The University of Hull

New Public Management and Administrative Reforms in the Kingdom of Bahrain: Implementing Performance and Programme-based Budgeting

Being a Thesis submitted for the degree of

Doctor of Philosophy

by

Faisal Mohammed Ali

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Declaration

I certify that all material in this thesis which is not my own has been identified and that no material is included for which a degree has previously been conferred upon me.

Signed…………………

Faisal Mohammed Ali

9/9/2010

Abstract

This research explores the opportunity for administrative reform in the government of Bahrain. In particular it offers an awareness and better understanding of how political elites construe and enact the principles of "NPM" in public sector organisations, explores the institutional capability of Bahrain's public sector to initiate and sustain reform, and develops a conceptual model of reform applicable to Bahrain. In order to do so, it investigates the drivers of administrative change in Bahrain, examines how elements of NPM express themselves in management practice in Bahrain's public sector organisations, and identifies facilitators and challenges to reform. Taking an interpretive approach, data was collected through a survey of ministries and semi-structured interviews with change leaders. Moreover, a case study was undertaken in the attempt to introduce a Performance and Programme Budgeting System (PPBS) in ministries, as a test case for an NPM-oriented initiative transferred outside its origin context. Drivers of reform were found to include, first and foremost, internal and external socio-economic forces, such as globalisation and demographic change, and, secondly, pressure from citizens for greater transparency and responsiveness. NPM elements expressed themselves to varying degrees in five key dimensions: organisational structure, the decision-making process, a movement to customer-driven, output-based funding, improvement of HRM performance and, finally, quality management in pursuit of efficiency in public services. However, certain constraints, including a lack of commitment from the political-administrative leadership and a lack of the prerequisite preparation, have impeded implementation. The research builds upon and extends existing theorising about NPM and draws practical implications for subsequent reform initiatives, in Bahrain and beyond.

Dedication

This thesis is dedicated to my wife Noora. I hope that she and her companions will live in an era of real democracy, for which they have long struggled.

To May, Mohammed, Maha, Munther and their fellow young Bahrainis, I hope that they will benefit from living in a democratic era, that they will be provided with modern public services within an arena of equal opportunity and justice, that they will achieve their needs as citizens, including their employment goals, and that there will be no place in Bahrain for favouritism and nepotism.

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I am grateful to *Allah*, the Almighty, for the health and patience to complete this thesis through an interesting and hard journey.

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Undoubtedly, no achievement could be approached without the encouragement and inspiration of my family. The memory of my Mother and Father will always be there. My children, May, Mohammed, Maha and Munther are my treasures. Their love is constant and my pride in them knows no limits.

Lastly, I dedicate this thesis to my dearly-loved Noora, who is my inspiration, my love, and my friend. She encouraged me to go for it and never gave up in her support. I thank her for facing the challenges of coping while I was away from her and the family during my PhD journey. Her support always gives me confidence to face life's challenges.

Acronyms and Abbreviations

BANAGAS	Bahrain National Gas Company
BANOCO	Bahrain National Oil Company
BAPCO	Bahrain Petroleum Company
BHD	Bahraini Dinars
BP	British Petroleum
BPR	Business Process Re-engineering
CALTEX	Caltex is a petroleum brand name of Chevron Corporation
CIO	Central Informatics Organisation
CSB	Civil Service Bureau
EDB	Bahrain Economic Development Board
EU	The European Union (EU)
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
HE	His Excellency
HM	His Majesty
HRD	Human Resource Development
HRM	Human Resource Management
IMF	International Monetary Fund
IT	Information Technology
KOB	The Kingdom of Bahrain
KPIs	Key Performance Indicators
MBO	Management by Objective
MBS	Modified Budgeting System
MOE	The Ministry of Education
MOF	The Ministry of Finance
MOH	The Ministry of Health
MOW	The Ministry of Works
MPs	Members of Parliament
NAC	National Audit Court
NASA	National Aeronautics and Space Administration
NOGA	National Oil and Gas Authority of Bahrain
NPM	New Public Management
NPR	National Performance Review
OECD	Organisation for Economic Cooperation and Development
OPEC	Organisation of the Petroleum Exporting Countries
PAR	Public Administration Reform
PBS	Performance Budgeting Systems
POGAR	Programme on Governance in the Arab Region
PPBS	Performance Programming Budgeting Systems
SPSS	Statistical Package for the Social Sciences
TQM	Total Quality Management
TRA	Telecommunications Regulatory Authority
UAE	The United Arab Emirates
UK	The United Kingdom
UNDP	United Nations Development Programme
USA	The United States of America
VFM	Value for Money
WTO	World Trade Organisation

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Chapter One: Research Overview

Following the research stages:

Chapter 1	The Research Overview
Chapter 2	Review of the Literature
Chapter 3	The Research Methodology
Chapter 4	Data Analysis of the Managers' Survey Questionnaire
Chapter 5	The PPBS Case Study
Chapter 6	Data Analysis of Ministerial and MPs' Interviews
Chapter 7	Conclusions and Implications

1.1 Introduction

A vexed challenge for governments across the world is to provide their citizens with a responsive and results-oriented administrative machinery offering a good quality service for the activities in which they are engaged. Therefore, understanding the nature and intent of any such framework is key to reorienting the focus of public administration and management. This thesis attempts to provide a platform from which a workable model of public administration can be developed and implemented, with special emphasis on the Kingdom of Bahrain (KOB).

The New Public Management (NPM) style of public management and administration marks a departure from the traditional approach, which was characterised by the centralisation of authority, a large public sector role in the economic and social spheres, inflexible bureaucratic styles in public governance, and lack of substantial participation of civil society. The NPM is relevant in some ways in the KOB to the new public administration paradigm, two elements of which are a representative form of government and a flexible and responsive bureaucracy. The initial steps towards administrative reform in the KOB, however, lacked an appreciation and application of international best practices to sustain reform and ensure its success. This study contributes to the existing body of knowledge and creates increased awareness about administrative reform and its relevance to the KOB. Peter Drucker in this regard frames the general challenge facing governments in these terms:

..... Innovation took the form of creating new public-service institutions...
The next twenty or thirty years will be very different. The need for social
innovation may be even greater, but it will very largely have to be social
innovation within the existing public-service institution. To build
entrepreneurial management into the existing public-service institutions may
thus be the foremost political task of this generation (Drucker, 2007: 169).

1.2 The Research Problem

Public management reform has been a political priority in governments worldwide during the last two decades. This is a response to adverse economic challenges, rising administrative problems, a rapid global movement towards democracy and people's hunger for genuine change. It has also been a reaction to ideas which have come into vogue for both diagnosing the problems of government and providing solutions, especially those present in bureaucratic forms of organisation.

The KOB economy and the government's revenue base are more diversified than others in the Arabian Gulf region (such as Qatar and Kuwait) which are heavily dependent on oil revenues. This has created a potential for an ever-widening structural fiscal deficit; 3.7 billon Bahraini Dinars (BHD) is the approved budget for the fiscal years 2009/2010, with a BHD 1.8 billion deficit forecast (*Al-Waqt,* 21 November 2009) as the result of high population growth (3.4%), (Central Informatics Organisation of Bahrain "CIO", 2010). Furthermore, there has been a general increase in public demand for broader and better education, health care, infrastructure and employment. In this regard, HE the Minister of Finance for Economic Forum in Davos in the Middle East (2010) announced that the state deficit is 20% of the KOB GDP (*GDN*, 5 February 2010). For Bahrain, however, most published news reports indicate that oil will disappear after 90-100 years, while this is not the case for other Gulf Cooperation Council (GCC) countries (NOGA, 2005)[1].

KOB is facing a potential long-term deficit, while government revenue growth is minimal, especially in the absence of major tax regime reforms. A challenge for public expenditure has been an attempt to implement Performance Programming Budgeting Systems (PPBS) as a budgetary reform system (UNDP Report 1999: 3). The problem is

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[1] Bahrain has proven oil reserves of 125 million barrels, all in one field - Awali. The Awali field was discovered in 1932, and was the first oil field developed in the Arabian Gulf. In the early 1970s, crude oil production at Awali peaked at more than 75,000 barrels per day (bbl/d). Currently, however, production at the Awali field is declining. In 2001, Awali produced only 35,000 bbl/d of crude oil (http://www.mafhoum.com/ press3/112E16.htm).

exacerbated by the size of government expenditure from GDP and the numbers of civil service departments and employees in general. Fiscal pressure is internally generated through recurrent budget deficits, where efficiency improvements are required (European Commission, 2009). Recurrent expenditures, including the public civil service bill, account for 84% of the state annual budget (MOF, 2010; *Al-Wasat*, 12 April 2010). Fiscal pressures in Bahrain can encourage reforms, even without external intervention; fiscal deficits have been common in the last decade and there has been difficulty in spending the available resources effectively (*GDN*, 13 April 2010).[2]

Today a similar situation prevails in many developed countries, where public expenditure accounts for between one-third and one-half of a country's GDP. In addition, public expenditure management will remain high on the political agenda, as many OECD (Organisation for Economic Cooperation and Development) countries continue to suffer from high levels of debt and budget deficits (Jackson, 2003).

A new era of democracy was started by the King of Bahrain, HM Hamad Bin Isa Al Khalifa, when he assumed power as Amir in 1999 and later became King. His modernisation project was intended to make KOB the premier democratic model in the region and in the Middle East (Bahrain government website)[3]. This project emphasised holistic changes in the constitutional, economic and social areas, which in turn required public administrative reform.

The consequences of the major political changes in KOB and in the region as a whole led the government to introduce new initiatives, such as establishing decentralised sub-national agencies such as regional governorates; enhancing the powers of the municipal authorities; and establishing a newly-elected Parliament, in order to implement public service reform. The PPBS was introduced as a fiscal tool to create a platform for an NPM model as a testable set of reforms. These financial and market-led reforms were intended to improve the effectiveness and efficiency of government organisations by adopting methods consistent with the features of the NPM. These included adoption of private sector management techniques, decentralisation of financial authority to

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[2] His Majesty the King highlighted the government's role in translating the noble goals and themes of the national project, stressing that the development momentum should continue. The coming period requires attention to strategic budget reform, including a balance between expenditures and state revenues as one of the key global challenges in order to optimise our achievements. He emphasised KOB has to utilise the full potential to increase productivity, including the field of energy to support the state's revenues.

[3] http://www.bahrain.com/home.aspx

operating managers, costing of outputs to increase Value for Money (VFM), the relationship between "input-processes-output-outcomes" processes in managing expenditure and the use of financial and non-financial performance targets and information technology.

The accelerated tempo of development which followed Bahrain's independence and which continues today reveals the shortcomings of the traditional budgeting system - or line-item budgeting system - to meet the needs of the stakeholders and clients in government. The demand for transparency, efficiency, effectiveness, appropriateness and economy of government programmes and activities cannot be met by the existing budgetary systems, which are focused purely on expenditure. These, added to the resource constraints, have contributed to what is currently being practised in budget allocation as "cutback management".

In this context, this study tries to propose a framework for public administrative reform and to identify essential modalities and practices which could guide public sector reform in the KOB.

A review of the literature has helped to contribute to the identification of some administrative reform have universal application. This review could be used as a broad template or adapted to suit the particular environment of the KOB in order to guide it through a successful public service administrative and financial reforms process.

Unlike the plethora of literature on Western countries' NPM and administrative and fiscal reforms, the availability of such literature regarding Bahrain and GCC countries is extremely limited. With regard to academic research and studies, very few relevant materials were found that directly discuss the concepts of NPM and PPBS policy transfer and implementation.

Somewhat relevant and useful materials were found from Common (2009), Ramahdan (2009), Al-Otaibi (2006) and Al-Kuwaiti (2005). However, no published references or theses written by Bahraini and/or GCC researchers have been traceable, which gives this study originality and significance.

The KOB's administrative reform incorporates the following elements: (1) a motive for reform; (2) a legitimate institution; (3) a process dimension; and (4) a human resource element, with a focus on the attitudes of officials and politicians. Administrative reform

within the context of public management theory and approach is primarily of European or OECD origin, with some South East Asian countries having experimented along similar lines (mainly those that initiated reforms). It could be said that most reforms since the 1980s in the Commonwealth and OECD countries and/or South East Asian have similar characteristics, with appropriate modifications made in the reform models to suit each country's specific requirements. The approach and style of the recent reforms have now come to be known as New Public Management.

The research aim is to assess the extent to which the KOB has been adopting aspects of NPM.

1.3 Aim, Questions and Objectives of this Thesis

The overall aim of this study is to analyse the extent to which public administration in Bahrain can be aligned with the globalising trend of NPM to improve the performance levels of public sector organisations. The introduction of PPBS is employed as a case study around which this issue can be addressed. The PPBS project is a test case for the KOB, representing a unique opportunity to apply NPM in Bahrain.

The research questions are as follows:

1. What are the drivers for administrative change in Bahrain (*including policy learning*)?

2. How do elements of NPM express themselves in management practice in public sector organisations in Bahrain?

3. To what extent does NPM present challenges and opportunities to Bahrain's public sector?

According to Punch (1994), research questions are important as they delineate the boundary of the research, hence ensuring content focus on the topic under investigation. Research questions and research objectives are complementary to each other, as it is thought that by answering the research questions, the objectives of the research will be met. Therefore, they should be read together, as the former will lead to the latter (ibid).

Accordingly this thesis attempts critically to achieve the following objectives:

- To develop a greater empirical awareness and understanding of public sector reform in Bahrain, looking in depth at HM the King's modernisation project and its impact in reforming government management, activities and performance.

- To explore the institutional capability of Bahrain's public sector to initiate and sustain reform, in order to identify the major factors that are largely responsible for an acceptable performance in activities performed by Bahrain's public sector.

- To develop a conceptual model of reform applicable to Bahrain and GCC countries more widely. This involves first examine the validity and reliability of the NPM model (Common, 2001). Some of the tools in the NPM model have been implemented in certain developed countries (such as Australia, New Zealand, the UK, the USA and France) but not in the Arabian Gulf region or countries in the greater Middle East.

This approach requires an awareness and understanding of administrative reform in the current political era in the KOB, which has been characterised by His Majesty the King, Hamad Bin Isa Bin Salman Al Khalifa, as a paradigm shift towards better governance, selective privatisation, government deregulation and a better-targeted welfare state. It can be observed that these concepts are at various stages of evolution in many other countries and represent one aspect of increasing globalisation.

The study concentrates on analysing three fundamental areas of public administration in Bahrain, i.e. issues surrounding (a) the Cabinet system, (b) the Civil Service (particularly senior level civil servants) including the bureaucratic decision-making process and (c) the public (civil service).

The approach to this study is twin-tracked:

1. To analyse how the most important administrative reforms occurred before 2002 and to learn from the mistakes of those reforms and the limitations spanning the three key areas identified above.

2. To identify the major factors that hindered or blocked successful implementation of such administrative and financial reforms as were recommended by various

advisors from multi-lateral agencies like the World Bank and International Monetary Fund (IMF).

It has been suggested that there is a need to focus on ensuring the adequacy, efficiency, effectiveness and flexibility (the basis of the PPBS model) of the means of service delivery, either by transforming or transferring government activities to suit a competitive market environment through privatisation, outsourcing or by adopting a market mechanism within the government. The ability of a governmental organisation to function effectively and respond to its customers (i.e. citizens seeking its services) depends greatly on the real involvement of its employees, the organisation structure, the style of action, the external economic environment, competition and a host of other factors.

1.4 Significance of the Study

This thesis is a study of New Public Management (NPM), its administrative and financial reforms in a context that is very different from its points of origin in Western liberal democracies. The survey of literature indicates a dearth of theoretical and empirical studies in this field of study, in the KOB in particular and the GCC countries in general. Much of the NPM theory and practice derives from Western and Asian contexts, mostly in democratic regimes. Very few researchers in the GCC have examined the notion of public sector administrative and financial reforms in the light of the NPM approach and model. This study will, therefore, fill some of the gaps in this area.

This study will help the national leadership, decision makers and the public sector administration in providing a basis for initiating change management consistent with HM the King's reforms towards greater democracy. Most importantly, this would place Bahrain among the elite countries of the world as the first country in the Middle East to implement a comprehensive NPM model.

The study will provide a comprehensive overview of the NPM model and as such will be valuable, not only to the KOB but also to all GCC countries in general. The main theme of this model is the basic principles and elements shared by the NPM model and PPBS, recognition of which will enrich understanding of the theoretical basis of both models. This understanding and awareness is crucial for line ministries in the KOB, as

well as the PPBS piloting ministries, the Ministry of Health and Ministry of Education in particular. This approach may also be valid for other countries in the Middle East.

Moreover, the research findings will provide a foundation for further research and study in respect of the implementation of the NPM model in the context of the Arabian Gulf executives and their culture.

Finally, as this is one of the few theses and comprehensive studies in this field in Bahrain and/or in the GCC countries in general, this will used as an academic reference and base for further studies in this area. Al-Otaibi (2006: 18) states that "Arabic articles reviewing the experiences of administrative reform of Arab, Islamic or worldwide origin are very few".

1.5 The Research Methods

This research adopts an interpretivist paradigm and philosophy to focus on understanding the detail of contextual interactions and responses generated in the field of the NPM. A qualitative approach was chosen because the study of change requires direct contact with the actors concerned in order to establish and understand the reasons underpinning change and reform. Accordingly, an inductive research approach has been followed.

Qualitative data were obtained from semi-structured interviews with the "change leaders", i.e. Ministers and Members of Parliament (MPs). The aim was to explore in depth the knowledge and awareness of the policy makers in Bahrain regarding public management and its administrative and fiscal reforms. The semi-structured interview is found to be a commonly-used method in political science research for its ability to gather in-depth and rich data and direct feedback and opinion from policy makers.

Thirdly, to complement the interviews, questionnaires representing a quantitative approach were used to investigate and test the existing theory in the field of study. This survey targeted middle management levels in the civil service ministries as a whole, as they mediate between top management and subordinates, although they are involved in certain roles and responsibilities in strategy formulation and decision-making processes. A questionnaire was considered the most appropriate method to apply for this purpose, as it is an efficient and cost-effective way of obtaining a large volume of data in a standardised format from a large population.

Finally, a single case study on PPBS implementation within Bahrain practice was developed to explore and highlight the transformation already undertaken, focusing on difficulties associated with PPBS and NPM when taken out of their original context (cultural, political, organisational, etc). For this purpose, various sources were used to describe and examine the implementation and piloted practice in KOB, including archival documents such as State Budget Law, the Constitution of the KOB, the Budget Manual, published and unpublished documents analysis (MOF reports), other official documents and field observations. The lack of resources and written materials about this practice required investigation of actual experience of the PPBS implementation. Therefore, unstructured interviews were conducted with senior officials (consultants, project managers and directors) who have been involved in the practice.

Case studies have commonly been used in political science research, particularly "in focusing on contemporary events" (which in this study, for example, are NPM, administrative reform and specifically PPBS) in context (Yin, 1989: 18). In addition, the case study along with the surveys and interviews allow the development of a historical institutional analysis which helps to identify the choices made around the scope and direction of public management reform in KOB in addition to identifying points of resistance and the reality of 'path dependency' to explain policy outcomes.

1.6 Background

The Kingdom of Bahrain is a group of islands off the Arabian Peninsula. It has been encouraged in political and economic reforms by its hereditary ruler HM the King Sh. Hamad bin Isa al-Khalifa. Since Independence in 1971, the Bahraini Government has played a major role in the development of its own unique model of administration, with the assistance of experts from bodies such as Bapco (the Bahrain Petroleum Company), Caltex (a well-known American oil company) and BP (the British Petroleum Company),

In 2001, Bahrain made important strides towards democracy and reform, including a National Action Charter 'NAC' (Bahrain National Action Charter, 2001) prepared by 46 nominated representatives covering all sections and segments of the community. The NAC defines the features of the political and economic processes in Bahrain during the 21st century and represents the climax of its democratic developments in all national and public sector administrative activities.

Bahrain's public administration system is seen as adopting the Weberian model, where the government is regarded as the main provider of goods and services with a major role in the economy and society. It is widely believed that civil servants have the right to a "job for life", regardless of results or performance. Moreover, during the period 1999-2003, remarkable expansion in the public sector took place, due to an increased understanding of the need for the greater separation of functions (executive, legislative and judiciary) and/or specialisations resulting in the emergence of new ministries and government agencies (e.g. the National Audit Court and the Constitutional Court).

This caused civil service employment to rise further at the cost of public service efficiency and effectiveness, as seen in the overlapping of duties and responsibilities between organisations providing similar or related services. Undoubtedly, this will place an additional burden on the state budget, which is already stressed, especially given the relatively low oil resources now at Bahrain's command.

Bahrain is a clear example of a developing country where the public sector would need essential administrative and fiscal reforms along with democratisation. However, the main drivers of reform in the KOB have been economic, with high demands for public sector services and levels of investment which are increasingly difficult to finance, political pressure to reduce levels of taxation and governmental service fees and charges, the shift to a consumer-driven society and a general desire to improve administrative efficiency and effectiveness. Moreover, privatisation and the movement towards market-type mechanisms for the control of public services has become one of the key challenges.

1.7 The Organisation of the Thesis

Including this introductory chapter, this thesis comprises seven chapters (see Figure 1.1). The content is outlined as follows.

Chapter Two reviews public management theories and related empirical literature, focusing on administrative reform theories and exploring in depth the NPM approach and related aspects. Cases of experience with implementation are discussed. Contents are organised into sections and sub-sections discussing policy transfer, public management in the Arab World, New Public Management (NPM), a model of public management reform (elements and discussion), the NPM model and the "adopted

model", administrative reform in public finance and budgeting (PPBS), the philosophy underlying PPBS, advantages and criticisms of PPBS and, finally, managerialism.

Chapter Three is devoted to the research methodology and explains how the theoretical base of the study is reflected in the empirical work. A triangulation of methods was adopted, each with a different sample and purposes, to ensure the reliability and validity of the findings. Apart from the analysis of the literature, an explanation is provided on how the self-administered questionnaire, case study and semi-structured interviews were employed. With regard to the questionnaire, the chapter explains the procedures which were followed. This covers sampling, construction, scaling, contents, validity, reliability, piloting, administration and implementation. Similar details are provided concerning the interviews (e.g. format, sample, schedule, protocol, administration and implementation). A single case study was used to highlight the PPBS.

Chapter Four comprises a discussion of the survey findings. The primary aim is to test and evaluate the findings and to analyse how the elements of NPM express themselves in management practice in public sector organisations within the adopted conceptual model of reform applicable to the Bahrain context. This will help to identify special features of Bahraini public administration which either resist or allow NPM adoption.

Chapter Five a single case study investigates and explores the experience of PPBS implementation within Bahrain as an approach to state administration and budgetary reforms along NPM lines.

Chapter Six explores and discusses the themes which arise from the semi-structured interviews. It aims to identify drivers of administrative change in Bahrain, including policy learning, elements of NPM in management practice, and challenges to and opportunities for Bahrain's public sector.

Chapter Seven is the concluding chapter. It contains a summary of the main research findings and the study's theoretical and practical implications. A series of observations are offered about administrative reform and change within the public sector in Bahrain in response to the NPM era through the adopted model of "challenges and opportunities". The contribution and limitations of the research are assessed and suggestions made for future research.

Figure 1.1: Diagram of the relationship between the chapters of the thesis
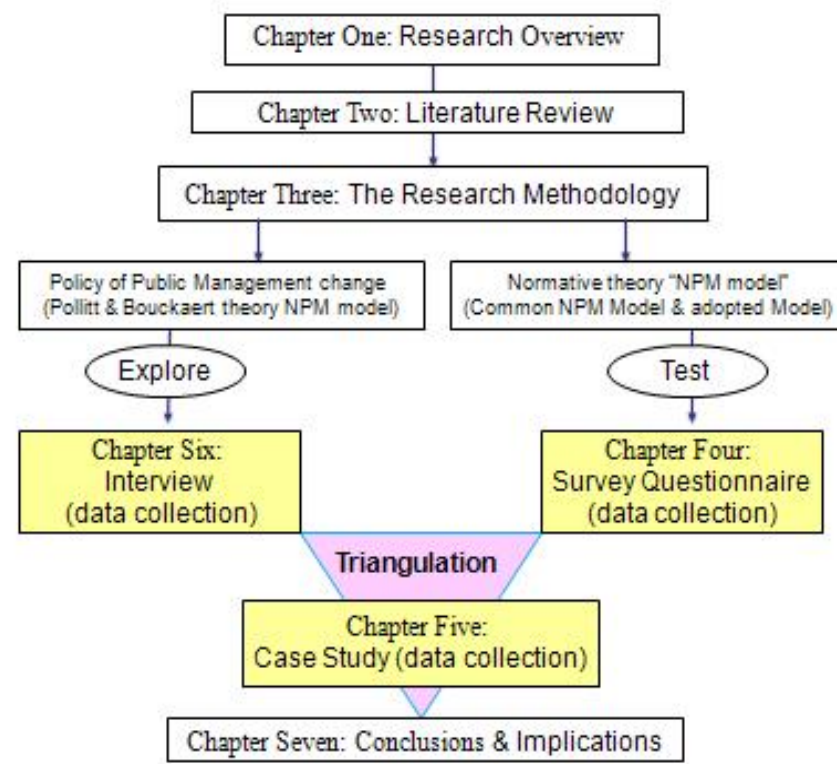
Chapter Two: Review of the Literature

Following the research stages:

Chapter 1	The Research Overview
Chapter 2	Review of the Literature
Chapter 3	The Research Methodology
Chapter 4	Data Analysis of Managers' Survey Questionnaire
Chapter 5	The PPBS Case Study
Chapter 6	Data Analysis of Ministerial and MP Interviews
Chapter 7	Findings and Conclusion

2.1 Introduction

As previously, the study is concerned with drivers for change (including policy learning) in public administration in Bahrain and the expression of New Public Management (NPM) elements in the public sector as a response.

The purpose of this chapter therefore, is to articulate the theme of public policy transfer in the emergence of the NPM paradigm and to consider the consequent implications for public management reform and practice and implementation of this approach in Bahrain. Literature regarding public management practice and policy change in the countries of the Arab world is investigated.

In order to do this, the chapter is organised into several key sections. The first section highlights the administrative context of Bahrain. Next section sets out the principles and practices of policy transfer, exploring the context of policy transfer (change) and its drivers and drawing lessons. This is followed by a discussion of public management in the Arab world. It locates the origins of the practice of policy transfer and change and tracks the diffusion of administrative reform in the light of NPM in the Middle Eastern countries' practice in general and in Bahrain in particular.

Finally, a critical review is undertaken of the literature on management and administration reform with an exploration of NPM to identify the concepts, issues and

debates pertinent to the research questions and situate this study within the work of others.

The experiences of some developed countries are discussed within this context. Pollitt and Buckaert's (2004) and Common's (2001) models of administration reform are outlined and identified as a fundamental framework of this study.

These NPM models are a central point of reference for the empirical work of this study, the aim being to develop a conceptual model of reform applicable to Bahrain by drawing on those that have been applied and tested in South Asian countries (Hong Kong, Malaysia and Singapore), some of which have similar economic resources and socio-economic variables.

2.2 Administrative Context of Bahrain

2.2.1 Bahrain: Pre-1971 to 2006

The Kingdom of Bahrain is a group of islands off the Arabian Peninsula. It is generally perceived as being more liberal in its applications of Islam than it neighbours and has been encouraged in political and economic reforms by its hereditary ruler HM the King Sh. Hamad bin Isa al-Khalifa. Since gaining Independence from Britain on 14 August 1971, Bahrain has undergone a remarkable degree of change, not least in the area of its administrative capabilities (Ahmed, 2009). While some Bahrainis had occupied important administrative positions since the 1950s, the post-Independence period meant that organisational approaches that had been widely accepted for a number of decades were now being questioned.

Historically, foreign companies have invested in Bahrain's natural resources and have had a related interest in trading activities. Such companies and agencies adopted their own management styles. However, consideration of cultural-fit adaptation is reflected in the final shape of such management styles, which differ in the countries from which such companies originated.

Since Independence in 1971, the Bahraini Government has played a major role in the development of its own unique model of administration. For instance, it employed experts from bodies such as Bapco (the Bahrain Petroleum Company), Caltex (a well-known American oil company) and BP (the British Petroleum Company), which had

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built a solid reputation for training and developing the capabilities and skills of their employees. This raises the question of whether the government benefited from this transfer of skills and know-how in relation to management changes and public sector reform (Jarman, 1987).

The government owns and controls a number of the Kingdom's industries, such as oil and aluminium. Although government revenue was dependent on oil and increased by some 200% during 2000-2006, Bahrain's government expenditure increased by 170% for the same period. The government has used its oil revenues to improve country's infrastructure and has raised the standard of living, and the public services offered to its people. Oil and natural gas are Bahrain's most significant natural resources. However, because of its limited oil reserves, Bahrain has had to diversify its economy and has stabilised its oil production at around 40,000 barrels per day. The Bahrain Oil Company, established in 1932, the first to do so in the Arabian Gulf, produces some 250,000 barrels per day. In 1980, 60% of the refinery was sold to the state-owned Bahrain-Saudi National Oil Company (BANOCO), Saudi Arabia providing the majority of the crude oil Bahrain needs for its refineries via a pipeline from the Abu Saafa offshore oil field. However, the Bahrain National Gas Company (BANAGAS) operates a gas liquefaction plant that uses gas direct from Bahrain's oil fields.

Despite the efforts of the Bahrain Government to diversify, oil and gas still dominate the country's economy, in 2007 accounting for 85% of Government revenue and 74% of total exports, the latter increasing over the period 2001-2007 (CIO, 2010). Bahrain is not, incidentally, a member of OPEC (Organisation of the Petroleum Exporting Countries).

Furthermore, oil exports in 2003 comprised 64.5% of total exports, amounting to BHD 490 million, a 7.2% increase from 2002. In 2007, Bahrain's oil exports rose to BHD 4.059 million. Oil imports for 2006 (mainly crude oil from Saudi Arabia for refining and re-export) increased 17.5% to BHD 1,843 million (from BHD 1,567.8 million in 2005). Oil imports in 2007 represented BHD 2,205 million (41.8%) of total imports of BHD 5,279 million (CIO, 2010).

2.2.2 Democratic changes in 2001

In 2001, Bahrain made important strides towards democracy and reform, described by observers and analysts as the most daring and courageous changes to have occurred in a

developing nation and in the region since the early 1990s. These changes included a National Action Charter 'NAC' (Bahrain National Action Charter, 2001) prepared by 46 nominated representatives covering all sections and segments of the community. The Charter was overwhelmingly endorsed by 98.4% of Bahrainis in a national referendum in February 2001. The NAC defines the features of the political and economic processes in Bahrain during the 21st century and represents the climax of its democratic developments in all national and public sector administrative activities. The referendum was preceded by a general pardon and amnesty which led to the release of all political prisoners and the return home of exiled citizens living abroad who were thus offered the chance to take part in the national and political processes (NAC, 2001).

Other actions taken by the leadership during that time, such as abolishing the Security Law Court and the amendment of the 1973 Constitution, contributed further to improving the climate for political and administrative reform. As a consequence of the above, a bicameral legislature was established, which convened for the first time in December 2002. The First Chamber, the Parliament (Majlis Al-Nawwab), is an elected house; the second, Majlis Al Shura, is an appointed consultative council whose members possess rich experience and knowledge in specialised areas (Common, 2008).

The Bahrain democratic blueprint is based on the ideals of free expression, with any limits being those related to national interest, national responsibility and Bahrain's religious and cultural values.

2.2.3 Impact on civil service: democratisation

Bahrain's public administration system is seen as adopting the Weberian model, where the government is regarded as the main provider of goods and services with a major role in the economy and society. It is widely believed that civil servants have the right to a "job for life", regardless of results or performance. Moreover, during the period 1999-2003, remarkable expansion in the public sector took place, due to an increased understanding of the need for the greater separation of functions (executive, legislative and judiciary) and/or specialisations resulting in the emergence of new ministries and government agencies (e.g. the National Audit Court and the Constitutional Court).

This caused civil service employment to rise further at the cost of public service efficiency and effectiveness, as seen in the overlapping of duties and responsibilities between organisations providing similar or related services. Undoubtedly, this will

place an additional burden on the state budget, which is already stressed, especially given the relatively low oil resources now at Bahrain's command. In addition, the political impact of unemployment on the national workforce cannot be under-estimated. For example, the United Nations Development Programme (UNDP, 2003) Bahrain report puts unemployment at 10.1% (UNDP, 2003), the overall rate having declined from 14.8% in 1991 to 12.7% in 2001, 15% in 2005 to 3.5% in 2009 (Index Mundi and Bahrain Business).

It may be pertinent to stress that unemployment figures are updated regularly (monthly/quarterly) in developed countries through sampling and field surveys. Workers who are able but unwilling to work (i.e. who turn down offers to work) are not considered to be unemployed. As periodic employment statistics are not regularly updated, the availability of reliable statistics is difficult to establish. This categorisation of the unemployed could be unique in that it is perceived that a large segment of those who are unemployed is unwilling to work in the areas of jobs offered to them (Harrison, 2001).

Bahrain is a clear example of a developing country where the public sector would need essential administrative and fiscal reforms along with democratisation. However, the main drivers of reform in the KOB have been economic, with high demands for public sector services and levels of investment which are increasingly difficult to finance. Political pressure to reduce levels of taxation and governmental service fees and charges "has added to the finance problem, as have changes in public attitudes and a variation in culture from a producer-led society to a consumer-driven one. Overlying these pressures has been a general desire to improve the efficiency and effectiveness" of the KOB public sector administration as a whole (OECD, 2002: 117). This would lead to substantial changes in the kingdom's public sector structure, its functions, the control and range of its activities and consequently the expansion of the scale of public sector to 18 Ministries in a small state with a population of 1,105,500, and an area of 757 sq km, appears overbearing (Central Informatics Organisation of Bahrain CIO, 2010).

This pressure, therefore, has led the researcher to look for a better means of planning public expenditure within the context of public management reform. The KOB, however, has a tradition of a unified civil service, competitive entry to public service positions and a traditionally centralised system. Moreover, privatisation and the

movement towards market-type mechanisms for the control of public services has become one of the key challenges.

2.3 Policy Transfer

Humphreys (2006) describes policy transfer as the adoption of knowledge regarding policies, administrative processes, organisations and theories that has been transferred from another political system (whether in the past or in the present) in order to be developed in a different system according to its own set of circumstances.

Dolowitz and Marsh (2000) also support this description but add that in an alternative approach to offering public choice, policy transfer has been regarded as a process whereby governments take into account the experiences with certain policies in other contexts and then adopt those elements they view as best practice or at least better practice than their current system.

It is a form of prospective policy evaluation by analogy, and is one commonly utilised means of assessing the likely effect of a policy before it is put into place and practice that deserves closer examination (Mossberger and Wolman, 2001). According to Page (2000: 12), "policy transfer is about the transposition of policies and/or practices already in operation in one jurisdiction to another"; it focuses on how practices can and may cross jurisdictions. Policy transfer focuses on the exchange of ideas or movement of ideas, policies and policy instruments between different political systems across the world (Bulmer, et al., 2007).

The context of policy transfer is extremely important in determining the notion of public sector reform in the light of the New Public Management approach and policies that fit the specific administrative change setting. Many countries, in line with the contemporary political and business environment, have demonstrated their "government's willingness to learn and adapt from other contexts in their quest for enhanced public service performance", Siddiquee (2007: 84) asserts (South Asia provides various examples). They reposition themselves to the changed context in order to achieve national developmental goals.

Siddiquee (2007) refers to the movement in which New Public Management has become increasingly more widespread globally and adopted as a strategy for developing service quality generally and improving public governance. In addition, dominant

political ideologies and the management climate in the public sector influence almost all operations, services and activities and act as a simplifying mechanism to justify administrative strategies and reform goals (Haas, 1989). Such reform has been, as management structures and practices have increased in size and complexity (Boyd, 2009).

Indeed, policy transfer or change cannot be ignored in any discussion of the NPM approach and administrative reform in a country setting such as that of Bahrain. Administrative reform is pervasive and has been applied in a variety of global contexts and in various forms (Kettl: 2005).

For Common (2001), policy transfer is regarded as an increasingly integral part of the policy process, although it remains largely absent from standard accounts of policy formulation needs:

> *Policy transfer is the conscious adoption of a public policy from another jurisdiction. Although ideas and policies may be different, for transfer to occur they must be adopted and implemented. Once an adopted idea or model becomes institutionalised then diffusion cannot be explained by the demand of organisational routines and by being promoted to self-interested actors......., policy transfer becomes an observable process once organisations and actors pick up the policy idea or model (ibid, p. 74).*

Thus, those entrusted with the task of policy-making have explored policy solutions from other countries and contexts and engaged in policy transfer and all that goes with it, such as policy learning and emulation (Common, 2001).

2.3.1 Transfer drivers and pressures

Humphreys (2006) mentions that there are three types of drivers and/or pressures that encourage countries and public sector management to undertake policy transfer. The first is those pressures driven by globalisation, international regulation and competition, technological change, and hegemonic ideological pressures that are actually driving regulatory change in the wider global politics and economy. It has been noted that globalisation and technological development have enabled policy ideas to be disseminated more easily throughout the world (Stone, 2000 cited in Duncan and Greenaway, 2002). There also exists pressure to achieve socio-cultural aims in continuing processes of national divergence. Thirdly, pressures also emerge from

competition in the global economy; for example, the USA has developed a range of "competitive" policies in response to these pressures as other world economies develop.

Banks et al. (2005: 3) comment on the emergence of certain contemporary drivers, such as the "growth in regionalism among nation-states and the development of regional identities in the last decade or so of the 20th century, which have stimulated more active dialogue on comparative policy. Secondly, many OECD governments claim to pursue programmes of 'evidence-based' policy. Finally, international agencies like the IMF, OECD, the World Bank and the WTO (World Trade Organisation) actively facilitate policy transfer" to support developing world countries.

Policy transfer has also been observed to be prompted by what ideas might be in vogue at the time, just as much as in other environments and industries (Banerjee in Banks et al., 2005). Banks et al. (2005: 5-6) argue that bad policies are sometimes transferred. This might build from public pressure to introduce and adopt certain reforms quickly and an "off the-shelf" policy from elsewhere. "In a similar vein, they add, "there may be many reasons why apparently successful policies in one national context are not transferred. It may simply be that they would be 'inappropriate' in another context (i.e. not best practice), or because alternative coalitions of interest groups block such transfers, as in the public choice model, or through sheer historical accident" (ibid). However, it may also be that the outcome from policy is either hard to evaluate or else simply poorly evaluated.

Further, as Humphreys (2006) and Siddiquee (2007: 83) notes in the Malaysian case, policy transfer was "driven by the changed context of public governance both locally and globally". It was driven by political and economic change and globalisation, which posed serious challenges for Malaysia, so that the need to improve governance and innovation was keenly felt "in view of internal economic realities and developments elsewhere" (ibid). The NPM, which gained huge currency more or less at the same time, had a major influence on reform efforts. Malaysia, as with other countries, has "undergone significant transformations in its public services as a result of innovations introduced in the past decades" (Siddiquee, 2007: 83).

