Governance Structure and Performance of Service Delivery in

Korean Local Government

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Introduction

Since the role of local government in public service delivery becomes more important than ever before, the performance of public service delivery influences the quality and the chance of citizen's life. Recently, the great concerns about the high performance of local government service naturally came out, because Korean people in the face of change of democratization and localization of our society were willing to participate in local government activities, and to ask high performance of local government. In addition, the wave of globalization brought about high competition among nations, and required the great reform of governments or public sector as well as the private sector.

The reform has often focused on the internal managerial system of government, but it has to focus on seeking the efficiency due to the high competition among nations and the new paradigm of government role due to the democratization. This is based on the new recognition of the roles of citizens and NGOs in a community or a state. In this
context, government leaders have continuously explored the better ways of governing in many western countries. This is due to the fact that the leaders take the responsibility of high performance of government organization. To bring about high performance, the governments have often managed public policies or programs with complex networking system such as cooperation, network, partnership as well as special district, service delivery area, local administrative agency, and non-profit organization. Therefore, there are changes in the patterns of public service provision. The preferred pattern of service provision is bureau model by which public officials and government organizations have directly provide the services until early 1970s. Nowadays, it has changed to governance model by which the services are provided through complex patterns and networks (Pierre and Peters, 2000; Lee, 2006: 3).

Many scholars define variously the concept of governance, and suggest variously the desirable model of governance. Some governments provide public services with poor structure of new governance or traditional bureaucratic governance structure depending on policy or service fields. This difference necessarily brings about performance variation of public service delivery.

In this context, this paper tries to find impacts of governance structure on the performance of public service deliveries in Korean local governments.
Conceptualization of Governance

The increase of government role for the improvement of public interests faced the crises in western countries in 1980s. Therefore, many countries reestablished the government role and reviewed the operating style of government. Some scholars explained the concept of governance with reestablishment of government and change of its operating style (Adshead and Quinn, 1998: 209-225).

Pierre and Peters (2000: 12) say that governance has become a popular if not trendy concept in much of the contemporary political and academic debate. The term of 'governance' is widely used in both public and private sectors, in characterizing both global or local arrangements as well as central government. It is also used to refer formal and informal norms and understandings. Those who use the term do not think precise definitions necessary because it has strong intuitive appeal. As a results, when authors identify 'governance' as important to achieving policy or organizational objectives, it may be unclear whether the reference is to organizational structures, administrative process, managerial judgment, systems of incentives and rules, administrative philosophies, or combinations of these elements(Lynn, Heinrich, and Hill, 2000: 1; Altshuler et al. 1999: 8).
But, it is necessary clear definition of governance for academic development. Governance is variously defined. Peter and Pierre (2000: 14) begin with four common governance arrangements that have existed historically as well as at present: hierarchies, markets, networks and communities. But, it can be divided into narrow and wide concept according to whether it means internal autonomous governing system within civil society or mutual cooperation system among state, civil society and market beyond civil society (Jessop, 1999; Lee, 2002: 321-338).

As a narrow concept, the governance means voluntary, autonomous, and self-organizing adjustment arrangement within civil society (Kim et als., 2000: 41; Lee, and Kim, 2001:28). Ostrom (1997) uses this narrow concept in her studies of self-governance system for the commons. Some scholars define governance as cooperating system and adjustment configurations based on the autonomous and beneficiary mutual dependency without formal authority emphasizing heterarchy(Jessop, 1999: 351) or network (Kooiman and Vliet, 1993: 64; Rosenau, 1992: 5). Unlike those scholars, Jessop (2000) defines broadly governance as autonomous and horizontal heterarchy among mutual dependent actors of state, market, civil society, etc. Feiock (2004: 3) says that governance encompasses more than city or county governments at local level; it includes voluntary, not-for-fit, and
private organization as well as intergovernmental linkages. Of course, he has also concern with the central role that municipal governments play in the governance of metropolitan areas. He asserts the organization and structure of city governments shape local governance by influencing the cost of accessing governmental authority.

Peter and Pierre (2000: 14) also broadly define governance as raising process of government capacity through the strategic cooperation with organizations operating outside of government. Heinrich and Lynn (2000) also suggested the main features of JTPA(Job Training Partnership Act) governance with a belief that quasi markets rather than traditional bureaucracy might be a more reliable way to ensure that the program's goals were met. The features are the extension of formal authority for program administration to private-sector representatives, the introduction of performance standards based on financial incentives, and a highly decentralized administrative structure allowing substantial discretion (Heinrich and Lynn, 2000: 68).

