision of local government service) justify that accountability is an easily accepted concept and may fit well in any context and situation. The findings corroborated particularly to the study by Fard and Rostamy [15], and, Nor Zaini et al. [7]. It proved that accountability of a public servant is required in an organization. Conversely, Ebrahim [16] identified that accountability relationships are complicated by the fact that organizations often have to deal with competing accountability demands. Thus, accountability is a relational concept and should accompany with ethics to justify its existence. The importance of accountability and ethical accountability to public trust was proven through several studies such as Feldheim and Wang [17], Fard and Rostamy [15]. Loyalty can be a guiding effort towards better serving by the public employees towards people. The result showed that loyalty is never forgotten.

Public service delivery has been under constant scrutiny from the public on their performance in delivering services [15; 18]. Local government plays the role in closing the gap between the government and the public should always careful in disseminating duties and addressing the public. Thus, organizational loyalty should be given more attention in ensuring that the services run smoothly and efficiently [19]. Loyal public servants will go into full scale to serve the public and portraying good image of their organization. This will be extra credit to local government if these kinds of

employees are in existence. ‘Switching brands’ are off questions in public services, thus, whether the public like it or not, they have to use the services. Local Agenda 21 (LA21) is a big move to bridge the gap between public and local government thus, it is translated into various activities done by the local government and the community [20]. In this sense, local government commitment is a must and without full sense of loyal act by the employees, these actions would not succeed. Frontline service is important to foresee the commitment towards improvement in public services [21].

Figure 1: Result of the Measurement Model

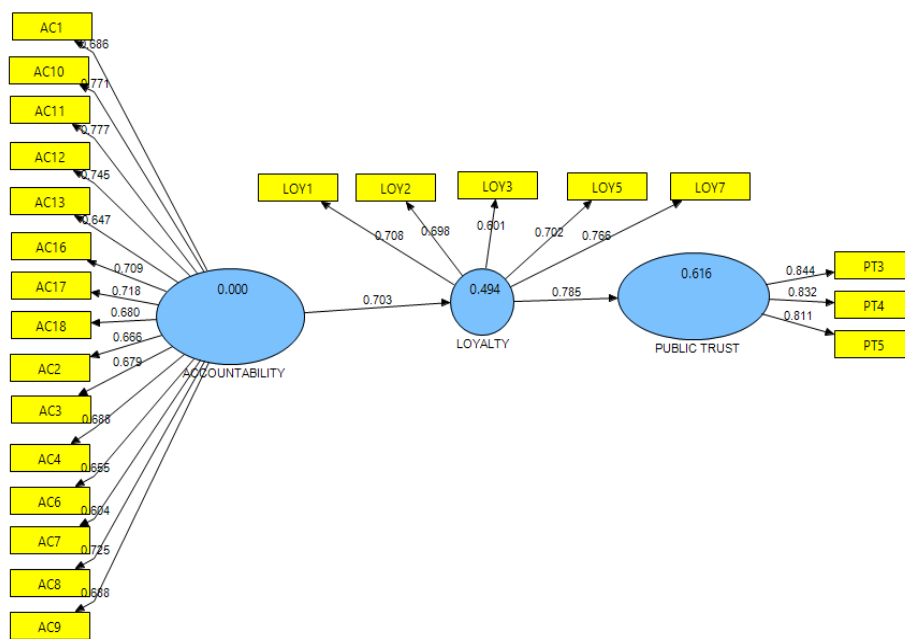


Table 1: Internal Consistency Reliability

Item	Loading	CR ^a	Alpha
Public Trust	0.799 – 0.806	0.903	0.857
Accountability	0.663 – 0.775	0.940	0.932
Loyalty	0.784 – 0.858	0.870	0.778

Note: ^a Composite reliability (CR) = (square of the summation of the factor loadings)/{(square of the summation of the factor loadings) + (square of the summation of the error variance)}

Table 2: Inter-correlation Matrix

Item	Accountability	Loyalty	Trust
Accountability	0.728		
Loyalty	0.637	0.832	
Trust	0.631	0.621	0.827

Notes: Diagonal (in bold) represent the square root Average Variance Extracted (AVE).

Table 3: Hypothesis Testing

Hypothesis	Relationship	Beta	Se	t-value	Decision
H ₁	ACC-> LOY	0.637	0.028	22.413***	Supported
H ₂	LOY-> TRUST	0.065	0.036	1.816**	Supported
H ₃	ACC ->LOY-> TRUST	0.053	0.022	2.369***	Supported

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

CONCLUSIONS

The findings from this study provide important implications to public sector organization especially to local government service delivery. It further justifies the continued emphasize placed by the government on ethics and accountability in order to enhance service delivery. With this knowledge, the federal, state and local government can have several understanding on; the importance of the application of ethical accountability within daily working life; which ethical accountability is important for the community, and; the stress on loyalty in an organization while disseminating their task. It is important to note that the performance of local government should be followed by loyal act. Any act of disloyalty should be avoided by any means. Local government as service provider should play their role in promoting loyalty behavior by portraying good image and practicing good ethical conduct. This study become as motivating factor to public service, and in particular, local government, to always put an effort to reduce complaints and strive for the betterment of a society and confidence towards government.

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