Moreover, Siddiquee (2007: 87) adds that "these reforms and innovations, especially the more recent ones, are very similar to those introduced elsewhere under the new paradigm of public governance". He notes, however, a general reluctance to

acknowledge policy learning, transfers and reforms that have been implemented. Reformers in Siddiquee views often "make no reference to similar reforms elsewhere, although examination of the nature of reforms indicates that they have been borrowed from the experiences of reforms and innovations introduced in various contexts, although no particular model was followed faithfully" (ibid).

Accordingly, we can note that not only have the structure of bureaucracy (in developing countries) and operational processes and methods led to reforms in various countries, but that, increasingly, emphasis on market values such as "quality and productivity, efficiency, discipline, innovation, integrity and accountability, excellence in service provision and customer-orientation" is putting pressure on public services to transfer policies and embark on public reform (ibid, p. 90).

2.3.2 Types of policy transfer

Humphreys (2006) has distinguished between two types of policy transfer. The first is coercive policy transfer, which can be made at any point along a continuum with the notion of being "obligated" at one end. This occurs when a government is forced by a supranational institution, for instance, to adopt a certain policy. The second type, voluntary policy transfer, refers to transfer that occurs in some other country.

The European Union (EU) has utilized a variety of tactics in its policies of Europeanisation, from the coercive to the voluntary. In addition, the EU experiences have offered opportunities for various kinds of policy transfer (Bomberg and Peterson in Humphreys, 2006). Banerjee (in Banks et al., 2005) also considers the type of rational policy that has been prompted by the growing international political debate.

In this regard, Bulmer et al. (2007) explore three policy transfer types:

1. Policy diffusion: this is concerned with the adoption of innovation from one political system to another.
2. The expansion involved in policy convergence that occurs internationally.
3. Policies that draw on the lessons of others, resulting in decisions by policy-makers to explore foreign innovations but adopt them in a form that would suit what is happening or is anticipated to occur domestically.

In the case of Malaysia, with the goal of economic development, Japanese management methods, ethics and growth were targeted in the "Look East Policy". Siddiquee (2007) asserts that "Malaysia has followed the global trends for minimum government and public-private collaboration in its pursuit of developmental goals" (p. 87). Malaysia's Modified Budgeting System (MBS) has followed an adaptation from the Australian-Canadian experience (Common, 2001), and the Malaysian Client's Charter is a version of the UK's Citizen's Charter (Siddiquee: 2007). The Malaysian example is relevant here for several reasons:

1. It has employed NPM, fiscal and administrative reforms for some time.
2. It was highlighted by Common in his work on NPM in South Asia.
3. Bahrain has referred to Malaysia as a benchmark in its PPBS practice guidelines.

2.3.3 Policy transfer process and dynamics

Humphreys (2006) identifies the policy transfer process in EU policy. He argues that the diffusion of policy(s) to all EU member states would have occurred "even if the European Commission and other agents of supra-nationalism had not existed" (p. 12). He adds that policy transfer can occur through policy emulation, which involves some imitative action, or through policy learning, involving a redefinition of one's interests on the basis of newly-acquired knowledge. The EU, in Humphrey's view, has "facilitated policy transfer by providing pro-reform national policy makers facing domestic opposition" with the centre-argument that "Europe demands it" (ibid). The EU, moreover, has experienced a process of policy networks through groups of professionals, expertise and competence in particular domains and policy-relevant knowledge. Radaelli (in Humphreys, 2006: 12) notes that in the transfer process the European Commission has played the role of a "very active policy entrepreneur". In some policy domains the EU is the "schoolmaster" and policy transfer can be directed (e.g., the Europeanisation of competition policy). In many other policy domains, however, it is a "classroom", where Member States learn from each other and the EU simply serves as "a sort of supranational idea hopper".

Daguerre (2004) discusses the welfare policy transfer from the USA to Britain, where reform processes have been much more incremental than in the USA, as an example of differences between the policy originating country and the borrower country. Daguerre has also described how governments have taken increasingly tough positions regarding the unemployed since the late-1980s, although Britain has yet to adopt an equivalent to

the American approach in this regard (2004). This suggests that the process of policy change in Britain is less ideological than in the USA. The policy under transfer might be given a different focus, as in the case of the New Deal policy which focused originally on youth rather on single mothers, as a difference between the USA and the UK (ibid). Philosophy and similarity of policy in structure are factors that affect the pattern of policy transfer, as indicated by the welfare reforms (1990-2000) in the USA and the UK. Moreover, Daguerre argues that differences between the two countries' benefit agencies must be considered in the policy transfer process.

According to Page (2000), the range of projects in the policy transfer process depends on four related issues:

1. The way in which the policy operates in the country from which the strategy is to be adopted.

2. The establishing of such a policy as being worth emulating.

3. The way in which the adopted policy will be applied in its new setting.

4. The actual operation of the adopted policy in its new setting.

Moreover, policy transfer requires awareness of and information about programmes in effect elsewhere, an assessment of the existing policies or programmes, and their application to a new setting, as argued by Mossberger and Wolman (2001).

2.3.4 Policy transfer variables

Page (2000) illustrates the following policy transfer variables: who, what, when, why and how policy transfer takes place.

Who is going to carry out the transfer as well as contribute the effort and organisation required to identify policy ideas and whether to export or import them.

Public managers have long been involved in strategies for conducting policy transfer and affecting policy outcomes. However, implementing a single policy instrument can have very different outcomes depending on the organisation into which it is introduced (Lynn, 1996; Meier and O'Toole, 2001, cited in Hicklin and Godwin, 2009).

Hicklin and Godwin (2009) also describe the interests of communities affected by a policy, which can often focus on aspects which have an impact on the design and

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implementation of policy instruments. Theorists have predicted that policy design and adoption will represent a combination of information (i.e. which policy instrument will solve various problems) and values (i.e. which policy instrument will lead to the achievement of the goals desired by those involved in the process).

What is going to be transferred is another variable, focusing on a policy as a set of notions, organisations and processes, and the extent to which a policy might differ between the country of origin and how it is to be adopted in the new setting. This will have a bearing on the label the importer gives to the policy (Page, 2000).

When is the policy transfer likely to take place? More recently, the adoption of trends, such as "new public management", has been observed over many years, rather than occurring at a particular point in time (Lawton 1999; Wright 1994).

Why do countries borrow policy or policies from one other? Developing countries especially are often obliged to adopt practices which have been deemed to be good practice in other settings as a condition of receiving a loan or a grant (Hopkins et al., 1997).

How a set of policies or practices come to be adopted in a new setting. For example, the Post Office in Britain took certain aspects back from a Japanese system which had itself been based on a British model. Further, Seeley (1896 in Page 2000) describes how British local government was restructured in the early-19th century by German reforms, the reformed British structures then being transferred once again to Germany at the end of the 19th century.

In a similar framework for exploring policy transfer, Dolowitz and Marsh (2000) mentioned seven questions which need to be addressed in studies of policy transfer:

- Why do organisations engage in policy transfer?
- Who are the main figures involved in the transfer process?
- What is being transferred?
- Where are lessons drawn from?
- What are the various degrees of policy transfer?
- What restrictions or enablers are involved in the policy transfer process?
- How is the success or failure of the policy related to its process?

2.3.5 Lesson drawing

According to Duncan and Greenaway (2002), increasingly globalised economic activity offers wider learning opportunities for those seeking the adoption of policies in other contexts.

Lesson drawing refers to an "understanding of the conditions under which policies or practices operate in exporter jurisdictions and whether and how the conditions which might make them work in a similar way can be created in importer jurisdictions" (Page, 2000: 2). The lesson drawing perspective "requires knowledge of how policies work and knowledge of the wider social, political, economic, administrative, and cultural conditions that affect how they work in the exporter jurisdiction and how they are likely to work in the importer jurisdiction and sustain cross-national policy differences" (ibid). As an example, examining French family policy and how it could be adapted in Greece has led to the consideration of the ways in which cultural influences affect family policy in both countries (Hantrais, 1997 in Page 2000). The emphasis in this perspective is on understanding how practices and policies move from one country to another (Dolowitz and Marsh, 1996 in Page, 2000).

Rose (1993 in Page, 2000) suggests that there are four broad stages involved in drawing lessons:

1) Looking for the source of a lesson.
2) Producing a model illustrating how a policy or practice works in its own setting.
3) Establishing what can best be taken from a practice in its original setting in order to produce an effective outcome in its new location.
4) Anticipating the way in which the policy or practice will operate in its new location and making any modifications deemed necessary and suitable.

Page's (2000) view supports the above, describing how such a consideration requires information about the factors that contribute to the working of the policy or practice in its original setting; knowledge of the likely impact of the new settings on the operation of the policy or practice being adopted; and knowledge of what could be changed to enable the new programme to operate effectively in its new environment (Page, 2000).

In its evaluation of public administration reform programmes, the UNDP (2003) suggests that the increasing concern for public administration in developing countries is based on three main academic arguments, as follows.

I. "New public management: a number of Anglo-Saxon countries (the UK, New Zealand, Australia, the United States and Canada), starting in the early 1980s, began implementing wide-ranging reform programmes that provided both the model and the experience that could be applied in developing countries. NPM seeks to roll back the role of the state by applying private sector management principles to government organisations. The enthusiastic dissemination of this model to developing countries was seen by some as a new attempt to colonise development administration with a standardised, Western approach to Public Administration Reform (PAR). Nevertheless, the language of NPM, and the principles of client focus, decentralisation, the separation of policy making from implementation, and the use of private partners for service delivery continue to inform current thinking about public administration reform.

II. "Structural adjustment reforms: in the mid-1980s, efforts at reforming the public administration in developing countries, supported by the international financial institutions, focused on reducing the overall costs of government, mainly through the privatisation of state-owned enterprises and reduction of the wage bill to bring government spending down to sustainable levels and free resources for other uses more beneficial to the economy overall. However, most of the public sector reforms supported through the Structural Adjustment Programme have met with considerable resistance (not least because in many countries the public sector is the principal source of formal employment), and their implementation has rarely been successful.

III. "Transition from central planning to market economy and from single party systems to multi-party democracies: in the 1990s, a large number of economies, especially in Central and Eastern Europe (but also in countries in South East Asia), began this transition. This implied a reorientation of the system of public administration" (UNDP, 2003: 2-3).

Regarding the lesson of New Zealand, Barzelay (2001) points out that:

> *Changes in public management policies, from the lesson of New Zealand, provided a basis for improved performance planning, including requirements that ministers and chief executives of government departments together formulate annual performance objectives for chief executives. The revamped budgetary process also provided several tools to support improved performance planning. These tools included describing organizational activity in terms of "outputs" and adopting accrual accounting methods so that budgetary charges would reflect the rate of consumption of fixed assets (p. 165).*

The experience of the Nordic countries (Denmark, Norway and Sweden) gives significance evidence for the competing drivers of change that determine the direction of public management reform. Even though effects varied from one country to another, they show a pattern of expanding social equity within both the civil service and society,

while equal employment opportunity policies were enacted in each of them and extended to new groups (Wise, 2002).

In the Bangladesh path to reform, the government established the Public Administration Reform Commission to facilitate improved efficiency within those agencies concerned with public service, as well as more accountable and transparent public administration. This was intended to help the country achieve a sustainable measure of socio-economic development (Bhaban, 2006).

In a further example, Melchor (2006) refers to Mexican administrative reform, suggesting that policy transfer is best utilised as an elite theory of policy making in which participants share a common value system regarding public policy making and management (see elite theory summary in Appendix C-8).

Arif (2003) states that political support of the Tunisian administrative reform experience can be distinguished as unique in the Arab world, as it identified the precise needs of citizens and adopted a reform culture. She adds that the correlation between reform dimensions (political, legislative, administrative and behavioural) led to a successful achievement in the general approach and public administrative reform. Egyptian reform emphasised technical aspects rather than the notion of ongoing administrative reform. On the other hand, the stages of administrative reform in Saudi Arabia evolved into the use of some administrative factors which provided only partial change[4].

2.3.5.1 Lessons in PPBS transfer

A lesson from OECD countries shows that reform programmes have to be structured, reform plans created, and an implementation strategy has to be negotiated and managed so as to achieve the desired goals and maintain reform momentum (Diamond, 2001). However, the literature shows that no standard model operates across the OECD, and institutional and cultural contexts have offered a certain distortion with regard to packages of reform (Common, 2009).

Moreover, reform programmes have had to be packaged so as to be acceptable to the main stakeholders in the budget system, although significantly a reform team had to be selected and granted the power to carry out the reform. It is this aspect of the reform

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[4] Researcher's translation.

process, the exercise in changing fiscal management, which is the focus of this study. In other words, the study addresses the question of how changes can be structured to incorporate changes from one budget management model (line-item) to another (PPBS), involving a cultural shift from a compliance to a performance orientation (Diamond, 2001).

Moreover, the Canadian experience (involving as it did a middle-income country) indicates that a step-by-step approach (i.e. phases) may be advisable in the adoption of PPBS and that building this capacity will take time and needs to be developed in stages, as in the case of Bolivia and other similar economies (Diamond, 2001).

Diamond (2001) draws certain issues from lessons learned for successful introduction and sustainable movement from one budget model to another as follows:

1) "First and foremost, the degree of required management skills should never be underestimated. Who is going to manage the reform process? Who is going to manage the new budget system? The successful answering of these questions can make a key difference in emerging countries where the depth of managerial expertise in government is lacking.

2) "Proper sequencing of reforms as management capacities must be strengthened as a prerequisite to devolving management autonomy. The new devolved budget management model must rest on solid management foundations, especially at the agency level.

3) "Begin modestly and do not attempt to be too ambitious. In design, a gradual and step-by-step approach is advocated. In implementation, a serial approach is preferred. There has been some experience of public sector reforms that sought to install complex fully integrated Financial Management Information System (FMIS). These have proved to be beyond immediate capacities and deflect from more fundamental managerial reform.

4) "Identifying the right management teams; it is important that the change management team shares common objectives which are fully congruent with that of the government. The more fully the government can trust the management team, the more likely is the reform to achieve its objectives. To find managerial leadership with common vision, technical competence, having stature to spearhead the reform, and being fully committed, seems daunting. But the fact is that such leadership has been possible to find in many countries and offers living proof that in budget reform the human factor cannot be neglected (Diamond, 2001: 19-20)."

2.3.5.2 PPBS lessons from New Zealand practice

Some of the respondents identified New Zealand as an influence on their speculations about NPM and administrative reform practices. For them, the New Zealand public

management model of reforms engaged Ministers in identifying the outcomes they wished and then planned to accomplish. Managerialism in this sense has greatly helped Ministry departments and expanded service providers' freedom and choices in managing allocated resources to produce the desired outputs. However, managers were held accountable for their performance in achieving these desired outputs, which requires the executive and the various departments or directories to be responsible for producing the outputs, while Ministers decide what such outputs should be, as well as identifying the desired outcomes. Rose (2003) also stated this, when he wrote that New Zealand has achieved success in moving to an outcome focus by enabling the production of high quality information, particularly as a result of introducing accruals accounting accompanied by the clarification of the roles of the ministers and chief executives involved. Thus the credibility of relationships has been enhanced through full accountability and rewards, or otherwise, based on performance.

However, Rose (2003) has questioned the extent to which outcomes-based management can reliably be driven from the top down. Moreover, Kibblewhite and Ussher (2002) advocate central agencies balancing responsiveness to limitations faced by specific agencies with the requirements for central leadership. Thus, if agencies are to use outcomes-based systems, Kibblewhite and Ussher maintain that they need to have a sense of ownership to encourage them to develop the tools and systems they need.

Rose stresses the need to recognise that the model is evolutionary and needs to build on achievements rather than replace previous ideas. Aspects of New Zealand's experience with hard-edged or new contractualism have been selected and adopted by some of the developed countries, such as Iceland and Singapore. However, it has to be borne in mind that what worked in New Zealand might not be transferrable to all developing regions (World Bank, 1997 in Rose, 2003). In this regard, Bale and Dale (1998 in Rose (2003: 15) offer some aspects of the New Zealand experience that may be transferable:

1) "Separate trading accounts.
2) "Separate policy advice and delivery.
3) "Management systems focusing on outputs which can assist transparency, accountability and improved service delivery.
4) "Accruals accounting may assist financial performance but there may be a shortage of accountants and economists with the appropriate skills mix. They argue that effective cash accounting may be a precursor of accruals accounting.
5) "Improved performance reporting to government and the public.
6) "Separation of the roles of managers and politicians."

Although remarkable efforts have been noticed in organisational restructuring in many GCC and other Arab world countries (Al-Otaibi, 2006), some of these were addressed under administrative reform, as in Saudi Arabia, Kuwait, the UAE (United Arab Emirates) and Egypt. This describes the restructuring of certain ministries, breaking down government to agencies, simplifying procedures, and/or the merger between certain ministries and so on. However, no traceable evidence of comprehensive implementation of NPM and PPBS has been found in these countries, including Bahrain.

2.3.6 Shortcomings of policy transfer

Certain reforms have failed to solve many of the perennial problems of the public sector although reform has generally been perceived as a step in the right direction and has produced favourable outcomes in several areas. The Malaysian experience, as one example, shows that achieving excellence in public service remains unlikely, revealing a wide gap between theory and practice (Siddiquee, 2007).

Variables of policy transfer have been illustrated, followed by a discussion of the lessons drawn from other countries. The next section illustrates the issues of public management in the Arab world.

2. 4 Public management in the Arab world

This section will discuss the literature on public management in the Arab world, focusing on these countries' policy transfer practice and public management culture with a view to good governance within the globalisation framework. This would provide a basis for a theory of NPM and an administrative reform implementation approach in Bahrain.

2.4.1 Public administration and management in the Arab world

The term "Middle East" refers to a cultural area which in the broadest sense includes countries as far as Iran to the east and countries in North Africa up to Morocco in the west (Budhwar and Mellahi, 2007). For the purposes of this study, the Arab world (as a major component of the Middle East) is regarded as a group of countries sharing beliefs, a language, religion, and so on.

Aarts (1999) wrote that the Middle East is an area known for its realist thinking. Collective political structures generally take on the form dictated by local hegemonism and economic integration is still only an idea. Although the notion of Arab unity remains, there is a sharp contrast between this ideal and the lack of any practical results of a number of efforts towards that objective.

Arab world countries are still at a rudimentary stage of developing effective administrative capacity and accountable public administration. Within this context, Jreisat (2009) notes that the Arab world's institutional capabilities and values will have to be transformed, from traditional controls and nepotism to a more collaborative and accountable management structure.

Again, according to Jreisat (2009), Arab administrative systems do not have sufficiently developed abilities to operate within an international environment which often utilizes complex and even contradictory agendas, requirements and standards of conduct. Undoubtedly in recent years the administrative aspect of Arab governance has attracted strong demand for improvement, due to the recognition of the need for efficient and ethical public administration.

In the Arab world, however, Jreisat (2009) argues that attempts at restructuring public organisations and technological networks, reforming managerial processes and procedures, and human resource development and training have been made. Moreover, there is the recognition that democratic governance is inevitable and generally expected by those in the Arab world, even as there is the awareness that such a process is slow in arriving.

Jreisat (2009) concludes that public administration in the Arab world is currently experiencing a transition from being traditional, centralised and even corrupt to being more professional, accountable, transparent and ethical. Recently, however, "public administrators have had to expand their intellectual horizons, refine their operational methods, improve their communication and negotiation skills, and conform to higher standards of performance in all aspects of their responsibilities" (Jreisat, 2006; Jabbra and Jabbra, 2005; Farazmand, 1999, cited in Jreisat, 2009: 49). The evolution of the machinery of public administration has rapidly and steadily faced the challenges of change in this century, having also expanded in activities and in number (Massadeh,

1999). In the last three decades, the trend has been for the machinery of government to be more sophisticated, professional and complex.

Discussing Jordanian public management, which is similar to that in other Middle East Arab states, Massadeh comments:

> *"New ministries, public independent bodies, local government and non-government authorities, and regulatory and technical bodies were established. The state assumed an interventionist role to discharge business-like activities as well as its traditional role in maintaining public services"* (1999: 106).

Kalantari (2005) maintains that approaching administration in a cultural way supports the notion that administration itself is based on culture. Kalantari concludes that the majority of governments have failed in their attempts to develop the institutions necessary to support the social, economic and political requirements of all their citizens. Within this content he cites that the Middle East region has demonstrated great difficulty in maintaining viable, efficient, and effective public institutions. In addition, administrative culture in most Middle Eastern states is bureaucratic, incompatible with the culture of the masses and does not match people's expectations. He points out that the major obstacle in most Middle East countries is the general tendency of their public organisations to maintain positions of power no matter what the disadvantages to those they are intended to serve. In the view of Farazmand (1989), this culture is not conducive to serving the public's needs but serves instead the needs of the administrative elites and their political masters.

The public administration machinery in the Arab world is heavily burdened with red tape and a lack of efficiency. However, Massadeh (1999) suggests the structure of public administration in the Arab countries being reorganised to cope with the newly-arising situations challenging these countries, which put more pressure on their public administration to develop their public management approach and methods and to use new techniques to utilise available scarce resources (ibid).

As a result of the dramatic political, economic and social changes taking place within the Middle East region, change in administrative structure is an ongoing task to cope with factorial changes. In these states, managerial developments sometimes occur but without change taking place along any structured plan or as part of a systematic

strategy. As a result, new problems arise with an accompanying and urgent need to change the values of those in the Civil Service (Massadeh, 1999).

Massadeh further describes the Arab countries' administrative structure as follows:

> *"The public administration structure, in most of the Arab and/or Middle East country, has greatly expanded and become more complex, technical and diverse. New central and non-central public administration bodies have been established to discharge arising new tasks and to cope with socio-economic and political changes or to fulfil globalisation areas. The civil service in these countries has witnessed a rapid and constant increase in its numbers and activities. It has become evident that public administration is bewildered by these new tasks and by the surrounding political and economic environment. Not only are these tasks beyond the state economic abilities, but they are also beyond human abilities which may result in negative traditional values and to socio-economic forces pressure. Consequently, public administration must adapt itself to these new realities"* (1999: 111).

Pezeshkpur (1978) states that Western counterparts have influenced the structure of Middle Eastern organisation in which the hierarchy of authority was traditionally designed to follow in a pyramid fashion and greater authority is vested towards the top of a hierarchy. Consequently, Pezeshkpur (1978:53) notes that:

> *"Arab organizations, however, counter to their designated structures and functions, have displayed extreme fluidity. These organisations have always had relatively frequent changes in their structures and functions in order to accommodate their transitory leaders".*

In relation to this, Pezeshkpur adds that the "Middle Eastern pattern has been the opposite of the Weberian organisation so prevalent in the US and the Western world, where the organisation is the beginning of the Western conception of bureaucracy and personnel are recruited to fit the design and functions of the organisation" (1978: 53).

In contrast, those in the Middle East tend to accommodate organisations to executives. Consequently, Pezeshkpur (1978) concludes:

> *"The success or failure of Middle Eastern organisations is thought to be determined primarily by the individuals who fill their top positions" (pp. 53-54).*

According to Abbas (1995), current Arab management theories and organisations have emerged in response to the influences of the modern Arab environment. He also asserts that today's environment is polluted by foreign elements and is at best not conducive to the development of sound management practices. Abbas (1995: 7-8) points out that

"there is general agreement among management scholars that there is no culture-free theory of management (Hofstede, 1993). Management is a product of individuals whose understanding is influenced by societal values, beliefs, norms, and work and social experiences. Management thinking in societies where the socio-political environment is conducive to business growth has evolved into fairly defined principles and concepts that have advanced theory building and yielded sound management practices. These concepts are culturally bound but some can be transferred and adaptable to other cultures". In Abbas' (1995) view, this is what concerns Arab management.

Abbas (1995) states that contemporary management theories and practices are relatively new to the Arab business environment. The Arab economy, however, has merged into the international market. That is, Arab societies have moved to the industrial stage without establishing the sound foundations necessary for coping with the demands of modern managerial institutions (ibid, p. 7). On the other hand, the Arab world has passed through the normal stages of economic and technological development drivers for their modernisation.

In current Arab management thinking, Abbas (1995) has found that many attempts have been made to advance the analytical and critical analysis of management practices, which have established a foundation for developing management theory relevant to Arab culture as an *Arabised* theory. Moreover Abbas (1995) indicates that management models and practices in the Arab world reflect the region's political and social instability and serve the interests of powerful political elites and their foreign protectors. At the present time, he argues, the Arab environment is not conducive to the management theory building required by Arab culture in order to develop management philosophies and theories.

The current Arab political, social, and economic environment is not conducive to the building of a liberatory, culturally relevant management tradition. External forces (e.g., colonial legacy or current foreign hegemony) and internal forces (e.g., political instability, the brutality of existing political regimes, the absence of independent professional and scientific institutions, and cultural alienations) have paralysed sound management practice and obstructed management theory development (Abbas, 1995).

Nevertheless, many Arab countries have embarked on certain reforms, such as economic and structural adjustment programmes which include the liberalisation of

price and trade and the reform of public enterprise and privatisation, as described by Aarts (1999).

The issues of performance, efficiency and effectiveness are the most generally significant contributions addressed by management development programmes or policy transfer within the public sector arena in the Middle East. It is important for critical management development and prerequisites to implement consideration of these issues in the career of civil servants in the Middle East public sector (Dixon, 2008).

Dixon (2008) is also of the view that most Arab states will continue to conduct their governments in the way in which they have always done, in which case, regionalism will generally remain symbolic and economic ties between these countries will be characterised by different rules for different states and different requirements.

2.4.2 Middle East (Arab) countries and governance

According to the World Bank, governance encompasses a state's "institutional arrangements: the processes for formulating policy, decision-making and implementation; information flows within government; and the overall relationship between citizens and government" (Woods, 2000: 2). Good policy formulation requires the achievement of an optimum balance between innovation and learning lessons, whether that learning is from review and evaluation of one's own past or from observation of what others have done (Dunleavy et al., 2003 cited in Policy Hub, 2008). Accordingly, policy officials need to have the right disposition towards the policy process, the right knowledge and the right method.

Good governance, an approach in which public institutions function responsibly, transparently and accountably, is essential for reducing poverty and stimulating growth. In comparison, weak governance is characterised by slower growth, less effective public services, and missed opportunities for human development because of the limited participation of citizens in shaping their future (World Bank, 2003).

Woods (2000: 1) indicates that the concept of good governance has been announced as being "important for countries at all stages of development". From the perspective of "international financial institutions, the good governance agenda includes promoting transparency, accountability, efficiency, fairness, participation and ownership" (ibid). For Burnell and Morrissey (2004) "these values have been translated into broad

management objectives in order to improve political accountability, participation, an effective rule of law, transparency, and flows of information between governments and their citizens" (p. 824). Woods (2000) further mentions that the World Bank has been emphasising good governance to encourage accountability. For world governments to enjoy the trust and support of their societies requires political accountability (such as through elections or other direct links between those who rule and those who are ruled), and providing ways to implement principles such as participation and ownership.

Good governance, in the view of both the IMF and the World Bank, is a way of strengthening the frameworks of government. This means strengthening the rule of law, "focusing on transparency and information flows and ensuring that appropriate information is collected and released about the policies and performance of governmental institutions, so that citizens can monitor and scrutinise the management of public resources" (Woods, 2000: 1). Moreover, the IMF and the World Bank have called on world governments (including Middle Eastern countries and Arab states) to be open towards the public at large about government structure and functions, fiscal policy intentions, public sector accounts, and projections, and to provide access to reliable and credible government information which is comparable with that produced by other nations (Woods, 2000).

In the light of these pressures, Arab governments have recognised the importance of governance for Arab national needs and concerns. This has led the Middle East countries (Arab states) to request help from the UNDP's Regional Bureau for Arab States to introduce the Programme on Governance in the Arab Region (POGAR) launched in early 2000. The programme activities focus on three main concepts: participation, rule of law, and transparency and accountability (Jreisat, 2009). In consequence, under the Governance Development Initiative, Arab e-Government leaders met in Dubai in 2006, most of the Arab countries having declared their commitment to ensuring the effective implementation of the following six themes (UNDP, 2006):

1) The integrity of the Civil Service.
2) E-Government and the rationalising of administrative procedures.
3) The reliable and transparent governance of public finance.
4) The reform of public service delivery, public-private partnerships and regulatory bodies and processes.

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5) The reform of the judicial and law enforcement processes

6) The role of the media and civil society in the processes required for reform.

The recent World Bank (2009) report on governance matters displays Middle East countries' performance results for the period between 1996 and 2008 in six governance dimensions. It assesses achievement on the following variables: "voice and accountability, political stability and lack of violence/terrorism, government effectiveness, regulatory quality, rule of law, and control of corruption" (ibid, p. 2).

The analysis of the said report shows that the most of the Middle East countries and/or the Arab world rank low for the following dimensions:

1. Most countries have fluctuating performance in the adoption and development of accountability (Libya [3%] and Syria [5%] being the lowest on the accountability scale).

2. In terms of government effectiveness, which relates most to this piece of research, results range from 18% to 65% and many countries have shown varying governmental effectiveness. Indeed, most of them have exhibited a low rate in this regard.

3. Regulatory quality is another dimension that is evaluated in the report. It shows significant improvement in some of the Middle East countries, such as Egypt, Jordan and Algeria, while quality is diminishing in others, such as Lebanon, Libya and Tunisia.

Implementation of the notion of NPM in public administration would require improvement in these areas of governance, which might later be driven by international and globalised factors.

2.4.3 The Arab world and globalisation

Jreisat (2009: 44) asserts that "public administration in the Arab world has been a focus of reform projects over many years", as globalisation sheds new light on the Arab public administration systems and brings additional responsibilities. He added, "another widely accepted opinion in the Arab world equates globalism with economic interests, mainly trade, banking, and capital flow across state boundaries" (ibid, p. 45). Some Arab intellectuals recognise both positive and negative aspects of globalisation but it is

rare to find one who supports or defends globalization wholeheartedly (Madhi, 2006, in Jreisat, 2009).

Globalisation is increasingly referred to as the driver behind changes in the pattern of governance in individual political settings (Common, 2006). In the Arab world it is noticeable that the discussion and argument regarding globalisation is normally limited to economic globalisation, or the "strong version" of globalisation discussed by Hirst and Thompson (1996 cited in Common, 2006: 3). This version subsumes "national 'domains' of culture and politics. The demands of the global economy include the need to compete in international markets and an obligation to control public spending" (Common, 2006: 5).

With regard to globalisation in the Arab world, Farazmand (1999) identifies it as having positive impacts, "such as continuity and persistence of state and public administration, and negative consequences, such as the threat to democracy and community, increasing corruption, and elite empowerment" (Farazmand, 1999: 1).

For the Arab world, globalisation involves risks and challenges with regard to the adoption of governance and the reform of public administration, in order to respond effectively to the demands of the new global environment (Jreisat, 2009). The Arab states have to recognise these opportunities and limit the potential negative consequences. Jreisat (2009) claims that the Arab states are now facing the first stage in their response to the forces of globalisation, as they consider how to deal with the local and global consequences of their actions within this wider context. He adds: "Thus, to manage global links, countries need to consider the opportunities and problems so they can enhance their gain and minimise their pain" (Jreisat, 2009: 43). He concludes that globalisation appears to be a complicated concept, with a number of worldwide dimensions and with the effects of globalisation varying from country to country (ibid).

Jreisat (2009) asserts the "Arab world is facing the broad, overall effects as well as particular consequences of the unfolding globalisation process and public administration is confronting this new reality without the necessary changes for dealing with it responsibly" (p. 40). Globalisation has created new conditions, new ideals, and new problems. The conception of globalisation in the Arab world and developing countries can be grouped into three thrusts or factors:

1. Economic factors (free trade, banking, employment practices and the transfer of capital).

2. Information and technology perspectives (involving the need for rapid and consistent technological innovation and the increasingly popular demand for electronic tools).

3. The interdependence encouraged and sustained by the processes of globalisation (Jreisat, 2009).

In their study, Aly and Strazicich (2000) emphasise the heavy dependence of the GCC countries on oil exports as their major source of income and government revenue. For example, "following oil price increases in the early 1970s, the GCC countries experienced significant growth in the size of their governments. Average government size, calculated as the average ratio of real government consumption to real GDP, was about twice the optimal for the period 1970-92" (ibid, p. 475). Accordingly, there are noticeable differences between the European and Gulf countries, as Common states (2006: 476-482) in the following:

> *While the actual average government size in Europe ranges from a low of 7.5% (Switzerland) to a high of 18.1% (UK), in the GCC countries it ranges from a low of 17% (Saudi Arabia) to a high of 29% (Oman). This indicates that the average country in Europe is much closer to its optimal government size than is the case in the GCC. The average government size is smaller than optimal in Europe (13% versus 16%), but it is much higher than optimal in the GCC (22% versus 12%).*

In the early 1980s, however, the price of oil reached its highest point and has fallen since then, with economic growth slowing and government budget deficits becoming more commonplace (Aly and Strazicich, 2000).

Moreover, due to increased global interdependencies, as Luke (1992: 17-18 cited in Common, 2006) notes:

> *Governance is now understood within the context of an "interconnected" world. These interdependencies include "geographic connections" (crossing jurisdictional boundaries), "functional interdependence" (blurring traditional boundaries between government functions) and "temporal interconnectedness" (linking the past, present and future).*

The Arab world needs to recognise globalisation and its implications for public administration, along with the "constitutive element of globalisation, a phenomenon that

is all-embracing with transworld and far-reaching implications for society, governance, and public administration" (Farazmand, 1999: 509).

2.4.4 The Middle East and cultural issues

In the context of Arab management culture, Abbas states that the phenomenon of pseudo-participation may exist for a number of reasons. Firstly, many Arab managers have been influenced by Western management philosophy and by the benefits of the participative approach; second, the claim that Arabs are born democrats needs to be kept in mind in the Arab context; and third that Islam is an egalitarian religion and advocates notions of social justice (Abbas, 1993). Although those features are violated in practice by current regimes, they might shape the Arab executive management style as mentioned by Abbas (1993).

In this regard, Common (2008) points out that Arab cultural characteristics tend to derive from the key influences of Islam, the Arabic legacy and the Bedouin existence. In this connection, however, "culture is more often a source of conflict than of synergy. Cultural differences" (within the Arab world, in general or in a specific country or group of countries) are a nuisance at best and often a disaster, according to Hofstede (2001: 1). He discusses consequences of culture, comparing values, behaviours, institutions and organisations across nations.

Hofstede (2001) proposes that national cultures can be understood and differentiated in terms of five dimensions:

- Power distance – the extent to which members of a society accept and expect inequality in the distribution of power.
- Individualism vs collectivism – the degree to which individuals are integrated into groups (such as family, tribe, or wider community) from which they derive their since of identity and protection, in exchange for loyalty.
- Masculinity vs femininity – the extent to which a culture's values are assertive and competitive (masculine) or modest and caring (feminine), and the distribution of genders roles.
- Uncertainty avoidance – the extent to which members of a society are comfortable with uncertainty; uncertainty avoiding cultures find security in strict laws, rules and regulations, and belief in an absolute religious or philosophical truth.

- Long versus short–term orientation – the extent to which members of a society invest in long term benefits through, for example, thrift and perseverance, or are more oriented to the status quo, e.g. saving face.

One example, according to Hofstede and Hofstede (2005: 3), is

> *…the long-distance culture where people feel dependent on those in authority and expect direction from them. In this manner subordinates avoid crossing the large power distance. In contrast, in low power distance culture, people expect to have more control and expect their boss to involve them in decision making in a consultative or even participatory manner.*

Arab culture, in particular, is characterised as having a high degree of collectivism (a tribe or extended family) and strong individualism (non-kin and guest workers). There are also strong tribal loyalties, reliance on relatives and friends, the expectation of consultation within groups and of authoritarianism with regards to out-groups. Another important domain with its roots in Arab culture is *wasta*[5] or the use of networks or personal connections within organisations (Tayeb, 2005 in Common, 2008).

In this cultural regard, the literature indicates that the Arab world countries have directed a number of efforts towards some aspects of restructuring their public organisations and institutions, adopting technology (some penetrating the e-government era), reforming managerial processes, simplifying procedures, and developing human resources through training. In addition, democratic governance is unavoidable, even as it is slowly evolving in Middle East countries. They are at the initial stage of mobilising globalisation processes and debating the interactions of local and global dynamics. On the other hand, the size of governments in GCC states in particular is about twice the optimal, while the performance of the public sector is reportedly low (Aly and Strazicich, 2000).

In addition, the administrative culture in most Middle Eastern states is bureaucratic and does not match people's expectations. Jabbra and Jabbra (2005) have examined Arab administrative culture and argue that it results in structures which are centralised and hierarchical. These structures tend to be supported by an authoritarian style of

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[5] *Wasta* is an Arabic expression that loosely translates into "who you know" or "clout". It refers to using one's influence or connections to get things done, such as the quick renewal of a passport, waiving of traffic fines, and even garnering prestigious jobs. *Wasta* is deeply ingrained in Middle East culture, having been the de facto way of getting things done for decades. In GCC and many Arab countries, *wasta* affects hiring and promotion decisions. This is not restricted to Arab nationals but is also practised by expatriates who use their connections as *wastas.*

management (Tayeb, 2005). Despite the conscious adoption of Western management techniques in general, and structures of public administration in particular, Jabbra and Jabbra (2005) argue that this has been unsuccessful in the Gulf region because of the powerful traditional style of administration that pervades the culture.

However, Common (2001) wondered if culture could make a difference with regard to performance management. He further highlighted Rubin and Kelly's (2005) arguments as to how countries could adopt performance budgeting without the managerialist type of ideology or the philosophy of public choice that generally accompanies the process of NPM. He referred to Ramadhan's (2009) concerns over Bahrain's implementation of performance budgeting, based more on institutional capacity than its being inappropriate to the culture. However, he stressed that it was important to observe the presence of the cultural variable, as the political culture rather than the social or organisational could be the means of adapting performance management from the overseas experience (Common, 2001). If we return to the international appeal of performance management, it is assumed that all governments share a concern with efficiency and effectiveness, and for the same reasons that a Weberian bureaucracy remains the one enduring and genuine international trend in public management.

Nevertheless, from the limited literature on Middle East public management and policy transfer, we do not find any example of good practice of the full implementation of the NPM approach to which we could refer as a benchmark. The following section will illustrate and explore some topics in public administration and NPM content, in addition to the drivers of public management reform, and highlight the NPM reform model, including reforms related to financial and budgetary system (PPBS) in the NPM context.

2.5 Public Administration

This section defines the public administration as the context of the recent reform trend and in particular highlights the traditional bureaucratic model and the criticisms to which it has been subject. In this way it establishes an understanding of the concerns pressures that contributed in calls for reform and the emergence of the NPM approach.

Contemporary public managers will be constantly challenged to design innovative administrative reforms to the organisational issues of the day. As such, administrative reform should be one of the most important topics in 21st-century public management

and the expansion of government services. The most recent renaissance of administrative reform began in the 1980s and was visibly pronounced by the mid-to-late-1990s. In this era, administrative reform focused on consolidating programmes or services, instituting programme-based budgeting, and improving the efficiency and effectiveness of public sector services (Boyd, 2009).