Governance concept is also used by the some scholars to refer the legal and political relationship between the state and local governments. According to Oakerson and Parks (1989: 279-294) the nature of governance in metropolitan areas may be best understood in terms of citizens making use of enabling and associational rules, resulting in complex “local public economies,” consisting of a variety of governments
dependent on one another in the provision of local public goods and services (Stephens & Wikstrom, 2000: 116).

Considering above various definitions of governance, we can define the governance related to the governmental activities as adjustment configuration which newly interacts and cooperates with constructing horizontal network based on voluntary participation and autonomy of mutual dependent government, market, and civil society to solve public problems. In this case, it means wide concept.

**Measurement of Governance Structure**

Considering the above many definitions of governance, we can numerate the important aspects of governance as autonomy, mutual dependency, cooperation and coordination, and network among government, market, and civil society. Mutual dependency is the characteristics of corresponding institutions, and it influences the governance building not representing characteristics of governance itself. Governance structure can be different according to containing the characteristics of sub-variables of governance. Even though is there some debate, we can use the concept of the governance level which means how the governance is structured.¹ The continuum of

¹ Huther and Shar (2005 39-59) used the concept of governance index to measure
governance level is more proper than its categorical concept in theory building of governance (Hage, 1972: 1, 32).  

O'Toole and Meier say that hierarchy and network are structural notions. They believe that the key dimension distinguishing them is formal authority to compel, and a hierarchy is a stable set of relations with positions arrayed in a pattern of formal superior-subordinate authority links. By considering hierarchy as a common form, they can focus on an additional dimension: the extent to which public programs are located fully within a single agency or spread across parts of two or more organizations-within a single government, located across governments, or encompassing links between public agencies and business or nonprofit organizations. Such patterns of two or more units, in which all the major components are not encompassed in a single hierarchy arrayed, are designated as networks (2000: 266). They assert that networks themselves can vary greatly in structural complexity, and one aspect of complexity is the sheer number of units connected in the multi-organizational array. Especially, they assert networks and hierarchies can be viewed as two poles of a continuum with hierarchies and networks. Viewed in this way, a network can be oversimplified and considered as the absence of hierarchy. Defining networks and hierarchies as poles of governance quality. It means the capacity of traditional government to attain political clarity, efficient provision of public service, improvement of citizen health and wellbeing, and atmosphere for the stable economic development.
a continuum permits us to measure highest levels of hierarchy as "1" and pure network level as "0". (O'Toole and Meier, 2000: 272).

The Structure of Governance and Performance of Public Service Delivery

The performance of policy or service delivery is influenced by various factors, and the relationship between independent variables and dependent one can be linear or non-linear, especially in the complex network organization situations (Heinrich and Lynn, 2000: 68-108). It is not easy to accurately find the structure variables or the effects of governance. Therefore, we can find and explain the accurate effects of the performance through reviewing the potential influencing variables and measuring the performances of various areas and institutions (Riccio, Bloom, and Hill, 2000: 166).

It is always difficult to evaluate the performance of government activity. Because it is difficult to find the results of the government activities, and there are too many factors to influence the performance (Kim et als. 1991: 155-224). In addition, newer forms of administration from the change of governance structure make it seem harder than ever to evaluate performance of government activities (Lynn, Heinrich, and Hill, 2001: 1).

Seidle(2005: 7) asserts that three important approaches to improving service delivery are quality management, structural change, and performance-oriented measures. In
order to improve service delivery, we have to change the structure of service delivery, and it is related to the change of the governance structure. Developing performance-oriented measures as a set of establishment of performance-oriented managerial system is directly connected to the management capacity. It is driven by specifying the dimensionality of performance-based activity in government settings as well as by four broad, core management subsystems, such as financial management, human resources management, information technology management, and capital management (Heinrich and Lynn, 300-309). In this perspective, the characteristics of performance-based management should be reviewed as an important controlling variable when analyzing the influence of governance structure on the performance of service delivery.1

Environment is also a very important factor which may influence the performance of service delivery. This factor includes social cultural characteristics and economic conditions as well as geographical characteristics of a city. The importance of this factor is indicated by the institutional framework of commons by Ostrom and colleagues (Ostrom, Gardner, Walker, 1997). Considering this factor, we should use city size, financial capacity of local government, service budget per capita as controlling
variables to find the influence of governance structure on the performance of service delivery. (Lynn, Heinrich, Hill, 2001: 151).

