

Decentralisation, Institutional Characteristics and Public Sector Governance in Tanzania

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Abstract

Public sector governance has been the primary focus of the developing countries to ensure that they realise their developmental goals. In ensuring the public sector governance, decentralisation has been considered as the primary initiative. However, most of the previous empirical studies concentrate on political decentralisation meanwhile excluding administrative decentralisation and mediation effect of contingent factors i.e. technological capacity and institutional culture as institutional characteristics. In view of the aforementioned missing knowledge, the article investigated the influence of administrative decentralisation on public sector governance considering the mediation effect of institutional characteristics adopting Stewardship theory and Contingency theory. The article collected data from Dar es Salaam, Dodoma and Kigoma through self-administered questionnaire and analysed by using Mean scores and Structural Equation Model (SEM). The results revealed that administrative decentralisation had significant positive influence on public sector accountability and transparency. Moreover, technological capacity and institutional culture partially mediated the relationship between administrative decentralisation and, public sector accountability and transparency. In view of such results, among others, the article recommends that there is a need of developing the National Decentralisation Strategy (NADIS) to guide the decentralisation process and ensure its effective implementation for the sake of achieving public sector governance goals.

Keywords

Decentralisation, Human Resource Management Reforms, Public Sector Governance

1. Introduction

Public Sector has been experiencing a significant shift in terms of their roles in

order to strengthen its governance i.e. accountability and transparency (Hope & Chikulo, 2000). It is contributed to the fact that improving public sector governance is the primary focus of real-world reformers (Faguet, 2014). Moreover, the developing countries have considered strengthening public sector governance as a central initiative towards development (Makara, 2018). This is because public sector governance is aimed at ensuring that the public sector institutions are efficient in public service delivery meanwhile exercising participatory management (Hope & Chikulo, 2000). In view of the need for public sector governance, the developing countries have been primarily considering decentralisation as the key public sector reform initiative that promotes public sector governance (Makara, 2018).

Decentralisation has been differently defined by researchers. Mollel and Tolenaar (2013) argue that decentralisation as a division of power is from the central government body to local governmental units. Mudalige (2019) defines decentralisation as the transfer of central government power to government institutions or semi-autonomous government institutions. Hope and Chikulo (2000) define decentralisation as debureaucratising of the public sector. As a result of different conceptualisation of decentralisation, researchers came up with different forms of decentralisation.

Hope and Chikulo (2000) categorise decentralisation into vertical and horizontal decentralisation. Horizontal decentralisation refers to the transfer of power among institutions at the same level. On the other hand, vertical decentralisation refers to the delegation of power downwards to lower tiers of authority. Mudalige (2019) categorises decentralisation into political decentralisation and administrative decentralisation. Political decentralisation refers to the transfer of powers to the citizens or their elected representatives to make public decisions. On the contrary, administrative decentralisation refers to the provision of public service obligations and powers to various public institutions from the central government. However, Rondinelli (1999) puts forward a more comprehensive definition of administrative decentralisation. According to Rondinelli (1999), administrative decentralisation refers to the transfer of responsibilities from the central government and its agencies to units of government agencies, subordinate units or levels of government, semi-autonomous public authorities or corporations, or to regional or functional authorities.

Regardless of the various forms, there are contradicting findings on the influence of decentralisation on public sector governance. Some researchers (such as Mudalige, 2019; Faguet, 2014; Smith & Revell, 2016) contend that decentralisation positively influences public sector governance components i.e. transparency and accountability. On the contrary, other researchers (such as Smoke, 2015; Makara, 2018) argue that decentralisation has limited positive influence on public sector governance. Nevertheless, the other group of researchers (i.e. Redoano et al., 2015; Rodden, 2005; Faguet, 2014; Mbate, 2017) argue for the negative influence of decentralisation on public sector governance.

The negative influence of decentralisation on public sector governance is at-

tributed by several factors. [Smoke \(2015\)](#) argues for the inadequate preparation and implementation of decentralisation. [Makara \(2018\)](#) argues for over-emphasis of the power transfer from central to local governments which alone may not produce the desired good governance results. [Mbate \(2017\)](#) contends that decentralisation positively influence good governance but determined by the contingent factors including a strong bureaucratic capacity in terms of physical and human resource capacity. Other researchers (i.e. [Dick-Sagoe, 2020a](#); [Doh, 2017](#)) attest that the failure of decentralisation on promoting accountability and transparency is attributed by institutional factors including the institutional design.