According to the UNDP (2003: 1-2), public administration refers to:

1. The aggregate machinery (policies, rules, procedures, systems, organizational structures, personnel, etc.) funded by the state budget and in charge of the management and direction of the affairs of the executive government, and its interaction with other stakeholders in the state, society and external environment.

2. The management and implementation of the whole set of government activities dealing with the implementation of laws, regulations and decisions of the government and the management related to the provision of public services.

Nigro and Nigro (1984) further define public administration as:

1) A cooperative effort in a public setting.

2) Covering the interrelation between all three branches of governance (executive, legislative and judiciary).

3) Having a major part to play in the formulation of public policy and, therefore, a role in political processes.

4) Being significantly different from private administration.

5) Being closely involved with private groups and individuals in providing services to the community.

Many developing countries are currently engaged in rethinking their administrative and budgetary reforms, including accounting frameworks where sound administration and budget practices have far-reaching implications for a nation's growth and are a key element of a good governance structure. Max Weber believed that an organisation based on legitimate authority would be the most efficient. A political leader is the source of legitimate authority and whose power extends downwards through the organisational hierarchy. Common (2001) argues that Weber's ideal bureaucracy was a model or a template for organisational comparison and assessment, adding that as far as the public sector and other large organisations are concerned, the bureaucratic approach can

greatly assist in terms of creating an environment where employees' actions are controlled and predicted by rules and procedures.

Bureaucracy, indeed, has remained as the dominant organisation form, particularly for the public sector and large private organisations. Burke and Wright (2002) maintain that public managers use different strategies (whether bottom-up or top-down) in their adoption of administrative reform, their work showing that administrative reform can be "a multi-dimensional construct" (p. 158).

Boyd (2009: 158) categorises administrative reform dimensions into: "1) Performance/results-oriented reforms and 2) Structural/process reforms". He also noticed that performance/results strategies were most often implemented in US practices.

Public administration reform (UNDP, 2003) can be highly comprehensive and include process changes in areas such as organisational structures, decentralisation, personnel management, public finance, results-based management, regulatory reforms, etc.

It can also refer to targeted reforms such as the revision of the civil service statute.

Public Administration Reform can be divided into four main areas (UNDP, 2003: 6):

1) "Civil service reform, which is concerned with human resources in the public sector such as capacity, wages and conditions. Focus is on the longer-term goal of creating a government workforce of the right size and skills-mix, and with the right motivation, professional ethos, client focus, and accountability.

2) "Increasing the efficiency and responsiveness of the policy-making system focussed on improving the efficiency of the policy-making process.

3) "Reforming the machinery of government, which is concerned with the rules, institutions, and structure of the administration necessary to carry out government policy, including new tools for public administration, notably e-governance and e-government. It refers to the allocation and reallocation of functions between departments and includes changes in the internal structure of departments, the allocation of functions within departments, and increasingly, the allocation of functions to bodies other than ministerial departments, with the creation of executive agencies and privatisation of government bodies.

4) "Reforming the public sector revenue and expenditure management system."

Peters' (1996) models of governing can be used to identify administrative problems and the factors that stimulate administrative reform. Accordingly, governments can determine the optimum choice option for reform in four dimensions: structure, management, policy making and the public interest. Common (1998), in his study of

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public administration in Hong Kong, collapsed these options into three types: structure, process, and functions, aiming to provide an analytical framework by which to assess the extent and nature of administrative reform. Common adds that these options were then expressed as part of the NPM model applied to the Hong Kong case. The researcher has studied this model and its applicable elements, and made certain adaptations in order to fit the bureaucratic situation of Bahrain.

2.5.1 Bureaucratic model

The key aspect of any organisation is the way in which it is structured and run to perform its targets. The end result of any organisation/enterprise, whether public or private, depends on its particular style of management. The bureaucratic and market-oriented are the two main types of model available. Each model has its own meaning and characteristics.

Dolan and Rosenbloom (2003: 8) report that Weber, the scholar of bureaucracy, noticed that "A fully developed bureaucratic mechanism compares with other organisations exactly as does the machine with a non-mechanical mood of production".

Krislov (1974) in Dolan and Rosenbloom (2003: 23) asserts the idea of social support for policy change and formulation (which is the recent situation in the KOB and/or other Middle Eastern countries). He comments that: "The public sector has explicit need for extrinsic validation. A major task of governance is to gain support for policies. No matter how brilliantly conceived, no matter how artfully contrived, government action usually also requires social support" (ibid, p. 23).

Despite the caricature of a bureaucracy as a mechanistic organisation, the development and growth of the classic model of bureaucracy was prominent in the last century in OECD countries, former Communist and developing/Third World countries; the last also being reliant on colonial rules, political involvement and occupation. Thus the colonial influence and the import of bureaucracy were due to expatriates appointed by colonial political agreements.

Turner and Hume (1997) have selected four meanings of bureaucracy which are commonly used in academic literature:

1) Rules which have been created by the bureau.
2) The system of professional administration.
3) The system of public administration.
4) Negative characteristics of a system of administration.

2.5.2 Assumptions of the bureaucratic model

The classic bureaucratic model structure assumes the following:

- Post-holders will try to maximise their own power, prestige and job security. The hierarchical structure in which they work is in their personal interest rather than for the benefit of the organisation as a whole.
- Weber's model works on the assumption that most bureaucrats are disinterested with regard to the ideals of being of service to the state and the citizenry.
- That it is the result of agency/organisation budget considerations within which bureaucrats follow their own agenda.

2.5.3 Criticisms of bureaucracy

In modern democracies, bureaucracies still have significant roles to play. Theories of representative bureaucracy suggest that bureaucracy can be viewed as a conduit of the various methods of the more effective types of governance. Lipsky (1980) suggests that lower-level bureaucrats can work to channel solutions to citizens needs. Theorists of representative or advocative bureaucracy reject the Weberian notion of bureaucrats as passive servants of authority, thus expanding the idea of bureaucracy from the micro-level (as a tool of the state) to a macro-level system for broader and more effective social organisation.

However, bureaucracy remains an ambiguous aspect of social organisation. Toye (2006: 11) recognises that there are "those who use 'bureaucracy' as a term of abuse, rather than a neutral description of a body of government officials". The bases for some of this ambiguity include the following:

a) "Bureaucracy is presumed to increase in size very quickly, absorbing resources with nothing to show for it.

b) "Weber's bureaucracy model is assumed to be an efficient instrument for policy implementation. However, it has been argued that this model showed shortcomings when applied in developing countries because of over-staffing,

organisational fat, a shortage of expertise and a skilled workforce, no organisational goals, vision or missions, poor communication and co-ordination between government sectors, and centralised policy- and decision-making.

c) "A hierarchical structure may well result in inefficiency.

d) "Wilson's model advocates a division between policy-makers and administrators, with a weak relationship between political actors and the bureaucrats.

e) "According to Merton (1968), Weber's model highlights the too-rigid following of procedures and rules" (Toye, 2006: 11).

In addition, Niskanen's work was highly influential and critical of bureaucracy. In particular, Niskanen (1973) argues that "among the several variables that may enter the bureaucrat's motives are salary, perquisites of the office, public reputation, power, patronage, output of the bureau, ease of making changes, and ease of managing the bureau" (p. 22).

The 1980s and 1990s saw the emergence of a new managerial approach in the public sector which mainly occurred in the West. This approach emerged in different channels: managerialism (Pollitt, 1990); New Public Management (Hood, 1991); market-based public administration (Terry, 1998); and entrepreneurial government (Osborne and Gaebler, 1992). Furthermore, the emergence and rise of NPM have been the focus of a range of studies: Hood (1991); Dunleavy and Hood (1994); Butcher (1995); Ferlie et al. (1996); Flynn and Strehl (1996); Pollitt and Bouckaert (2000) and Clarke et al. (2000).

In relation to administrative reforms, Massey (1997: 7-8) argues that they have had several goals. He states that the often-stated elemental threads intrinsic to all of them, however, have been:

- "To reduce the role and extent of the 'state' in order to enhance that of the private sector.
- "To facilitate the acquisition of entrepreneurial skills and activities within society generally.
- "To prevent future expansion of the public sector, often though the creation of a powerful coalition of interests to counter the perceived welfare-demanding coalition which have linked their interests to those of the bureaucrats.

- "To de-politicise many (mainly economic) policy decisions and their being entrusted to professional experts, rather than the whim of politicians and bureaucrats perceived to be in the thrall of self-serving interest groups.

- "To imbue public sector organisations with the best techniques of private sector practice in order to bring the discipline and inherent efficiencies of the marketplace to the activities of the state.

- "To entrench the divisions between the private and the public in such a way that individual civil liberties are protected by inalienable property rights, which act as a flexible bulwark against the power of the state and the temptations of state employees and elected politicians to behave in an arbitrary and capricious manner, abusing the power which has been loaned to them in trust by the citizenry. These aspects draw the aims of the public sector managerial changes focusing on the political import."

The problem with this type of commentary is that bureaucracy plays a vital and important role in developing countries, including those in the GCC, where it has contributed to the growth and the socio-economic stability of the government system over the last two decades, despite shortcomings and weakness. In the late 20th century and in recent years, bureaucracy has not been subjected to such considerable debate and criticism, mainly due to neoclassical thinking which advocates market-oriented activities of government. As a result, new management structures have been implemented in almost all European and a few of the developing countries. The mobilisation and restructuring of public organisations have been adopted to fit the paradigm shift in public administration. States have also accelerated privatisation and outsourced traditional government roles and services.

2.6 New Public Management (NPM)

The recent reform initiatives in Bahrain, with which this study is concerned, have been contextualised as part of a broader intentional trend of public sector change and reform, commonly referred to as NPM. In order to provide an understanding of the Bahrain initiative, therefore, it is necessary to consider the NPM movement more generally – what it is, what it tries to achieve, and the typical mechanisms of change. These issues, and related ideas such as governance, are discussed in this section, to shed light on the environment in which Bahrain's experiment took place and the pressures that prompted it.

Scholars and professionals have regularly used NPM as a shorthand expression to refer to New Public Management, with its distinctive approach to the public service management which has been adopted increasingly over the past two decades, notably in the United Kingdom, Australia, and New Zealand. For Drechsler the idea behind, "NPM comes from Anglo-America, and was strongly advocated by most of the international financial institutions, such as the World Bank and the IMF. It originated in the 1980s with the dominance of neo-liberal governments (especially those of Thatcher in the UK and Reagan in the US) and the perceived crisis of the welfare state. NPM came to full fruition in the early 1990s" (2005: 2).

The NPM was originally held to be a body of doctrinal beliefs that had "discredited progressive public administration's answers to administrative what-to-do questions in government and which had established itself as an accepted administrative philosophy" (Hood, 1991 cited in Barzelay, 2001: XI). Common (2001) has commented that NPM is promising as it proposes to modernise the management of the public sector and make it more efficient and economical. He also refers to the need to test the assertion that NPM is now global.

NPM refers to: "The shift in public management styles, or public management reform, it consists of deliberate changes to the structures and processes of public sector organizations with the objective of getting them to run better" (Pollitt and Bouckaert, 2004: 8).

Hoggett (1991) more broadly describes it as a collection of flexible strategies in terms of public service delivery and human resources. NPM is a set of highly mobile ideas about public management that has spread rapidly from source countries, e.g. New Zealand, to countries all over the globe (Boston, 1996; Kettl, 1997). Aucoin (1995) saw NPM as a valid framework for making decisions about how to structure and manage the public service. This policy framework is based on theoretical ideas about organisation and management that have established a mainstream position in the economics profession as well as political science (Boston, 1991). Moreover, NPM is viewed as an empirical style of organising public services (Dunleavy and Hood, 1994), as well as encompassing changes in government-wide systems of financial management, personnel management, procurement, and auditing (Schick, 1996).

The globalisation of NPM is a contentious subject. To some extent, the claims of Osborne and Gaebler (1992) appear to have produced a consensus that the old bureaucratic style of government was in decay and being progressively replaced by a dynamic form of public management based on commercial management practice. Although there are a number of accounts that appear to confirm that NPM has been diffused across the world, as predicted by Hood (1991), the evidence is far from conclusive. One purpose of this chapter is to evaluate critically NPM as a global paradigm and to consider other international developments such as the drive towards good governance. The literature serves to find a suitable and robust model to explain the administrative reform process as a basis for the empirical study, and to produce a model of NPM against which the reforms in Bahrain can be empirically tested.

Regarding the recent rise of NPM, Boyd (2009: 157) has identified three historical approaches:

1. "Total Quality Management (TQM) as an application used in the private sector that spilled over into the public sphere to improve public administration (Osbome and Gaebler, 1992, cited in Boyd, 2009).

2. "Then the influence on best practices (Osbome and Gaebler, 1992, cited in Boyd, 2009) and business process reengineering. Best practices and business process reengineering were oriented toward continuous improvement in a free-market environment with the main goal of customer satisfaction and enhanced accountability of public managers (Osbome and Plastrik, 2000, cited in Boyd, 2009).

3. "Finally, the movement morphed into New Public Management (NPM), which promised market competition as the way to deliver efficiency and effectiveness, if not responsiveness. NPM attempted to stimulate innovation and creativity by reducing controls on inputs and increasing the accountability of managers. Collectively, the recent administrative reforms helped to facilitate a management-centred movement that called for more extensive use of the private sector and techniques adapted from business administration, such as sharpening an agency's mission focus, encouraging measurement of results, and relaxing internal rules and regulations" (Brudney and Wright, 2002: 355, cited in Boyd, 2009).

The term NPM has been used particularly as it pertains to reinventing government or to the National Performance Review (NPR) in US manifestations. For example, as Riccucci asserts, "many supported the importance of reform and innovation in the US federal government from a public management standpoint, although they did not necessarily subscribe to the underpinnings of the NPR (2001: 175). Whatever one's sentiment "about the reinvention movement, the existing body of research contributes significantly to political theory insofar as it speaks to the nature of democratic governance. Interestingly, even Lynn (1994) sees some value in the NPR and the reinventing government movement, despite his view that entrepreneurialism poses a threat to democratic rule. In an article appearing in the *American Prospect*, describes how NPR is already acting as a catalyst, with public administration being imbued with a new energy" (Lynn, 1994, cited in Riccucci, 2001: 175).

However, it can be observed that:

> *Lynn may have missed the mark in his conclusions that public administration, or even public management, has somehow been denigrated by a new movement that seeks to stake some claim in collective intellectual endeavour. The field will continue to sustain attacks on its heritage and its methodology, which can only strengthen rather than diminish public administration as a field of inquiry or as a profession. This is, after all, what public administration is all about (Riccucci, 2001: 1).*

Riccucci asserts that Moe (1994) points out that "the NPR fails to account for critical differences between the government and private sectors and, in particular, ignores the constitutional premise that government is based on a rule of law and not market-driven mechanisms" (2001: 1). From a "traditionalist standpoint, the older form of public management, which emerged in the early 1970s as a result of dissatisfaction on the part of scholars regarding public policy and public administration (Lynn, 1996), might be viewed more as an indictment of NPM methods rather than its scope" (Riccucci, 2001: 173). Considering the above views, public administration can and *should* be studied scientifically through the application of rigorous methods from within the social sciences.

For Riccucci, "positivists maintain that logical and mathematical propositions are tautological and moral and value statements are merely emotive. The goal of knowledge, they insist, is simply to describe the phenomena experienced. Its underlying assumption of empirical certainty admittedly gives it an air of seduction but the doctrine

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of the old public management is a continuation and perpetuation of a behavioural movement in political science and public administration which repudiates the traditional paradigm - and now the NPM - from the standpoint that they are not grounded in empiricism. (2001: 174).

Lynn (1996: 86) makes a none-too-flattering reference to Richard Nathan as "an exemplar of the anti-analytical reductionist school". Thus, it seems that for Lynn, NPM "fails to maintain the precepts supported and advanced by the old public management - as he and others define it – and, therefore, it has failed to advance the field in terms of intellectual inquiry" (ibid).

As Frederickson (cited in Riccucci, 2001: 2) suggests, the "field could greatly benefit from improved relations between the humanities and the administrative sciences". He goes on to explain that the analytical tools provided by the social sciences increase the body of information regarding how organisations operate and how public managers operate. It would be said that "a solid body of research has emerged on the NPM, particularly as it pertains to reinventing government movement, despite his view that entrepreneurialism poses a threat to democratic rule" (ibid, p. 175).

Lynn's (1998) assertion that NPM has been replacing bureaucracy with virtual markets around the world has seemed weak with regard to the study of public administration, although this weakness could be the reason for the popularity of the term. On the other hand, Lane (2000) views it as evidence of an essential change and a paradigm shift in public sector management which affects nearly all regions of the world. In Common's (2001) view, NPM is an unmistakable trend in public administration.

2.6.1 The key features of the NPM

Greater emphasis is now placed on the management role of government and ministries and of civil servants in controlling costs. NPM in turn drives changes in Human Resources Management (HRM), mainly in the following related aspects:

- Changes in rewards structures
- Performance-related/merit pay
- Performance contracts
- Appraisal
- Personal deregulation
- Weakening trade union power.

Common (2001) states that these aspects represent a certain drive towards the measurement of performance, adding that this refers to a generalised NPM strategy. This strategy reflects the long-term output budgeting, development of output measurement and the attributing of costs to outputs. He stresses, however, that these aspects, need to be addressed depending on the circumstances of each country.

NPM aims to liberate managers in the public sector by developing the responsibilities of line management. HRM techniques which were originally developed in the private sector, as Common mentioned, have a limited scope of implementation in the public sector due to issues relating to politics, central control, structure, policy making, etc.

In summary, some of the key elements and characteristics of the NPM focus on the following aspects:

1) Flexibility in organisational structure: more entrepreneurial management style of the modernised private sector, in which certain functions or services are broken off from the body of the ministry and placed into certain established or newly-developed agencies or replaced on a contractual basis

2) Being strategy and results oriented: an emphasis on outcomes that meet government customers' expectations, including stakeholders' interests. This has to be represented in a clear vision, goals, strategies and indicators of success.

3) HRM in the private sector model, with a merit-based reward system, freedom to manage, short-term contracts, incentive schemes, and more of a customer-oriented approach.

4) Performance based: quality standards, performance targets and measurement are linked to the public services' capability and expected outcomes.

5) A competitive environment is planned to lead to effectiveness and efficiency in cost and services. The emphasis is on tendering and contracting out as a tool for creating this environment.

2.6.2 The key mechanism of the NPM

Political leaders and civil servants (*people*) manage public resources by issuing and implementing policies, strategies, programmes and projects, while in contrast civil society (*people*) benefits from the results (benefits are apparent amongst both groups). In this view, people are the key mechanism of the NPM: *people for people* (Oehler-Sincai, 2008).

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However, NPM in this sense requires competent and committed managers to implement policies and provide services to the public in the following ways.

Table 2.1: Elements to fulfil for providing good services (Osborne, 2001; Polidano, 1999 cited in Oehler-Sincai, 2008: 7)

Meaning	Issue / Element
economical	Low cost
efficient	Maximising outputs within budgets through good work practice
effective	Satisfying clients/customers with quality
ethical	Seen as friendly, fair and honest
accountable	Open, keeping the public well informed (accountable to end users)
responsive	Consultative, taking into account priorities of clients (including those of the disadvantaged categories)
eclectic	Adaptable, selecting what appears to generate positive outcomes and giving up what is harmful for the economy, for the society, for the environment.

2.6.3 NPM: a multi-faceted change

Public management reforms, for Wise (2002) are "often portrayed as part of a global wave of change, and all organisational change is interpreted within a single reform paradigm that is rooted in economics and market-based principles. Reforms outside this paradigm go unnoticed" (p. 1). It is important, therefore, to examine the "different drivers of change competing with the dominant focus of management discourse" which are currently prevalent and that influence the direction of reform (ibid). According to Wise:

> *"Three alternative drivers of change rooted in normative values (social equity, democratisation and humanisation) are presented with evidence of their relevance from three national cases. Normative influences are reflected in a stream of activities occurring within the same time period in different civil service systems. The direction of public management practice cannot be seen as fully determined by any one approach to government reform or as travelling in only one direction. Understanding the balance between competing drivers of change is key to interpreting both contemporary and future administrative reform"* (Wise, 2002: 555).

Wise (2002) states that NPM has been portrayed as a global paradigm, emerging in response to economic, institutional, political and ideological changes (Kamensky, 1996; Kettl, 1997; Osborne and Gaebler 1992). Researchers have demonstrated that governments vary in what they take from a bundle of reforms (Hood, 1995; Pollitt and Bouckaert, 2000; Savoie, 1994) and have provided evidence of transformation in both the meaning and content of reform strategies from one country to another (Czarniawska

and Sevon, 1996; Pollitt and Bouckaert, 2000). Still, as Pollitt (2001) has observed, the claim of the global convergence of reform initiatives persists.

However, Common (2004) takes the view that recent public-sector reforms can be seen as one part of a nationwide move to improve efficiency and quality as a result of better management, rather than being connected to the spread of the NPM gospel.

Administrative reform, however, is interpreted within the framework of NPM, fostering the impression that efficiency and market-based reforms account for the vast majority of contemporary change and innovation. Similarities or differences in like practices across countries have become the focus of discussion (Pollitt, 2001), reinforcing the paradigm. NPM has been the subject of a substantial volume of scholarly research since 1991 and the discourse may magnify its impact. The focus on NPM style reforms may have distorted our view of the evolution of public management practice, giving too much credit to one philosophical approach as an agent of public-sector reform and biasing our interpretation of the progression of public administration (Wise, 2002).

The NPM framework, although grounded in rational values, draws on several different intellectual traditions (Aucoin, 1990; Kettl, 1997; Savoie, 1994; Terry, 1998). Many different activities fall under its umbrella, and no consensus on the meaning of the construct can be claimed (Ferlie et al., 1996; Hood, 1995; Pollitt, 1995; Stark, 2002).

2.6.4 Criticism of NPM

Wise (2002: 555) asserts that "opposition to NPM pertains to the concern that it represents a radical break from the traditional principles of democratic governance (Rhodes, 1998; Savoie, 1994; Stark 2002)". He added "Some see NPM as so uniquely focused on efficiency and market-based" reforms that it has the potential to undermine democratic administration (ibid). For Wise "the charge of presenting new wine in old bottles is levied by those who note that the core ideas of NPM can be traced back to earlier periods of public administration reform" (Kettl, 1997; Lynn, 1998; Pollitt, 1990; Savoie 1994 in Wise, 2002: 555-556). Further, much of what constitutes NPM was borrowed from private sector managerial techniques, as observed by Pollitt (1990); these techniques were rooted in a long tradition from Taylor's *Scientific Management* to contemporary HRM.

The charge of presenting new wine in old ... bottles is levied by those who note that the core ideas of. NPM can be traced back to earlier periods of public ad- ...

The assertion that patterns of reform are also repeating is consistent with models of administrative change (Light, 1997). For instance, Savoie (1994) discusses the issue of neutral competence as a recurring reform theme in the context of contemporary Canadian public management. Similarly, Nalbandian (1989) anticipated that discourse about social equity - a popular engine of change during the 1970s and 1980s - would be displaced by governance efficiency in the 1990s. The point here is that NPM simply seems to be a part of the cyclical nature of the interest in reform.

In 2006, Moynihan (as cited in Boyd, 2009) demonstrated that a constrained model of NPM has taken shape instead of the intended market model that NPM promised. Moreover, from the conceptual point of view, NPM is an awkward concept which is often used as a term to include methods or techniques that are often part of public sector reform (Common, 2001).

From Wise's (2002) viewpoint, NPM research specialists have made a collective decision to abandon the term NPM as, in their view, NPM is no longer new, not clearly defined, and not a useful construct. They call for greater focus on the normative roots of public administration practice that are apparent in both the literature and professional associations. Wise (2002) adds that a new wave of administrative reform discourse is arriving in response to this suggestion.

2.6.5 Good public governance

A more recent and persistent theme in the literature appears to be that of "good governance". In this study, governance is deemed to mean "the way power is embodied in public institutions and is exercised, as well as arrangements that keep policy-making sound over time" (Matheson 2002: 37). In 2002 OECD asserts that "the concept of governance incorporates how decisions are made, the balance of power and institutions and in what ways politicians and managers are held accountable. It refers not to public policies per se, but to the setting within public is decided and executed" (p. 37).

Budgeting and administrative practices have far-reaching implications for a nation's growth and are a key element of good governance structure. Modern budget reform

practices (such as the PPBS approach) and their application in the public administrative reform model will support the framework of good governance.

Effective governance serves to provide the following:

> *"...an environment in which people are treated fairly and equitably; an atmosphere of transparency which limits monopolistic behaviour and stimulates efficiency and innovation; stability and predictability for social investments; a way of bringing coherence to diverse policy objectives, including both short and long term interests; and separated responsibilities and accountabilities to prevent the misuse of power by individuals or groups"* (Matheson, 2002: 38).

Thus governance is characterised by constant change, often resulting in the lack of a clear political and administrative approach and unnecessary complexity (Common, 2006).

2.6.6 Attributes of good public governance

Matheson (2002: 38) mentions that the OECD has identified several attributes and elements of good public governance. These include:

1) "Transparency: meeting objectives open processes and systematic reports on results in meeting objectives. In this research the PPBS case study is referred to as transparent budgeting reform (the budget is the single most important policy in this state) and the fundamental block for good public sector governance in the KOB.

2) "Accountability: action decisions and decision-making processes open to security by public agencies, parliament and civil society, as in the case of the KOB situation.

3) "Responsiveness: the capacity rules of national and international circumstances, which are resources of recent pressure on the developing countries, including the KOB.

4) "Future orientation: the ability to anticipate future problems and develop policies that take into account future costs and anticipated changes. Here, the KOB has to anticipate the future cost of changes in relation to movement toward good governance.

5) "Rule of law and integrity: equitable enforcement of transparent laws, regulations and codes, so that they become a part of the culture in the public

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sector in supporting ethical behaviour and in vigorous action to fight corruption."

These elements combine to promote a government's credibility, giving it legitimacy and respect externally.

2.6.7 Framework for administrative change

Economic and budgetary restraints are common elements in studies on both external and endogenous determinants of organisational change and drivers of administrative reform. In addition to budgetary restraints and other resource problems, wider societal pressures can also influence the pace and nature of change (Hood, 1991). Broad shifts in individuals' value preferences also affect society and, in turn, social subsystems, including public administration (Kanter, Stein and Jick, 1992; Van Wart 1998). For example, postmodernists prioritise equality among social groups, humanisation of the workplace, empowerment, and expanded political participation. Postmodernism, however, includes a belief that people should have more say in how things are decided at work, and that work organisations and other institutions should be made more humane.

The extent and objectives involved in the changes in the move towards postmodern values are different depending on the nations and concerns involved, but there is held to be a growing postmodernism in North America and Europe (Ingelhart and Abramson, 1994). Three postmodern values which can be identified from the research already conducted are relevant to public administration: greater social equity, humanisation, and moves towards democracy and greater citizen involvement (Wise, 2002).

These three normative influences on administrative practice provide an alternative framework for reviewing the pattern of administrative change rather than one based on currently popular rational remedies. To the extent that these competing drivers of change are part of a broad social shift toward postmodern values, we should find evidence of these influences on administrative practice in different national contexts.

2.6.8 The need for and causes of change

Beer and Nohria (2000) assert that most traditional organisations have accepted, in theory at least, that they must either change or die. Even internet companies need to

manage the changes associated with rapid entrepreneurial growth. They add that despite some individual successes, change remains difficult to pull off, and few organisations manage the process as well as they would like. The brutal fact is that about 70% of all change initiatives fail. Therefore, one of the aims of this research is to establish the changes experienced and how these changes, programmes and approaches were handled in the KOB public sector. The focus will be specifically on administrative and fiscal changes.

Leaders are realising that organisations must also adapt if they are going to meet the challenges presented by the external changes which in fact are one of the current hottest topics on most developing countries' political and management agenda. The KOB, like most other developing countries, has experienced administrative and financial changes. The PPBS, organisation restructuring, and quality approaches characterise the revolutionary changes in the recent years in the Kingdom.

While change is moving to the top of the agenda for developing countries, organisations and enterprises are being bombarded from every side by pressures for change, whether social, political, economic or technological (Bainbridge, 1996). At the same time, resistance to change, which was formerly one of the most popular topics of management books and seminars, is heard about less. Change is unavoidable, according to Drucker (1999). He further states that change is the norm, although it is painful and risky, and requires a great deal of hard work. In a period of rapid structural change the only organisations that survive (whether a business, a university, a hospital or a government institution) are the change leaders. Thus the central challenge for management in the 21st century is for their organisations to become change leaders.

The KOB's challenge, however, is to become a change leader in the Gulf region and for most of the Middle East Arab countries in implementing public sector administration reform and changes in the light of the NPM context. Drucker (2002) emphasises that two extraordinary changes have stealthily occurred: a staggering number of people who work for organisations (the public sector in our focus) "are no longer traditional employees; and a growing number of businesses have outsourced employee relations" (p. 49).

The public sector in the KOB over the last few years has abandoned and outsourced many activities, services and operations that it used to perform in the past. Privatisation

is another issue that runs parallel to the outsourcing approach. The government abandoned such activities in order to reduce the continued budget deficit, enhance efficiency, and concentrate on its core business of planning and providing cost-effective services. It has also introduced an early retirement scheme to reduce the number of public sector employees.

The major driver of change is forced by economic and social causes, as maintained by Kotter (1996). He also asserts that "a globalised economy creates both more hazards and more opportunities for everyone, forcing firms to make dramatic improvements not only to compete and prosper but merely to survive" (p. 18). Warner and Tidwell asserts that "Globalisation, however, is driven by a broad and powerful set of forces associated with technological change, international economic integration, domestic market maturation with the more developed countries, and the collapse of worldwide communism (2000: 8).

The circumstances that call for organisational change and change in the internal arrangements of organisation are threefold, as suggested by Sadler (1995). These are as follows:

1) *A change of purpose*: business needs to reconsider its intentions. This crucial situation has been the driving force behind recent government changes in the KOB and is one of the priorities on the parliamentary agenda.

2) *A change in strategy*: in this case, organisational objectives stay the same but the strategy is reconsidered.

3) The establishing of *more effective organisation*.

2.6.9 Drivers of public management reform/change

Reform remedies can be difficult to disentangle from different drivers of change as reform is rooted in the influence of the rational economic and market-based approaches which are the drivers of common policy transfer practices. This may also address other reform drivers such as equity-based reform and efficiency-based reform (Wise, 2002).

Meanwhile, demands for greater social equity, democratisation and empowerment, and the humanising of public services are three normative drivers representing reform forces that are not based on economic or rational intellectual traditions. Drivers of reform are often difficult to separate from one another; they share common effects. These

normative drivers are also connected to rising expectations of a better quality of life and other broad social changes, resulting in a new emphasis on postmodern needs. Drivers such as the rule of law and the information revolution may become dominant in the next stage of administrative reform (Wise, 2002; Ingelhart, 1997).

2.6.9.1 Demand for greater social equity

The social equity theme in American public administration can be traced back to the early-20th century but this influence on administrative practice did not gain significance in the United States until the early 1960s (Kramer, 1973). Social equity provides the underpinning for a just society; it influences behaviour in "organisations; and it serves as the practical and legal basis for distributing public goods and services" (Frederickson, 1990; Harmon 1974; Rawls, 1971 in Wise, 2002: 557). Social equity is closely intertwined with the drive toward democratisation (Harmon, 1974) but is grounded in theories of distributive justice. Responses to the demand for social equity are evident in programmes to promote equality, in indicators of socio-economic differences between groups, and in public expenditure that promotes socio-economic equality. To the extent that a government's job is the public good, equal opportunities for employment and fair compensation in the public bureaucracy pertain to social equity (Harmon, 1974; Mosher 1968). Social equity is advanced by policies, agreements and laws that prohibit discrimination and promote fair treatment in public employment (Rawls, 1971). Employment policies to promote tolerance, the valuing of diversity, and greater demographic inclusion in the public workforce advance social equity. Social equity may also be advanced by policies that use public sector pay to level differences between social groups (Peters, 2001). Equity between sectors may be interpreted as a form of block equality, meaning that "government employees should have the same working conditions and opportunities for growth and development" as their private sector counterparts, and government is promoted as a "model employer" (Wise, 2001: 5; Colling, 2001).

2.6.9.2 The demand for democratisation and empowerment

The demand for greater democratisation of the public service and individual empowerment is distinctive in its concern for access to power and democratic accountability. The belief that "organisations benefit from greater employee participation and less use of patriarchal and hierarchical management practices" is

common in the United States and Scandinavia (Frederickson, 1990; Harmon 1974; Rawls 1971 in Wise, 2002: 557). Demands for greater democratic participation that translate into the elimination of layering, more informal coordination within agencies, less reliance on the authority of command, and more efforts to involve staff in the identification of agency goals and objectives have resonance with the new approaches to governance (Pollitt, 2003). Codetermination laws and agreements that establish "rights for employee participation in decisions affecting their working conditions" are central to the Scandinavian model (Lois, 2002, cited in Wise, 2002: 561).

In government, such concerns are reflected in a trend towards decentralisation, which refers to:

> *"the transfer of responsibility for planning, management, and the raising and allocation of resources from the central government and its agencies to field units of central government ministries or agencies, subordinate units or level of government, semiautonomous public authorities or corporations, area-wide, regional or functional authorities, or nongovernmental private or voluntary organizations"* (Nellis and Rondinelli, 1986: 3).

Efforts to promote the advancement of women and minorities into leadership positions promote democratisation (Mosher, 1968). Other outcomes related to this trend include more opportunities for participation in decision-making, greater engagement, use of less hierarchical forms of structure, and greater use of work teams. Similarly, workplace policies that manage diversity (diversity is addressed later in this chapter under 2.5.9.4) promote greater engagement and participation by going beyond simple workforce inclusion to seeking and understanding disadvantaged group members' points of view and contributions to workplace discussions and policy formulation. Such programmes are designed to recognise and build on differences, thereby creating an opportunity to reconcile social differences in the way events are understood, policies are formulated, and public services are designed and delivered (Lois, 2002, as cited in Wise, 2002).

2.6.9.3 The humanising of the public service

The influence of the Human Relations approach to management is also a theme repeated in contemporary public administration scholarship (Gawthrop, 1998; Golembiewski, 1985; Van Wart, 1998). The human side of public administration is linked to concerns for the quality of working life and philosophies that see employees as whole persons with different needs and interests that must be balanced. In Wise view point, this side

"emphasises involvement and greater engagement" (2002: 8). It also involves efforts to incorporate democratic values into public administration (Gawthrop, 1998).

Writings on behavioural theory during the 1950s and 1960s emphasised the value of individual contributions and employee participation. These theories influenced thinking about human relations in both private and public organisations. Similarly, Mosher (1968) and Wise (2001: 562) have pointed to the "growing importance of interpersonal relations, employee participation, and sensitivity to employee needs as part of a new managerial revolution" associated with decentralised decision-making.

Wise asserts that "in the relatively new area of policy and practice called Human Resource Development (HRD), the emphasis is not on task-specific learning but on lifelong learning. HRD is linked directly to demands for a better quality of life and living standards and learning has become a responsibility shared between the employee and employer" (2002: 558). Within the wider context of NPM-type reforms, HRD approaches play a role in the responses which organisations make to increasing liberalisation (Jackson, 2002).

2.6.9.4 Managing for diversity

In developed countries the issue of diversity in the workplace has been accorded a significant level of importance. For Cox (1995: 246, cited in Wise and Tschirhart, 2000), "the concept of diversity refers to the collective mixture of human differences and similarities along a given dimension" to which have been paid great attention in organisational contexts. Nowadays, diversity among personnel encompasses race, culture, religion, gender, age, sexual preference, length of service, education level, political affiliation and various other demographic characteristics depending on the country (Wise and Tschirhart, 2000).

Ethical, political, philosophical, demographic approaches and others are the shaping forces and factors propelling the age of organisation diversity. Diversity measures, as Wise and Tschirhart (2000) argue, were an assumed result of capturing a insight of likeness and otherness among individuals in a group or organisation. A diversity approach to management in some businesses offers a competitive advantage that enhances their operation line performance and enhances organisational efficiency and effectiveness. This approach is "connected with contemporary management strategies, including teaming and group-based work. There is an underlying assumption that

diversity leads to positive outcomes", more imaginative approaches to problem-solving and greater organisational commitment as well as increased personal satisfaction (ibid, p. 388).

Diversity has been said to be symptomatic of bureaucratic structures and managerial values that improve tolerance and understanding of differences (Golembiewski, 1995: Wise and Tschirhart, 2000).

2.7 A model of Public Management Reform (elements and discussion)

Pollitt and Bouckaert (2004: 25) offer a model (see below) of public management reform which has the aim of providing a framework for discussion by showing the overall forces which work on driving as well as holding change back. It is a conceptual map and a culmination of the authors' studies of reform process in various countries. This model of change and reform is linked to Common's (2001) model and has subsequently been adapted for application in the Bahrain context.
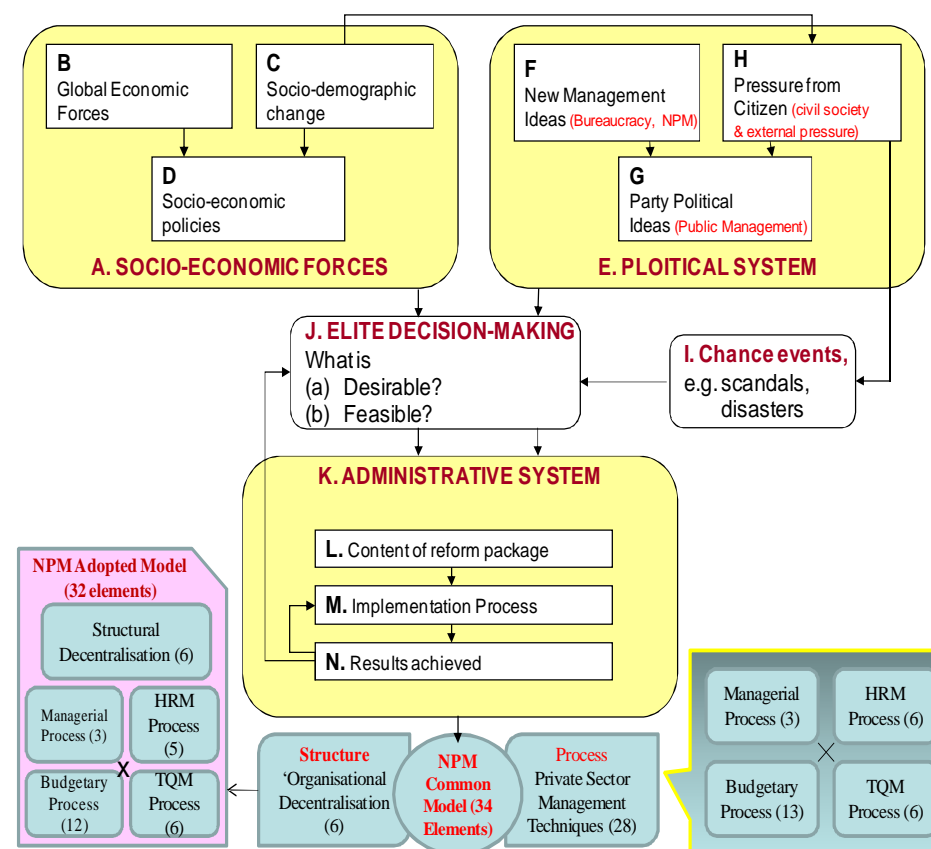
Figure 2.1: Model of public management reform (NPM) in this research framework (Pollitt and Bouckaert, 2004: 25)

The process of elite decision-making is at the centre of the model. As change is predominantly top-down, these elite may be heavily influenced by ideas or pressures from elsewhere (the drivers of change). Moreover, public management reform occurs in central government and is subject to their choices and decisions.