The characteristics of service bureaucracy are also considered as influencing variable on performance. They can be the specialty and expertise of the service bureaucrats (Kim, 2003), and the level of performance-based management system (Lynn, Heinrich, Hill, 2001:120-152). Specialty and expertise level means that of the director of the corresponding service in the local government. How much he or she has expertise in the field and how long he or she has worked in the service field is very important in bringing high service performance. The later is also indicated by the study of reinventing government (Osborne and Gaebler, 1992). It includes strictness and fairness of work evaluation, and reflection of the result on promotion and salary.

The performance of public service delivery is evaluated by the data of outcomes. Though objective measure of service outcomes can be used as a measure of service performance, citizen satisfaction or subjective service quality can be also used. It is because how citizen feel and satisfy on the service is important. Anyway, those who have responsibility of government reform should give priority in providing high service quality by the improvement of service delivery system. It is because citizen has a right
to receive responsive and accessible, and reliable services from public employees. This is an evident and right expectation of citizen (Seidle, 2005: 10).

The Analysis of Framework and Research Method

From above theoretical review, this study made a research model to depict the relationship between an independent variables and dependent variable as following.

<Figure1> Analytical Model of Governance Structure Influencing Service Performance

Governance Structure
① Governance Level

Service Bureaucracy Characteristics
① Level of Specialty of Service Bureaucrat
② Level of Performance-based Management

Service Performance
① Level of Social Welfare Service
② Level of Parking Service
③ Level of Environmental Protection Service

Characteristics of City Government
① City Size
② Financial Independency
③ Service Budget
In the above analytical model, there are many independent and dependent variables to be clear to measure. Major variables, their measures, and their reliability coefficients are as following <Table 1>.

**<Table 1> Variable Index and Reliability Coefficient**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Variables</th>
<th>Measures</th>
<th>Reliability Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance Structure</td>
<td>Governance Level</td>
<td>① Autonomy, ② Cooperation &amp; Adjustment, ③ Network Building</td>
<td>.7200</td>
</tr>
<tr>
<td>Service Bureaucracy</td>
<td>Specialty of Service</td>
<td>① Specialty of Work, ② Persistence of Work</td>
<td>.6823</td>
</tr>
<tr>
<td></td>
<td>Bureaucrat</td>
<td>③ Reflection of Salary</td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td>City Size*</td>
<td>① Large ② Middle ③ Size</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Financial Condition of City</td>
<td>Financial Autonomy of City</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Service Budget</td>
<td>Service Budget Per Capita</td>
<td></td>
</tr>
<tr>
<td>Performance of Service</td>
<td>Performance of Social</td>
<td>① Quality of Education Program, ② Comfortableness of Facility ③ Convenience of Facility ④ Satisfaction of the Aged &amp; Women Welfare Service</td>
<td>.8708</td>
</tr>
<tr>
<td>Delivery</td>
<td>Welfare Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Performance of Parking</td>
<td>① Adequacy of Parking Violation Ticketing, ② Securing Parking Space ③ Observance of Parking Order, ④ Difficulty of Passing (R), ⑤ Satisfaction of Overall Parking Service</td>
<td>.6554</td>
</tr>
<tr>
<td></td>
<td>Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Performance of Environmental Service</td>
<td>① Level of Air Contamination(R), ② Level of Water Contamination(R), ③ Level of Noise(R), ④ Preparation Level of Green Space ⑤ Satisfaction of Overall Environmental Protection Service</td>
<td>.8259</td>
</tr>
</tbody>
</table>
This study uses scientific method, uses the large local government as the unit of analysis, and includes 16 all the large local governments in order to secure the variety of governance structures. This study selects two types of services, distributive and regulatory services that commonly provide at the large local government in Korea. This study focuses on four kinds of services. They are social welfare service, welfare service for women, environmental service, and parking service. The data were gathered by telephone interview with citizens in the case of environmental service and parking service, and gathered by the questionnaires of the customers in the case of the welfare service for the aged and the welfare service for the women. We selected 680 citizens including 30 or 40 citizens in every metropolitan local government and 20 citizens in a medium or a small city from the telephone book by systemic sampling method to measure the service performances of regulatory services. In the case of distributive service, the data were gathered by questionnaires from study interviews with the 30 representatives of the associations for the related services in every city in order to evaluate the quality of the services.

Findings

The tests of mean difference of governance level among three types of service are as following <Table 2>.

<Table 2> Governance Level by the Service Type
In the above Table 2, there is significant difference of governance level by the service type (p=.033). In the governance level, environmental service shows highest level (4.006), and parking service does next(3.603), and social welfare service does lowest level(3.503). In the level of networking and autonomy of participation, there are comparatively salient difference among three service types, but in the cooperation and coordination there no significant difference among them.