Meanwhile recognising contradicting results among researchers, Tanzania has been implementing the decentralisation initiatives as a means of enhancing public sector governance. The history of decentralisation in Tanzania can be traced back in 1972 whereby the country focused on strengthening local institutions to ensure popular participation ([Picard, 1980](#)). In the late 1970s, Tanzania public sector shifted from decentralisation to centralisation after the failure of local institutions. In 1982, the local government authorities (LGAs) were re-introduced but experienced a failure to achieve the desired goals.

In its efforts to improve LGAs capacity, the government of Tanzania developed the Local Government Reform Program (LGRP) in 1998. The program introduced a new wave of decentralisation known as decentralisation by devolution (D by D). It focuses on enhancing LGAs' capacity in terms of personnel and fund management, local resource mobilisation and promotion of community participation. In view of such initiatives, decentralisation in Tanzania has raised awareness on accountability but has not yet improved accountability practice in governance systems ([Bujiku, Mersat, & Puyok, 2019](#)).

Empirically, the contradicting findings on the influence of decentralisation on public sector governance are attributed by the limited scope of previous studies. Most studies (e.g. [Smith & Revell, 2016](#); [Mbate, 2017](#); [Makara, 2018](#); [Bujiku et al., 2019](#)) focus on political decentralisation meanwhile excluding administrative decentralisation. It is in this line, the emphasis has been on vertical decentralisation while horizontal decentralisation has not been an area of focus. The scope of decentralisation by previous empirical research works has therefore excluded the transfer of power among public institutions or authorities. The previous empirical studies mainly focus on the transfer of powers from the central government to the local governments.

Moreover, prior empirical studies focus on the direct relationship between decentralisation and public sector governance. However, [Mbate \(2017\)](#) argues that the relationship between decentralisation and public sector governance is influenced by contingent factors including the institutional characteristics i.e. physical and human resources. One of the physical resources of institution is a technological level while the human resource capacity such as productivity level is determined by the institutional culture. Despite such argument, there is limited focus by prior empirical studies on the possible mediation effect of technology and institutional culture.

It is likely that the decentralisation may have an influence on technology needed such as public fund management software (i.e. GePG) and human resource information management systems. It may also have an influence on the institutional culture. The adopted technology and institutional culture may also have a possible influence on public sector accountability and transparency. In accordance with Baron and Kenny (1986), technology and institutional culture are likely to be mediators on the relationship between decentralisation and public sector governance. It is supported by Doh (2017) who argues that institutional characteristics determine the influence of decentralisation on public sector governance. Baron and Kenny (1986) argue that a variable is likely to be a mediator when an independent variable influences a dependent variable and the mediator, and a mediator influences the dependent variable.

With reference to the aforementioned research gaps, this article examines the influence of administrative decentralisation on public sector governance considering the mediation effect of technology and institutional culture. The findings of this article have theoretical and practical significance. Theoretically, the findings of this article provide a new knowledge on the influence of administrative decentralisation on public sector governance from the contingency perspective. This implies that the influence of administrative decentralisation on public sector governance may be determined by the institutional characteristics i.e. technological capacity and institutional culture. It also informs the policy makers on the need for strengthening administrative decentralisation and considering institutional characteristics on the public sector reforms for the sake of promoting public sector governance.

2. Literature Review and Research Hypotheses

2.1. Theoretical Literature Review

In the recent decades, developing countries have been implementing administrative decentralisation to separate executives and agencies or public institutions from central government departments (Laegreid & Verhoest, 2010). Theoretically, the initiative was guided by Principal-Agent theory that mainly focuses on the contractual relationship and the need for introducing financial incentives to influence and monitor the agent's behaviour. The theory assumes that human beings are optimistic and put forward their self-interest at the expense of the institution's interests (Schillemans, 2013). However, the Principal-Agent theory may not explain well the influence of administrative decentralisation on public sector governance because it emphasizes on high-power distance and can be costly because of its focus on extrinsic motivation.

With such limitations, the Stewardship theory was introduced as a criticism to Principal-Agent theory. It provides an understanding on the situation under which an agent may not base their actions on self-interest but a motivation to achieve institutional goals or acts as stewards to the interest of their principals (Schillemans, 2013). The theory has the following assumptions: stewards are

motivated in achieving institutional goals and not their self-interest; and perform their tasks on the basis of intrinsic motivation. Other assumptions include: the interests of a steward may coincide with the interests of principal; there is relatively low power distance between the principal and steward. Similarly, reputational and non-financial incentives as intrinsic motivation may influence the behaviour of a steward.