Elite decision-making in this sense is surrounded by three elements. The first is a group of economic and socio-demographic factors (A including B, C, D). The second group represents political and intellectual factors (E including F, G, H), while the third represents administrative factors (K including L, M, N). These elements represent administrative reform dimensions; structural dimensions, as they are deep rooted and long lasting (such as demographic or population structure); political systems and processes; and administrative systems (processes of reform implementation) as the subject of reform. Thus, the model elements are as follows:

A. *Socio-economic forces*
B. Global economic forces
C. Socio-demographic change
D. National socio-economic policies
E. *Political System*
F. New Management Ideas
G. Pressure from citizens
H. Party political ideas
I. Chance events, e.g. scandals, disasters
J.a. Elite perception of what management reforms are desirable
J.b. Elite perceptions of what management reforms are feasible
K. *Administrative system*
L. Content of reform package
M. Implementation process
N. Reforms actually achieved.

These are explained in more detail below.

2.7.1 Socio-economic forces

Global economic forces have been a vital background factor in prompting consideration of administration reform. However, the pattern of management change has differed considerably from country to country, suggesting that the effects of global markets are not uniform.

It is noteworthy that in some particular countries the timing does not correlate closely to economic crisis. It has also been noted that some of the most economically successful countries in the 1980s, such as Germany and Japan, were the least active in the field of management reform.

In addition, economic pressures do not themselves "translate directly into some particular types of management reform" (Kaneko and Metoki, 2008: 234). Pollitt and Bouckaert (2000: 28) states that "Reformers need ideas or models or patterns or plans or visions of how the public sector could be better organised. Markets may provide the pressure but they do not supply the ideas".

Economic forms of globalisation have a major influence on institutional changes besides other intervening variables that determine the precise shape and timing of the reforms in particular countries.

Socio-demographic change is a second set of background pressures that arises from changes in the pattern of life for millions of citizens in each country. They include increased life expectancy, changes in the patterns of family life, and a rise in the level of unemployment.

Health care, social care and social security are elements of the social changes and welfare expenditure. In most modern states, social security is one of the largest single items in the state budget, followed by health care. These for Pollitt and Bouckaert (2004: 29) would "provide powerful incentives for politicians and civil servants to look for ways of easing the strain on the system". In pursuit of social security saving, some European governments have raised the minimum age for entitlement to a state pension. On the other hand, in the economic field in the mid- and late-1990s, EU Member states struggled to meet the Maastricht convergence criteria which would qualify them to join the European single currency. This put download pressure on public spending and public debt, and might have increased the number of unemployed in the short term.

2.7.2 Political system

General structural features may make management reform more or less straightforward. For example, Pollitt and Bouckaert (2004) asserts that "in Germany strict constitutional law makes it difficult for major restructuring to take place at the federal level, whereas in the UK the process of changing the machinery of government has long been

remarkably easy". They affirms that in Finland the process of management reform is likely to be less harsh and combative then in Australia, New Zealand or the UK, where the political systems are more adversarial (Pollitt and Bouckaert, 2000).

Management ideas are subject to fashion and are very seldom translated in a pure form directly into specific reform. Pollitt and Bouckaert (2004) insist that "Generic management ideas have been prominent on the face of public sector reforms, especially in Australasia, North America and the UK". In these countries "generic approaches and techniques such as Management by Objective (MBO), Total Quality Management (TQM), benchmarking and Business Process Re-engineering (BPR) have been widely adopted within the public sector" (Pollitt and Bouckaert, 1995 and 2004: 30; Trosa, 1996). Organisational design principles based on macro-economic theories have been extensively used with these management ideas and interwoven with them. In New Zealand public choice theory, Pollitt and Bouckaert pointed out that "the agency theory and transaction cost economics have all been influential" (2004: 31).

Political ideas also have a bearing on changes in public management, as parties have their own ideas about how to govern and how structures and process should proceed. For example, based on a shift in ideology, a political decision might be taken to introduce privatisation, limit bureaucracy, or aim for a more decentralised approach (Pollitt and Bouckaert, 2004). As an example, Australia, New Zealand and the UK have all pursued vigorous privatisation programmes.

Management reform can also come about following demands from citizens, although perhaps not quite in the form citizens expected. During the 1980s, Nielsen in Canada and Heseltine in the UK were both ministers attempting to bring about reforms but were required to leave office suddenly (Savoie, 1994).

Taking a broad view of the last twenty years or so, we can say that global economic forces, socio-economic change and the supply of new management ideas are the common pressures that have led to public reform (Pollitt and Bouckaert, 2000).

It is notable that a particular kind of management change may require an adjustment to a country's Constitution or the funding treaties (such as in EU). Reform in one direction might also raise risks in another or may require considerable investment (e.g. new information technology, new accounting systems and/or new training programmes). All these factors represent the costs of change (ibid).

2.7.3 Administrative system

Pollitt and Bouckaert (2000) states that administrative systems are often difficult to change in more-than-incremental ways. For example, the UK civil service is built around a core of generalists. Moreover, administrative systems can still be hard to move. Pollitt cites the example of straightforward benefits claiming system reform.

System reform is the product of the interaction between the desirable and the feasible in the content of reform packages, which frequently display a considerable rhetorical dimension. They attempt to establish or reinforce discourses which support the particular institutional changes under consideration, for example when former US President Clinton asked to reinvent the federal government (Pollitt and Bouckaert, 2000).

The process of implementation is an important stage of the reform process, as it is an attempt to put reform ideas into practice and learn from departures from the original design, as stated by Pollitt and Bouckaert (2004). Implementation processes may be highly complex. Many programmes are delivered through complex networks of organisations rather than by a single implementer (Kickert et al., 1997 cited in Pollitt and Bouckaert, 2000). These networks can include various levels of government, commercial companies, public corporations, public-private bodies, and voluntary non-profit making groups. Moreover, these networks are required to function internationally with regard to policies for telecommunication, environmental responsibilities and transport. One obstacle to individual reforms is that they may negatively affect other reforms which are being attempted at the same time (Pollitt and Bouckaert, 2004).

Koen (2004) views contemporary or modern management as an attempt to integrate the various elements into a system composed of mutually interrelated variables. Thus, a number of social, political, economic, and technological changes have influenced the current era of public management and its reform.

2.8 NPM Model

The NPM model (see Table 2.2) has the potential to offer empirical findings to assist in considering any kind of public management reform (Common, 2001).

This model is not intended to assert that any particular approach represents "good" administration; rather it is presented as an accumulation of NPM models and techniques which Common has applied systematically to Hong Kong, Malaysia and Singapore.

According to Common (2001), the model was formulated to address methodological concerns, such as the managerialist approach which focuses on objectives to the inclusion of everything else, including the trust of those involved, the focus on results which inhibits relationships at different levels within networks and the contradiction perceived in NPM between strategy and competition.

The present research aims to analyse the extent to which public administration in Bahrain can be aligned with the globalising trend of NPM to improve the performance levels of public sector organisations in order to assess the extent to which these elements exist in management practice in public sector organisations in Bahrain.

Table 2.2: New Public Management model as presented by Common (2001: 49-51) and Friberg et al. (2006: 2). (Dunleavy, 1994; Peters, 1996; Peters and Pierre, 2002; Bouckaert and Peters, 2002; cf. Common, 2001)

	Reform	**Meaning**
NPM component	**Structure**	*Organisational Decentralisation*
Q1: Agencies	Creation of single purpose agencies	Separate policy from execution (horizontal decentralisation)
Q2: New Orgs.	New form of organisation	Flattening hierarchy
Q3: Decent'n	Territorial/geographical decentralisation	Vertical decentralisation
Q4: Reduction	Reduce number of departments/agencies	Streamline organisational structure
Q5: Quasi-privn	Quasi-privatisation	Blurring public/private divide
Q6: Contracts	Contracting out (market testing)	Create and manage competitive environment
	Process	*Introduce private sector management techniques*
Q7: Leadership	Corporatisation/strong organisational leadership	greater visibility, accountability and discretion
Q8: Strategy	Strategic management	Business and corporate planning
Q9: Delegation	Decision make close to/at point of service delivery	Managerial decentralisation
Budgetary Process		
Q10: Performance	Performance measurement	Stress on and use of outputs (or outcomes)
Q11: Internal Market	**Create Internal Market**	**Separation of producing and providing functions**
Q12: Cost-centre	Cost-centre creation	Devolved budgeting
Q13: Cost	Use of cost rather than expenditure	Focus on actual cost rather than volume budgeting
Q14: End annuality	Ending annuality	Freedom to retain savings
Q15: Planning	Use of budgets for planning/control	'Top-down' budgeting
Q16: Outputs	Use of output measures & volume targets in budgets	More detailed budgetary scrutiny against targets
Q17: Incentive	Cost-saving incentive	To encourage managers to make efficient use of resources
Q18: Trading Funds	Trading funds	Revenue returned from user charges
Q19: Accrual	Resources accounting	Accrual accounting
Q20: Audit	Greater evaluation through audit	Establishment of independent auditing bodies
Q21: Bulk	Bulk budgeting	Greater flexibility within budgetary parameters
Q22: Purchasing	Purchasing deregulation	Avoid central procurement agencies
Human Resource Management		
Q23: Rewards	Change reward structure	Pay to reflect 'market' condition
Q24: P merit pay	Performance related/merit pay	Pay to reflect performance
Q25: P contract	Performance contract	Tenure determined by performance
Q26: Appraisal	Appraisal based on performance	Monitoring by performance
Q27: Personnel	Personnel deregulation	Covers the elimination of a range of civil service controls
Q28: Trade Union	**Weaken trade union power**	**Strengthen managerial discretion**
Total Quality Management		
Q29: Quality	Quality management	Deprofessionalisation
Q30: Review	Programme review	Systematic analysis of costs & benefits of individual programmes
Q31: Comsumerist	Consumerist mechanisms	e.g. Citizen's Charters
Q32: Public Relation	PR and marketing	Establish market identity for public organisations
Q33: Integration	Integrated service delivery	Includes' one stop shops' and case management
Q34: Transparency	Foster greater transparency	Public as monitors of services.

This model from Common contains two main sets of changes: reform of the organisational structure that involves a reduction in hierarchal authority as a key function (decentralisation, both horizontal and single-purpose agencies, and vertical: i.e. geographical); as well as the introduction of private management techniques through a similar process of decentralisation within organisations. According to Common (2002), the latter set of changes would involve managerial, budgetary, HRM and quality management process reforms.

2.9 Administrative reform in the Performance and Programme Budgeting System (PPBS) process

Finally, we turn to the scant amount of literature on public management reform in Bahrain. The accelerated tempo of development which followed Bahrain's Independence and which continues apace today reveals the shortcomings of the traditional budgeting system or line-item budgeting system in use now to meet the needs of the stakeholders and clients in government. The demand for transparency, efficiency, effectiveness, appropriateness and economy of government programmes and activities cannot be met by the existing budgetary systems, which are focused purely on expenditure. Added to constraints on resources, this has contributed to what is currently being practised in budget allocation as cutback management.

The NPM reforms concentrate on restructuring the traditional systems and methods of government budgeting and financial management where line-item budgeting was a problem in the traditional budgetary system challenging Bahrain. NPM management ascribed features include being linked to performance rather than inputs and attrition directed to outputs; "organisations being viewed as chains of low-trust relationships, linked by contracts or contractual type processes; the separation of purchaser and provider or client and contractors' roles within formal integrated processes or organisations; the breaking down of large scale organisations and using competition to enable exit or choice by service users; and finally the decentralisation of budgetary and personal authority to line manager level" (Clarke, 2004: 22; Dunleavy and Hood, 1994).

The Performance and Programme Budgeting System (PPBS) is an advanced system of budgeting which focuses on outputs and outcomes, namely "results", instead of concentrating on controls, namely "inputs" or "resources". Basically, PPBS involves extensive planning and the setting of goals and objectives as part of the budget

formulation process, with appropriate priority setting and evaluation mechanisms in position. The basic principle of PPBS is Management by Objectives, which aims at improved accountability of programme managers for results by providing them with the necessary tools and greater flexibility to manage their programmes (MOF, 2005). Moreover, the PPBS would be designed to provide effective tools to monitor and analyse the performance of the programmes of the government.

For Weathersby and Balderston (2004: 192), "PPBS is a tool or an approach significantly shaped by the internal and external political realities" of governmental performance, specifically in service delivery. By its very nature, PPBS is a managerial and political instrument, and the institutional and political environment should always be borne in mind in the following discussion of the context and impact of PPBS. While in some practices the adapted PPBS looks as basic administrative budgeting procedure, measurable units of effort, services, and accomplishments are the PPBS focus. This approach was formulated so that expenditures would be associated explicitly with the units involved, with resources and results being identified with particular programmes rather than with traditional organisations. In addition, expenditures are currently categorised according to activity rather than by object or line-item (Ramadhan, 2009). In his comparisons between the line-item and the PPBS budgeting he illustrates:

> *"Line-item budgets present little useful information to decision makers on the activities and programs of the governmental unit...A Line-item budget focuses on type of expenditure and does not provide information useful to select programmes and evaluate performance. It achieves financial control rather than control on the achievement of goals. In other words, it does not relate expenditure to objectives"* (ibid, p. 180).

> *"Since this budget presents proposed expenditure amount only by category, the justifications for such expenditures are not explicit; it does not provide information about the purpose of the expenditures or about the programmes for which they are allocated, nor about the efficiency and effectiveness of the programmes"* (ibid, p. 170).

The recommendations of international aid agencies such as the World Bank and IMF that Bahrain (UNDP Reports, 1999) adopts international practices and standards in the public sector and the potential of continued financial deficits and "ad-hocracy" in budgeting have created a demand that an efficient and effective budgetary system be developed that would be able to address these issues. The orderly pursuit of government objectives requires a budgetary and management tool which would enable Parliament,

the executives and management at all levels of the central agencies and the line ministries, departments and agencies to exercise their management roles and functions (such as planning, organising, selecting, directing, motivating, empowering, coordinating and controlling) over all government programmes and activities. PPBS is a management tool which offers the potential for bringing together all of these functions. In June 2002 the Cabinet announced its decision to adopt this system and directed that it be implemented in all government agencies and departments in the KOB.

The literature shows that since 1965, PPBS has been adopted by a vast number of countries on the recommendation of the United Nations. Developed countries such as the UK, the USA, France, Belgium, Japan, Canada, New Zealand and Australia have introduced a similar model. Programme budgeting was also taken up by other developing countries, such as India, Sri Lanka, Nepal, Malaysia, Thailand, Singapore, Philippines, Indonesia and quite recently Vietnam, Egypt, Kuwait and the UAE (partially).

In 1965 the USA introduced the PPBS, from where it was taken and disseminated around the world. Many developed countries such as the UK, Belgium, Japan, France, Canada and Australia introduced a similar model (MOP, 2004). This was followed by many of the developing countries such as India, Malaysia, Sri Lanka and Nepal. Today, most of the countries in the world implement PPBS in one form or another. It comes with different labels, which include results-based budgeting (the USA and Canada), portfolio budgeting (Australia), a modified budgeting system (Malaysia), output budgeting (New Zealand), and performance-based budgeting (Singapore and Thailand). In addition, in the USA it takes various different names, such as entrepreneurial budgeting, mission-based budgeting, and budgeting for accountability. These systems and forms have a common theme that is interested in knowing what is to be produced (in terms of goods and services and the achievement of objectives) for the budget. These budget tools seek to forge a better match between the resources allocated and the planned results, where programme managers are made accountable for the results (outcomes) (Ramadhan, 2009; MOF, 2005).

Moreover, in other countries it has been labelled as outcome budgeting, which is defined as:

"a budget process that makes resource allocation and control decisions based on the results of the expenditure. It is distinct from budgeting based on inputs (staff, buildings, materials, etc.) and budgeting based on outputs (numbers of people educated, operations carried out, prisoners held in custody, etc.) and can be implemented in addition to the other two methods" (Flynn, 2001:1).

While all the definitions are valid in themselves, to managers, at whatever organisation they may be, PPBS is a tool that is composed of many parts which must be learned, appreciated, and applied if it is to be used effectively.

In 2005, after some 40 years, more countries were continuing to implement the PPBS in one form or another, although retaining the fundamental elements of the system, with PPBS as a performance and outcome-oriented system (MOF, 2002 and 2002a). However, since the term "PPBS" is now universally known, the term is used for the purposes of continuity, coordination and future international collaborations (MOF, 2005).

2.10 The philosophy underlying PPBS

PPBS is concerned with bringing about better financial management, which basically means getting value for money. Success in this depends on a number of factors as indicated in this extract from the government's first report introducing the plan for PPBS (MOF, 2002: 5). The extract is significant as an indicator of the level of understanding and prevalent assumptions at an early stage of the initiative, against which actual implementation can better be assessed.

a) "Government agencies must have systems for planning and allocating resources, for controlling how resources are used and for providing the necessary management and accounting information. Such systems must be operated effectively if costs are to be managed properly, aggregate controls adhered to and programme objectives achieved.

b) "Systems will not work unless managers and staff use them responsibly. Managers will not do so unless they have been assigned the requisite authority for the control and management of resources and get clear and constant signals from top management that they are expected to exercise this authority with care, diligence and common sense.

c) "The nature and extent to which managers are to be held accountable must match the authority delegated to them. The general principle should be that the authority should be delegated to those managers best placed to control and manage resources. In practice, this will vary from, at one extreme, delegating substantial authority to a line manager and at the other extreme, simply ensuring

that the line manager is fully conscious of the cost of resources and has a disciplined appreciation of their value.

d) "Managers must accept a personal responsibility for good management dependent upon authority being clearly and accurately; and managers being in no doubt about how they are to be held accountable and what the consequences of good and bad performance are.

e) "Accepting a personal responsibility means that managers must plan and budget for their work such that the full cost consequences of their decisions can be met from within the total funds allocated to them without recourse to supplementary funds. Their accountability is not just in terms of compliance with rules and regulations but also in terms of the efficiency and effectiveness with which programmes are managed from within strict aggregate allocations.

f) "The control of costs is a managerial responsibility which must be given the highest priority. It is the responsibility of all managers, not just those in finance/administrative positions."

However, very little has been written about the transformation of social and political authority in Bahrain in relation to public management and administration. Khuri's (1980) study is a rare account of administrative development in Bahrain. Although it pre-dates the current political regime, it documents the development of the bureaucracy in Bahrain beyond Independence from the UK. Khuri (1980) emphasises the shifting socio-economic bases of power and the emergence and formation of new groups and institutions. He argues that in the context of Bahrain, various types of social organisation control economic and social resources and relate to citizens in different ways.

2.11 Successful implementation and criticisms of PPBS

Rose (2003) refers to examples of successful outcomes of PPBS implementation:

- In the USA, PPBS has been most effective in agencies which produce tangible assets, such as transportation or construction. NASA is the most-quoted example.
- PPBS requires agencies to question their aims and objectives.
- Policy determination is strengthened within the policy process.
- PPBS has been a driver for greater efficiency and positive outcomes.
- It has also been successfully implemented in Canada. In that country, expenditure control was delegated and accompanied by performance indicators.

However, Rose (2003) illustrates some criticisms regarding the theory and practice of the PPBS:

- Changes did not take place to any great extent.
- It did not facilitate more efficient budget decisions.
- In general, staff were dissatisfied, did not take the proposals seriously, or felt alienated by the approach.
- The legislature regarded the PPBS as an attempt by executives to mislead or misrepresent information.
- Agencies which operate social programmes have recorded few positive changes.
- It has been impossible to implement where cross-departmental involvement was required.

For PPBS to be successful, clear lines of control are required for the following:

- Expenditure on large projects, which can be difficult to control and predict.
- Establishing standard productivity measures.

2.12 Managerialism

Managerialism is related to public administration and equated to the importation of business management practices designed specifically to increase profit and efficiency into public agencies. It includes strategic planning activities, performance pay systems, organisational reinvention, and redesign or reengineering. The bottom line may result in needless regulation and control and concerns are associated with organisations which are required to make profits in order to function (Denhardt, 1993).

For Edwards (1998), managerialism refers to an ideology, accepted to varying degrees by all of us but held most closely by members of the managerial class, which places faith in the ability of managers to provide for the needs of society by the application of specialised skills and knowledge. Edwards asserts that "The ideology rests on the value of efficiency which provides guidance to managers in the application of their expertise towards the achievement of organisationally defined goals. Further, it tends to justify bureaucratic organisational structures since these enhance managerial control" (ibid, p. 6). Managerialism is a component of terms: "1) economic efficiency or the pursuit of maximum output with minimum inputs; 2) faith in the tools and techniques of management science and the ability of managers to use those techniques to resolve

problems; 3) a class consciousness which serves as a unifying force among managers and which is perpetuated through a common literature and training regimen; and finally, 4) views managers as moral agents working to achieve the greatest good, not only for their organisations, but for society as a whole" (ibid: 6-7).

During the restructuring of public organisations, it is quite noticeable that new management techniques that came from the private sector and reflected the principles of 'new managerialism' were taken into use (Fleming and Lafferty, 2000).

2.13 New Public Management "Adapted Model"

The foregoing sections reviewed related literature and the Western and South Asian practices and contexts in the light of the NPM model from Pollitt and Bouckaert (2004) regarding Public Management Reform and Common's (2001) NPM model. Based on the above, the researcher has developed an adapted NPM model applicable to the Bahrain context and conceptual framework (culture, business, trade and political environment, democratisation, organisation, etc.). On that basis, the following characteristics of Common's (2001) model were removed from the adapted version, the reasons for which are included below:

1) *Creates internal market:* which means the separation of purchasing and providing factions. This refers to the creation of markets between public sector buyers and sellers which is achieved by splitting these functions within a public service delivery area. The limited size and scope of public services in Bahrain would prevent implementation of this element of reform in the light of privatisation and outsourcing.

2) *Trading funds*: this refers to revenue returned from user charges, giving financial independence to public organisations at government arm's length that are subjected to privatisation. This phenomenon is rarely noticed in Bahrain or other GCC countries.

3) *Weakens trade union power:* strengthens managerial discretion. However, this would not be applicable to Bahrain, where the public sector is not affiliated to the General Federation of Bahrain Trades Union (labour). Forming a public sector trade union is a criminal act according to civil service law and regulations, although in 2002 HM the King called for the formation of trade

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union streams among the entire government in conformity with the 2001 Citizen's Charter. Many cases have been sent to the court under the civil service law and regulations that forbid any type of trade union formation among ministries. Hence, although the strong General Federation of Bahrain Trades Union was established in 1955, the official formation came in 2002. Moreover, the formation of multiple trade unions in the private sector has been frozen amid concerns that expatriate workers would set up separate unions (*GDN*, 24 October 2008).

The PPBS approach has been practised in Bahrain since 2002, targeting the formulation of public finance and budgetary reform within the notion of the stated NPM model. The adaptation of the original model, therefore, has been achieved by including the PPBS element and removing the three characteristics noted above. Hence, the adapted model now contains 32 reform elements instead of the original 34 in the original. The adapted model can be seen in Table 2.3.

Table 2.3: The adapted NPM model

NPM component	Reform / Structure	Meaning / Organisational Decentralisation
Q1: Agencies	Creation of single purpose agencies	Separate policy from execution (horizontal decentralisation)
Q2: New Orgs.	New form of organisation	Flattening hierarchy
Q3: Decent'n	Territorial/geographical decentralisation	Vertical decentralisation
Q4: Reduction	Reduce number of departments/agencies	Streamline organisational structure
Q5: Quasi-privn	Quasi-privatisation	Blurring public/private divide
Q6: Contracts	Contracting out (market testing)	Create and manage competitive environment
	Process	*Introduce private sector management techniques*
Q7: Leadership	Corporatisation/strong organisational leadership	greater visibility, accountability and discretion
Q8: Strategy	Strategic management	Business and corporate planning
Q9: Delegation	Decision make close to/at point of service delivery	Managerial decentralisation
Budgetary Process		
Q10: Performance	Performance measurement	Stress on and use of outputs (or outcomes)
Q11: Cost-centre	Cost-centre creation	Devolved budgeting
Q12: Cost	Use of cost rather than expenditure	Focus on actual cost rather than volume budgeting
Q13: End annuality	Ending annuality	Freedom to retain savings
Q14: Planning	Use of budgets for planning/control	'Top-down' budgeting
Q15: Outputs	Use of output measures & volume targets in budgets	More detailed budgetary scrutiny against targets
Q16: Incentive	Cost-saving incentive	To encourage managers to make efficient use of resources
Q17: Accrual	Resources accounting	Accrual accounting
Q18: PPBS	Program & Performance Budgeting System (PPBS)	Budgetuary reform within NPM
Q19: Audit	Greater evaluation through audit	Establishment of independent auditing bodies
Q20: Bulk	Bulk budgeting	Greater flexibility within budgetary parameters
Q21: Purchasing	Purchasing deregulation	Avoid central procurement agencies
Human Resource Management		
Q22: Rewards	Change reward structure	Pay to reflect 'market' condition
Q23: P merit pay	Performance related/merit pay	Pay to reflect performance
Q24: P contract	Performance contract	Tenure determined by performance
Q25: Appraisal	Appraisal based on performance	Monitoring by performance
Q26: Personnel	Personnel deregulation	Covers the elimination of a range of civil service controls
Total Quality Management		
Q27: Quality	Quality management	Deprofessionalisation
Q28: Review	Programme review	Systematic analysis of costs & benefits of individual programmes
Q29: Comsumerist	Consumerist mechanisms	e.g. Citizen's Charters
Q30: Public Relation	PR and marketing	Establish market identity for public organisations
Q31: Integration	Integrated service delivery	Includes' one stop shops' and case management
Q32: Transparency	Foster greater transparency	Public as monitors of services.

2.14 Conclusion

This chapter has addressed the theory and context of NPM as reflected in the literature. It discussed policy transfer and its diffusion within the Middle East in particular.

From the literature it was noticed that public management in certain countries of the Arab world follows the classical Weberian bureaucracy model which, as Barberis (1998) observes, may have outlived its usefulness; however, it might be that they are under no demands for structural adjustment and change.

Although the literature often argues in a convincing manner that NPM is continuing as a global paradigm, it is clear that NPM has developed concurrently with an international consensus around administrative reform. A similar trend is detected with the promotion of governance. This is true of the Middle East and the Gulf region, where the UN Development Programme is running the Programme on Governance in the Arab Region (POGAR). As a basis for the empirical study, what has emerged from the literature review is a conceptual model against which the implementation of NPM can be tested in an individual country. This was in the model developed by Common (2001), which was also based on a literature review. This model has been adapted to suit the particular circumstances and status of the reform programme in Bahrain, and to include any relevant elements from the promotion of good governance. Secondly, Pollitt and Bouckeart's (2004) model of administrative change will be used to develop the narrative around administrative policy-making in Bahrain, and which will also identify the main drivers for change in the country. The literature argument in general shows that there is no single way to construct an administrative or financial reform model. Western nations and South East Asian countries have witnessed implementation and a rich practice, yet no models from the GCC or Middle East have been reported.

Chapter Three will discuss in detail the research methodology, while Chapter Four will present analysis and discussion of the questionnaire data (quantitative).

Chapter Three: The Research Methodology

Following the research stages:

Chapter 1	The Research Overview
Chapter 2	Review of the Literature
Chapter 3	The Research Methodology
Chapter 4	Data Analysis of Managers' Survey Questionnaire
Chapter 5	The PPBS Case Study
Chapter 6	Data Analysis of Ministerial and MP Interviews
Chapter 7	Conclusions and Implications

3.1 Introduction

As set out in Chapter One, the aim of this research is to investigate and analyse the extent to which public administration in Bahrain can be aligned with the globalising trend of NPM. A literature review was undertaken in Chapter Two to examine theoretical issues related to the research topic and build the foundation for and justification of the need for this study. This chapter sets out the methodology adopted to answer the research questions regarding the drivers for administrative change and policy learning, the extent to which elements of the NPM model express themselves in management practice in public sector organisations, and what challenges and opportunities NPM presents for Bahrain's public sector.

For Cohen et al. (2007: 7) research methodology is the theory or knowledge that guides a particular research project. It is, therefore, more than merely method. According to Bryman (1984: 76):

> *Methodology refers to an epistemological position while methods or techniques refer to ways of gathering and analysing data.*

A research methodology not only describes and analyses the methods used to gather and interpret data, but also presents the philosophical framework within which the research project develops (Lather: 1992). Consequently, it is about the procedural framework within which the research is conducted.

In this study, the researcher decided to follow the methodological framework suggested by Saunders et al. (2007), which highlights decisions about the research philosophy adopted, the research approach that follows from that philosophy, the choice of research strategy applied to the research and, finally, the choice of data collection methods (see Figure 3.1).
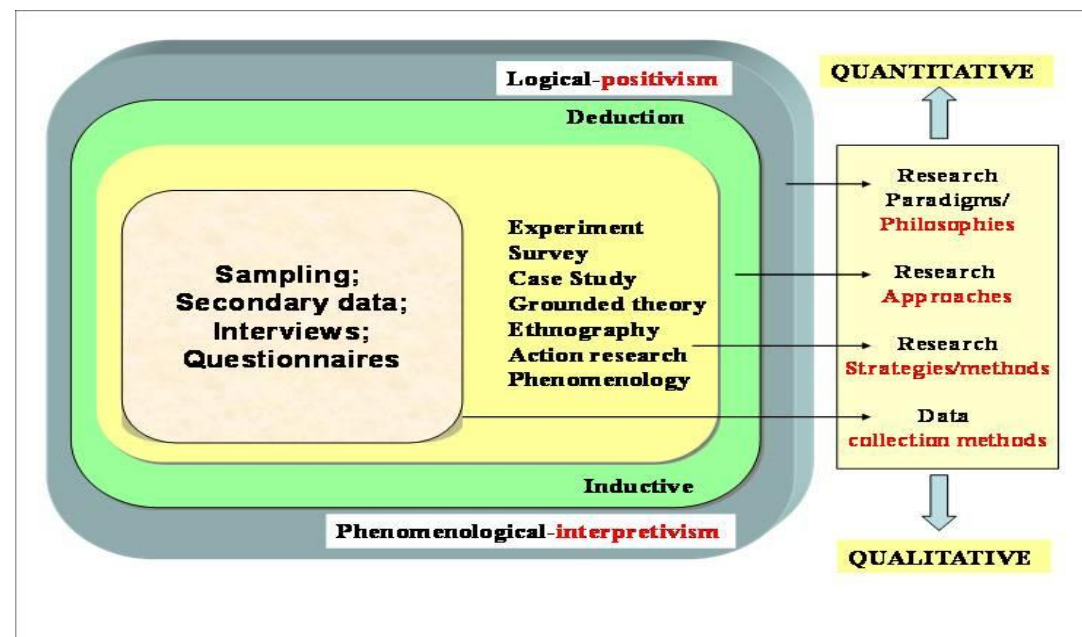
Figure 3.1: A Holistic view of the research process, Adapted from: Collis and Hussey (2009); Saunders el al. (2007); Denzin and Lincoln (2000); Patton (2002); and the Saunders et al. (2009) "onion layers"

The first section in this chapter will provide a research methodology overview, discussing the research philosophy, approach and strategy, followed by the research plan and design. The next section will explore the qualitative research method applied to collect data for this study, namely the Elite interviews. This is followed by a section regarding the questionnaire that was used as a complementary research method to obtain the data. Finally, the case study method used to explore the experience of the implementation of PPBS within the Bahrain context will be highlighted.

3.2 Methodology Overview

In this section, each of the methodological choices implied by the framework presented above will be explained in turn, beginning with the research philosophy and moving through successive layers of the "onion" (Saunders et al., 2009) to reach the specification of the data collection methods.

3.2.1 Research Philosophy

Saunders et al. (2009) assert that research philosophy involves the way in which we approach the development of our knowledge and the ways in which this can influence, consciously or unconsciously, the way we conduct research. Any research method, any approach to the systematic investigation of phenomena, rests upon epistemological and ontological assumptions about the nature of knowledge and about the kinds of entity that exist (ibid). The study of knowledge and how we assess its validity and the extent to which it can be considered true, is known as Epistemology (Taylor et al., 2006). According to Myers (2008), establishing truth is essential in exploring and developing new paradigms; in qualitative research, truth can depend on the viewpoint of a particular individual perspective. For Gray (2009), epistemology offers a philosophical grounding for deciding what types of knowledge are allowable and will be sufficient for the particular research task.

Ontology is the study of the nature of existence and the meaning of that existence (Taylor et al., 2006; Gray, 2009). Ontology is:

> *The nature of existence, "what the world is like", while epistemology refers to the theory of knowledge that asks the question: "How can we know the world?"* (Thursfield, 2000: 73).

According to Taylor et al. (2006), researchers are using an epistemological approach when they ask questions about what they know and how they can trust this knowledge; when researchers are investigating the nature of something or someone who exists, they are involved in ontological considerations. Gray (2004) further writes that ontology is concerned with understanding what exists, while epistemology attempts to establish what it actually means to know something.

A broad distinction is commonly made between two basic schools of research thought. Logical positivism (1930-1960) assumes that the social world exists externally to the researcher, and that its properties can be measured directly through observation (Gray, 2009). Such an approach founded quantitative and experimental methods for testing hypothetical and deductive generalisations. In contrast, phenomenological (interpretive) investigation is associated with a naturalistic, qualitative approach to understanding people's experiences in particular contexts in an holistic way (see Table 3:1 below).

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This latter approach, as Amaratunga et al asserts, "Tries to understand and explain a phenomenon rather than searching for external causes or fundamental laws" (2002: 96).

Table 3.1: Two schools of science approach

Approach	Concepts	Methods
Interpretive science (phenomenological)	Social construction Meaning	Qualitative Hypothesis generation
Positivism	Social structure Social facts	Quantitative Hypothesis testing

Sources: Silverman (1998) and Amaratunga et al. (2002: 19)

This dichotomy could be considered somewhat artificial; in some senses, "all data are qualitative in that they refer to issues relating to people, objects, and situations" (ibid: p. 21) and all research involves some degree of subjectivism and interpretation. It is, therefore, perhaps better to think in terms of points along a continuum rather than a simple dualism. Nevertheless, the stance of this research is best explained in terms of the values and assumptions of phenomenological/interpretive inquiry.

Phenomenology is the school of thought that emphasises a focus on people's subjective experiences and interpretations of the world and seeks to understand social reality and how the world appears to others. It insists that "we set aside our prevailing understanding of phenomena and revisit our immediate experience of them in order that new meanings may emerge" (Gray, 2009: 22). In relation to research methodology, this is linked with interpretivism.

The interpretive paradigm, according to Gray (2009), holds that the realities of the laws of natural science and those of social sciences are different and should require different approaches. Whereas the "natural sciences are looking for data in order to deduce findings, the social sciences deal with the actions of the individual" and particular viewpoints (ibid, p. 21). He added that researchers' interest in the social tends to be on examining and identifying aspects that are unique and individual and, therefore, qualitative. He went on to regard how, by contrast, researchers' interest in the natural world tends to examine phenomena which show measurable regularities (Crotty, 1998 in Gray, 2009).

Interpretive, qualitative research is open and flexible and allows information to elaborate on values and attitudes and accounts for behaviour. It aims to "explore people's subjective experiences and the meanings they attach to their experiences and own stories in familiar language. Moreover, it draws attention to contextual issues in wider settings" (ibid: 138). Thus, it has been said that interpretivism looks for meanings which have been derived from cultural and historical social situations (Crotty, 1998 in Gray, 2009).

Cohen et al. (2007), in their discussion of the evolution of social theories from interpretive research, stated:

> *Investigators work directly with experience and understanding to build their theory on them. The data thus yielded will be glossed with the meanings and purposes of those people who are their source. Further, the theory so generated must make sense to those to whom it applies. The aim of scientific investigation for the interpretive researcher is to understand how this glossing of reality goes on at one time and place. Thus, theory becomes a set of meanings which yield insight and understanding of people's behaviour. These theories are likely to be as diverse as the sets of human meanings and understandings that they are to explain* (2007: 22).

Such is the broad stance taken by this research, which aims to capture the rich complexity of political and social situations as perceived by actors in a specific social context.

An interpretive position is required in order to examine the subjective meanings (the grounding notions of NPM, public management and reform approach in this study) that motivate the actions of people in elite and decision-making positions in order to be able to understand the social constructions which lead to the various interpretations of the situations in which people find themselves. Therefore, the role of the researcher is to attempt to find meaning in the subjective reality of the research participants so as to understand their motives and intentions (Saunders et al., 2009), while at the same time interpreted through the researcher's own lens.

3.2.2 Research Approach

Interpretive research uses the inductive approach building or developing theory in which we move from specific or particular to the general (Trochimn and Donnelly, 2007), based on data collection and developing theory as a result of our data analysis. In contrast, the deductive approach, testing theory, owes more to positivism.

In the inductive reasoning approach, specific observations and measures are the starting point for detecting patterns, formulating the beginnings of hypotheses, and then developing general conclusions (ibid). This works by moving from specific observations to broader generalisations and then general theories.

Inductive reasoning, by its very nature, is more open-ended and exploratory, especially at the beginning. For Saunders et al. (2009), inductive theory-building seeks to better understand the nature of a problem and make sense of our data collection and analysis, which results in formulation of a theory in an inductive way (theory follows data, rather than vice versa as in the deductive approach). The strength of inductive research is in developing such understanding, and it is concerned with the context in which events take place. Moreover, it emphasises the collection of qualitative data, provides a flexible structure to permit change, and accepts the researcher as part of the research process. In contrast, deductive reasoning works in the opposite way, moving from the general to the more specific. This approach might start with a theory about the subject of interest, and then narrow it down to a specific hypothesis that can be tested. This process involved a greater narrowing down when researchers start to collect observations to test the hypothesis.

In line with its interpretive philosophy, this research takes an inductive approach. Given the exploratory nature of the research and the novelty of its context, this is considered more appropriate than a deductive logic. Although theories exist in relation to policy transfer and the components of NPM, little is yet known about how these may be perceived and enacted in the Bahrain public sector. To begin with, theory might prejudice the inquiry and lead to relevant insights being overlooked. Therefore, although a conceptual framework based on the literature has been adopted as a starting point to guide the inquiry, it must be emphasised that the approach taken here is to collect a body of rich data from those directly involved with the phenomenon being investigated. The aim is not to collect data to fit or test a theory, but to develop theory in light of the social realities discovered on the ground.