The tests of mean difference of service level among three groups made by governance level were as following Table 3.

* Governance level (G) is made by the autonomy, cooperation & coordination, and networking with considering the weight (Factor Eigenvalue) of each variable (N=30; cities).

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Social Welfare</th>
<th>Parking Service</th>
<th>Environmental Protection</th>
<th>F</th>
<th>Sig. Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autonomy</td>
<td>3.338</td>
<td>3.291</td>
<td>3.909</td>
<td>4.788</td>
<td>0.010</td>
</tr>
<tr>
<td>S.D.</td>
<td>0.759</td>
<td>0.764</td>
<td>0.781</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cooperation</td>
<td>3.664</td>
<td>3.847</td>
<td>3.886</td>
<td>1.22</td>
<td>0.300</td>
</tr>
<tr>
<td>Coordination</td>
<td>S.D. 0.732</td>
<td>0.745</td>
<td>0.554</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Networking</td>
<td>3.808</td>
<td>3.229</td>
<td>4.204</td>
<td>10.058</td>
<td>0.000</td>
</tr>
<tr>
<td>S.D.</td>
<td>0.817</td>
<td>0.859</td>
<td>0.629</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governance</td>
<td>3.603</td>
<td>3.503</td>
<td>4.006</td>
<td>5.088</td>
<td>0.008</td>
</tr>
<tr>
<td>Level</td>
<td>S.D. 0.500</td>
<td>0.4322</td>
<td>0.414</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<Table 3> Governance Level and Service Level
### Table 3

<table>
<thead>
<tr>
<th>Governance Level*</th>
<th>Service Level**</th>
<th>L</th>
<th>M</th>
<th>H</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Welfare</td>
<td></td>
<td>M</td>
<td>2.369</td>
<td>2.844</td>
<td>3.413</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SD</td>
<td>0.339</td>
<td>0.142</td>
<td>0.242</td>
<td>72.416</td>
</tr>
<tr>
<td>Parking Service</td>
<td></td>
<td>M</td>
<td>2.303</td>
<td>2.706</td>
<td>3.121</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SD</td>
<td>0.2512</td>
<td>0.094</td>
<td>0.296</td>
<td>26.513</td>
</tr>
<tr>
<td>Environmental Protection</td>
<td></td>
<td>M</td>
<td>2.753</td>
<td>3.145</td>
<td>3.101</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SD</td>
<td>0.312</td>
<td>0.065</td>
<td>0.414</td>
<td>25.459</td>
</tr>
</tbody>
</table>

*H, M, L is made by upper 1/3 and lower 1/3 of governance level.

** Service level is measured by Likert-type 5 points Scale (N=30)

In the above <Table 3>, there is significant difference of service quality level among three groups made by the governance level. In the case of social welfare service and parking service, the cities which show high level of governance show high quality level of each service. This study result is the same of the studies of Heinrich and Lynn (2000: 300-301), and O'Toole and Meier (2000: 269-270).

Regression analysis of independent variables on the quality level of each service to find whether the governance structure influences the service quality level of a city is as shown in following <Table 4>.

### Table 4

Regression Analysis of Governance Structure
Influencing on Service Level of City

<table>
<thead>
<tr>
<th>Dep. Var.</th>
<th>Social Welfare</th>
<th>Parking Service</th>
<th>Environmental Protection</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>b</td>
<td>β</td>
</tr>
<tr>
<td>(Constant)</td>
<td>2.019**</td>
<td>1.817***</td>
<td>2.565***</td>
</tr>
<tr>
<td>Governance Level</td>
<td>.022 .018</td>
<td>.302* .507</td>
<td>.219 .190</td>
</tr>
<tr>
<td>Specialty</td>
<td>-.001 -.002</td>
<td>-.010 -.043</td>
<td>.007 .021</td>
</tr>
<tr>
<td>Level of Performance-based Management</td>
<td>.073 .108</td>
<td>-.038 -.182</td>
<td>-.016 -.025</td>
</tr>
<tr>
<td>City Size(L)</td>
<td>-.471 -.331</td>
<td>-.149 -.276</td>
<td>-.467 -.471</td>
</tr>
<tr>
<td>City Size(M)</td>
<td>-.663* -.300</td>
<td>-.331 -.425</td>
<td>-.532 -.357</td>
</tr>
<tr>
<td>Financial Independency</td>
<td>.031 .412</td>
<td>.004 .319</td>
<td>-.005 -.209</td>
</tr>
<tr>
<td>Expenditure per Capita</td>
<td>1.322E-05</td>
<td>.645</td>
<td>0.009 .045 .023</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>.267</td>
<td>.303</td>
<td>.335</td>
</tr>
</tbody>
</table>