The Stewardship theory is in line with the objective of this article which focuses on the influence of administrative decentralisation on public sector governance tenets i.e. accountability and transparency. Administrative decentralisation is intended to reduce power distance between the central government and its public institutions for the sake of promoting good public sector governance. Likewise, the low power distance resulted from the administrative decentralisation prevent public institution or public officials to distance themselves from their principals which makes the interests of the principal and an agent delegated with certain responsibilities to coincide. Based on this fact, the article uses the Stewardship theory to examine the influence of administrative decentralisation on public sector accountability and transparency. However, the theory does not explain the influence of contingent factors on the relationship between administrative decentralisation and public sector governance components. Hence, the Contingency theory was used to explain such influence.

The Contingency theory emphasizes an argument that there is no the best way of managing an institution rather it depends on the institutional context or characteristics which also influences the institutional internal structure. According to Tosi and Slocum (1984), the Contingency theory has three premises categorised into effectiveness, environment and congruency. Effectiveness refers to an ability of the institution to survive in the operating environment. This contingent variable explains the institutional capacity which enables organisation to ensure its accountability and transparency. The second contingent variable is environment in which the Theory postulates for the influence of environment in the internal operations of an institution. For instance, the technological environment is argued to influence the internal governance (i.e. structure) of an institution (Burns & Stalker, 1961; Lawrence & Lorsch, 1967). The third premise of the Theory is congruency which implies that the relationship between the variables is contingent upon a third variable.

Tosi and Slocum (1984) introduced a new development in the Contingency theory. Cultural variations may have an effect on the public sector governance because of its influence on attitudes, values and, human behaviour and the way the sector is organised (Bhagat & McQuaid, 1982). Despite such possible influence, the Contingency theorists did not consider the influence of culture on institutional governance until 1984 when Tosi and Slocum recognised institutional culture as one of the contingent variables.

It is on this basis, the article adopted the Contingency theory to examine the mediation effect of technological capacity and institutional culture. One of the theoretical foundations of this article is on the fact the relationship between ad-

ministrative decentralisation and public sector governance i.e. accountability and transparency is determined by a third variable i.e. institutional characteristics. The institutional characteristics include institution's technological capacity and institutional culture.

2.2. Empirical Literature Review

Decentralisation has an influence on public sector governance. [Dick-Sagoe \(2020b\)](#) argues that decentralisation along with clear channels positively influences local accountability and transparency. But, there are different ways in which decentralisation can influence public sector governance. For instance, [Smith and Revell \(2016\)](#) contend that establishing subnational units reduces the problem of informational asymmetry which improves public sector governance. [Scherrer \(2008\)](#) attests that decentralisation improves public sector governance by reducing political and ethnic instability in the community that cannot think to be socially, economically and politically excluded. Inter-jurisdictional competition resulted from decentralisation can be used to promote good public sector governance. [Bardhan \(2002\)](#) argues that inter-jurisdictional competition lessens the discretionary and monopoly power of public officials and may promote the shift of factors of production to the neighbouring jurisdiction. It is in line with [Hirschman's \(1970\)](#) concept of exit mechanism whereby local citizens have an option to shift to other local units when dissatisfied with the performance of public officials.

In support of [Bardhan \(2002\)](#), [Chu and Yang \(2012\)](#) reveal that inter-jurisdictional competition can positively influence public sector governance through the implementation of optimum tax policies while reducing bureaucratic procedures to promote business investments and collection of local tax revenues. [Besley et al. \(2003\)](#) also introduce a yardstick competition concept whereby citizens have an opportunity to compare policy outcomes of different subnational units and present evaluation results of public officials.

On the contrary, other researchers believe that decentralisation has a negative influence on public sector governance. For instance, [Faguet \(2014\)](#) presents that subnational units have an incentive to engage into mismanagement of public funds. [Miller \(2002\)](#) argues that decentralisation is associated with the risk of public officials' misconduct after being captured by local elites and special interest groups, and diversify the local resources for self-interest motives. Decentralisation may also promote inter-governmental conflicts which may lead into poor public sector governance ([Wilson, 2006](#); [Redoano et al., 2015](#)). However, the aforementioned studies focus on the political decentralisation and not administrative decentralisation.