3.2.3 Research Strategies and Design

For Amaratunga et al "research is a process of enquiry and investigation that is systematic and methodical and increases knowledge" (2002: 17). It is important,

therefore, that it is based on a clear strategy for action. In this regard, De Vaus (2001: 9) outlined the following:

> *When constructing a building there is no point ordering materials or setting critical dates for completion of project stages until we know what sort of building is being constructed...the function of a research design is to ensure that the evidence obtained enables us to answer the initial question(s) as unambiguously as possible.*

What evidence do we need to collect, is the question of research design. It deals with the logic and the work plan flows of sampling, data collection, etc. (ibid). Frankfort-Nachmias and Nachmias (1996: 9) have mentioned:

> *Design should not be confused with methods, but rather refers to "the logical structure of the inquiry"; data collection on the other hand is irrelevant to the logic of design.*

Our study investigates challenges and opportunities for implementing NPM in KOB. It aims to analyse the extent to which public administration in Bahrain can be aligned with the globalising trend of NPM demanded by the country's society and international bodies (such as the POGAR programme of reform in the Middle East). It investigates the issue and context of this approach, and the extent to which public management accepts and agrees on administrative reform-based NPM as the most suitable approach for the Kingdom.

However, these objectives cannot be achieved without: 1) exploring NPM concepts and elements in light of the present practices; 2) understanding how these elements express themselves in the government of Bahrain in approach to public management reform; and 3) identifying the ways that these are being implemented and adopted in Bahrain. Several subsidiary questions have been raised to fulfil these concerns, which together directed the choice of research strategies.

In selecting the research strategies, a decision had to be made as to the use of qualitative, quantitative or mixed methods. As indicated previously, qualitative and quantitative methods tend to be aligned with particular research philosophies. Indeed, the terms quantitative and qualitative are sometimes used to refer to philosophical positions rather than research methods. For example, Myers (2008: 34) asserts that "quantitative and qualitative research differs in their epistemological assumptions. Qualitative knowledge is relative, unique, context-dependent and inductive; whereas

quantitative knowledge is absolute, it is about finding cause and effect links, and it is deductive, in which data are analysed using language and interpreted as themes, patterns and trends, or they are analysed using numbers and interpreted as mathematical relations in quantitative research" (ibid).

However, in the researcher's view, to use the terms quantitative and qualitative to refer to philosophical paradigms is misleading, as it fails to recognise the distinction between the data and the way they are used; interpretive research may make use of quantitative data for some purposes, while classical content analysis, for example, interprets qualitative data in a quantitative manner. What is more important is what information is needed to fulfil the objectives of the study.

With this in mind, increasing attention has been given by researchers to mixed, balanced and multiple methods research, as Yin (2009: 62) described them:

> *A class of research where the researcher mixes or combines quantitative and qualitative research techniques, methods, applications, concepts or language into a single study.*

Amaratunga et al. (2002: 23) argue that there is "a strong approach and suggestion within the research community (the researcher has noticed this in PhD theses within the university regarding the study of business) that qualitative and quantitative methods of research are considered complementary and can, therefore, be used together in many kinds of research". For example, qualitative data can support explicitly the meaning of quantitative research (Jayaratne, 1993 in Amaratunga et al., 2002).

Das (1983: 311) argued that "qualitative and quantitative methodologies are not antithetic or divergent; rather they focus on the different dimensions of the same phenomena". Accordingly, the qualitative approach is more subjective in nature and involves examining and reflecting on perceptions in order to gain an understanding of political, social and human activities. However, other researchers prefer a quantitative approach, involving the collection and subsequent analysis of numerical data and the application of statistical tests. Duff (2007: 42) in this sense argued:

> *Because of the complementarity and the value in combining approaches in some kinds of research, many research methodologists now suggest that researchers move beyond the dichotomy of qualitative versus quantitative research and an allegiance to one over the other.*

Therefore, "the paradigm of choices recognises that different methods are appropriate for different situations" (Patton, 1990: 38). In business management studies, it is common to rely on the combination (triangulation) of research methods to collect data. Fellows and Liu (1997) in Amaratunga et al. (2002: 23) provide the following definition:

> *Triangulation is the combination of methodologies in the study of the same phenomenon, where the assumption is that the effectiveness of triangulation rests on the promise that the weaknesses in each single method will be compensated by the counter-balancing strengths of another..... Thus the use of qualitative and quantitative techniques together to study the topic is powerful for gaining insights and results, and for assisting in making inferences and in drawing conclusions.*

The strengths of qualitative research are seen in its investigative nature, its in-depth focus, and the detailed complexity of the data provided, whereas the strengths of quantitative research are seen as lying in its highly structured nature, its reliability, and the possibility of generalising findings. However, in regard to types of research, Collis and Hussey (2003: 77, 166), note:

> *It is not unusual in business research to take a mixture of approaches, particularly in the methods of collecting and analyzing data...it is perfectly possible and even advantageous, to use both qualitative and quantitative method in business research... survey researchers have often noted the potential value of combining their work with interviews.*

Researchers increasingly recognise the benefits of combining qualitative and quantitative methods for different purposes in the same study. Punch (1998), for instance, argues that by combining these two methods, researchers can have confidence about the findings, as findings from one method can be checked against those derived from the other. May (1997) and Johnson and Duberley (2000) also agree that combining methods into a single project can be highly productive, resulting in greater methodological mixes to strengthen the research design.

For Saunders (2002: 99) "the use of different data collection methods within one study helps to ensure that the data mean what they appear to mean". The results will be affected by the method used. Thus, "different methods for different purposes cancel out the method effect and provide greater confidence. Triangulation, therefore, is the rationale for using multiple sources of evidence" (Yin, 2009: 114).

In the light of considerations for this research, a combination of three strategies, involving both qualitative and quantitative data, was adopted. A qualitative strategy was dominant in this study for two reasons. First, the goal of this research is to acquire a deeper understanding of complex issues underpinning public management and its reform and evolving events (Rubin and Rubin, 2005; Seidman, 2006). A qualitative methodology results in the collection of a preponderance of data containing rich description to illustrate and interpret meaning as well as behaviour (ibid). Secondly, a qualitative methodology was used because it offers the appropriate means of generating meaningful data from a population (i.e. elite, Ministers and Members of Parliament in our case) that has sometimes been difficult to access (Hertz and Imber, 1995; Seidman, 2006), a factor that was a challenge in this study.

Qualitative methods have been used across sub-fields of political sciences in which respondents have been willing to talk about their participation in groups, their function and role in formal positions of power, their views about the political system and others (ibid).

The difficulties of gaining access to a particular setting have meant that the ideographic technique of qualitative research is associated increasingly with extensive observation and in-depth interviews. Thus, a greater level of involvement is required so that the researcher inspires trust (Bulmer, 1984 cited in Marsh and Stoker, 1995). Marsh and Stoker (1995) have said in this context:

> *Interviews are usually conducted with only a small sample of informants. The transcriptions constitute the data that are analysed and interpreted. Interviewers are engaged in observing the interviewee and the setting in which they are found, and these observations facilitate the interpretation of the material (pp.137-138).*

Such interviews are open and flexible, giving respondents the opportunity to expand on their values and attitudes and give reasons for their actions, which captures meaning, process and context. These interviews are based on an interview guide, although they employ open-ended questions and informal probing to encourage discussion in a semi-structured manner (Marsh and Stoker, 1995).

However, interviews also have their limitations. Interviewing is highly personal and interpersonal, taking researchers into the environments where people actually live and work and asking research participants to reveal often personal motives and

interpretations. This process may, therefore, involve a greater degree of intrusion and more reactivity on the part of researcher than surveys, tests and other quantitative techniques (Patton, 2002). Moreover, interview methods have certain shortcomings with regard to their reliability, validity of interpretation and subsequent generalisability.

Qualitative methods alone would be limiting due to the risk of Ministers and MPs not agreeing to interviews and the researcher being unable to fulfil all objectives. Accordingly, it was decided to supplement these with a survey by questionnaire. This is a common research instrument in the field of business and public management in GCC, Middle Eastern countries and in Bahrain, as the researcher noted from a number of theses in the university. Moreover, Maawali (2000) and Shafaee (2001) have demonstrated that questionnaires are the most appropriate tools of data collection in Oman, a similar context to Bahrain given its political and social nature.

These two strategies were used in a complementary manner; semi-structured interviews (with Ministers and Members of Parliament) enabled detailed exploration of issues by asking interviewees questions that suited their background, position, role and experience. The interviews allowed the researcher to probe more deeply into participants' thoughts to gain a clearer picture of their views. On the other hand, the survey by questionnaire was employed (for managerial groups) to provide large-scale numerical data that could be statistically analysed and presented in the form of tables.

A case study strategy was adopted as a follow-on methodology after the in-depth interviews and the initial survey by questionnaire. In this research study the qualitative approach to case study is used to validate the results of the survey findings related to the case study subject, PPBS.

3.2.4 Sources of Data

Qualitative data were collected by the researcher through semi-structured interviews conducted with 10 Bahrain Government Ministers and 13 Members of Parliament. Quantitative data were obtained from a questionnaire survey administered during two fieldwork periods (September 2008 and May 2009) to 358 managerial-level employees of the Civil Service. A case study of PPBS was conducted afterwards in which an additional 10 open-ended interviews were conducted during the 2009 winter holiday to investigate and explore the practice. These purposive interviews involved PPBS and PBS project managers, directors and relevant officials as well as the writer of a

published article who was approached for greater understanding of the circumstances related to the identified practice (see Table 3.2).

Table 3.2: Summary of the research sources of data and the different approaches involved

Source 1	Quantitative study Survey (questionnaire) Structured approach 358 respondents
Source 2	Qualitative study (case study) Interview using open-ended questions Semi-structured approach 10 respondents
Source 3	Qualitative study (elite interviews) Interview Semi-structured approach 23 respondents (10 Ministers and 13 MPs)

Source: Table developed for this research

Sources of secondary data include official publications and statistics, documents, books and journals available in British and Bahrain libraries, together with dissertations written by certain authors and others from the region (e.g. Saudi Arabia and Oman).

The section on the Bahrain public management issues and policies relies mostly on printed documentary materials in Arabic. These include reports by the Government, newspapers, articles, and papers presented in seminars and conferences. If quoted, these materials were translated into English, otherwise, they were analysed directly from the Arabic.

Moreover, various sources were used to describe and examine the implementation and piloted practice of PPBS in KOB, including archive documents of State Budget Law, the Constitution of the Kingdom of Bahrain and the Budget Manual, published and unpublished document analysis (MOF different reports), other official documents and field observations. A review was conducted of the pertinent literature and an analysis of the available documents on PPBS (pilot and implementation phases) in Bahrain.

In the section that follows the rationale for and implementation of each of the three research strategies will be discussed in turn.

3.3 The Interviews

3.3.1 Rationale

The primary research instrument employed was a series of interviews with Government Ministers and MPs in Bahrain whose position and experience enabled them to provide useful opinions on the study's focus as a decision-making process and formulating the policy in this State.

An interview is described as "a conversation between the researcher and the subject" (Thursfield, 2000: 73), an interview allowing researchers to probe more deeply into emergent research issues and representing a very useful tool of investigation.

Kerlinger (1981) suggests that interviews can supplement and validate other research methods, such as questionnaires, as they allow researchers to delve deeper into the attitudes of respondents by asking for reasons behind their responses. As questionnaires lack flexibility, since questions and their wording are the same for all participants, the researcher cannot obtain explanations and understand the reasons behind responses.

Interviews for this research were used as a primary method of data collection. They were carried out to enhance the richness of qualitative data and generate support for the findings obtained from the questionnaire (May 1997). This approach was expected to provide the opportunity to develop a comprehensive understanding of public management reform in Bahrain, based on real world managerial practice, and to add additional perspectives from those directly involved in the actual practice in decision-making. Interview data were expected to generate the themes, patterns and trends that currently influence thinking at the decision-making level on the issue of policy transfer in light of theoretical perception.

In employing the interview method, the researcher had two specific aims in mind: 1) to obtain genuine information and extra data not available through secondary sources (e.g. documents and publication). The latter was mainly important for filling the gap in relation to the data required when discussing a topic such as policy transfer and public management reform in Arab world countries; and 2) to verify and support the questionnaire results.

In studies such as this, rooted in political and management sciences and dealing with social relations, interviews are often used to gather in-depth data from elite groups; Ministers and Members of Parliament in this case. Thus, elite theory provides for this aspect of the study and is also subject to investigation. Parry (1997) asserted that there is a tendency to assert rather than prove that the dominant group or groups in a society are bound together by ties of common interest, shared values or similar up-bringing. In this particular view, Marvick (1996: 238) defines elites as "those who get the most of what there is to get, in any institutionalised sector of society..."

Mills (1963: 28) conducted a classic study on elites in the sociological tradition. He describes the "power elite" as:

> *Those people at the very top of American society, whose "facilities of power are so enormously enlarged and so decisively centralized ... that the powers of quite small groups of men, which we may call elites, are now of literally inhuman consequences.*

Phillips (1998) asserts that "elite interviews are more prevalent within journalism than academic research, although certain disciplines such as sociology or political science rely heavily on elite interviews" (cited in Kezar, 2003: 397). Elites, however, are usually experienced in being interviewed and often regard such exchanges as part of their obligation to keep the public informed.

As one form of elite, pressure groups have been interviewed widely by political scientists. Qualitative methods are used extensively in the study of local politics in Britain and in urban politics in the USA, although to a lesser extent in research on central government, largely due to limited access (both real and perceived) to the seemingly secretive world of high politics (Marsh and Stoker, 1995).

Elite interviews are characterized by the following:

1. The interviewee has taken part in a certain situation.
2. The researcher has reviewed certain information and reached a tentative analysis.
3. This tentative analysis forms the basis of the interview guide.
4. The interview results in establishing the interviewee's viewpoint of the situation being researched (Merton, Fiske and Kendall, 1990).

However, elite interviews are not usually the sole source of data. Such information is generally gathered so as to confirm data that have already been collected from other sources. Interviews with key players (such as Ministers and MPs) can be used to corroborate earlier findings, as well as being "used for additive purposes to provide new information that will advance the research process", establish what people think, their attitudes, values, and beliefs (Davies 2001, in Tansy and College, 2007: 5).

3.3.2 Format

Borg and Gall (1996) have classified interviews into four types: structured, semi-structured, unstructured and focus groups, wherein each is relevant to a particular research paradigm (the values and beliefs that form the basis of our actions). A review of the characteristics of these four types reveals that the semi-structured interview was the most appropriate to meet the type of approach of this study, as it is more flexible. For elite interviews, the semi-structured format is useful not only to focus these generalists' responses on the special topics of interest but also to accommodate the short amount of time they can typically offer for the interview (Hertz and Imber, 1995).

In semi-structured interviews, respondents are encouraged to talk about the topic raised from their perspective. Thus, the role of the researcher is as a mediator to direct, probe and control the interview. As Punch (1998) argued, the researcher is expected to seek for more information when s/he feels that at a particular point during the course of the interview there is a gap that needs to be filled.

The researcher used an interview guide, open-ended questions and informal probing to encourage discussion. The interview guide was used as a checklist of topics to be covered, while open-ended questions enabled interviewees expand on topics (Marsh and Stoker, 1995).

The questions were designed to suit the interviewees' position, background, and experience of the study topics. Further, the combination of structured and unstructured questions allowed the researcher to be free to modify questions, change the way they were worded, and include or exclude others based on each interviewee's situation (De Vaus, 2001).

3.3.3 Interview Schedule

Information derived from the literature was used as the base for constructing the interview schedule. The interview schedule consisted of eleven questions categorised into five groups (Appendix C-4):

1. **Introduction group**: contained the first four questions. Question one was a general question about the respondent's (the Minister's) role and responsibilities. Question two asked how long the Minister had been in a ministerial position and what he had done before. Question three explored the Minister's views of his experience of how policy and decision making is conducted in public sector management in Bahrain and in his Ministry (probe: to ask if there are any overseas or local influences for policy transfer). Finally, the fourth question was to determine the Minister's understanding of the term "reform" in the context of public administration (probe: change, restructuring, modernisation, and so on).

2. **Socio-economic forces**: contained the fifth question, regarding the Minister's opinion of the root from which the reform came. Did it reflect a socio-economic or a political system, or change event factors (probe: main variables, fiscal changes, business environment, problems in executive, etc.)?

3. **Political system**: contained a group of queries under question number six. The main question concerned the Minister's view of the key areas in need of reform and reasons why. "What is your strategy for change (overall and within your own jurisdiction)? Further questions supplemented this section:

   a. How influential do you think the new management ideas are?
   b. How much pressure comes from citizens for public sector reform?
   c. How much pressure comes from Parliament or other organised interests for public service reform?

Followed by probe questions:

   d. As a Minister, what do you think would be the best reforms for Bahrain, and is this view largely shared by your colleagues and your leaders?

e. What sorts of reform are actually feasible in Bahrain? (For example, is further investment in HRD [Human Resource Development] required, etc?)

4. **Administrative system group**: contained four questions (seven to ten):

   7. Lessons from abroad/international community/consultants? (Probe: What does the reform package consist of?)
   8. Based on the services that are delivered by your Ministry, what do you consider to by the key areas that are in need of change? And Why?
   9. If change is necessary, how will you implement it and how will implementation be achieved? (Probe: By Ministers, civil servants, other groups?)
   10. How will the reform be evaluated (for departmental audit public consultation etc.)? (Probe: What will be the feedback mechanisms?)

5. **General question**: question eleven concerns the Minister's awareness of any particular events likely to drive reform in Bahrain, followed by a probe question regarding the Minister's vision of the future of public administration in Bahrain in ten years' time, and *any problems that could be foreseen.*

Through such discussion, the researcher aimed to benefit from this elite group's experiences when deciding what changes or reforms (in light of the NPM approach) could be implemented as an outcome of the research.

3.3.4 Pilot Interview

Although it was difficult to pilot the interview at the elite level, the researcher and one of this study's supervisors, Dr. Richard Common on a visit to Bahrain, managed to obtain an interview with one Minister. Dr. Common assessed this interview, gaining feedback, while the researcher questioned the Minister. In addition, Dr. Common attended some interviews held with responding MPs who welcomed the researcher and his supervisor. Comments and valuable notes were used to inform subsequent interviews.

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3.3.5 Implementation

3.3.5.1 Target Population and Sample

The Government of Bahrain has a two-tier administrative system. The upper tier at the national level is the Cabinet, its central Ministerial Committees and the Bahrain Economic Development Board (EDB), which consists of the Ministries and divisions providing the policies and performing governmental functions. The second tier consists of 18 line Ministries and governmental organisations and 23 agencies (Appendix C-7). Directorates and/or departmental sections attached to the Ministries and agencies hold particular responsibilities for administration, delivering services to citizens and the implementation of government programmes and projects.

The internal organisation of Ministries represents a hierarchy, with a Minister in charge of each Ministry and usually acting as its political head. A Ministry consists of divisions, departments and/or directorates downwards to sections and units. At present, the Civil Service in Bahrain has more than 40,000 civil servants in 18 Ministries (CSB statistical report, 2007/2008 summarised in Appendix E), excluding the military and civil servants in the Ministry of Defence and Ministry of Interior, which have a similar number of employees.

In normal practice, in the Minister's absence the Under-secretary is considered the administrative head of the Ministry. It is noted that in the Bahrain Civil Service hierarchy, the number of Under-secretaries varies from one Ministry to another, and these days is often two or more, instead of one as in previous practice.

To avoid duplication and overlap, the sample frame for this group should not include participants who occupy the post of Under-secretary, as they represent the Ministerial level as deputies in charge.

After consultation, it was decided that the selection of respondents should be made to cover all the Ministers and MPs in order to overcome the expected limitation of access to these groups of elites (see Appendix C-7 and MPs list in www.nuwab.gov.bh,). The participants included Ministers and heads of Government agencies. Most participants occupied positions directly included in decision making and policy formulation or transfer connected to employment policy in the Civil Service. By and large, they were

within the mainstream of the public management reform agenda and policy makers of high status.

MPs, on the other hand, are involved in the state decision-making process, policy formulation and transfer in coordination with the State Government. Their roles include recommending the most appropriate rules and regulations for the State, as well as legislation control and formulation. The researcher decided to target all MPs (40 elected members) to allow for expected non-response (see footnote no. 5 below). The appropriate number of interviews needed for a particular piece research is debatable; there is no agreement among qualitative researchers on this point. It is contingent upon a variety of factors, such as the objective of the study, the type of topic or event under investigation and the availability of time and resources on the part of the researcher (Guba and Lincoln, 1985; Strauss and Corbin, 1998; Patton, 2002; Silverman 2006; Saunders et al., 2007). The choice of the number of interviews and sample size obviously depends on what is to be studied but should not preclude the small sample which has often proved superior (Mintzberg, 1979).

Eisenhardt (1989) suggests between four and ten cases, while Perry, concerning the appropriate number of interviews in doctoral research, described a rule of thumb that can assist research design which suggests that "with fewer than four cases it is difficult to generate theory with much complexity, and its empirical grounding is likely to be unconvincing" (1998: 791). In practice, Hedges (1985) found that "four to six groups probably form a reasonable minimum for a serious project" (pp. 76-7). However, Hedges sets an upper limit of 12 because of the high costs involved in qualitative interviews and the quantity of qualitative data which can be effectively assimilated (1985, cited in Perry, 1998: 793-794). Finally, Miles and Huberman (1994, cited in Vissak, 2010: 381) suggest that "more than 15 cases makes a study unwieldy".

On the other hand, Perry states that "Eisenhardt (1989) recommends that cases should be added until theoretical saturation is reached and Guba and Lincoln (1985: 204) recommend sampling 'to the point of redundancy'. Similarly, Patton (1990: 181) does not provide an exact number or range of cases that could serve as guidelines for researchers, claiming that 'there are no rules' for sample size in qualitative research (Perry, 1998: 793; Strach and Everett, 2008). Although there is no ideal number of cases, a number between four and ten cases is often seen. "In brief, the widest accepted

range seems to fall between two to four as the minimum and ten, 12 or 15 as the maximum" (Perry, 1998: 797).

Based on this argument, interviews for this research were undertaken with 10 out of the 20 Ministers in Bahrain (Appendix E) and 13 out of the 40 MPs[6] as the only respondents who agreed to participate. This number is assumed to fall within the above suggestions, as the respondents were selected from different groups or hierarchical decision-making positions, as Perry (1998) advised.

3.3.5.2 Gaining Access

The route between identifying a potential respondent and actually beginning an interview establishes the initial power relationship between the researcher and the responding Ministers and MPs. As Odendahl and Shaw (2002: 306) have noted, access to elites can be difficult to obtain and "typically requires extensive preparation, homework, creativity on the part of the researcher, as well as the right credentials and contacts", not to mention a little luck). The researcher began the search for interviews through contacts by faxing a letter of introduction and request for interviews to all Ministries in Bahrain. He received no response from any of them. E-mails addressed to their secretary with the set of questions and POGAR summary attached were similarly ignored, as none of the Ministers processed their e-mail. The researcher managed to make some tentative appointments over the telephone with the Ministers' secretaries. However, most Ministers' secretaries did not respond to subsequent emails.

The researcher, therefore, used personal networks to generate access for the initial interviews, while some subsequent interviews were obtained through social occasions, during which certain Ministers and MPs were met. In order to be accepted into the political elite, the researcher had to show himself to be trustworthy. Ministers and officials needed to be reassured that they were talking to a fellow insider (the researcher), who would understand what was being said. Trust and confidence in the researcher's experience and knowledge carried weight with elite interviewees. With experience of more than 25 years working for the public sector in Bahrain in different managerial posts, the researcher was able to show that he shared the knowledge base of

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[6] MPs list and profile, Available: www.nuwab.gov.bh, [Accessed 21 July 2008].

policy-making and the theory of policy formulation, as he had been engaged in these processes frequently.

3.3.5.3 Conducting the Interviews

The Ministers (interviewees) asserted authority through the context that they established for the interview. The researcher was always called to interview the Ministers in their offices and they generally sat behind their desks (the exception being one Minister who welcomed the researcher and his supervisor to an adjacent sitting area.

At the beginning of a meeting, the researcher started by explaining the objectives of his research and its importance and, if required, letters were obtained from the university. Permission to use a tape recorder was sought before the start of the interview, but all interviewees refused. The researcher understands and appreciates the reasons behind this as a cultural norm embedded in the political context, as well as individual preference and personal self-confidence. Moreover, the research topic was highly sensitive. In addition, MPs in particular may have lacked experience and confidence in an awareness of research ethics. Indeed, the lack of a research culture is an obstacle in the GCC countries and most of the Arab world.

The interviews started with question one, an introductory question (as outlined above). The researcher acted here as a listener to what the respondent was saying and soon the interview moved away from surface talk to rich discussions of thoughts, feelings and observations.

The issue of limited time offered for interviews was a recurring problem. Lack of time was dominant during most Ministers and MPs' interviews, and some were kept far shorter than the researcher had planned (which had been 45-60 minutes).

The interviews were often interrupted or suspended as other issues and events competed for the Minister and/or MP's attention. In total, 23 interviews were conducted during July to October 2008. Most of these interviews were completed in one sitting and notes were transcribed directly while still fresh. Two Ministers' interviews took more than one meeting.

3.3.5.4 Insider and Outsider Issues

The researcher benefited from having worked for government in different managerial posts: for example, Chief of public revenues, liquidity and debits; Deputy Director of the Treasury and HR; and Finance Director and Deputy in certain managerial posts, which provided him with wide-ranging official relationships and networks. He was thus involved in this study research setting as an insider, which would have significant implications for the quality of knowledge gained from the research (Bartunek and Louis, 1996).

Merton characterises the basic thrust of the insider doctrine argument as follows:

> *The doctrine holds that one has monopolistic or privileged access to knowledge, or is wholly excluded from it, by virtue of one's group membership or social position . . . the Outsider, no matter how careful and talented, is excluded in principle from gaining access to the social and cultural truth (1972: 15).*

According to Bartunek and Louis insiders "generally have a long-term membership within a study setting, while outsiders have formal research education and are more detached from the study setting" (1996: 3). The differences stem from their interests in gaining knowledge about the setting. An insider needs to understand his setting in order to be an effective actor (Bartunek and Louis 1996; Clingerman, 2007). Insider research (by internal members on their organisation or own institutions) has its own dynamics, as the researcher is already immersed in the organisation and has built up knowledge, "strengths and limits of pre-understanding" and access from being an actor in the processes being studied (Coghlan and Brannick, 2005: 5). Insider access to one level may lead to access at other levels of a hierarchy. Conversely, being a researcher in a high hierarchical position may exclude access to many informal and grapevine networks. Generally, however, this status helps more than hinders, as the common knowledge shared allows for facilitating a successful interview (Roland and Wicks, 2009).

For Kvale (1996: 65), "insider research is an approach that allows initial understanding through a rational discourse and reciprocal critique among those identifying and interpreting a phenomenon". Thus, "the interpretivist approach, with its emphasis on capturing social life as experienced and understood by its participants, requires those

who would research that social life to gain access to insider feelings, motivations and meanings" (Hodkinson, 2005: 140).

However, insider research, in whatever research tradition it is undertaken, is valid, useful and "provides important knowledge about what organisations are really" like in a study project, as the researcher also becomes an outsider (Brannick and Coghlan, 2007: 4). Together, "insiders and outsiders construct knowledge and contribute to the public understanding of phenomena and events within settings. Being an insider or an outsider indicates the positions of team members relative to one another and to the community studied" (Clingerman, 2007: S77-S78). It is noteworthy that boundaries shift between the outsider and the insider (Collins, 1986 cited in Clingerman, 2007: S83).

In the present case, the researcher's long service for the public sector in Bahrain gave him knowledge of the research field that built and developed a unique and confident ability to contribute to the research process and the fieldwork interpretations. This long-term relationship within the study setting provided him to some extent with a way to access the knowledge of the organisational hierarchy. At the same time, as a formal academic researcher, he was in a sense detached from the study setting and speaking to interviewees as an outsider.

3.4 Data Analysis

Qualitative data analysis refers to a process of organising, categorising and meaningfully interpreting a vast number of words and expressions obtained from qualitative research tools such as interviews, field notes or documentary surveys. The analysis has to be merged with the conceptual framework and tied to the research objectives of the study (Creswell, 2009; Yin, 2009; Miles and Huberman, 1994).

Qualitative data analysis, as suggested by Miles and Huberman (1994), consists of three concurrent flows of activity:

1. Data reduction, which involves selecting, simplifying, abstracting and interpreting the data that appear in field notes or transcriptions. It is not a separate process from analysis.
2. Data display involves extended texts, and is of major importance for validating qualitative analysis.
3. Drawing conclusions and verification.

The note transcripts were read as a whole and in sections across the interviews to ensure they reflected the meaning of interviewees' opinions. This analysis "proceeded until topics and themes were clear in addressing the findings" (Marsh and Stoker, 1995: 152).

Amaratunga et al. (2002: 26) state that "the analysis of research evidence requires the analysis and interpretation of research data and forms the major part of the research", using analytical methods that reflect the analytical strategy that has been put together (in this study for the analysis of the NPM reform terms and generating the themes and patterns). They added:

> *Different types of method can be found including examining, categorising, tabulating, or otherwise recording the evidence to address the initial propositions of a study. It determines the limits of data collection and dissemination of results (ibid: 26).*

The first stage of analysis was the coding of the data. Coding of data refers to the review of interview notes and transcripts, labelling the key themes and meaning emerging from the data that have potential to answer the research questions. The process of coding involved looking for examples of different perspectives, preferences, perceptions, actions or events from those being interviewed (Bryman and Bell, 2007; Miles and Huberman, 1994). In this process, the focus was on categorising the emerging themes that were established according to the descriptive labels assigned for each theme. This was followed by the identification of the core categories that provide concepts, constructs and meaning to answer the research questions. Statistical analysis of the coded replies (pattern, themes and sub-themes) produces observed regularities which form the basis of explanations, generalisations and predictions (idea from Marsh and Stoker, 1995: 140).

3.5 Validity

The term "validity" is one that is frequently used in the world of research. According to Thursfield (2000: 20), validity is "the extent to which the study measures what it is meant to measure". Neuman (2000) notes that the validity of a survey is the degree of fit between a construct a researcher uses to describe, theorise, or analyse the social world and what actually occurs. He adds that validity means truthfulness, as it aims to make sure that survey items are clear and understandable. For Creswell (2009: 190), it means:

> *The researcher checks for the accuracy of the finding by employing certain procedures, while qualitative reliability indicates that the researcher's approach is consistent across different researchers and different projects.*

He added:

> *Validity is one of the strengths of qualitative research, and it is based on determining whether the findings are accurate from the standpoint of the researcher, the participant, or the readers of an account (ibid: 191).*

Qualitative researchers need to establish the validity of the interpretation and demonstrate the plausibility of their interpretation of the data, which should be made as explicit as possible by identifying majority and minority views on a topic of interest (Marsh and Stoker, 1995). They added that the internal consistency of an account can be assessed to establish whether an analysis is coherent with themes that have been identified. External validity can be established by checking the findings with other studies (ibid).

Fielding (1993) suggests that sound qualitative analysis can support its claims to validity through evidencing data which have been systematically collected. Qualitative findings, therefore, "can have significance beyond the time and place in which they were conducted" (Ward Schofield, 1993: 205).

The qualitative researcher, however, has to be tentative about drawing inferences from a small number of cases to the population at large (Rose, 1982 cited in Marsh and Stoker, 1995). Indeed, some writers question the appropriateness of the concepts of external validity or generalisability in qualitative research. Guba and Lincoln (1994) propose instead the criterion of transferability. In this case, the decision rests with the reader as to whether contexts are sufficiently alike that insights from one can appropriately be transferred to another. The researcher's responsibility, therefore, is to provide a sufficiently clear, rich and detailed account of the research context, to enable such a judgement to be made. Every effort has been made to do this throughout this project.

Other quality criteria in qualitative research include trustworthiness and credibility. Trustworthiness is one of the key issues in qualitative research (Padgett 1998; Kazdin 1998). A reliable and valid study has been conducted ethically and fairly and its findings represent as accurately as possible its respondents' experience (Padgett, 1998). In this study, participants were fully briefed about the nature of the study and gave voluntary, informed consent to participating. Their views are represented in later

chapters of this thesis, with rich use of quotation to enable verification of the researcher's interpretations.

When qualitative study presents accurate and recognisable descriptions or interpretations of a certain human experience, the study can be considered as credible at that point (De Vos, 1998). In this research, the following means were employed to assure the required credibility:

1. Principles and skills were used as tools to build rapport with the participants in order to encourage them to share their experience of the research topic and gain their confidence.
2. A process of inductive analysis was used in order to describe and interpret respondents' experiences.
3. A triangulation of research methods was used in collecting data to provide opportunities for checking and peer data examination.

3.6 The Questionnaire

The questionnaire is one of the vast array of survey methods of data collection in which information is gathered through written questioning. Questionnaires are administered to respondents through the postal service or handed to them personally by the researcher in their home, work or other place and returned to the researcher after completion (Sarantakos, 2005).

3.6.1 Rationale

A questionnaire was used as a complementary data collection method to answer the research questions:

1. What are the drivers for administrative change in Bahrain (including policy learning)?
2. How do elements of NPM express themselves in management practice in public sector organisations in Bahrain?
3. To what extent does NPM present challenges and opportunities to Bahrain's public sector?

Therefore, the questionnaire was designed to elicit participants' views on four major issues:

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1) Views on the current organisational structure procedures (divided into nine sub-issues).

2) Views on the effect of process norms on public management (divided into three sub-issues).

3) Views on the public finance and budgetary system (divided into two sub-issues).

4) Human resource issues, including Total Quality Management (divided into seven sub-sections).

The construction of the questionnaire and the way the survey sample was selected to represent and test these issues will be explained in later sub-sections.

Questionnaires are often used at the managerial level in public sector organisations to measure respondents' opinions which would be difficult to obtain through interviews due to the amount of time and effort needed to cover such a large group, as well as the time constraints facing target respondents.

Regarding types of survey, May (1997: 82) holds that "surveys can be characterised under four headings: Factual, Attitudinal, Social Psychology, and Explanatory". According to May, "Factual surveys aim to gain data from individuals concerning their material situation" (ibid); Attitudinal surveys target public opinion; whereas Social Psychology and Explanatory surveys are theoretically oriented and concerned with the behaviour of small groups rather than that of the general population. This present research could be regarded as an Explanatory survey, as it examines the opinions of a particular group in a specific organisational setting, i.e. testing the existence of the NPM adopted model in Bahrain. The study overall adopts an inductive approach, although a questionnaire survey (deductive) was used specifically to examine and test the NPM model.

According to Schwab (1999), there are two types of questionnaire, classified based on their types of respondent: 1) the self-report questionnaire (which seeks to collect information about individuals' biographical data and opinions); and 2) the observation questionnaire (which seeks the same but applies to individuals who serve as observers). The use of either type does not necessarily have implications for the format used, as Schwab (1999: 53) notes:

> *The same questionnaire can be used for self-reports or by external observers if the information sought is the same.*

Based on the descriptions provided by May and Schwab, the researcher decided to develop an explanatory type of survey to reflect the adopted NPM model as a series of questions aiming to make an initial assessment of administrative change across 691 public sector managers and administrators in Bahrain.

Questions were addressed to investigate and obtain opinions and responses according to the options on a Likert scale (this will be described in more detail under 3.6.3 on Questionnaire Construction) in order to examine and explore the practice and current situation on the tested model dimensions and elements. This rating scale allows respondents to indicate the strength of their opinion on the extent to which a particular NPM characteristic has been adopted (Common, 1998). For this purpose, a questionnaire had several advantages, as noted by, among others, Blaxter et al. (1996) and De Vaus (2001):

- Questionnaires provide enough time to allow respondents to think about questions, and the absence of personal contact allows respondents to feel at ease.
- Questionnaires enable data to be gathered from a large number of respondents simultaneously involving less time and at less cost than, say, personal interviews.
- Questionnaires, as a central part of social research, provide an inexpensive way of discovering the attitudes of the population at large.
- Data can be collected in a standardised form that facilitates statistical analysis.
- Nevertheless, there are also potential disadvantages of the use of questionnaires, although the researcher took steps to overcome them:
- If questions are vague or badly phrased, it may lead to misunderstanding and consequently unreliable responses. To overcome this, the researcher conducted two pilot studies followed by a reliability test (Cronbach Coefficient Alpha).
- Questionnaires cannot probe deeply into respondents' attitudes and may not provide in-depth data. However, the interviews provided the required depth and richness.
- Statistical analysis may complicate the task of distinguishing a correlation between variables since most surveys are cross-sectional. Here, the researcher decided to use more than one statistical analysis to minimise such effects.

Overall, given the size of the public sector in Bahrain and the desirability of including as many respondents as possible from a wide range of positions, it was thought that the advantages of a questionnaire outweighed the disadvantages.

3.6.2 Sampling

A sample is described as a "subset of a population" (Collis and Hussey, 2003:365) and is taken because studying a whole population is near to impossible; instead, a smaller group can be selected and then generalisation can be drawn about the whole population.

In order to locate the appropriate sample, it might be practical to start by comprehending the issues under investigation.

Miller (1991) and Cramer (1994) advise that selecting participants from different backgrounds can help to ensure the validity and the reliability of the findings. This particular group consists of managers and officials who were involved in day-to-day public service delivery and have experience and knowledge of public management development policies in the Bahrain public service.

Comprehensive procedures were followed to establish the sample population and size. To begin with, the Annual Statistical Report of the CSB of the Civil Service, the most reliable national source that provides statistics on the civil service, indicates that the total number of civil servants until 31/12/2008 was 40,192 (CSB 2007/2008). Of this number, the survey targeted 961 executive managerial level administrators[7], heads, directors, advisory posts, and Assistant Under-secretaries.

In this respect, the intention was to draw a purposive sample. Purposive sampling is:

> *A selection method where the study's purpose and the researcher's knowledge of the population guide the process. The researcher hereon may be in a position to identify the particular respondents of interest and sample those deemed most appropriate to suit the study needs (Tansy, 2007: 770).*

Managers are those who occupy posts of a decision-making nature or those who administer day-to-day public service delivery. They are engaged and involved in implementing governmental programmes and projects. The aim was to take this entire group as a sample frame. However, a difficulty arose in that the Statistical Report (CSB

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[7] Public administration here refers to people who are not directly involved in politics but who are involved in the construction and implementation of the policies that carry out those decisions.

2008 Annual Report) does not indicate the number of civil servants who occupy managerial posts in a clear manner. Instead, the report provides a general description of the distribution of civil servants in terms of grade, educational status, Ministry, and so on, regardless of designation.