In the case of social welfare service in the <table 3>, the R² (.267) of regression model was comparatively lower than those of other services, but the significance level
of model was comparatively higher than those of other services ($p=.003$). Independent variable which explained best the level of social welfare service is expenditure per capita ($\beta=.645, p<.001$), and city size (M) was the next ($\beta=-.300, p<.05$). The level of governance did not significantly influence the level of social welfare service and environmental protection service. But, it influenced the level of parking service. Therefore, we found that the level of governance differently influenced service level by the service type.

In the case of parking service, ($R^2$) of the model was .303 in the middle of three types of service and was statistically significant at the level of .05 ($p=.045$). In this model, governance level explained best the parking service level of a city and is only a significant variable ($p=.045$). In the case of environmental service, ($R^2$) of the model was .335 in the highest among them, but there was no significant variable that influences the service level. It may be caused by the sample size of 30 cities. Finally, unlike the study of Heinrich and Lynn (2000), the level of performance-based management of service bureaucracy and the level of specialty of service bureaucrats did not influence the service level. It is because even though performance based management is low in all the service bureaucracies, there is some difference in the service level of service of service, and because the measurement problem of specialty level of service bureaucrats such as time lag was not controlled.
All the models in this study were significant, and all their $R^2$s were statistically significant and above 20%. It was not low as compared to the fact that the governance variable explained 13% of incomes of graduates of JPTA in the study of Heinrich and Lynn (2000: 97).

**Discussions and Conclusion**

The important research findings of this study can be summarized as followings.

First, in the level of governance, it is in the order of environmental protection service, social welfare service, and parking service, and there is statistically significant difference by the service, not by service type. Environmental protection service and parking service are regulatory service, and social welfare service is distributive service.

In the case of environmental protection service, the levels of sub-variables of governance structure are generally high. But, in the case of parking service, the levels of autonomy and networking of governance structure are comparatively low. In the case of social welfare service, level of autonomy is low. Like this, structure configurations of governance are different among services. Therefore, we cannot say that governance level is high in regulatory service, and it is low in distributive service. It is a little different from a study that service activity may be different by the service type (Sharp, 1990).
Among sub-variables of governance structure, network building is a salient variable. The level of network building of environmental protection service is highest, and that of parking service is lowest among them.

Second, the relationship of governance and service level was comparatively positive except in the case of environmental protection service, in which cities showing low level of governance show low level of service, showed similar level of service between middle level and high level cities. Therefore, we can found that the relationship of governance level and service level was different according to the service itself. In the case of environmental protection service, the relationship of governance level and service level was not linear if not controlling other variables. It was the same result as those of other scholars (Heinrich and Lynn, 2000: 300-301; O'Toole and Meier, 2000: 269-270).

Third, the level of governance influences the level of parking service, but it does not influence the level of social welfare service. In the case of environmental service, it does, but significance level is low. It may be caused by the small sample size of 30 cities. The influence of governance structure on service level is different by the service itself, not by the service type.

Fourth, medium size cities show comparatively lower level of service in the case of social welfare service than other cities, but in other services, there is no difference in
service level according to city size. Level of specialties of service bureaucrats and level of performance-based management system do not influence service level.

Fifth, financial independency does not influence service level. If service budget per capita can be used as a controlling variable, the financial independency does not influence the service level of three kinds of services.

Finally, service budget per capita does most importantly influence the level of social welfare service, and it is the same as the study of Lynn, Heinrich, and Hill (2000) in which the more service budget, the higher the level of service. But, service budget per capita does not influence levels of other services.

1) New York City government improved the productivity of public institution, and lowered the crime rate (Kettl, 2002: 158).

2) Financial capacity of a city government as well as welfare need and social economic characteristics is used as independent variable to explain service level of social welfare in a community (Park, 2006: 1019-1035).

3) Lynn, Heinrich, and Hill (2000) used controlling variables such as characteristics of bureaucracy, resource allocation, and public management to analyze the influence of governance on the performance in the policy field of school education, job training, and treatment of drug abuse.

4) Performance of government activities has been interested in the public administration for long time, but performance measurement is a newly lighting and old problem in its importance. Performance measurement is very important but not panacea in improving government performance (Lim, Park, 2006: 27-41).

5) Service satisfaction and perception of citizen or customer can be used as useful devices to measure service effectiveness in the case of difficulty to find

<Reference>