[Mudalige \(2019\)](#) argues that administrative decentralisation positively influences public sector governance (i.e., accountability and transparency) in two ways i.e. de-concentration and delegation. De-concentration occurs when the ministries or public institutions headquarters transfers some of the responsibilities to its outsiders or officials and give them the power to make decisions. Delegation

refers to the transfer of responsibilities and functions to institutions that are outside the regular bureaucratic structure but indirectly supervised by the central government. These institutions include public enterprises, corporations, or authorities. It is in this line, two hypotheses have been developed:

H₁: Administrative decentralisation positively influences the public sector accountability;

H₂: Administrative decentralisation positively influences the public sector transparency.

The influence of administrative decentralisation on public sector governance is also determined by contingent factors. Mbate (2017) argues that the influence of decentralisation on public sector governance depends on several preconditions including the institutional capacity. Dick-Sagoe (2020b) contends that the effectiveness of administrative decentralisation is determined by the clear channels for local accountability and transparency. Doh (2017) similarly attests that, the contribution of decentralisation on public sector governance is determined by institutional factors. Some of the institutional factors are technological capacity and institutional culture. It is likely that the influence of administrative decentralisation on public sector governance depends on the match among the administrative decentralisation with technological capacity and institutional culture. Hence, the following hypotheses are developed:

H₃: Technological capacity mediates the relationship between administrative decentralisation and public sector accountability;

H₄: Technological capacity mediates the relationship between administrative decentralisation and public sector transparency;

H₅: Institutional culture mediates the relationship between administrative decentralisation and public sector accountability;

H₆: Institutional culture mediates the relationship between administrative decentralisation and public sector transparency.

2.3. Summary

Prior empirical studies had contradicting arguments on the influence of decentralisation on public sector governance. It is not the aim of this article to come up with conclusive findings but the contradicting arguments of prior empirical studies were attributed by the limited scope on the subject matter. They mainly focus on the political decentralisation with an exclusion of administrative decentralisation. Moreover, they consider the relationship between decentralisation and public sector governance as a mere direct relationship but it is actually a more complex relationship interfered by several contingent factors such as institutional factors. It is in this case, it was important to examine the influence of administrative decentralisation on public sector accountability and transparency from both stewardship and contingency perspective.

3. Research Methods

The article applied explanatory research design using survey strategy. The design

was chosen because the article focuses on testing the relationship between independent and dependent variables developed from theoretical and empirical literature review. The survey strategy was opted to gather information on the influence of administrative decentralisation and public sector governance considering the mediation effect of institutional characteristics. Geographically, the article focused on Dar es Salaam, Dodoma and Kigoma regions. The choice of Dar es Salaam and Dodoma was based on the fact that MDAs are mainly located in two regions. Kigoma region was chosen because it is the least in terms of performance of public sector governance.

The population of the article were 176,927 public sector employees (NBS, 2018) and the sample size was 400 public sector employees who were randomly selected. The sample size was calculated using Taro Yomane's formula ($S = n / (1 + n(e)^2)$). The sample size of Dar es Salaam region was 240 employees, Dodoma 100 employees and Kigoma 60 employees. Primary data were collected using self-administered questionnaire and data were analysed using structural equation modelling (SEM). The total number of employees in Dar es Salaam is 43,381, Dodoma 105,476 employees and Kigoma 28,070 employees. Sample calculations are shown in Table 1.

The Cronbach's Alpha analysis was also conducted to examine the internal consistency of items in variables. Results revealed that Cronbach's Alpha coefficient of all variables were above 0.7 which indicates an attainment of internal consistency as suggested by Nunnally (1967). The Cronbach's Alpha coefficient for administrative decentralisation was 0.85; technology, 0.78; institutional culture was 0.76; public sector accountability, 0.89 and; public sector transparency, 0.87. In data analysis, Mean scores and structural equation modelling (SEM) techniques were used. Mean scores were used in presenting descriptive results and SEM was used to present the inferential results on the relationships among research variables.

4. Results

4.1. Demographic and Institutional Characteristics

In this article, 69% were male respondents and 31% were female respondents. Basing on age category, 1% of the respondents aged between 20 and 25 years;

Table 1. Study population and sample size.

S/N	Region	No. of Public Employees	Proportion*	Sample Size*
1	Dar es Salaam	43,381	0.25	240
2	Dodoma	105,476	0.60	100
3	Kigoma	28,070	0.15	60
	Total	176,927	1.00	400

Source: NBS (2018). Formal Sector Employment and Earnings Survey, 2016, Tanzania Mainland. NBS and Ministry of Finance and Planning, Dar es Salaam and Authors' calculations*. Key: *stands for authors' calculations.