We can note here that the Bahrain public service institution applies different salary scales: General scale "G grades" (for general civil service staff); Professional scale "P grades" (for Professional staff, such as medics, engineers, accountants, financial and so on); Executive scale "E grades" (for administrator and managerial levels, our questionnaire target). All these in addition to a number of cadres which might make subjects for future studies. The Executive scale ranges from E1 to E7, with most administrators and managers falling in grades E3 to E7. Therefore, these were the grades targeted. E1 and E2 normally denote general staff who were promoted, having reached the General scale ceiling, for long service or for positioning adjustment.

In order to identify the target group, the researcher approached CSB officials to establish the number of civil servants who occupy managerial posts. A meeting was arranged specifically for this purpose. A list (by total number) was obtained from the CSB of all employees in grades E3 to E7 according to Ministry. The CSB viewed this as confidential data but an assurance was given that the said data would be used only for university research. The data provided indicated that there were 691 managerial positions in all Ministries under the CSB umbrella (certain Ministries, for security reasons and more are not covered, e.g. the Ministry of the Interior, Defence Ministry, most governmental agencies and corporations). The said report also clarified that 552 (80%) of these posts were occupied by males and 139 (20%) by females.

With regard to sample size, there is no clear-cut answer in the literature as to the appropriate number. De Vaus (2001: 187) argues that "a small sample size of good quality is better than a large one of poor quality; accuracy is not linked to the large sample size, but to the way it is taken". In this study, and owing to constraints such as time, access, and resources, and acknowledging the fact that most of our study's participants are administrative and managerial staff, the researcher decided to limit the targeted questionnaire responses to 250 participants. This was the plan as of mid-2008.

A non-probability sample is based on the availability of subjects, or what is referred to as convenience sampling. As Punch (1998: 105) cited that "A convenience sample is

where the researcher takes advantage of an accessible situation which happens to fit the research context and purpose". He confirmed that "The incidence of convenience samples is increasing", as very often researchers must take whatever sample is available.

The search for participants covered all employees at grades E3 to E7 in 18 Ministries and three governmental agencies. As the research progressed, a total of 358 respondents was obtained, which represented approximately 52% of the target population.

3.6.3 Questionnaire Construction

The development of the questionnaire was of paramount importance. The main objective was to obtain the necessary information without unduly influencing the participants, while also ensuring that answers would provide the data needed to test the NPM adopted model. This is vital in questionnaire construction, as argued by Oppenheim (1996). At this stage, the researcher is required to specify the overall areas of the said model investigation by translating aims into specific questions (May, 1997).

The first step was to review the related literature to identify validated and reliable questionnaires, such as those conducted by Common (1998) in his NPM model constructed to fit Hong Kong and South Asian countries. Verma and Mallik (1999) support this step when they stress that researchers should benefit from existing validated and reliably tested surveys when developing new ones. However, as no similar study had been conducted in Bahrain or elsewhere in the Arab world, it was necessary to modify some items and construct others to suit the context of the study.

When constructing the questions, the following points were considered (Noel and Prizeman (2005):

- Participants were provided with clear instructions on how to answer questions to ensure that all would understand the questions in the same way.

- Due consideration was given to the length of the questionnaire.

- While attempting simplification, efforts were made to ensure that the questionnaire did not lose its academic identity.

With regard to question format, there is disagreement among researchers about the preferred form of closed or open-ended. Both types have advantages and disadvantages.

The researcher decided to use, mainly, the closed-ended form. Oppenheim (1996: 114) supports the use of closed-ended questions and indicates that this format provides specific information and an opportunity to compare answers: "these forms are easier and quicker to answer; they require no writing, and quantification is straightforward, this often means that more questions can be asked within a given length of time". Although most questions were of closed-ended format, the researcher added one final open-ended question to the end of each sub-scale to allow the capturing of opinions not covered in the main body of the sub-scale.

The questionnaire is divided into two parts (sections). The first part of the questionnaire (A) elicits general information on the respondents, including classification of managerial post, gender, age, qualifications, specialisation, and respondent's experience within the public and private sectors (see Section One of Appendix 6). Part (B) was intended to answer the research questions regarding the suggested NPM reform model and to test the said model through capturing participants' awareness and feedback on four interrelated issues: 1) the extent to which reform is needed in organisation structure; 2) mechanisms of current process; 3) public finance and budgetary system; and 4) issues in Human Resources (HRM) and Total Quality Management (TQM) in the public sector.

The opinion items were measured using a Likert scale. Scaling is the process designed to measure attitudes with equal intervals between categories, whereby opinions may be compared relatively assigning numerical values to each response (Schwab, 1999). The literature on Organisation Studies reveals that researchers have developed a wide variety of formats to scale questionnaire items from varied theoretical positions and this has resulted in what Shane et al. (1995: 34) term "a complexity of measurements". Generally, three scaling formats are used in Organisational Studies, namely: the Thurstone Scale, the Likert Scale, and the Guttman Scale. Each has its advantages and disadvantages. Shafaee (2001) notes that the literature reveals no one superior operational measure for assessing the most suitable method. The choice depends on the type of the research and its requirements. However, it can be said that the Likert Scale is the most common measurement format used, and it is familiar and common in the GCC countries.

In discussing the use of the Likert scale, Punch (1998) indicates that there are differences of opinion concerning the appropriate number of response alternatives to use

in a Likert scale. Some investigators prefer a seven-point scale, adding the alternatives "slightly agree" and "slightly disagree". There is also a diversity of opinion about the advisability of including an explicit category labelled "uncertain". Some researchers (e.g. Maawali 2000; Shafaee 2001) argue that the inclusion of this option makes the task less objectionable to participants who cannot make up their minds or who have no strong feelings about an issue. Others (e.g. Junaibi, 2001; Lin, 2001), however, feel that the use of the undecided category encourages fence-sitting or the tendency not to take sides.

In weighing the advantages and limitations, the researcher decided to use a five-point scale ranging from "strongly agree" to "strongly disagree", with a neutral midpoint. Subsequent feedback from the pilot study confirmed the familiarity and suitability of this scale.

3.6.4 Questionnaire Validity

Chapelle and Jamieson (1991) explain validity by dividing it into two types: internal and external. Internal validity refers to the accurate attribution of observed results to the factors that were supposed to be responsible for these results; external validity denotes the applicability of research results to instructional and research contexts other than the one in which the research was carried out. Neuman (2000) adds that both internal and external validity are primarily used in experimental research; the internal validity indicating whether there are possible errors or alternative explanations to account for the results, while the external is to measure the ability to generalise findings from a specific sample to a wider population.

Although it is not possible to have absolute confidence about the measurement of survey validity, some measures are more valid than others. Chapelle and Jamieson (1991) explain that there are many types of validity, such as face, content, criterion, concurrent, predictive, construct, and convergent validity. The easiest and the most common are face and content validity. Face validity is a simple judgement of whether the instrument used seems relevant to the stated objectives, while content validity implies a more systematic matching of items with some defined domain of content (Neuman, 2000). Field experts (e.g. May 1997; Punch 1998; De Vaus 2001) agree that content validity can be tested through the judgement of the scientific community. They

indicate that it is becoming common to use a panel of experts to evaluate the instruments used.

To test the clarity of the items used and their relevance to their scales, the face and the content validity of the questionnaire were tested through the following procedures:

1. The questionnaire was translated into Arabic (the local language) and back-translated into English by two language lecturers in the University of Bahrain to assess whether the concepts remained the same. Corrections and changes were made accordingly.

2. The questionnaire was reviewed thoroughly by the research supervisors (Dr. Kevin Orr and Dr. Richard Common) to check the clarity of the questions, their appropriateness for fulfilling the research aims, and to ensure that the meaning reflected the content of the scales.

3. Copies of the questionnaire (in both English and Arabic) were distributed to three specialised assessors in the Bahrain Research and Studies Centre, and three scholars (lecturers, PhD holders) from the University of Bahrain. A letter was addressed to these assessors explaining the aims of the study and asking for their evaluation of validity and whether or not the questions represented the issues under investigation. Copies were later collected and approximately one hour was spent with each assessor, face to face, discussing notes and comments. These mostly concentrated on the need for the sentence structure to be more meaningful, appropriate and clear for participants and for the answer to tally with the choice of Likert scale.

4. A pilot survey was conducted to test the validity of the instruments.

The assessors' comments resulted in a few changes. Among these, for instance, were the following:

- Questions (e.g. 1, 3, 9, 12 and others) that started with the words "to what extent...?" were changed to a more direct format to avoid misunderstanding.

- Question 10 required revision of the Arabic translation to find clear Arabic phrases that corresponded with management phrases in common use.

Accordingly, amendments were made in the questionnaire for the pilot study.

3.6.5 Piloting

It is essential to pilot survey instruments as fully as possible before the main study takes place. De Vaus (2001) notes that survey instruments must be tested and refined under real-world conditions so that researchers can remove any items that do not yield usable data, add items to fill any data gaps and reword unclear questions in preparation for the main study. Collis and Hussey (2003) add that a good questionnaire should not rely solely on the researcher's perspective and the design process should be subjected to field testing. They state that, "It is amazing how even a non-specialist friend can spot a glaring error…it may take several drafts, with tests at every stage, before researchers are satisfied that they have got it right" (p. 175). A pilot study, therefore, was conducted in Bahrain in July 2008.

The pilot study of the questionnaire was conducted personally with 10 participants with whom the researcher was able to arrange meetings individually over the four-day period of the event. The questionnaire was discussed question by question and statement by statement with participants to ensure clarity. The pilot study helped to locate repeated, difficult-to-understand or misinterpreted questions, as well as weak questions. Questions that took longer to answer were located in order to consider whether they might need to be reworded or broken down into separate parts. The average time taken to complete the questionnaires was 40-50 minutes; this was later reduced to 30 minutes.

Participants of the pilot study provided very useful feedback, as most of them were postgraduate students who had sound knowledge of research methods. They were very cooperative and some expressed their support and appreciation of the topic and considered it beneficial. Two participants suggested that a few items were inapplicable in their situation and that some were ambiguous. Apart from these comments, most participants thought that the questions were, generally, clear and understandable.

All comments were reviewed alongside the feedback from the researcher's supervisors and changes were made accordingly. The results of the pilot work revealed that the process of data collection should proceed smoothly.

3.6.6 Reliability

After the validity assessment and pilot study were completed and the suggested changes made, the data collected from the 10 participants were entered into the computer

software (SPSS: Statistical Package for the Social Sciences). The aim was to check the reliability of the instrument. Reliability has been defined by Neuman (2000: 164) as:

> *The extent to which the results of the study would be similar if carried out again by a different researcher.*

In another definition, reliability refers to the consistency of a measure, and this often involves two separate aspects: external and internal reliability. External reliability refers to the degree of consistency of a measure over time; that is, the researcher should expect the same results if s/he applied the same scale on different occasions or with a different set from an equivalent population. Internal reliability, which is the more common and connected with multiple-item scales, raises the question of whether each scale is measuring a single idea and hence whether the items that make up the scale are internally consistent (Bryman and Cramer, 2001).

After consultation, the researcher decided to apply an internal reliability test to assess the questionnaire's consistency. A number of methods exist for estimating the internal reliability of a questionnaire. Among these are the split-half (sub-divided test), the Kuder-Richardson method of rational equivalence, Guttman's test of reliability, Hoyt's Analysis of Variance Procedure and Cronbach's Coefficient Alpha. Each method is used with a specific type of data, according to the aims. The currently widely-used method is Cronbach's Alpha, which calculates the average of all possible split-half reliability coefficients. A correlation coefficient is then generated that varies between 0 and 1 and the nearer the result to 1 (preferably at over 0.8), the more internally reliable the scale (Oppenheim 1996: 159; Bryman and Cramer, 2001: 63).

The researcher decided to use the Cronbach's Alpha method to test the internal consistency of the scales, primarily because this test is the most common and can easily be computed using SPSS. To conduct this test, the questionnaire items were arranged into four dimensions, each intended to measure a particular aspect of the modified NPM reform model. The dimensions and issues were as follows: 1) structure: "organizational decentralization"; 2) the organizational process: "introduce private sector management techniques"; 3) the budgetary process; and 4) human resource management (HRM) and total quality management (TQM) issues.

3.6.7 Implementation

Before conducting the field study, the researcher was aware that the research environment in Bahrain required attention. Blaxter et al. (1996) emphasise the importance of context and advise that researchers should base their strategies on the realities in which the research is being conducted. This is absolutely true; conducting a field study within the Arabian context is significantly different from that in the West. In Bahrain, the cultural setting imposes a number of constraints and limitations. Government officials are usually hesitant to participate, particularly in studies that relate to public sector management, unless researchers obtain written letters from the authorities concerned indicating approval. Further, Omani researchers (e.g. Muharami, 1993; Maawali, 2000) indicate that it is difficult to investigate organisational issues in Oman (a similar environment to Bahrain) from a position outside the organisation. They advise researchers to benefit from personal and informal contacts, as nothing meaningful can be achieved through official means alone. They also advise that researchers should administer procedures in person to obtain good results, although doing so may require more time and effort.

In consequence, the following procedures were applied in distributing and collecting the questionnaires:

1. In Bahrain, a support letter was issued by the Ministry of Foreign Affairs and Information (the researcher's Ministry), which indicated that the researcher had been given permission to conduct his field study and encouraging public Ministries and agencies to cooperate. These letters were used to support the fieldwork, although they had little influence; this led the researcher to use his access as an insider to benefit from this network of relationships.

2. After determining the number of questionnaires to be distributed to each Ministry and agency (according to CSB 2008 statistical information), a series of arrangements were made to meet the Ministries' HR officials, in person, and

3. explain to them the objectives of the study and the kind of help and cooperation needed. Ministries were provided with a guide explaining how questionnaires should be distributed and when they would be collected.

4. In the covering page of the questionnaire, participants were asked to enclose completed questionnaires in an attached envelope addressed to the researcher, to

ensure that envelopes were sealed and return them to the authority from which they were received. Participants were assured of confidentiality and requested to take their time in answering all questions carefully. In addition, the researcher's telephone, fax and e-mail details were provided for use with any inquiry in relation to the study.

5. To ensure a smooth process, one "contact person" was identified in each of the Ministries or agencies where questionnaires were distributed. They were individually briefed about what was required and were asked to follow up questionnaire collection.

The distribution of the questionnaire (in both English and Arabic) started in August 2008 and a period of four months was scheduled for the collection of completed questionnaires. During this period, lines of communication were opened with the contact people. Two means of distribution were adopted: hard and soft copy. The researcher used an Internet website: www.nesdbh.com (Appendix A-7) hired for 3 months specifically for this reason. English and Arabic language instructions accompanied each set of the questionnaire, which was intended to exploit the increasing popularity of Internet usage. Accordingly, the website address was distributed and SMS messages used to inform the Ministries' coordinators to inform their managerial staff and provide an opportunity to use either a hard or soft copy. Online distribution, however, is in common use within public managerial research in Bahrain or perhaps even in the GCC. The online version was designed to be accepted only if completed answers were obtained; otherwise, it would be automatically rejected. The website was designed to allow each respondent only one attempt, to avoid the duplication or triplication of use that could mislead the study. This approach resulted in 57 respondents in addition to 301 respondents who preferred to use the hard copy (although the researcher had hoped the soft copy method might generate more attention in this globalised era of electronic transformation).

Distribution and collection of the questionnaires required real effort and time. It involved following up the contacts in the Ministries by telephone and visiting them every week or so to collect the completed questionnaires. As a result, out of the 691 questionnaires distributed, 358 (52%) were completed and returned, which supports the research sample's validity. The main factor behind this high response rate was the fact that the researcher had access to contact people who were instrumental in encouraging

participants in their organisations and Ministries to complete the questionnaires and in following up collection.

3.6.8 The Statistical Analysis for the Questionnaire Survey

The Statistical Package for Social Science (SPSS 16.0) was used to analyse the data. This computer software is a comprehensive tool for managing and analysing survey data, and most statistical tests can easily be employed through its use. The tests used mostly involved non-parametric and descriptive statistics.

One of the unsolved issues in quantitative data analysis is when parametric rather than non-parametric tests should be used. The term "parameter" refers to a measurement that describes the distribution of a population (e.g. mean and variance), while "parametric tests" refer to tests that assume that the underlying distribution of the data being examined is known (Bryman and Cramer, 2001: 115). Parametric tests are a branch of the statistical tests which make assumptions about the underlying mathematical distribution form of observed variables; the most familiar distribution is the normal distribution. However, "non-parametric tests are distribution-free tests that do not depend on assumptions about the precise form of the distribution of the sampled population" (ibid, p. 144).

Due to the type of instruments used (different kinds of questions and a mixture of nominal, ordinal and interval data), the researcher decided to employ non-parametric statistical tests. While they are criticised for not being as powerful as their parametric counterparts, the interpretation of data by non-parametric tests is more direct and, as Rose and Sullivan (1996: 244) have noted:

> *Some statisticians believe that parametric tests are inappropriate to the social sciences, since they rest on assumptions that are violated by much social science data and prefer instead to rely on non-parametric tests.*

3.7 The Case Study Method

A case study is a means of trying to understand and interpret events in a particular place and time. Historically, according to Tellis (1997: 13), "the case study methodology has been subjected to scrutiny and criticism at various times since the 1930s. As a research tool, it has not been a choice that is listed in the major research texts in the social sciences". However, "with the shift of political science towards a more theoretical

orientation in the last three decades, qualitative methodologists have begun to think of a 'case' as an instance of something else, of a theoretically-defined class of events" (Levy, 2008: 2).

For Merriam (1988), a qualitative case study is a thorough, all-inclusive analysis of a single thing, phenomenon or social construct. Such studies are highly particular, allowing respondents to reveal or discover things for themselves and depend on inductive reasoning for dealing with multiple sources of data sources. According to Yin (2003: 13), a case study

> *Is an empirical inquiry that investigates a contemporary phenomenon with its real-life context, especially when the boundaries between phenomenon and context are not clearly evident.*

The essential tendency among case studies is that they attempt to reveal the rationale behind events and their results (Schramm, 1971 cited in Yin, 2003).

A case study may be of a single or multiple cases (Yin, 1994). This study incorporates a single case study methodology to provide a deep understanding of attempts by Bahrain to introduce NPM-type reforms, as reflected in its experiment with PPBS. It draws on multiple sources of evidence in a convergence process, generally requiring the development of theoretical propositions to guide methods of data collection and approaches to analysis (ibid).

3.7.1 Case Study Methodology Justification

There are several justifications for this decision. First of all, a case study is one of the primary research methods within the phenomenological interpretivist paradigm; it works with the inductive approach where the researcher aims to describe, explain or explore the phenomenon under investigation in its real context, aiming at the contribution and development of new aspects of the existing theory in the particular area of research. Having said this, Perry (1998) found it very difficult for researchers to separate the two processes of deductive and inductive approaches.

A case study is particularly useful in the early phase of a research process, when there has been little prior study carried out that will guide subsequent studies. Moreover, it can be used as a follow up to a survey by questionnaire to provide the context for the survey findings. There is increasing emphasis on exploiting the synergy within

methodologies rather than viewing the different methodologies as mutually exclusive. Some researchers refer to this idea as methodological fit (Edmondson and McManus, 2007). Indeed it is now understood that methodological triangulation offers better insight than the purity of a single method. Thus, survey research and qualitative case study type research are seen as ends of a continuum, rather than as a mutually exclusive set of approaches. Accordingly, they should be integrated into the overall research methodology so as to utilise the strengths of the two methods to overcome their weaknesses and improve the quality and validity of the findings.

The case study method in this research is used as a follow-on methodology after an initial survey by questionnaire. The qualitative approach of a case study is used to authenticate and provide further insights into the results of the survey related to the case study subject, PPBS (item 18 in the questionnaire). This element (PPBS) has been added to the original NPM model and a case study would validate impressions of this contribution.

The case study is particularly appropriate, given that no significant prior attention has been paid to PPBS in Bahrain or the GCC context. The study will provide a means to construct and build knowledge and theoretical concepts (Perry, 1998). The topic area is a contemporary phenomenon of which little is currently known (Perry, 1998; Amaratunga and Baldry, 2001). The case study methodology can provide a holistic view of the study issues and concerns of the research problems (Miles and Huberman, 1994). It is an appropriate and commonly used way to explore multifaceted situations in the management and social sciences, such as PPBS and NPM in this research.

Finally, a case study is a common research strategy often used in an attempt to obtain deeper and better understanding of individual organisational, political and social phenomena within their own unique context in order to add to current theory or propose a new concept and theory. Thus, exemplary works undertaken by a number of known writers and scholars in the field of new public management and administrative reform have employed the case study method (Common, 2001; Ramadhan, 2009).

3.7.2 Types of Case Study Method

Exploratory, explanatory, and descriptive are the three types of case studies (Yin, 1993). An exploratory case study is considered as a prelude to social research; explanatory case studies may be used for conducting causal investigations; and descriptive ones require a

descriptive presumption to be developed before starting (Tellis, 1997). "The distinction [between the three types] is not a hierarchy but three important conditions, i.e. the type of question posed, the extent of control an investigator has over actual behavioural events, and the degree of focus on contemporary as opposed to historical events" (Yin, 2009: 8). Yin adds that "if the research questions focus mainly on how and why, it is more explanatory and likely to lead to the use of case studies, histories, and experiments as the preferred research methods" (2009: 9). Yin asserts that "A single case can represent a significant contribution to knowledge and theory building, and some can help to refocus future investigations in the field" (ibid, p. 47). This case study has been organised to explain the PPBS practice in the Bahrain context using a descriptive framework and implementation.

According to Bailey (1991), the different case study purposes vary between exploratory, descriptive, and explanatory (the study norm). This leads to three types of techniques for analysing case study data, i.e. pattern matching, explanation building and time-series analysis (the study choice).

Moreover, case studies can be classified according to the overall intent of the study or disciplinary orientation; Merriam (1988) categorises them into four types: ethnographic, psychological, sociological, and historical case studies. The last presents a holistic description and analysis of a specific case from a historical perspective and practice (as this study has used). Case studies can also be classified depending on their theoretical perspectives, e.g. positivist, interpretive, as this study has been (Silverman, 1998).

3.7.3 Single Case vs. Multiple Cases

A study using more than one case is commonly called a collective case study, a multi-case/multi-site study or a comparative case study (Miles and Huberman, 1994). A multi-case study involves "collecting and analysing data from several cases and may be distinguished from single case studies which may have sub-units or sub-cases embedded within them (such as students within a school). By looking at a range of similar and contrasting cases, we can strengthen the precision, validity and stability of the findings" (ibid, p. 112).

However, the single case study is an appropriate design under several circumstances. Ghauri and Gronhaug (2005) and Yin (2009) have suggested that a single case is appropriate when a particular case is critical and can be used for testing an established

theory. This case study falls into the first category of rationales (Yin illustrates five rationales) as it "represents the critical case (PPBS) in a well-formulated theory (NPM) that has specified a clear set of propositions as well as the circumstances within which the propositions are believed to be true" (Yin, 1994 cited in Kittisarn, 2003: 88).

On the other hand, Ghauri and Gronhaug (2005: 118-119) state that:

> *if we are studying a specific and complex issue, we should perhaps study a bigger firm, as these firms experience complex problems and have expertise in-house that can provide us with in-depth information on the particular issue. The case should also correspond with our theoretical framework and the variables we are studying.*

Criticisms about single case studies (Ghauri and Gronhaug, 2005) usually reflect fears about the uniqueness or (arte) factual conditions surrounding the case, such as special access to key information (as in this case study where the information is lodged with Government institutions, the MOF and others). In this sense, data collection might be complex and difficult.

3.7.4 Stages of the Case Study

In this research, the case study was developed in certain stages: designing the case study protocol and related skills; the conduction stage, including data collection; the data analysis strategy; and the exploration of findings. Draft of the protocol and the semi-structured, open-ended interview schedule were developed based on the researcher's understanding of contemporary theories of NPM, including administrative and fiscal reforms.

3.7.5 Data Collection Method

Official publications and the Ministry of Finance PPBS project documents (PPBS strategy documents, reports of the steering committee, project teams, minutes of follow up and progress, implementation plans, etc.) and general observation were secondary sources of data; while semi-structured open-ended interviews were conducted to investigate and explore the facts and notions of the KOB practice from the perspective of those engaged in the former PPBS approach or currently involved in PBS as a strategic funding approach.

An interview is one of the most important sources of case study information. According to Tellis (1997), interviews are conducted to identify and explain causal links between

real-life occurrences; describe the actual context(s) in which these occurrences took place; describe the occurrence or activity itself; and explore situations in which the occurrence being investigated revealed no clear outcome.

In-depth interviews through a single case study can be used to represent an understanding of issues and draw lessons from experience (Patton 1990; Gummesson, 2000).

Semi-structured interviews with purposively selected government officers were used to describe the PPBS and to explore the situation of fiscal reform in the light of the NPM agenda, as a rare example of strategic reform and coordinated change in the KOB. This exploration was expected to highlight the implementation difficulties associated with NPM when taken out of the original culture.

3.7.6 Validity and Reliability of the Case Study Method

Yin (1994) proposed qualitative case study design tests of construct validity (both internal and external) and reliability to develop the level of quality needed to achieve reliability and credibility.

3.7.6.1 Construct Validity

For Yin (2003), testing construct validity for case studies is problematic if the investigator has failed to develop a fully operational set of measures and personal judgements have been used to collect those data.

Regarding construct validity, a relevant framework review for this research is provided by prior theory and practices in NPM and related reforms. The researcher has identified the research problem(s) and potential issues. To achieve the desired level of validity the study had used different sources of information and data collection to develop a chain of evidence from secondary sources (documents and literature) and data emerging from analysis of the primary source, i.e. case study interviews, in a triangulating approach (Parkhe, 1993; Yin, 1994). To test the study validity, the investigator has chosen to examine fiscal change as it relates to the objectives of the research, while interviews were used to illustrate and support the case.

3.7.6.2 Internal Validity

Internal validity refers to whether true and accurate relationships are established leading to correct results and conclusions (Yin, 1994). In this regard, the researcher has to question direct and indirect influences, consider possibilities and explanations, and bear in mind the convergence of all evidence with a high level of accuracy. Explanation building will overcome the question of low internal validity (Parkhe, 1993; Yin, 1994).

It has already been illustrated that this is viewed as an appropriate process in certain settings and circumstances, such as the case under study. Whatever justifications, limitations and criticisms exist, the researcher has to acknowledge and address them. Lack of rigour due to human interaction and judgement are dangers in the data collection stage which can affect the internal validity of the data (Amaratunga and Baldry, 2001; Mathews, 2009). Misrepresentation and inaccuracies of the collected data are quite common results of human interaction (Eisenhardt, 1989).

According to Guba and Lincoln (1989), preoccupation with internal validity requires the stripping of context, although this causes problems for external validity (see the following section) as results would then only be generalisable to other context-free situations. Guba and Lincoln also point out that the notion of internal validity is positivist and reflects a realist ontology (which is problematic in interpretive research). Thus, the notion of internal validity has to be reconceptualised; the issue is not whether the account reflects some ultimate "truth" but how well it reflects the experience and perceptions of the participants (Merriam, 1988; Miles and Huberman, 1994). Guba and Lincoln (1989) prefer to use the term "credibility". Writers on qualitative methodology suggest that credibility can be achieved in several ways, including the following:

- Triangulation, which is the degree to which different sources of information converge.

- A "member check" (Guba and Lincoln, 1989), which takes categories and themes developed during the analysis to the original participants and asks for their opinion on the accuracy of the conclusions. There are, clearly, problems with this. Hammersley (1992), for example, maintains that participants may lack

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self-awareness, might prefer to keep certain information to themselves, or take issue with the findings if they themselves are being presented in a negative light.

- The relation between the researcher and participants encourages rapport and trust and thus reduces the risk of unreliable information being given.

The researcher's knowledge of the study topic, delicate interactive skills, accumulated experience in interview practice and well-structured question framework have helped to eliminate these limitations (Hastings and Perry, 2000). The interview protocol was found to be supportive in this regard.

3.7.6.3 External Validity

In general, the external validity of the case study method reflects the ability of the study findings to be generalised and applied to other situations and settings (Parkhe, 1993; Yin, 1994; Carter, 1999). According to Amaratunga et al. (2002), external validity can be achieved by identifying theoretical relationships which may be generalisable and applied to similar settings or situations and conditions but not all circumstances. This case study was developed to investigate the PPBS in real practice in the KOB and to inform practitioners about a single case as a way of understanding others (that is, generalisation).

Generalisability is the another limitation, as case studies reflect a specific unique setting and situation (Yin, 1994). The study design and triangulation approach would remedy this limitation so that the study findings attain the desired credibility. However, the difficulty of generalising findings is one of the most commonly-noted limitations of the case study method. The nature of the generalisation must be taken into consideration when addressing this limitation (Yin, 2009).

A case study is often said to have low external validity because it is, by nature, context-bound; it is a picture of one particular setting and particular people's experiences and perceptions. In this sense, the concept of external validity has little meaning. In fact, qualitative research is not intended to generalise but to form a unique interpretation. However, Merriam (1988) suggests that *limited* generalisability may be claimed for specific aspects, such as categories or themes that emerge in the analysis.

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An alternative criterion for qualitative research is transferability, which is relative and depends on the extent to which contexts match; it is up to the receiver (reader) to judge whether his/her context is sufficiently similar to the original research context to make transfer of conclusions appropriate. The researcher's task it to provide a sufficiently rich description to enable others to make such judgements.

3.7.6.4 Reliability

"The reliability of the research is measured by the dependability of the findings" (Mathews, 2009: 82). Therefore, all the questions from the protocol regarding the PPBS are used to focus the research, while relevant issues are allowed to be drawn from the interviews as they emerge (Carter, 1999). Therefore, if in similar situations and circumstances the same results and conclusions would have been found by another researcher, the study has a sufficient level of reliability (Mathews, 2009).

However, replicability (a quantitative notion) is problematic in relation to a case study because, by its very nature, the results could not be replicated (different case studies would involve different researchers, different participants, the passage of time, and other contextual variations which would lead to different results).

However, the qualitative alternative, *dependability*, can be enhanced through the use of inquiry audits; reliability is then concerned with the extent to which the research process is trackable, e.g. data being traceable to original sources, processes for managing and interpreting data made clear (Guba and Lincoln, 1989), retention in retrievable form of all study materials, and critical self-reflection throughout the research. Researchers must bear in mind the possibility of reflexivity and consider how people will respond to them in the field, as this might be a potential source of bias as well as affect the degree to which the data will be reliable and useful (Hammersley, 1992).

3.8 Summary and Conclusion

The chapter has explained the methods used to carry out the empirical research to explore the notion of NPM and test the adopted reform model in the Bahrain situation.

It began by explaining the research philosophy and phenomenological interpretive (qualitative) paradigm and the justifications for the selected approach. This was followed by an explanation of the triangulated strategies and methods adopted to collect both qualitative and quantitative data. Elite interviews based on an interpretive and

inductive approach congruent with the research questions and the epistemological underpinnings of the study were conducted with 10 Ministers and 13 MPs. These were supplemented by quantitative data derived from 358 civil servants at administrative and managerial levels, designed to explore the existence of NPM elements and issues. The two methods offered different types of data, which fit well together to meet the study's objectives. A case study of PPBS implementation in Bahrain was carried out afterwards.

The chapter explained the rationale behind employing interviews as the primary research method, the format used, the way respondents were selected, the development of the interview schedule, and methods followed for implementation. It was explained that the semi-structured format of interviews was selected for its flexibility to meet the aim and listed objectives of this study. Similar explanations were provided in terms of the development of the questionnaire, its construction, scales, validation, piloting and the procedures followed for implementation. There are few impediments to using multiple methods in research programmes, which there are a number of benefits, as this chapter has demonstrated.

Having laid down the discussion on the research methodology for the study, the next chapter (Chapter Four) will deal with the actual process of the data analysis and discussion of the research questionnaire.

Chapter Four: Data Analysis and Discussion of the Results of the Managers' Survey

Following the research stages:

Chapter 1	The Research Overview
Chapter 2	Review of the Literature
Chapter 3	The Research Methodology
Chapter 4	Data Analysis of the Managers' Survey Questionnaires
Chapter 5	The PPBS Case Study
Chapter 6	Data Analysis of Ministerial and MPs Interviews
Chapter 7	Conclusions and Implications

4.1 Introduction

In order to obtain a broad prospective on how NPM elements express themselves in Bahrain's public sector, data in this chapter were collected from middle management (administrators and managers in this study) who "play a critical role in reinvention efforts and they occupy the key positions throughout governments" (Kettl, 1995 cited in Jones, 1998: 29) that determine how process and service delivery and programmes work. This level includes the assistant under-secretaries, directors, project managers, branch chiefs and section heads who shape reform programmes and the behaviour of their ministries and agencies (Jones, 1998). In this chapter, statistical analysis is reported and the survey results are discussed.

The first section of this chapter is devoted to a description of the collected data and response rate, as well as the respondent profile. It analyses the study sample and highlights the characteristics of managers who will carry out the expected administrative reforms.

The next section examines and tests the existence of NPM elements, using descriptive statistics. These analyse the distribution of respondents' views on five topics: structure (organisational decentralisation), process (introduction of private managerial techniques), budgetary processes, the HRM approach in action, and quality management issues.

Summated scales (Hair et al., 2006) were formed in order to combine several individual variables into single composite measures, whereby all of the variables loading highly on one factor were combined and the average score calculated. Such scales enable the representation of relevant aspects of the concepts of a single measure, and provide a means of overcoming to some extent the measurement error inherent in all measured variables (where the observed values may not be representative of the actual values due to data entry error or such). This represents a holistic picture of each reform dimension (structure, process, budgeting, HRM and quality) as a component of individual variables in that dimension. Accordingly, data analysis is presented first for the full set of questions in each group to show the summarised picture of the result for that specific reform dimension, followed by analysis of every individual variable/element under the group in question.

The Statistical Package for Social Science (SPSS 16.0) was used to analyse these data. This computer software is a comprehensive tool for managing and analysing survey data and most statistical tests can be employed through its use. This tool also enables the computation of frequency, mean and standard deviation for the data collected for this study. Both descriptive and inferential statistics were used to answer the research questions.

4.2 Response Rate and Respondent Profile

4.2.1 Response Rate

Gay (1981), cited in Mengesha and Common (2006: 8), "points out that the minimum number of subjects believed to be acceptable for a study depends upon the type of work involved. For descriptive survey research, a sample of 10% of the population is considered minimum". As was stated in the research methodology chapter, questionnaires were distributed to 691 employees occupying managerial and administrative posts among the civil service sector in Bahrain. A total of 358 questionnaires were received (a response rate of almost 52% as indicated in Table 4.1).

Table 4.1: Response Rate (Civil Service Bureau and Government publications)

Particular	Employees	Male	Female	Bahraini	Non- Bahraini
Total civil service employees in Executive grade (E1-E7)	1014	769	245	995	19
Employees in Grade E3 - E7: managerial and administrative	**691**	552	139	677	14
Survey respondents	**358**	259	99		
Results (%)	*52*	*47*	*71*		

4.2.2 Respondent Profile

Descriptive statistics were used to analyse the demographic distribution of the responses to the survey. In this section some basic demographic characteristics of the survey respondents (public sector managers in Bahrain) are reported, including designations of respondents' gender, age, educational level, qualifications held, specialism and tenure of service.

4.2.2.1 Managerial Level (post held)

Participants indicated their administrative and managerial level as shown in Table 4.2 and Figure 4.1 below. The results show that 60% of the respondents filled chief or head positions (in the statistical result below, mode = 6 for Chiefs and Heads). This was followed by 19% who occupied director or manager positions. This accounts for 80% of the respondents' sample. Under-secretary posts accounted for 7% while assistant managers, advisors and others constituted the rest.

Table 4.2: Distribution of Managerial level data

Managerial Level	Frequency	%
Under Secretary	6	2
Assistant Under Secretary	19	5
Director	67	19
Advisor	16	4
Asst Manager	28	8
Chief / Head	214	60
Other	8	2
Total	358	100

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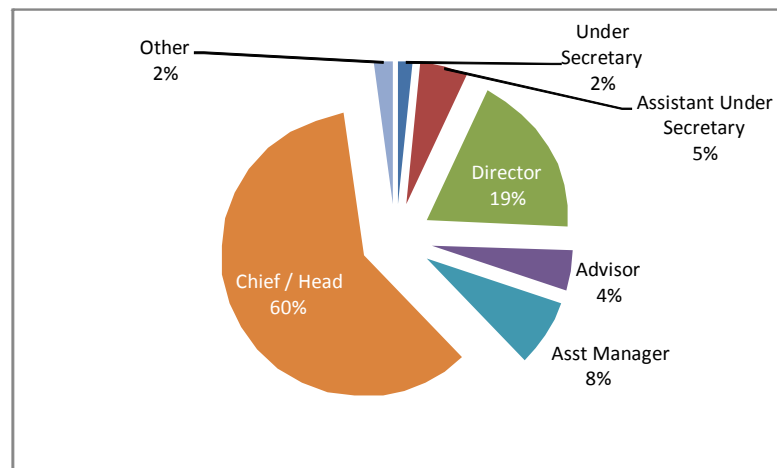
Figure 4.1: Distribution of respondents according to their managerial level

These results reflect the natural emphasis in the organisational structure (departmental levels) where the majority of managers' posts are as directors and heads of section as the basic organisational unit. Administrative reforms will be the task of these units in government, so the directors and heads/chiefs will manage and control implementation of the reform programmes.

4.2.2.2 Gender

Bahrain's 2002 Constitution guarantees equality between men and women "in political, social, cultural, and economic spheres, without breaching the provisions of Islamic canon law" (Constitution of the KOB, Law No. 17 of 2002).

Table 4.3 shows that 72% of the survey respondents were male and 28% were female. Table 4.1 also shows that the positions of under-secretary, assistant under-secretary and director were mostly occupied by males (80%, 552 employees out of 691) against 20% for females (139 employees). This represents a picture of a male-dominated state, and unequal opportunities in employment within the public sector; in accordance with the cultural norm whereby females are viewed as second-class, despite their high skills or qualifications (45% is the female contribution in this sector in 2008, see Appendix E). Among the managerial level, more than two-thirds were male (72%) against 28% for women for the whole sample of respondents; 42% against 18% respectively in head posts; 15% to 4% for the director level and so forth (see Table 4.3).

Although the female contribution is 20% (139 out of 691 in comparison to 552 male employees equalling 80%) of all managerial and administrative posts in the Bahrain Civil Service (as a reflection of the cultural domain and men's status), the results above

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suggest that women were more willing to participate in this survey (71% response in comparison with 47% from their male colleagues).

Finally, Table 4.3 clearly shows low participation by females in top management layers, such as under-secretary, assistant under-secretary and director. Similarly, Ahmed (2009: 12) reports "participation by women in the national government and decision-making positions remains low", and "women have remained under-represented in the legislature, the government, the judicial system, and political parties".

Table 4.3: Managerial level and gender cross-tabulation

Managerial Level * Gender Crosstabulation			
% of Total	Gender		
Managerial Level	**Male**	**Female**	**Total**
Under secretary	1.4%	0.3%	1.7%
Assistant Under Secretary	4.5%	0.8%	5.3%
Director	14.8%	3.9%	18.7%
Advisor	2.5%	2.0%	4.5%
A Manager	6.1%	1.7%	7.8%
Chief / Head	42.2%	17.6%	59.8%
Other	0.8%	1.4%	2.2%
Total	72.3%	27.7%	100.0%

4.2.2.3 Qualifications

With regard to educational level of respondents, Figure 4.2 below shows that 41.9% held a bachelor's degree, 24.6% held a master's, 11.5% a diploma, 9.8% a higher diploma, 7.5% a doctorate degree, and finally 4.7% held a secondary certificate. Thus managers in this study were well qualified, with about two-thirds holding bachelor and master's degrees.
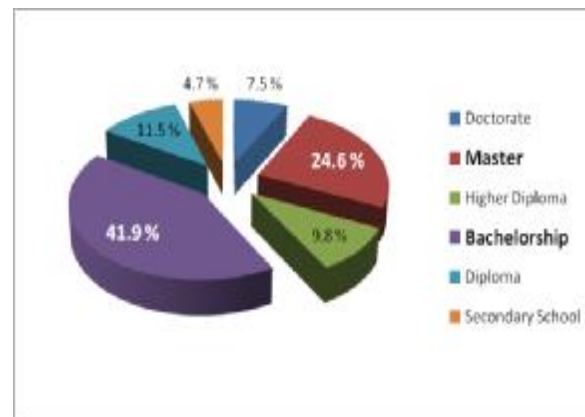
Figure 4.2: Distribution of respondents according to their education level

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The findings for educational attainment of the sample suggest that the civil service has achieved significant progress in attracting and retaining educated employees. A large portion of the sample (83%) had received university or post-graduate education. There was a significant relationship between qualifications of respondents and managerial level at r .05 (see Table 4.4). Almost one-fifth of directors and heads held Master's degrees.

Table 4.4: Qualification level and managerial level correlation

Managerial mLevel * Qualification Crosstabulation							
% of Total	Qualification						
Managerial Level	Doctorate	Master	H Diploma	Bachelor	Diploma	S School	Total
Under-secretary	2%						2%
Assistant under-sec.	0%	2%	1%	2%	0%		5%
Director	2%	6%	1%	9%	1%		19%
Advisor	1%	1%	1%	2%	0%		5%
Asst Manager		3%	1%	4%	0%		8%
Chief / Head	3%	12%	6%	24%	10%	5%	60%
Other	0%	0%		1%	0%		2%
Total	8%	25%	10%	42%	12%	5%	100%

The value for Pearson Chi-Square is, in this case, 12.289 with 5 degrees of freedom (df). This shows a significant correlation of .031 which means the assumptions of the Chi-Square test are satisfied (see Table 4.5).

Table 4.5: Chi-square tests and qualification level and gender correlation

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.289[a]	5	.031
Likelihood Ratio	13.755	5	.017
Linear-by-Linear Association	6.905	1	.009
N of Valid Cases	358		

a. 1 cells (8.3%) have expected count less than 5. The minimum expected count is 4.70.

The statistical data in Table 4.6 show that approximately 54% of females respondents held a bachelor's degree compared with 38% for male; 10% of both males and females had a score had attained a high diploma, there were similarities between gender for diploma and secondary school qualification (at 11% and almost 5% respectively). These results support the high level of women's education, considering their lower proportion in the global sample.

Table 4.6: Gender and qualification cross-tabulation

Gender * Qualification Crosstabulation

			Qualification						Total
			Doctorate	Master	H Diploma	Bachelor	Deploma	S School	
Gender	Male	Count	25	70	25	97	30	12	259
		% within Gender	9.7%	27.0%	9.7%	37.5%	11.6%	4.6%	100.0%
		% within Qualificatio	92.6%	79.5%	71.4%	64.7%	73.2%	70.6%	72.3%
		% of Total	7.0%	19.6%	7.0%	27.1%	8.4%	3.4%	72.3%
	Female	Count	2	18	10	53	11	5	99
		% within Gender	2.0%	18.2%	10.1%	53.5%	11.1%	5.1%	100.0%
		% within Qualificatio	7.4%	20.5%	28.6%	35.3%	26.8%	29.4%	27.7%
		% of Total	.6%	5.0%	2.8%	14.8%	3.1%	1.4%	27.7%
Total		Count	27	88	35	150	41	17	358
		% within Gender	7.5%	24.6%	9.8%	41.9%	11.5%	4.7%	100.0%
		% within Qualificatio	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	7.5%	24.6%	9.8%	41.9%	11.5%	4.7%	100.0%

NPM and administrative reform will be implemented by the personnel described above as the key taskforce and their high level of education could be a competitive advantage for Bahrain in comparison to other GCC countries.

4.2.2.4 Age

Table 4.7 below reveals that 15.9% of the respondents were between 20 to 30 years old, 24.9% between 31 and 40 years, followed by 40.8% for the age category 41 to 50, and finally 18.4% were 51 years and over. Thus the largest age group was between 41 to 50 years old and accounted for almost 41% of the total respondents, while the smallest age group was the category of 51 years old and over.

This age structure of participants, however, shows that the majority (66%) were in the middle-aged group (31-50 years). This result leads us to observe that a large portion of the public sector workforce is expected to remain for a long time (the retirement age is 60) and, consequently, fewer jobs are expected to be offered by the public sector to solve the unemployment problem.

Age and managerial level were significantly correlated; the value for Pearson's chi-square was 49.363 with 18 degrees of freedom (df = 0.000), which represents a highly significant relation. The footnote stated that no cells had an expected count of less than 5 and that the minimum expected frequency for each cell in the table is .96. This means that the assumptions of the chi-square test are satisfied. This result confirms a high correlation between age of respondents and managerial level factors at $r \leq .05$.

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On the other hand, cross-tabulation between respondents' age and managerial level (Table 4.7 below) shows that most respondents (40.8%) were aged 41-50, followed by 24.9% for those in age category 31-40. Thus, most posts for public sector management in Bahrain were occupied by those aged between 31 and 50; this is quite normal, as these positions require a certain experience. In addition, only 18% of chiefs and section heads ($10.6 \div 59.8 = 18\%$) were in a young age group of 20-30 years old (see Table 4.7), a sign that the government is preparing the young generation to hold advanced managerial posts (its recruitment strategy as part of the 2030 Bahrain strategic vision for Bahrain).

Table 4.7: Respondents' age and managerial level cross-tabulation

MgmLevel * Age Cross-tabulation					
% of Total	Age				
Managerial Level / Age	20-30	31-40	41-50	51-Above	Total
Under-secretary	0.3		1.4		1.7
Assistant under-secretary			2.8	2.5	5.3
Director	2.0	3.6	7.0	6.1	18.7
Advisor	0.3	2.0	1.4	0.8	4.5
Asst manager	1.7	2.0	3.4	0.8	7.8
Chief / Head	10.6	16.8	24.6	7.8	59.8
Other	1.1	0.6	0.3	0.3	2.2
Total	15.9	24.9	40.8	18.4	100.0

4.2.2.5 Specialisation

Participants indicated their specialisation as per Figure 4.3 below. The results show that 26% of the respondents occupied finance and accounting specialist posts, followed by 23% as specialists in management, 17% in administrative positions and 16% in the engineering and medicine fields. Others (18%) occupied a variety of positions, e.g. in agriculture, auditing, media and broadcasting, economic, education, languages, health care, history, international relations, IT, marketing, social sciences, and support services. This finding is related to the education and qualifications findings reported earlier, as 67% of the respondent managers held a bachelor's or master's degree.
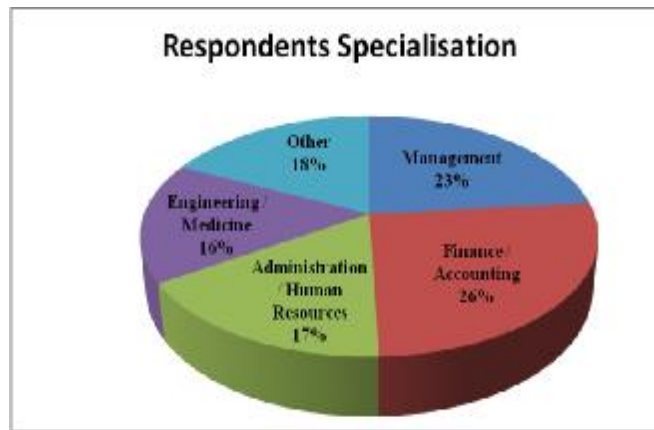
Figure 4.3: Distribution of respondents' specialisation

The data also reveals that each specialisation is dominated by males (see Figure 4.4). The value for Pearson's chi-square is, in this case, 11.378 with 4 degrees of freedom (df). This shows a significant correlation (0.023) which means the assumption for the chi-square test has been satisfied. This result confirms a significant correlation and relationship between the gender of respondents and managerial level factors at r 0.05 (the significant difference level was set at p = 0.05, but when $0.1 < P > 0.5$ the associations between two variables will be discussed).

	Manage ment	Finance & Acc	Admin & HR	Eng & Medicin e	Other
■ Male	17%	17%	11%	15%	13%
■ Female	7%	9%	6%	2%	5%
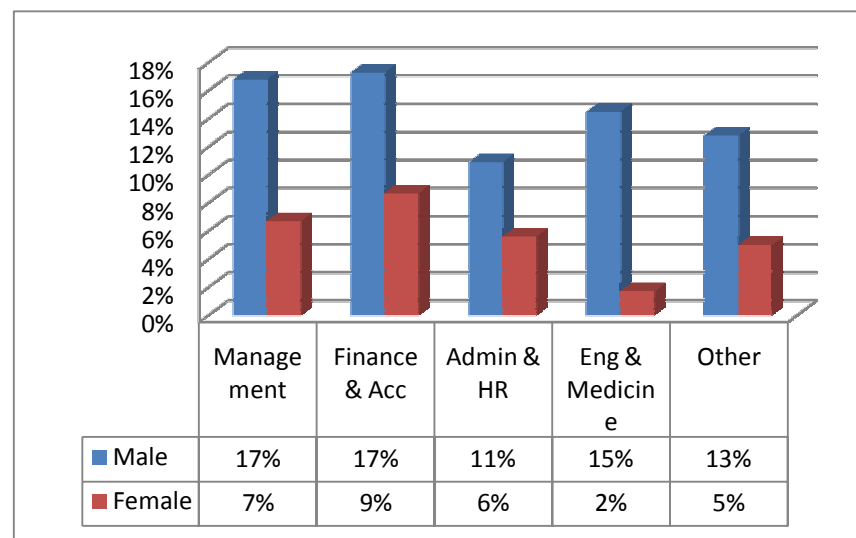
Figure 4.4: Specialisation and gender cross-tabulation

4.2.2.6 Length of Service (tenure)

Table 4.8 below reveals that the average length of service for administrators and managers in the public sector was 16.7 years (mean), while average experience gained within the private sector was 2.71 years. The frequencies show that 248 (69%) of respondents had worked only for the civil service, while 110 (31%) had worked for the

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private sector before joining public sector employment with a maximum of 33 years experience in the private sector. This represents a good opportunity for supporting the NPM implementation of private sector management principles to government organisations. However, the results show a normal distribution as a positive relation between mean and SD in both sectors, particularly the public sector (mean = 16.70 years and SD was 16.29 years). This indicates that the data distribution tends to be close to and spread around the mean value.

Employee nationality was not a focus of this study. However, it is worth mentioning that 90% of civil servants are Bahraini citizens (Bertelsmann Transformation Index, 2008).

Table 4.8: Length of service (tenure)

Particular (Year)	Public Sector	Private Sector
Mean	16.70	2.71
Maximum	41	33
Minimum	6	4
St. Deviation	16.29	5

In this context, we note that almost two-thirds of managers had had long experience in their post. This, however, could have a two-fold influence. On the one hand, experience and skills could support the targeted administrative reform, while on the other they could be a source of resistance to any changes within a bureaucratic setting. As observed by Kamrava (2005: 299), Bahrain and other GCC states are characterised by what Max Weber has labelled "traditional authority", and most of their public institutions appear to be highly resistant to administrative modernisation and reform (Common, 2008).

To summarise demographic data, it was found that 60% of the respondents filled chief or head positions, and 19% occupied director or manager positions. Under-secretary posts accounted for 7% while assistant managers, advisors and others constituted the rest. This represents a long span of control and organisation hierarchy of command (bureaucratic style), including centralisation of decision making.

It was also notable that the positions of under-secretary, assistant under-secretary and director were mostly occupied by males (80%, 552 employees out of 691) against 20% for females (139 employees). This represents a picture of a male-dominated state, and

unequal opportunities in employment within the public sector. In addition, 46% of chiefs and section heads were relatively young 20-40 years old, a sign that the government is preparing the younger generation to hold advanced managerial posts (its recruitment strategy as part of the 2030 Bahrain strategic vision for Bahrain). In this context, almost two-thirds of managers had had long experience in their post. This, however, could have a two-fold influence. On the one hand, experience and skills could support the targeted administrative reform, while on the other they could be a source of resistance to any changes within a bureaucratic setting.

Managers in this study were well qualified, with about two-thirds holding bachelor and master's degrees. Since these personnel will implement the NPM and administrative reform as the key taskforce, their high level of education could assist Bahrain to accomplish this aim, and increase Bahrain's institutional capability to initiate and sustain future reform.

4.3 The NPM Elements

Table 4.9 shows the rank of all the factors in the four sections (process, structure, budget, and HRM and quality management) ordered according to degree of perceived importance, as revealed by the average rating assigned to each group of factors by all respondents. Table 4.8 shows that factors related to process (introducing private sector techniques) scored the highest, with a mean greater than 3 and a mean weight of 63.24%, which reflects agreement with the relevant statements. This was followed by structure, budget and, finally, HRM and quality factors with the lowest ranking.

Table 4.9: The rank of all factors

Rank	Factor	Mean	Std. Deviation	Mean Weight%*
1	Process	3.1620	1.06692	63.24
2	Structure	2.9683	.84998	59.37
3	Budget	2.9279	.78198	58.56
4	HRM and quality management	2.8349	.92972	56.70

*Mean weight computed through dividing the mean of each factor on the maximum score (5) * 100*

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4.3.1 Organisational Structure (decentralisation)

According to Friberg et al. (2006), organisational decentralisation refers to:

> *A set of changes aimed at devolving decision making from the top. A key thrust of NPM is to shift the public sector from being one of a monopolistic direct service provider to one of a regulator of goods and services produced by a mix or network of organizations (2006: 1).*

This section contained six elements reflecting public sector structural reforms: (1) the creation of single-purpose agencies (separate policy from execution: horizontal decentralisation away from line managers to other staff); (2) new forms of organisation (flattening hierarchy); (3) territorial and/or organisational decentralisation (streamlining organisational structure); (4) a reduction in the number of departments and agencies; (5) quasi-privatisation (blurring the public/private divide); (6) and the flexibility to explore alternatives to public provision and contracting out (market testing and creating and managing competitive environments). In other words, the public sector becomes "marketised".

This set of reforms under the NPM model involves structural change, with organisational decentralisation or changes related to the key feature of reducing hierarchical authority. Organisational decentralisation in the view of this study is "a set of changes aimed at devolving decision-making from the top or from power centres of public organisations" (Common, 2001: 48). The tendency of the public sector reforms is aimed at a more decentralised or flexible operating environment (ibid). Thus, NPM is concerned with a change in the public sector from being a monopolistic direct service provider to functioning as a regulator of goods and services to be produced by a mix of organisations. It refers to a public services marketisation which is facilitated by decentralisation strategies that introduce market values into public sector management (ibid).

The results for the questionnaire survey completed by the respondents in this study in relation to the six elements reflecting public sector structural reforms described above are shown in Table 4.10.

Table 4.10: Questionnaire survey result: applications of organisational structure (decentralisation)

Structure / Scale	Strongly Agree / Agree %	Neither Agree nor Disagree %	Strongly Disagree / Disagree %	Total %	Result Status
Q1: Agencies	39	15	46	100	No
Q2: New Organisation	46	16	39	100	Yes
Q3: Decentralisation	34	23	43	100	No
Q4: Reduction	42	23	35	100	Yes
Q5: Quasi-privatisation	42	25	33	100	Yes
Q6: Contracts	41	26	33	100	Yes

In relation to the survey results, it can be seen from the histogram in Figure 4.5 that an agreement position sums up participants' perceptions on the existence of an organisational structure of "decentralisation" in Bahrain public management practice. This shows an overall positive view (Yes = agree and strongly agree; No = disagree and strongly disagree; Neutral stands alone). The figure also shows that the statistical distribution trend supported an agreement position, with a mean score for this component of 2.97 (almost to the middle score 3), while SD = 0.85, which indicates that the data distribution is close and spread around the mean value.
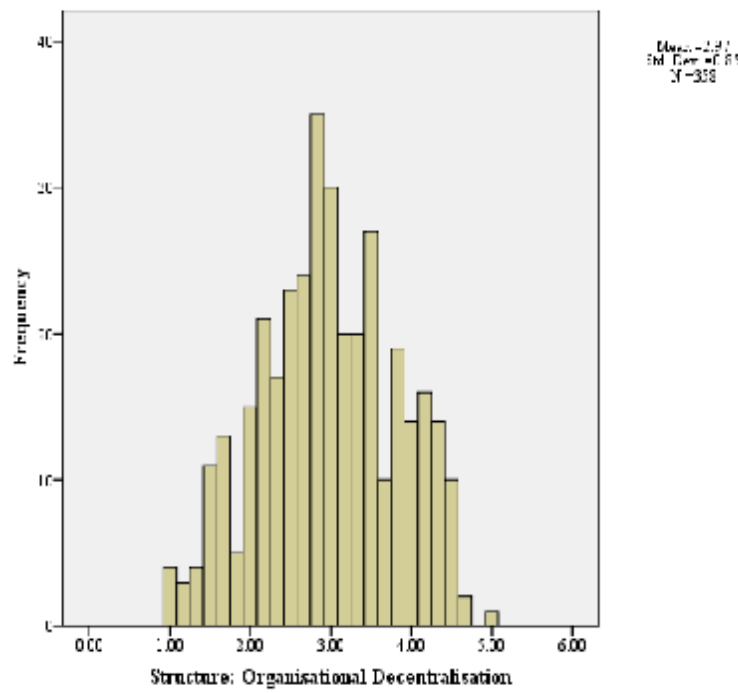
Figure 4.5: Histogram plot of organisational structure 'decentralisation' factors

The mode, as shown in Table 4.11, corresponds to strongly agree and agree for questions 2, 4, 5, and 6.

Table 4.11: Mean and mode statistical results: structure (decentralisation)

Statistics	Q1	Q2	Q3	Q4	Q5	Q6
N	358	358	358	358	358	358
Mean	1.9	2.1	1.9	2.1	2.1	2.1
Mode	1	3	1	3	3	3

The component (sub-scales of organisational structure) mean and standard deviation scores were calculated by dividing the sum of the item scores by the number of items comprising that component (individual item results were outlined in Table 4.10).

4.3.1.1 Q1: Structural Reform (Decentralisation): The creation of single-purpose agencies

The government of Bahrain has encouraged the public sector institutions to create single-purpose agencies with a separate policy from execution as a means of pursuing horizontal decentralisation.

Table 4.9 showed that 46% of civil service respondents were managers who strongly disagreed/disagreed with the statement that government ministries are encouraged to create single-purpose agencies within a vision of organisational decentralisation (horizontal decentralisation). On the other hand, some 39% of the respondent managers strongly agreed/agreed that the government encourages their department and/or ministries to be structured in single-purpose units. Public sector agencies are encouraged to be transformed into self-managed units more than public ministries due to the rules and influence of the Civil Service Bureau (CSB), as every single separation of policy or creation of any single-purpose units would be the responsibility of the CSB. However, agencies are more flexible, as they are managed by a board and executive management.

4.3.1.2 Q2: Structural Reform (Decentralisation): New forms of organisation

Ministries and public agencies in Bahrain have greater flexiblity in re-organising their organisational structure.

It is quite clear (see Table 4.9) that almost half the managers (46%) who responded strongly agreed/agreed that they are able to be more flexible in the reorganisation of

their ministry and department structure, while 39% of them strongly disagreed/disagreed, meaning that they did not have flexibility to re-organise or re-structure their department and/or ministries in the light of decentralisation. Again, this refers to the shared role of the CSB and ministries in creating new forms of organisation within the meaning of a flatter hierarchy.

In general, it can be said that the Weberian style of specialisation is the norm to a strong degree in Bahrain, which has several managerial layers, i.e. under-secretary, assistant under-secretary and eventually directors/managers.

4.3.1.3 Q3: Structural Reform (Decentralisation): Geographical Decentralisation

Public service delivery in Bahrain has been decentralised. Organisational decentralisation is one of the key factors in restructuring organisations, reflecting the needs of the citizens (the public) and the state. Territorial or geographical decentralisation (vertical decentralisation) would play an essential role in a case like Bahrain, which has adopted vertical decentralisation within the democratic era since 2002, when five independent governorates (territorial) were established. However, there has been a tendency for this to strengthen the municipalities in Bahrain. In response to this question, 43% of responding managers strongly disagreed/disagreed that they are able to decentralise their service delivery. In contrast, 34% (mainly Chiefs/Heads 20.4% and Directors 6.4%) strongly agreed/agreed (Tables 4.9 and 4.12).

Table 4.12: The results for Q3: managerial level on the NPM element of "decentralisation"

MgmLevel * Q3 Cross-tabulation

% of Total

		Q3			
		SDA-DA	N	A-SA	Total
Mgm Level	Under-secretary	.8%	.3%	.6%	1.7%
	Assistant under-secretary	2.5%		2.8%	5.3%
	Director	8.4%	3.9%	6.4%	18.7%
	Advisor	1.1%	2.5%	.8%	4.5%
	Asst manager	4.7%	.6%	2.5%	7.8%
	Chief / Head	24.6%	14.8%	20.4%	59.8%
	Other	.8%	1.1%	.3%	2.2%
Total		43.0%	23.2%	33.8%	100.0%

A stronger response was expected for this element (as Municipal Councils have been established since 2002). However, aanalysis[8] shows that there was a significant

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[8] Sig. (2-sided) = .011 (at. 8 cells (38.1%) have expected count less than 5. Minimum expected count is 1.39).

correlation between managerial level and agreement or disagreement on the organisation decentralisation statement.

4.3.1.4 Q4: Structural Reform (Decentralisation): Reduction

Reduction in the number, size and scope of particular departments or agencies is being attempted by the public sector in Bahrain.
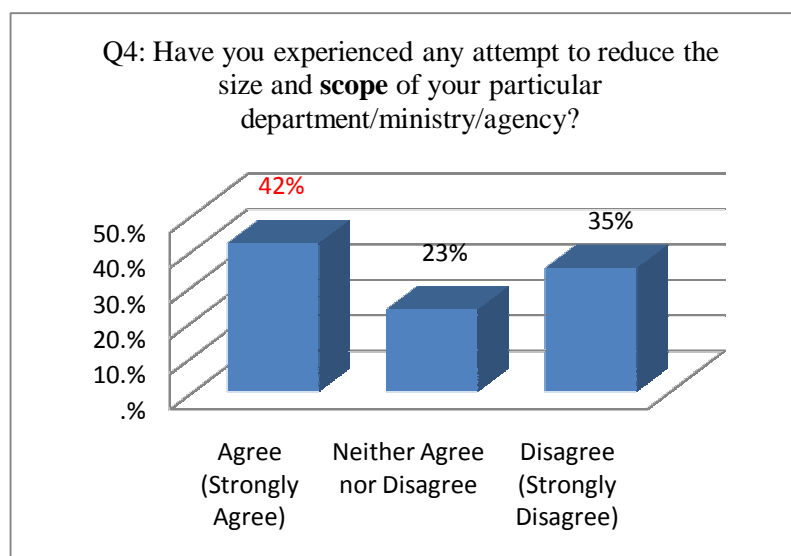
Figure 4.6: Responses to (Q4): structural reform (decentralisation): quasi-privatisation

Regarding such efforts at "downsizing"[9] of particular departments, ministries and agencies, Figure 4.6 shows that 42% of managers strongly agreed/agreed that they had experienced size and scope reductions, while 35% strongly disagreed/disagreed.

Downsizing is a strategy implemented to meet cost reduction targets and improve efficiency, productivity and work processes (personnel) of government departments and ministries. In general, the public sector in Bahrain has attempted to carry out such practices in certain organisational restructuring by abolishing department or agency functions, hierarchical levels or organisational units. Downsizing strategy includes a reduction in personnel (in Bahrain and other GCC countries this is subject to job security in general terms) through "normal attrition, voluntary severance programmes, early retirements, buyouts, outplacements and layoffs" (Jones, 1998: 25). It can be

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[9] Downsizing activities refer to: "building down, compressing, consolidating, contracting, cutbacks, de-recruitment, de-layering, de-massing, de-organization, dismantling, down shifting, growth-in-reverse, learning up, rationalizing, reallocating, reassigning, rebalancing, redeploying, redesigning, reengineering, refocusing, restructuring, retrenchment, rightsizing, slimming down, and streamlining" (Jones,1998: 25),

observed that Bahrain public sector organisations are in a continuous process of scope and size reduction, especially as the Government and Cabinet are restructured after every election (every 4 years), while some new ministers arrive. The rightsizing of the governmental organisation (departments, ministries and agencies) and vital services, however, is questionable. There have been mergers of ministries that have related roles and provide similar services. For example, Agriculture was moved from the Ministry of Commerce and merged with the Ministry of Municipalities; the Ministry of Housing, which used to be independent, was merged with the Ministry of Works. Such mergers result in new divisions and directorates being established and others abolished.

4.3.1.5 Q5: Structural Reform (Decentralisation): Quasi-privatisation

The public sector in Bahrain is encouraged to enter into partnership arrangements with the private/voluntary sector for service delivery within the notion of 'quasi-privatisation', with a blurring of the public/private divide to provide the flexibility to explore alternatives to public provision.
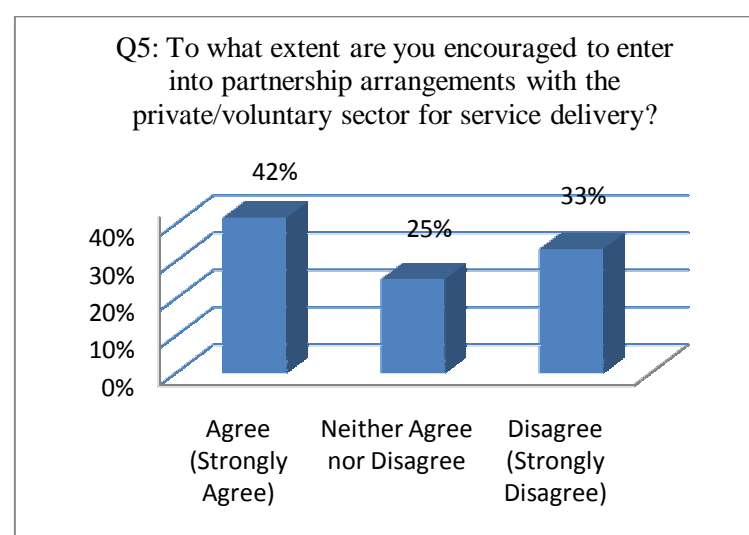
Figure 4.7: Responses to (Q5): structural reform (decentralisation): quasi-privatisation

For example, "a mixed economy of welfare was set up in the UK when Community Care was established in 1990" (Common 2001: 243). Privatisation in these terms refers to "a policy of change and involves greater diversity which aims to bring greater commercialisation into the activities of previously purely governmental enterprises" (Mador et al. 2008: 596). Quasi-privatised organisations as a "third sector are

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widespread in UK universities, hospitals and many arts organisations and elsewhere" (ibid, p. 595).

Figure 4.7 shows that 42% of managers strongly agreed/agreed that they are encouraged to enter into partnership arrangements with the private/voluntary sector for service delivery by quasi-private organisations, while 33% of them strongly disagreed/disagreed. On the other hand, 25% of public sector managers neither agreed nor disagreed. This might result from their understanding of the term quasi-privatisation, although it was defined clearly to ministry coordinators in the questionnaire distribution sessions.

4.3.1.6 Q6: Structural Reform (Decentralisation): Contracting out "market testing"

Ministries and public agencies in Bahrain are expected to enter into contracts (contracting out) or outsourcing arrangements with the private/voluntary sector for service delivery.

In contracting out, "the public management is concerned with letting and managing contractual relationships with a range of providers" (Common, 2001: 242). In the UK civil service, for instance, "it is referred to as 'market testing' where it involves identifying core business that can be delivered by an alternative provider organisation" (whether public or private) (ibid).

Some 41% of managers (Table 4.9) strongly agreed/agreed that they entered into contracting out arrangements with the private/voluntary sector for service delivery. In contrast, 33% strongly disagreed/disagreed. In general, it can be noted that contracting out/outsourcing is practised in the public sector in Bahrain as a strategic action for budgetary control over expenditure and efficiency in service delivery provision. IT services are an obvious example in this regard.

Based on the above empirical evidence from the survey, organisational structure reform (decentralisation) was seen to be in existence in Bahrain practice. However, the results show that certain administrative reform applications, such as the creation of single-purpose agencies and geographical decentralisation, are less well established. In comparison, Common (2001) has found that the creation of single-purpose agencies existed partially or not at all in two South-east Asian countries (i.e. Hong Kong and

Malaysia), whereas it did in Singapore. In addition, geographical decentralisation was not applied by these three countries.

In summary, organisation structure and decentralisation variables were tested and measured in light of the respondents' views. The reform issues investigated were the creation of single-purpose agencies (NO); new forms of organisation (YES); geographical decentralisation (NO); reducing the number of departments or agencies (YES); quasi-privatisation (YES); and contracting out (YES). The mean score for these variables was 2.97 with a standard deviation of 0.85. The summated scales chart shows that most values were distributed around the mean (within a range of 2 to 4), tending towards 4 ("Agree mode"), which represents evidence of the existence of structural reform characteristics in Bahrain public sector practice. From this section of data analysis, it seems that there is a need for structural reform to improve the span of control or refine the existing hierarchy, as we are pushing to move to agency structural formulation.

4.3.2 The Decision-making Process (Introducing Private Sector Management Techniques)

This section examines the expression of the second set of change variables related to the managerial process; those concerned with managerial techniques and market values or internal decentralisation. It contains three elements: the development of strong organisational leadership and corporate management; strategic management issues (public organisations have a mission statement, business and corporate planning, etc.); and the determination of the control over decision-making closeness to the point of service delivery (leadership). The process focuses on public organisations' adoption of business sector management techniques. The survey results can be seen in Tables 4.13, 4.14 and 4.15.

Table 4.13: Questionnaire survey results for the decision-making process (introducing private sector management techniques)

Process / Scale	Strongly Agree/ Agree %	Neither Agree nor Disagree %	Disagree Strongly/ Disagree %	Total %	Result Status
Q7: Leadership	42	16	42	100	Neutral
Q8: Strategy	56	18	25	100	Yes
Q9: Delegation	42	19	39	100	Yes

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Table 4.14: The process statements (ranked)

Mean and mode statistical frequency results

Statistics	Q7	Q8	Q9
N	358	358	358
Mean	2.0	2.3	2.0
Mode	1	3	3

Table 4.15: Q7: Leadership; Q8: Strategy; and Q9: Delegation Mean, Std. Deviation and Mean Weight%*

Rank	Statement	Mean	Std. Deviation	Mean Weight%*
1	You are expected to manage strategically (for instance, your organisation has a mission statement, business plan, etc). **Q8**	3.455	1.3208	69.11
2	Your department/ministry/agency has had control over decision-making pushed down to the front line. **Q9**	3.020	1.2125	60.39
3	Your organisation encourages the development of leadership and corporate management. **Q7**	3.011	1.2833	60.22

*Mean weight computed through dividing the mean of each factor on the maximum score (5) * 100*
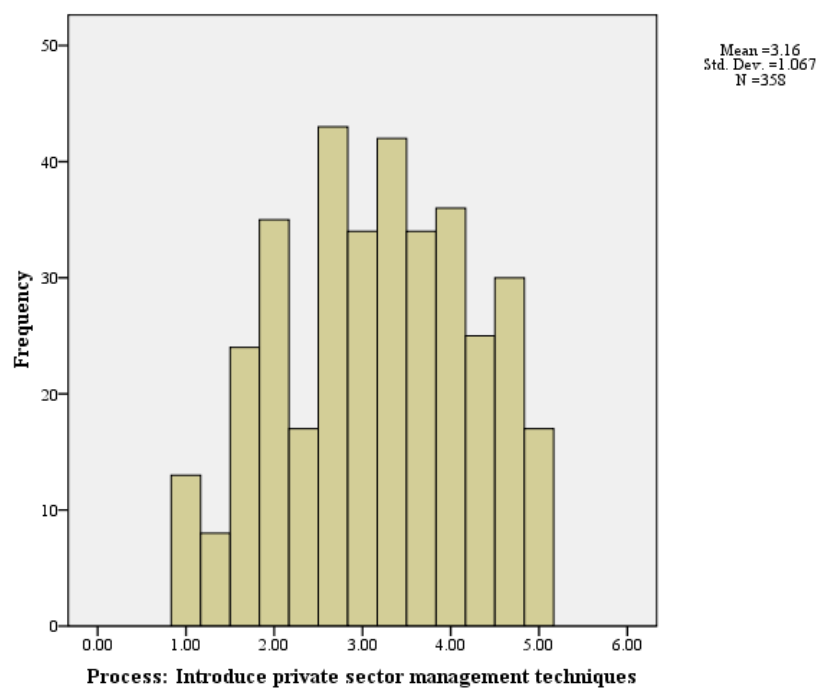
Figure 4.8: Histogram showing decision-making processes (introducing private sector management techniques) factors

The histogram (Figure 4.8) above shows the overall perception of the existence of private sector management techniques in Bahrain public management practice. There was overall agreement that the public sector in Bahrain has been introducing private sector management techniques (internal decentralisation). The figure shows a good statistical distribution supporting the agreement position with a mean score of 3.16 (which exceeded the middle score of 3), while SD = 1.067.

4.3.2.1 Q7: Managerial Process Reform (Introduction of Private Sector Management Techniques): Corporatisation/Strong Organisational Leadership

According to Common (2001: 242), this application, refers to "the process of turning public organisations into businesses that are at arm's-length to government". He adds that the creation of more highly- and tightly-focused service delivery units is at a premium. Hence leadership is concentrated in top management, which wields considerable discretionary power whose members are often recruited from the commerical sector (ibid).

Table 4.12 above shows that respondent managers were equally divided between strongly agree/agree and strongly disagree/disagree on the statement that they are encouraged to develop leadership and corporate management, with a score of 42% in each case. This ambiguous result could be a reflection of the present government approach to the creation of single-purpose units and agencies (see 4.2.1.1 above where the results also disagreed), whereby they are more often included to recruit executives from the commercial sector. The result also shows that this question scores 60.22% on mean weight as the lowest score among the process factors, with a mean of 3.011 and SD = 1.2833, which reflects the similar results for agreement and disagreement (see Table 4.14 and Figure 4.9).

Q7: In your view, does your organisation encourage the development of leadership and corporate management?
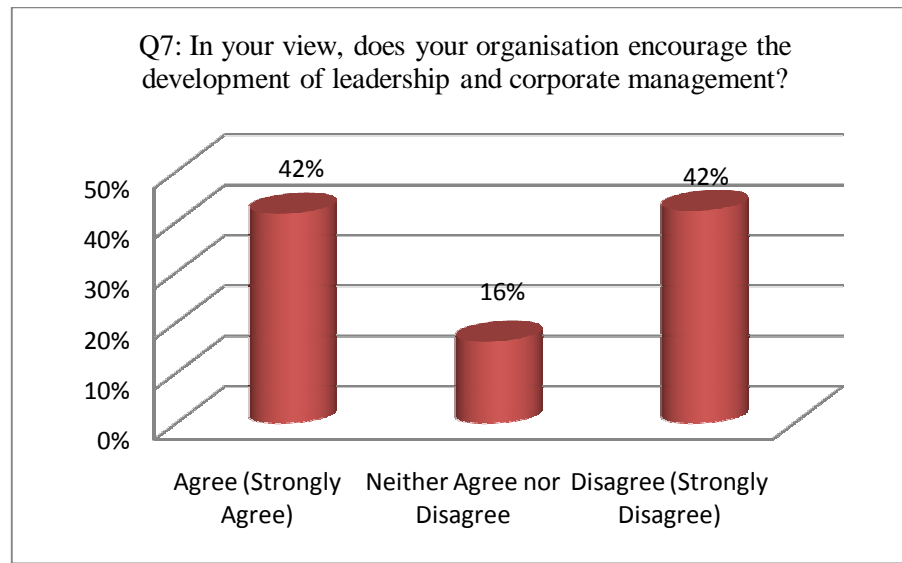
Figure 4.9: Responses to (Q7): Managerial Process Reform (Introduction of Private Sector Management Techniques): Corporatisation/Strong Organisational Leadership

4.3.2.2 Q8: Managerial Process Reform: Strategic Management

Linked to 4.2.2.1: Q7 above, public organisations are expected to behave like their private sector counterparts in responding to changing market environments. In line with this expectation and to achieve the intended goals, public sector managers have to develop appropriate strategies. Business and corporate planning skills are required to keep public organisations at arm's length. This change in process will provide greater strategic freedom for public managers (allowing managers to manage) and increased operational efficiency through the introduction of private sector managerial techniques and market values or "internal decentralisation" (Common, 2001).

Q8: Are you expected to manage strategically (for instance, does your organisation have a mission statement, business plan, etc.)?
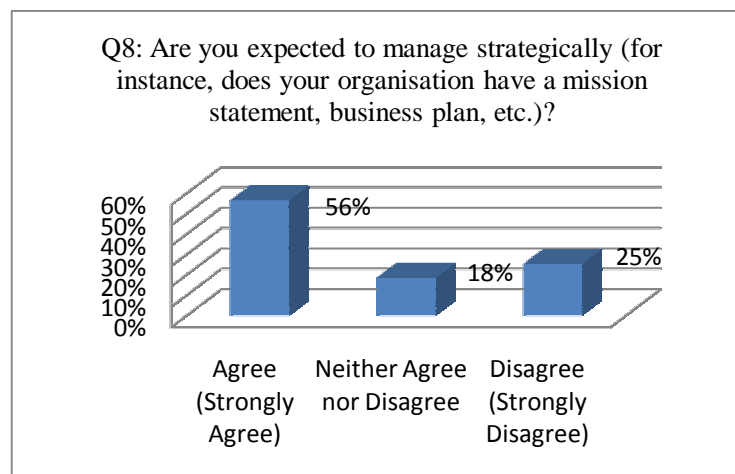
Figure 4.10: Responses to (Q8): managerial process reform: strategic management

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The results shows a mean score of 3.455, which conforms with strong agreement, with a SD of 1.3208 and a mean weight of 69.11% as the highest weight among the process factors. This illustrates that 56% of managers strongly agreed/agreed that their organisation (ministry or agency) was managed strategically and had a mission statement and business plan, while 25% strongly disagreed/disagreed. In this regard, most governmental agencies and entities provide their businesses with a mission statement, vision and business plan, which are displayed on their premises and on the website. This majority of 56% confirmed that many Bahraini ministries and agencies practised strategic management. Having said that, governmental agencies in particular (as their business is rooted in the private and commercial sector), are more accountable for their strategic management and goal-oriented achievements. The latter orientation is linked to the performance and reward system which accelerates the general planned outcomes of those agencies.