40% aged between 26 and 35 years; 35% aged between 36 and 45 years and 12% aged between 46 and 55 years. Moreover, 11% of them aged between 56 and 65 years. In addition, 1% of the respondents aged above 65 years. Focusing on educational level, 6% of the respondents had ordinary diploma qualification; 42% had bachelor degree and advanced diploma qualification and 52% had postgraduate qualifications. The article involved MDAs (68%) and LGAs (32%). Geographically, 28% of public institutions were located in Dar es Salaam; 64% located in Dodoma and 8% located in Kigoma. **Table 2** presents the summarised information.

4.2. Descriptive Results

Mean scores were calculated in order to rank the research variables of this article. According to [Oxford \(1990\)](#) and, [Oxford and Burry-Stock \(1995\)](#), if the Mean score is between 1 and 2.4, it implies low adoption; between 2.5 and 3.4 implies moderate adoption and; between 3.5 and 5.0 implies high adoption. The

Table 2. Demographic and institutional characteristics.

Category	Details	Percept
Gender	Male	69
	Female	31
	Total	100
Age	20 - 25	1
	26 - 35	40
	36 - 45	35
	46 - 55	12
	56 - 65	11
	65 and Above	1
	Total	100
Education Level	Ordinary Diploma	6
	Bachelor Degree and Advanced Diploma	42
	Postgraduate Qualifications	52
	Total	100
Institutional Category	MDAs	68
	LGAs	32
	Total	100
Institutional Location	Dar es Salaam	28
	Dodoma	64
	Kigoma	8
	Total	100

Source: Field Data.

descriptive results indicated that technological capacity and institutional culture were highly ranked as the institutional characteristics with a Mean score of 3.5 and 3.7 respectively. Similarly, public sector accountability and transparency were both highly ranked as public sector governance components with a Mean score of 3.5 and 3.6 respectively. Appendix **Table A1** presents the summarised descriptive results.

4.3. Inferential Results

The findings of this study have been categorized into two groups. The first group of findings focuses on an influence of administrative decentralisation on public sector governance components i.e. accountability and transparency. The second group focuses on the mediation effect of institutional characteristics on the relationship between administrative decentralisation on public sector governance components.

The overall measurement model was developed to confirm items which explain the selected variables in this article. The model fitted the data well whereby $Cmin/df = 2.028$; $CFI = 0.954$; $GFI = 0.897$ and $RMSEA = 0.064$. From the overall measurement model, 4 items explained the administrative decentralisation while 3 items explained technological capacity. In addition, 4 items were confirmed to explain institutional culture. In the case of public sector governance, accountability and transparency were explained by 4 items each.

The results on the direct model depicted that administrative decentralisation had significant positive influence on accountability (estimate = 0.362 and P -value = 0.001). In this case, H_1 was accepted which implies that administrative decentralisation strengthens public sector accountability in the process of managing public fund and public service provision. Furthermore, the findings revealed that administrative decentralisation had significant positive influence on public sector transparency (estimate = 0.483 and P -value = 0.001). In this case, H_2 was accepted which indicates that administrative decentralisation enhances an accessibility to information by the public sector stakeholders. In other words, administrative decentralisation reduces the challenges of information asymmetry within the public sector. In summary, **Figure 1** presents the aforementioned findings and estimates are shown in Appendix **Table A2**: **Figure 1** presents the direct relationship between administrative decentralisation and public sector governance which was divided into two categories namely public sector accountability and public sector transparency as dependent variables.

The article also examines the mediation effect of institutional characteristics (technological capacity and institutional culture) on the relationship between administrative decentralisation and public sector governance components. The findings revealed that technological capacity partially mediated the relationship between administrative decentralisation and public sector governance accountability and transparency.

According to **Baron and Kenny (1986)**, when a mediator is introduced in a model, assuming the direct positive relationships between independent variable

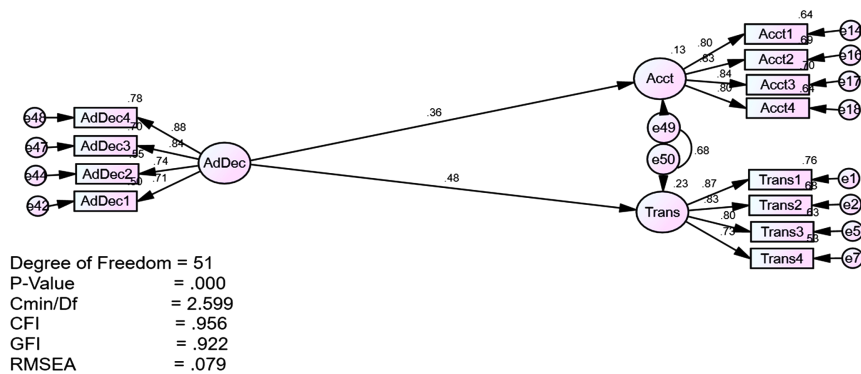


Figure 1. Direct relationship between administrative decentralisation and public sector governance.

and dependant variable and, independent variable and mediator are significant, the direct relationship between independent variable and dependant variable is reduced but still significant then it is a partial mediation. In this case, H_3 and H_4 were accepted which indicated that technological capacity partially mediates the relationship between administrative decentralisation and, public sector accountability and transparency respectively. In other words, when technological capacity as a mediator was introduced in a direct model, the direct relationship estimate between administrative decentralisation and public sector accountability was reduced (from 0.362 to 0.351) and remained significant ($P = 0.001$), which indicated a partial mediation. In addition, the direct relationship estimate between administrative decentralisation and public sector transparency was reduced (from 0.483 to 0.475) and remained significant ($P = 0.001$), which indicated a partial mediation. In summary, the aforementioned findings are presented in **Figure 2** and whose estimates are shown in Appendix **Table A3: Figure 2** presents the indirect relationship among administrative decentralisation, technological capacity and public sector governance components i.e. public sector accountability and transparency.

The findings further revealed that institutional culture partially mediate the relationship between administrative decentralisation and public sector accountability and transparency. After introducing institutional culture, as mediator, in the indirect model, the influence of administrative decentralisation on the public sector accountability was reduced (from $P = 0.362$ to $P = 0.221$) remained significant at 0.004 which indicated a partial mediation. In addition, the influence of administrative decentralisation on the public sector transparency was reduced (from $P = 0.483$ to $P = 0.324$) remained significant at 0.001 which indicated a partial mediation. In this case, H_5 and H_6 were accepted since that institutional culture partially mediated the relationship between administrative decentralisation and, public sector accountability and transparency respectively. **Figure 3** present the summarised findings and estimates are presented in appendix **Table A4: Figure 3** presents the indirect relationship among administrative decentralisation, institutional culture and public sector governance components i.e. public sector accountability and transparency.

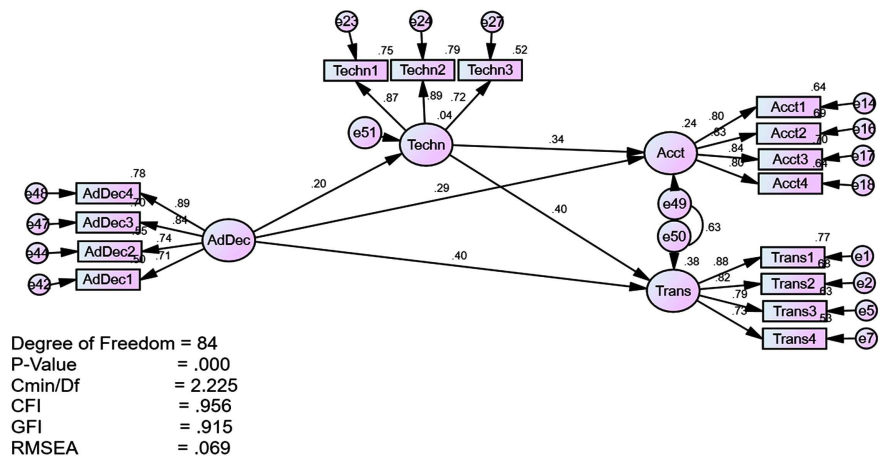


Figure 2. Indirect Relationship among Administrative Decentralisation, Technological Capacity and Public Governance Components i.e. Public Sector Accountability and Transparency.

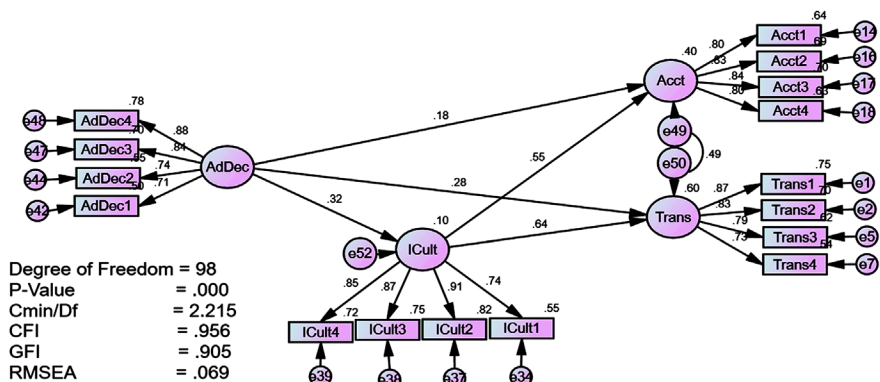


Figure 3. Indirect Relationship among Administrative Decentralisation, Institutional Culture and Public Governance Components i.e. Public Sector Accountability and Transparency.

5. Discussion of Findings

The findings of this article revealed that administrative decentralisation positively and significantly influences the public sector accountability and transparency. The findings are in line with prior empirical studies (such as Smith & Revell, 2016; Mudalige, 2019; Dick-Sagoe, 2020b). For instance, Dick-Sagoe (2020b) likewise contends that decentralisation positively influences local government accountability and transparency. However, Dick-Sagoe (2020b) cautions that there must be a clear channel of decentralisation. Smith and Revell (2016) similarly argues that decentralisation has a positive influence on public sector transparency because it reduces the problem of informational asymmetry. Furthermore, Mudalige (2019) supports that administrative decentralisation positively influences public sector governance.

Notwithstanding the aforementioned findings, there are other prior empirical studies' findings which contradict with the findings of this article. For instance, Faguet (2014) argues that decentralisation contributes to mismanagement of

public funds while Redoano et al. (2015) argue that decentralisation leads to inter-governmental conflicts which result to poor public sector governance. However, the findings of the mentioned prior empirical studies differ with the findings of this article because the mentioned prior studies (Faguet, 2014; Redoano et al., 2015) solely focus on political decentralisation and exclude administrative decentralisation. The inferential findings of this article are supported by the descriptive results which showed that public sector accountability and transparency are highly ranked in the public sector.

Moreover, the inferential findings of this article revealed that technological capacity and institutional culture partially mediate the relationship between administrative decentralisation and, public sector accountability and transparency. It is in line with the descriptive results of this article which showed technological capacity and institutional culture are both highly ranked as public institutional characteristics and highly focused by the public sector as its reforms. The findings of this article are supported by prior empirical studies (Doh, 2017; Dick-Sago, 2020b). Doh (2017) argues that the influence of decentralisation on public sector governance is determined by the public institutional factors. Dick-Sago (2020b) attests that effectiveness of administrative decentralisation on public sector governance depends on how administrative decentralisation is implemented. The need for effective implementation of administrative decentralisation leads for the desire of public sector to strengthen its technological capacity and create conducive institutional culture to achieve public sector governance goals.

6. Conclusion

The article intended to examine the influence of administrative decentralisation and, public sector accountability and transparency. The article also examined the mediation effect of institutional characteristics (i.e. technological capacity and institutional culture) on the relationship between administrative decentralisation and public sector governance components i.e. accountability and transparency. The findings revealed that administrative decentralisation has significant positive influence on public sector accountability and transparency. Furthermore, the technological capacity and institutional culture partially mediate the relationship between administrative decentralisation and public sector governance i.e. accountability and transparency. However, due to the methodological limitation of this article which solely adopted on in this article, it was difficult to have in-depth information on the partial mediation effect of technological capacity and institutional culture.

In addition, it is likely that administrative decentralisation may have different influence on the governance of MDAs and LGAs. But, this article did not focus on the influence of administrative decentralisation on the public sector governance across its categories. It is then suggested that a qualitative study on administrative decentralisation, institutional characteristics and public sector governance should be conducted in order to have an in-depth information and analysis on such relationship. It is also important to conduct a study on admin-

istrative decentralisation, institutional characteristics and public sector governance across the public sector categories. But, the suggested research areas will not change the findings of this article but they will provide additional and in-depth information on the findings of this article. Hence, the following recommendations are put forward:

1) There must be a clear guidance on how the delegation and de-concentration is done. In this case, there must be an assessment on functions and responsibilities which require delegation and the ones that require de-concentration. Implementation of delegated functions and responsibilities demands central government or public institution headquarters' supervision. On the contrary, implementation of de-concentrated functions and responsibilities does not require such supervision;

2) There must be well-developed coordination mechanisms among public institutions to eradicate inter-governmental institutional conflicts;

3) There is a need of developing the National Administrative Decentralisation Implementation Strategy (NADIS) and ensure its effective implementation across the public sector;

4) Public institutions must strengthen their technological capacity to ensure that the intended outcomes of administrative decentralisation on public sector governance are realised;

5) Public institutions should have a standardised institutional culture promotional strategy which among others focuses on promoting innovative work behaviour and ethical compliance among public employees.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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Appendix

Table A1. Descriptive results.

Research Variable	Mean Score	Remarks
Technological Capacity	3.5	Highly Ranked
Institutional Culture	3.7	Highly Ranked
Public Sector Accountability	3.5	Highly Ranked
Public Sector Transparency	3.6	Highly Ranked

Table A2. Regression weights – direct relationships model.

			Estimate	S.E.	C.R.	<i>P</i>	Label
Acct	←	AdDec	0.362	0.087	4.948	***	par_10
Trans	←	AdDec	0.483	0.085	6.643	***	par_11
Trans1	←	Trans	1.000				
Trans2	←	Trans	1.069	0.066	16.149	***	par_1
Trans3	←	Trans	0.860	0.056	15.240	***	par_2
Trans4	←	Trans	0.794	0.059	13.365	***	par_3
Acct1	←	Acct	1.000				
Acct2	←	Acct	1.023	0.071	14.510	***	par_4
Acct3	←	Acct	1.045	0.071	14.635	***	par_5
Acct4	←	Acct	1.021	0.074	13.801	***	par_6
AdDec1	←	AdDec	1.000				
AdDec2	←	AdDec	1.148	0.105	10.968	***	par_7
AdDec3	←	AdDec	1.327	0.108	12.240	***	par_8
AdDec4	←	AdDec	1.288	0.101	12.689	***	par_9

Table A3. Regression weights – technological capacity mediation model.

			Estimate	S.E.	C.R.	<i>P</i>	Label
Techn	←	AdDec	0.252	0.089	2.824	0.005	par_12
Acct	←	AdDec	0.351	0.083	4.225	***	par_13
Trans	←	AdDec	0.475	0.079	6.007	***	par_14
Acct	←	Techn	0.321	0.065	4.920	***	par_15
Trans	←	Techn	0.375	0.060	6.273	***	par_17
Trans1	←	Trans	1.000				
Trans2	←	Trans	1.058	0.065	16.347	***	par_1
Trans3	←	Trans	0.848	0.055	15.314	***	par_2
Trans4	←	Trans	0.785	0.058	13.443	***	par_3
Acct1	←	Acct	1.000				
Acct2	←	Acct	1.024	0.071	14.502	***	par_4

Continued

Acct3	←	Acct	1.046	0.071	14.638	***	par_5
Acct4	←	Acct	1.022	0.074	13.808	***	par_6
Techn1	←	Techn	1.000				
Techn2	←	Techn	1.007	0.065	15.560	***	par_7
Techn3	←	Techn	0.827	0.065	12.780	***	par_8
AdDec1	←	AdDec	1.000				
AdDec2	←	AdDec	1.148	0.105	10.965	***	par_9
AdDec3	←	AdDec	1.326	0.108	12.239	***	par_10
AdDec4	←	AdDec	1.288	0.101	12.691	***	par_11

Table A4. Regression weights – institutional culture mediation model.

			Estimate	S.E.	C.R.	<i>P</i>	Label
ICult	←	AdDec	0.305	0.068	4.453	***	par_13
Acct	←	AdDec	0.221	0.076	2.894	0.004	par_14
Trans	←	AdDec	0.324	0.067	4.841	***	par_15
Trans	←	ICult	0.793	0.082	9.617	***	par_16
Acct	←	ICult	0.697	0.092	7.608	***	par_18
Trans1	←	Trans	1.000				
Trans2	←	Trans	1.082	0.065	16.587	***	par_1
Trans3	←	Trans	0.853	0.056	15.119	***	par_2
Trans4	←	Trans	0.801	0.059	13.565	***	par_3
Acct1	←	Acct	1.000				
Acct2	←	Acct	1.022	.070	14.586	***	par_4
Acct3	←	Acct	1.044	.071	14.715	***	par_5
Acct4	←	Acct	1.015	.074	13.793	***	par_6
ICult1	←	ICult	1.000				
ICult2	←	ICult	1.182	0.080	14.798	***	par_7
ICult3	←	ICult	1.178	0.083	14.129	***	par_8
ICult4	←	ICult	1.091	0.079	13.827	***	par_9
AdDec1	←	AdDec	1.000				
AdDec2	←	AdDec	1.149	0.105	10.967	***	par_10
AdDec3	←	AdDec	1.327	0.108	12.238	***	par_11
AdDec4	←	AdDec	1.288	0.102	12.688	***	par_12