4.3.2.3 Q9: Managerial Decentralisation: Decisions made close to/at the point of service delivery

As a consequence of the managerial discretion implicit in 4.2.2.1 and 4.2.2.2 above, it is required that decisions must be made close to the point of service delivery (delegation) within the flatter structure hierarchy, aiming to sensitise services for users (Common, 2001). This application can be linked with the encouragement of government ministries/agencies to create single-purpose agencies (4.2.1.1 above) in a horizontal decentralisation approach, although the latter application met with disagreement from respondents. Increased delegation, leadership and organisational developments are linked with internal change. Delegation in this respect implies "the downwards movement of authority and responsibility within the organisation" (Common, et al. 1993: 127).

The collected data (see Table 4.12) show that 56% of managers strongly agreed/agreed that their organisation (ministry or agency) delegated decision making downwards, close to the point of service delivery on the front line, while 25% disagreed. This can be observed in new governmental agencies such as the Labour Market Regulatory Authority (LMRA) and others.

To summarise this section, based on the above survey evidence the importation of private sector management techniques in decision-making was seen to exist at least

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partially in Bahrain practice. The item regarding strong organisational leadership has equal agreement and disagreement in its responses, which suggests there is insufficient organisational leadership and it only "partially exists". However, the characteristics of strategic management and delegation by pushing down decision making closer to the point of service delivery (front line) were seen as strongly present in the public sector of Bahrain.

4.3.3 Change in the Budgetary Process

This section of the study contained twelve elements regarding the public sector budgetary process within the agenda of change and reform: 1) performance measurement (output/outcome); 2) devolved budgeting (cost-centre creation); 3) using cost rather than expenditure focusing on actual cost, rather than volume budgeting as a current practice; 4) the freedom to retain savings (the right of ending annuality in the budget savings) rather than returning any surplus to the Finance Ministry at the end of the financial year; 5) applying "top-down" budgeting as a tool for planning/control; 6) use of output measures and volume targets in budgets by having more detailed budgetary scrutiny against targets; 7) encouraging public sector managers to make efficient use of resources by applying a cost-saving incentive approach; 8) applying and using accrual accounting instead of line budgetary (resources accounting); 9) applying a Programme and Performance Budgeting System (PPBS) as an instrument of financial reform within the NPM approach; 10) greater evaluation through audit (establishment of independent auditing bodies); 11) greater flexibility within budgetary parameters to permit governmental agencies to make more decisions on spending (bulk budgeting); and finally, 12) deregulation and decision to avoid central procurement agencies (purchasing deregulation).

This set of changes under the NPM model involves financial and budgetary process change within organisations, or changes related to the key features in shifting public management "from a focus on inputs (how much should be spent), to an outputs (what activities do our inputs produce?) results orientation" (Common, 2001: 51).

Table 4.16 shows a summary of participants' perceptions of the existence of these budgetary processes in Bahrain's public management practice. It shows a variety of opinions, some negative and some positive. The table shows a statistical distribution supporting an agreement position on the view that the budget is used for planning and

control. In addition, there is strong agreement that public organisations are financially audited by an independent body, as well as agreement on public organisations in Bahrain having greater flexibility to negotiate spending with the Ministry of Finance and deregulate the purchasing of goods and services as they deal within an open market. Accrual accounting, moreover, has been in practice since around 2000 as part of the Financial Management Information System (FMIS).

On the other hand, other budgetary reform issues, such as the implementation of performance measures, development of organisational cost centres, using cost rather than expenditure, outputs, the freedom to retain surplus or under-spends in "ending annuality" and indeed the full implementation of PPBS, met with disagreement from public managers.

The mean score for this set of questions was 2.91 (close to the middle score of 3), while the SD = 0.811. This result indicates that the data distribution tends to be close to and spread around the mean value.

Table 4.16: Questionnaire survey result: applications of reform in the budgetary process

Budgetary / Scale	Strongly Agree/ Agree %	Neither Agree nor Disagree %	Disagree Strongly/ Disagree %	Total %	Result Status
Q10: Performance	34	25	41	100	Disagreement
Q11: Cost centre	35	27	38	100	Disagreement
Q12: Cost	33	27	40	100	Disagreement
Q13: End annuality	21	30	49	100	Disagreement
Q14: Planning	44	25	31	100	Agreement
Q15: Outputs	31	24	45	100	Disagreement
Q16: Incentives	28	20	52	100	Disagreement
Q17: Accrual A/c	36	30	34	100	Agreement
Q18: PPBS	24	29	47	100	Disagreement
Q19: Indp. Audit	67	16	17	100	Agreement
Q20: Bulk budgeting	44	29	27	100	Agreement
Q21: Purchasing	44	23	33	100	Agreement

Table 4.17: Questionnaire survey result: applications of reform in budgetary process mean and mode statistical frequency results (1 = disagree and 3 = agree)

Statistics	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21
N	358	358	358	358	358	358	358	358	358	358	358	358
Mean	1.9	2.0	1.9	1.7	2.1	1.9	1.8	2.0	1.8	2.5	2.2	2.1
Mode	1	1	1	1	3	1	1	3	1	3	3	3

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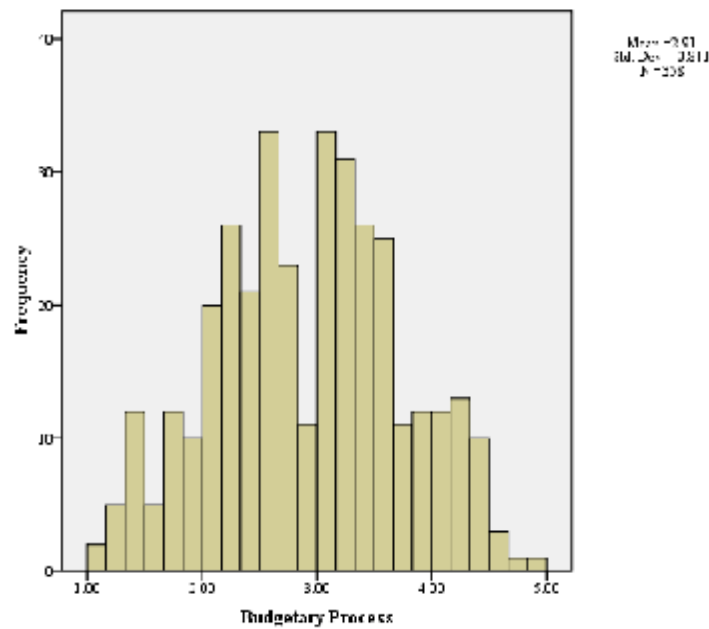
Figure 4.11: Histogram plot of budgetary process factors

4.3.3.1 Q10: Changes in the Budgetary Process: Performance Measurement

In the market place, the aim is to enhance public service productivity within a growth plan without additional resources (as in the case of Hong Kong). It is a long-term development of output measurement, budgeting for output and cost attribution to outputs, which has been described as a "generalised NPM strategy" (Dunleavy, 1994: 41 in Common, 2001: 243).

Figure 4.12 below shows that 41% of managers strongly disagreed/disagreed that their organisation (ministry or agency) adopted effective performance evaluation measures, while 34% of them thought it did.

In fact, Bahrain introduced PPBS as a pilot scheme in 2002 but it has not been fully implemented as yet. In this regard Ramadhan (2009) considers that the comprehensive implementation of PPBS would be beneficial for effective control of government expenditure, efficiency and accountability. However, no scholarly work has investigated the extent to which any type of performance measures have been developed and implemented in the Bahrain context. PPBS implementation is supposed to bring in performance management, but this has not yet happened in Bahrain.

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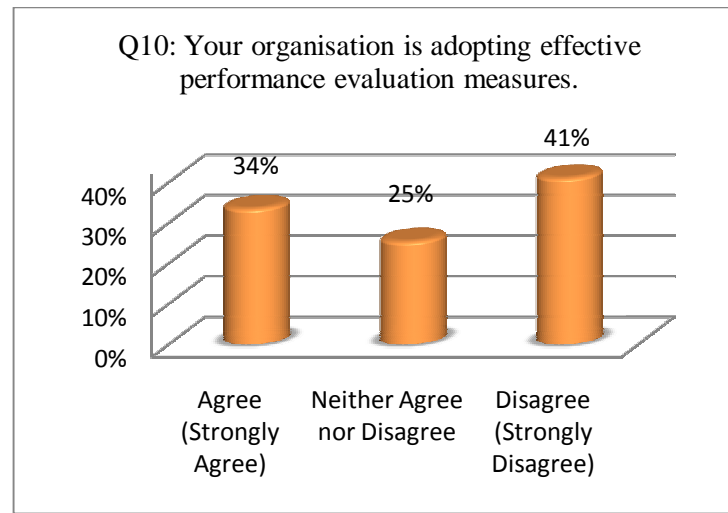
Figure 4.12: Responses to (Q10): Changes in the budgetary process: performance measurement

4.3.3.2 Q11: Changes in the Budgetary Process: Creation of Cost Centres (Devolved Budgeting)

This approach, in Common's view, refers to "the devolution of budget development to identifiable units of business. Cost centres are linked to measurement of performance and clearer accountability for public spending" (see 4.2.3.1 above) "as part of the thrust of financial management improvement programmes in the UK and Australia" (Common, 2001: 243).

By itself, the PPBS is a tool that focuses on improving the efficiency and effectiveness of programme delivery by the responsibility centre. Total cost details are necessary to enable the evaluation of the efficiency of programme implementation. A comprehensive costing system would, therefore, add value to the PPBS by providing accurate information on the cost of activities carried out by the government. This would help in determining the costs of the programmes under which different activities are carried out (MOF, 2005).

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Table 4.18: Specialisation cross-tabulation with Q11: Changes in the Budgetary Process: Creation of Cost Centres

Specialisation * Q11 Crosstabulation

% of Total

		Q11			
		SDA-DA	N	A-SA	Total
Specialisation	Management	8.9%	5.6%	8.9%	23.5%
	Finance & Acc	10.9%	6.1%	8.9%	26.0%
	Admin & HR	5.3%	4.7%	6.4%	16.5%
	Eng & Medicine	7.0%	4.2%	5.0%	16.2%
	Other	5.9%	6.4%	5.6%	17.9%
Total		38.0%	27.1%	34.9%	100.0%

Table 4.18 above shows that 38% of managers strongly disagreed/disagreed that their organisation, ministry or agency was encouraged to develop cost centres, while 35% strongly agreed/agreed. This result again shows a fairly even split of opinion for agreement and disagreement between the managerial level in government, where the accounting and budgetary process has been developed and implemented as one of the main key elements of the FMIS Budget Project 2002. Thus cost centres are clear to those managers who were involved in budgetary and accounting roles (26% of all respondents and 23% who were in management). However, this might not be so for other managers who do not have accounting or budgetary responsibilities, as 60% of respondents occupied chief and head positions in various specialisations such as education and health, and were not familiar with accounting terms. Again, the comprehensive implementation of PPBS would remedy this deficiency.

However, statistical analysis shows no correlation between the specialisation of respondents and agreement or disagreement with the statement, and the mode represents the disagree position.

Peters (1988) commented that:

> *Most researchers in public administration will not be able to comprehend completely the complex and suitable world within which senior civil servants function. This is true when comparative studies are being undertaken. Slight difference in wording (cost-centre in this research), or a single sentence in a memorandum, may make a profound difference for a particular decision (p. 108).*

This would be the case with this question, as the above cross-tabulation table shows that staff in management were equally divided (8.9%) between agreement and disagreement on encouragement to develop cost centres in their organisation, while 10.9% of

financial and accounting respondents thought they were not used to this, in comparison with the 8.9% who thought they were. This is quite reasonable, as many governmental agencies involved in the survey adopt private sector accounting, otherwise Peters' statement would be valid.

4.3.3.3 Q12: Changes in the Budgetary Process: Use of Cost rather than Expenditure (Focus on Actual Cost)

This approach "involves a shift away from volume budgeting that emphasises outputs to the mix of financial inputs that are required to produce a particular good or a service" (Common, 2001: 243). The questionnaire survey (Table 4.15) shows that 40% of managers strongly disagreed/disagreed, which means that ministries, agencies or organisations were developing their annual operation budget based on expenditure rather than cost effectiveness. This latter notion is part of financial reform.

On the other hand, 33% of respondents thought they are applying actual cost application to their organisation budget and focusing on output targets. Hence, both agreement and disagreement were identified, while 27% of managers in public service were unsure whether their organisation applied cost expenditure. This was expected, as many managers and administrators are not involved in budget preparation, process and control, as these roles are specifically the job of the administration and finance departments/divisions in the majority of the Bahraini public sector. This might be a subject for future studies. Again, the comprehensive implementation of PPBS would overcome this shortcoming.

4.3.3.4 Q13: Changes in the Budgetary Process: Having Freedom to Retain Saving (Ending Annuality)

The questionnaire survey shows that almost half the managers strongly disagreed/disagreed, which means ministries or agencies are not permitted to retain any part of the funds saved from underspending. Accordingly, it is observed in Bahrain that ministries use up their allocation through spending during the fourth quarter in every financial year. On the other hand, 21% of managers were found to agree that they retained some financial surplus at the end of the financial year, especially in governmental agencies.

However, 30% of respondents perceived that they were neither allowed nor forbidden to retain any saving. This result, we assume, is due to the number of chiefs, heads and other administrators in the sample who were not involved in or responsible for financial matters since, as was mentioned earlier, this is a role solely of the administration and finance division.

The lesson drawn in this regard is that different policies apply to the incentive to retain public sector surplus spending and financial saving as service quality improves. (In Singapore, excess revenue is retained under budget as a results and productivity driver.) This incentive to retain aims to "make public organisation behave like the private sector", with an ability to buy goods and services on the open market (Q21: inputs purchasing deregulation) and aiming to provide a better service to a demanding public (Common, 2001: 209).
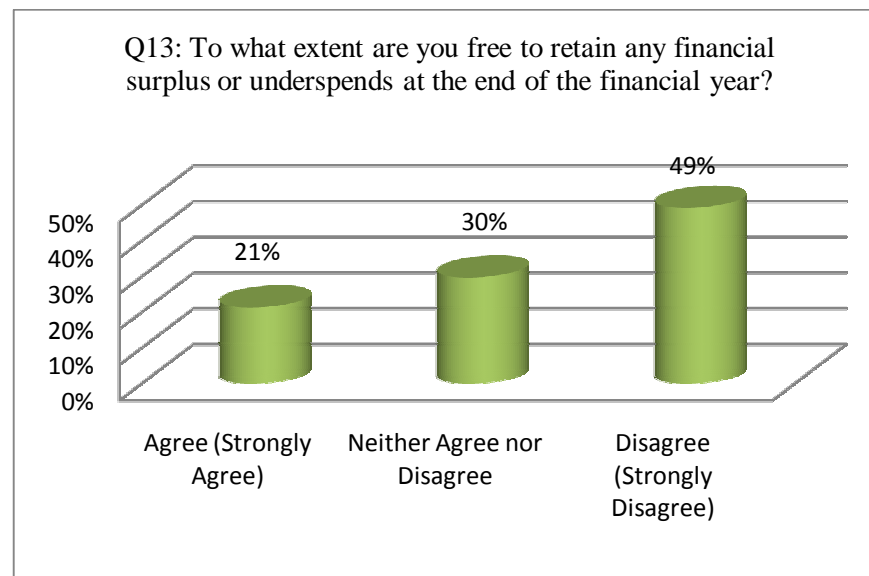
Figure 4.13: Responses to (Q13): Changes in the budgetary process: having the freedom to retain saving (ending annuality)

4.3.3.5 Q14: Changes in the Budgetary Process: The Budget as an Instrument of Planning and Control

Top-down control over budgets deemed out of control has been favoured by governments. The linkage of policies, programmes, and resources through a collective top-down decision-making process has been practised in Canada, for example. In his study on South-east Asian countries, Common (2001) found enthusiasm for applying this practice in Hong Kong, Malaysia and Singapore.

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Figure 4.14 below shows that 44% of respondents strongly agreed/agreed that their organisation, ministry or agency used the budget for planning and control, while 31% disagreed. Budget reformalisaton and the new budget law of 2002 appear to support the response to this question.

Q14: Are you aware of your budet being used for planning and control purposes by government?
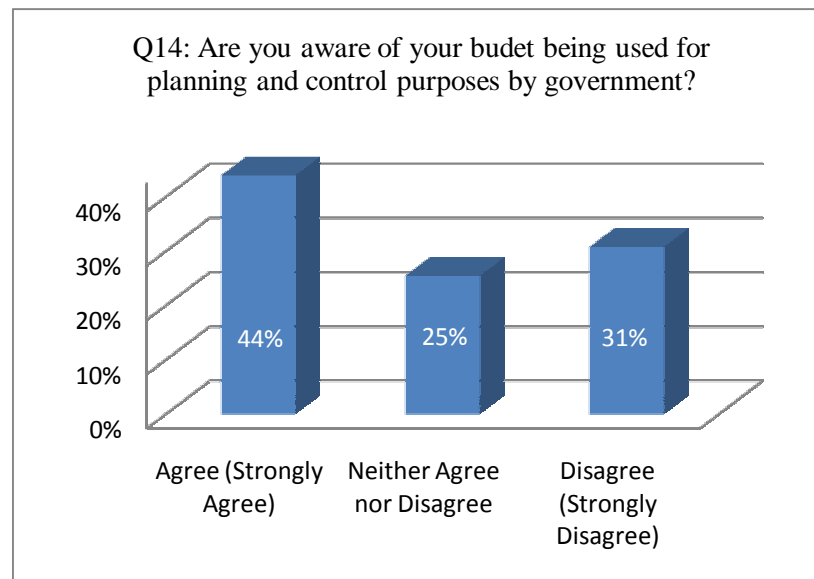
Figure 4.14: Responses to (Q14): Changes in the budgetary process: the budget as an instrument of planning and control

4.3.3.6 Q15: Changes in the Budgetary Process: The Use of Output Measures and Volume Targets in Budgets

An emphasis on efficiency, performance and decentralised management is linked to managers' latitude for achieving a set of planned financial targets (Common, 2001).

The results (see Figure 4.15) show that 45% of managers strongly disagreed/disagreed that their organisation (ministry or agency) used output measures and volume targets in budgeting, while 31% strongly agreed/agreed. This result is consistent with Q10, which indicated a lack of performance measures. However, the budget is a useful tool for evaluating and measuring whether a manager or department is performing satisfactorily and targets are met on governmental service provision and delivery within reasonable cost and budget value.
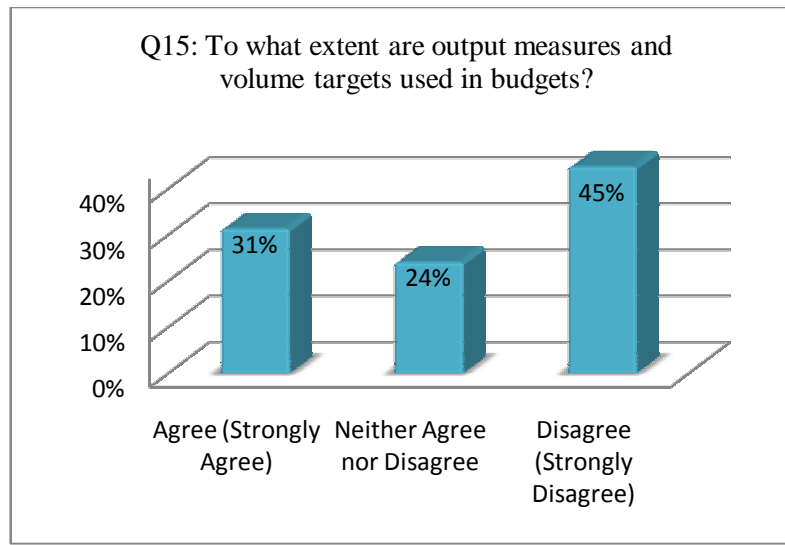
Figure 4.15: Responses to (Q15): changes in the budgetary process: the use of output measures and volume targets in budgets

4.3.3.7 Q16: Changes in the Budgetary Process: The Use of Cost Saving Incentives

A reward system for the efficient use of resources is linked to the budget as a planning and control tool (see 4.2.3.5 above). Although the survey respondents agreed that their organisations were using the budget as an instrument for planning and control, the survey found strong disagreement (52%) that the reward system is linked to the efficient use of resources, to cost saving accomplishment or improvement of agency operation and outcomes.
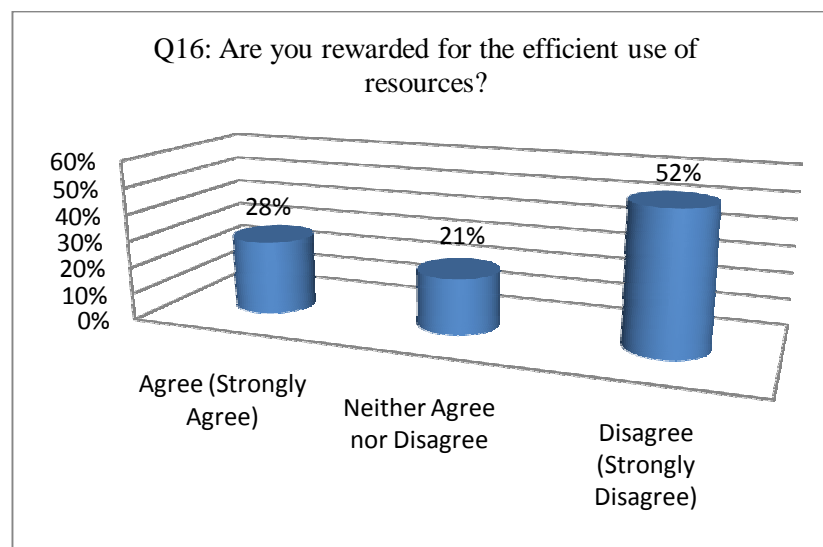
Figure 4.16: Responses to (Q16): Changes in the budgetary process: the use of cost saving incentives

4.3.3.8 Q17: Changes in the Budgetary Process: Use of Accrual-based Accounting

Traditionally cash accounting dominates government spending. Under NPM, a budgetary shift is expected from cash to accrual accounting (Common, 2001). Common adds that "cash accounts do not differentiate between spending on expenses and spending on investment, which has led to wasteful spending" (p. 244). Resource accounting, however, requires an analysis of spending by objectives, both financial and non-financial (ibid). The UK had introduced resource accounting for all government departments by 1999-2000 (Rutterford, 1998 in Common, 2001: 244). However, liabilities, provisions and losses would be more visible in accrual accounting, as it shows the overall financial position and debtor side. Ramadhan (2009: 182) asserts that "during the last ten years, accrual-based accounting and financial reporting have been introduced by many countries' governments, e.g. the UK, Sweden, New Zealand and Finland".

The survey (Table 4.16) above shows that 36% of respondents indicated that their organisation applied accrual accounting. This result conforms to the implementation of the FMIS programme (1997) in public sector organisations in Bahrain. Accrual accounting is part of the FMIS[10] financial and accounting package system used through Oracle[11] software, which was imposed by the Ministry of Finance to cover all line ministries and departments online. It is currently accessed by 1,082 on-line users across 30 governmental ministries and organisations.

It can be seen that accrual accounting has not been fully implemented in all government agencies; thus levels of agreement and disagreement were very similar (36% yes against; 34% no). On the other hand, 30% of respondents were unsure as to the use of this application. Again, this can be related to the nature of the study sample itself, where chiefs and heads of different specialisations constituted the majority of the sample while, as mentioned earlier, financial terms and accounting usage are the preserve of finance departments (this could be a subject for future study).

This result supports the fact that the "MOF is in the process of attempting to modernise the budgetary accounting and reporting system", and it provides evidence of the

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[10] The Financial Management Information System (FMIS) is used by the Ministry of Finance and National Economy for controlling and monitoring the Government's budgets (http://www.mof.gov.bh).

[11] FMIS is based on a collection of integrated Oracle E-Business Suite applications.

important administrative changes and major reforms which have been specified in Budget Law No. 39 (2002) regarding the gradual implementation of PPBS and the recommendation to introduce the accrual basis (Ramadhan, 2009: 182). Ramadhan has pointed out the need to research and "examine the perceptions of Bahraini government accountants into the introduction and implementation of accrual-based accounting in all total governmental units" (ibid).

4.3.3.9 Q18: Changes in the Budgetary Process: Implementation of the Performance and Programme Budgeting System (PPBS)

In Bahrain, as Ramadhan states:

> *Important administrative changes and major reforms have been implemented aimed at improving the overall efficiency, effectiveness, transparency, performance, accountability and sound budget management. This has been through State Budget Law No. 39 for the year 2002 which applies to all ministries and government organisations (2009: 168).*

In this regard, the survey results (Table 4.16) show that almost half the respondents (47%) considered their organisation as still falling short of full implementation of this approach. However, 29% of respondents neither agreed nor disagreed as to the existence of PPBS in public practice, due to limited diffusion and understating of the term itself within the public sector as a whole. (See also Figures 4.17 and 4.18 and Table 4.19 below for further details of the survey results).

Increased awareness and better understanding are aims of this study. As mentioned earlier, PPBS was piloted in 2002 in two ministries, the Ministry of Health and Ministry of Education, as two of the largest service ministries in Bahrain. However, the pilot scheme was abandoned due to certain pitfalls, constraints and limitations, which explain this result. Further discussion on the PPBS implementation experience within the Bahraini context will be found in Chapter Five.
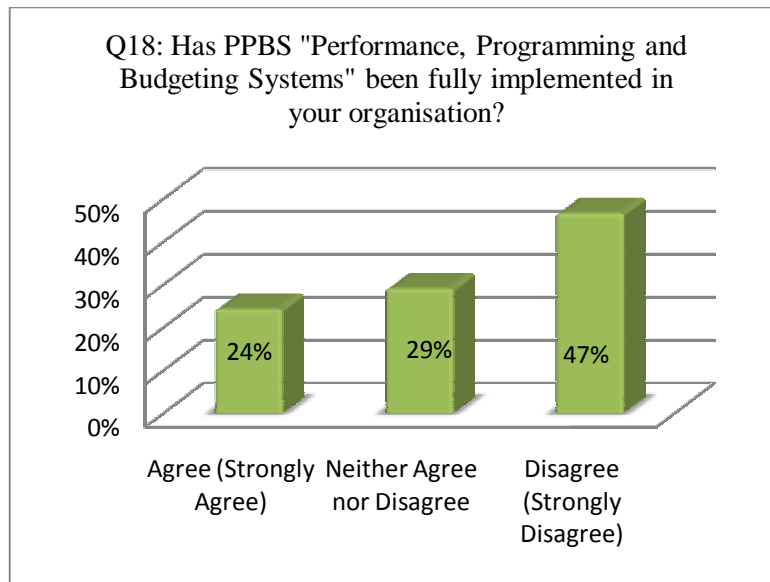
Figure 4.17: Responses to (Q18): Changes in the budgetary process: implementation of the Performance and Programme Budgeting System (PPBS)
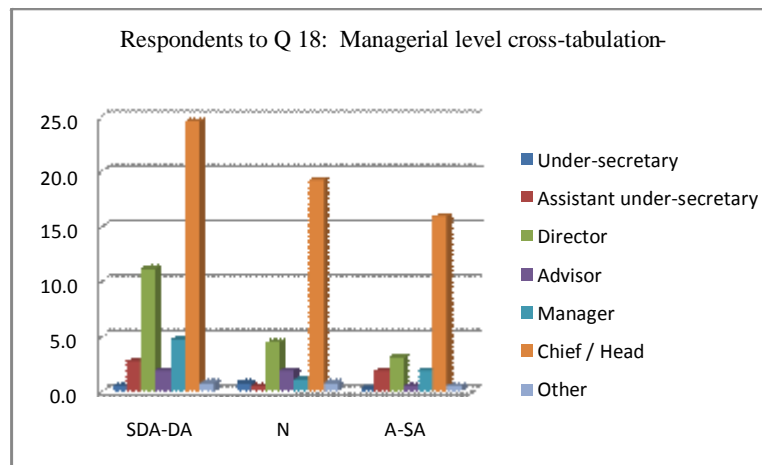
Figure 4.18: Respondents to (Q18) Performance and Program Budgeting System (PPBS) and managerial level cross-tabulation

Table 4.19: Managerial level cross-tabulation with Q18: changes in the budgetary process: implementation of Performance and Programme Budgeting System (PPBS)

Scale	1 Under Secretary	2 Assistant Under Secretary	3 Director	4 Advisor	5 Assistant Manager	6 Chief / Head	7 Other	Total
1 Strongly Disagree/Very Low	2	10	30	6	9	50	2	109
	.6%	2.8%	8.4%	1.7%	2.5%	14.0%	.6%	30.4%
2 Disagree/Low	0	0	10	1	8	38	1	58
	.0%	.0%	2.8%	.3%	2.2%	10.6%	.3%	16.2%
3 Neutral	3	2	16	7	4	69	3	104
	.8%	.6%	4.5%	2.0%	1.1%	19.3%	.8%	29.1%
4 Agree/High	0	5	7	1	3	41	1	58
	.0%	1.4%	2.0%	.3%	.8%	11.5%	.3%	16.2%
5 Strongly Agree/Very High	1	2	4	1	4	16	1	29
	.3%	.6%	1.1%	.3%	1.1%	4.5%	.3%	8.1%
Total	6	19	67	16	28	214	8	358
	1.7%	5.3%	18.7%	4.5%	7.8%	59.8%	2.2%	100.0%

Figures 4.17 and 4.18 and Table 4.19 above indicate that the majority of the disagreement with the statement came from chiefs, directors and assistant managers, which reflects the facts of the implementation of the PPBS project. In addition, the cross-tabulation of managerial levels with agreement or disagreement with PPBS existence shows a significant relationship; almost half of under-secretaries and their assistants (48%) and directors (60%) disagreed, while chiefs and heads also had disagreement (47%). This leads to the conclusion that half or more of the participants on these managerial levels (top and middle management and the implementers of such reform or change programmes as PPBS) found that the PPBS did not exist or had not been implemented, to their knowledge.

On the other hand, the neutral position presents uncertainty about PPBS implementation within ministries in this state, as 20% of top management, i.e. under-secretaries and their assistants, responded neutrally; 24% (one-quarter) of directors and 32% of the chiefs and heads also took a neutral position. This would represent a crucial issue, as this layer has to govern the implementation of this programme as well as being involved in the preparation sessions for the ministries as a whole. Uncertainty in this regard represents one of the many difficulties PPBS faces. This confirms the ownership and trust of the leadership in implementation, including the top management strategic commitment to the programme itself.

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Agreement on PPBS practices and implementation in the Bahrain public sector was only partially confirmed, as only 32% of under-secretaries and their assistants confirmed implementation, while 16% of directors and 26% of chiefs confirmed the project implementation (which was to be expected, as they were involved and aware of the piloted engagement in the MOH, MOE and the other officials involved from the MOF).

4.3.3.10 Q19: Changes in the Budgetary Process: Governmental Agencies and Ministries Audited by Independent Bodies

Statistical analysis shows that this element has the highest mean among the questions in this research at 3.76 (almost 4 on a scale of 5), an SD of 1.216 and the highest mean weight (75.14%) among responses for the whole questionnaire. From Figure 4.19 below, we can see that the majority of managers strongly agreed (67%) that their ministry or department was audited by an independent body. This is consistent with the fact that the National Audit Court (NAC)[12], as an independent body, is responsible for auditing all public sector ministries, departments and agencies fully or partially owned by government. Although the role of control and major auditing is performed by the NAC, organisations are required to undergo annual auditing (operational and financial) by an independent private sector audit firm.
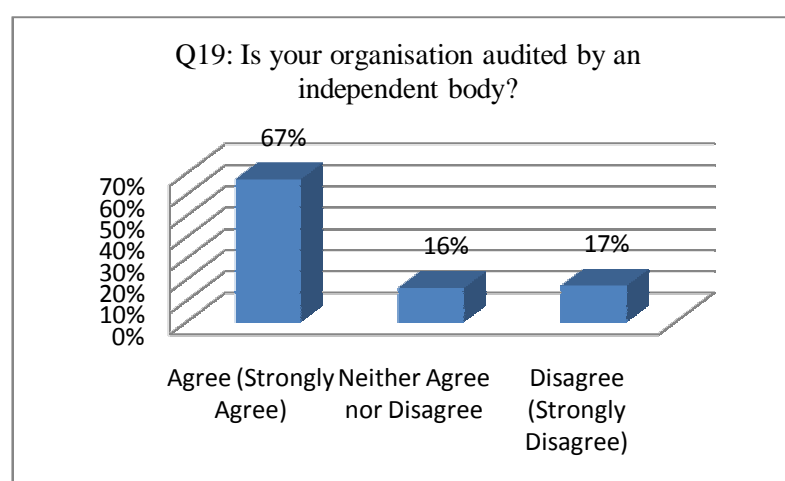
Figure 4.19: Responses to (Q19) Changes in the budgetary process: governmental agencies and ministries audited by an independent body

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[12] National Audit Court (NAC, 2002) is an independent legal body, which functions financially, administratively and organically with legislative and executive powers under Article 116 of the Constitution and Article 1 of law. Its independence from the legislative and executive powers is essential to enable it to carry out its control functions based on neutrality, transparency and independence, giving credibility to its results.

4.3.3.11 Q20: Changes in the Budgetary Process: Bulk Budgeting

Spending in the public sector is under continuous debate, due to the change in budgeting rules to permit public agencies to make the right decisions on spending. From the survey table (4.20) below we can see that 44% of respondents indicated that their organisations were flexible and able to negotiate with the Ministry of Finance (MOF) over how money is spent within the budgetary parameters. This would provide evidence that administrative changes and major reforms are derived from Budget Law: 39 (2002) and the government plan of introducing and implementing the PPBS throughout government. However, 29% of managers were uncertain (neither agreed nor disagreed), which might be due to their experience with the MOF (over demand on scarce resources).

Table 4.20: Q20: Changes in the budgetary process: bulk budgeting

Budgetary / Scale	Strongly Agree/ Agree %	Neither Agree nor Disagree %	Disagree Strongly/ Disagree %	Total %	Result Status
Q20: Bulk budgeting	44	29	27	100	Agreement

As indicated by Diamond (2001):

> *When introducing a performance budget management model, with associated increased managerial freedom, it became evident that greater managerial flexibility could be viewed not only as a tool to improve efficiency but also to achieve the expenditure targets that had been set. Typically, managers of individual programs are in the best position to decide on the most appropriate mix of inputs to be used for executing their programs. By providing them greater managerial freedom, managers could be assisted in achieving tighter budgetary limits, that is, improved efficiency in resource use could support stabilisation targets (p. 7).*

In a recent OECD study, Diamond adds, it was found that "greater managerial flexibility was associated with a positive aggregate fiscal out-turn, allowing managers greater freedom which resulted in less emphasis placed on aggregate spending caps and increased the success of spending cutting exercises" (ibid, P. 7).

4.3.3.12 Q21: Changes in the Budgetary Process: Purchasing Deregulation

Purchasing deregulation means allowing organisations to make decisions about procurement, rather than using a centralised purchasing organisation (Peters, 1996). Public procurement aims to serve users' needs and organisations have to become much

more innovative about how goods and services are provided, guided by best value for money and right cost, effectiveness and efficiency. This requires public organisations to avoid central procurement and work in "closer partnership with colleagues in other parts of the public sector and also with suppliers - small and medium sized as well as large" (H M Treasury, Cabinet Office, 1998: 11). This will encourage maximum procurement efficiency and effectiveness and contribute to the government's drive towards better government (ibid).

Table 4.21: Q21: Changes in the budgetary process: purchasing deregulation

Budgetary / Scale	Strongly Agree/ Agree %	Neither Agree nor Disagree %	Disagree Strongly/ Disagree %	Total %	Result Status
Q21: Avoid central procurement agencies	44	23	33	100	Agreement

From the survey table (4.21) above we can note that 44% of respondents said they were able to buy goods and services on the open market with no restriction and to avoid central and limited supplies. In contrast, 33% of respondents felt the opposite way. Again, as organisation structure is based on specialisation and bureaucracy, the role of purchasing is assigned to the purchases department or section.

In summary, this section indicated issues in budgetary accounting as one of the important components of the administrative reform in Bahrain related to the NPM model. The results show that the government is "attempting to modernise the budgetary process and accounting" Ramadhan (2009: 182). This is evident from the important "administrative changes and major reforms which have been specified in Budget Law No. 39 (2002) regarding the gradual implementation of the PPBS and the recommendation to introduce the accrual basis to improve the overall efficiency, effectiveness, performance and accountability of the government" (ibid). Ramadhan (2009) reached the same conclusion.

Accrual-based accounting and budgetary formation have, indeed, been introduced by many countries' governments (e.g. the UK, Sweden, New Zealand and Finland). Accrual-based accounting, top down approach, greater evaluation through audit, bulk budgeting and purchasing deregulation were confirmed to be in existence in Bahrain practices.

Furthermore, the use of PPBS in "line with line-item budgets is found to be worthwhile for effective control on government expenditure and accountability" (Rahmadan, 2009: 182; Common, 2009).

4.3.4 Change in the Human Resource Management Processes

This study's agenda contains some elements to examine critically the implications of predominant models of public service reform (NPM) in which particular changes in public service governance design are expected to lead to improvements in performance and better understanding. This section sets out a number of alternative Human Resource Management (HRM) elements that have been reported in various countries such as South-east Asia (Common, 2001).

Table 4.22 shows participants' overall perceptions on the application of HRM in Bahrain public management practice as part of the reform agenda. It shows a negative picture overall (disagreement and a neutral response for one particular question), although there was agreement on the application of the reward structure. The table shows quite a good statistical distribution trend, supporting a disagreement position. The mean score for this set of questions was 2.83 (almost reaching the middle score of 3), while SD = 0.962. This result indicates that the data distribution tends to be close to and spread around the mean value.

Table 4.22: Questionnaire survey result: change in the Human Resource Management process

HRM (Personnel) / Scale	Strongly Agree/ Agree %	Neither Agree nor Disagree %	Disagree Strongly/ Disagree %	Total %	Result Status
Q22: Reward structure	42	18	*40*	100	Agree
Q23: Performance merit pay	32	20	*48*	100	Disagree
Q24: Performance contract	24	25	*51*	100	Disagree
Q25: Performance appraisal	43	14	*43*	100	Neutral
Q26: Personnel deregulation	41	16	*43*	100	Disagree

Table 4.23: Change in the Human Resource Management process

Mean and Mode statistical frequency results

Statistics	Q22	Q23	Q24	Q25	Q26
N	358	358	358	358	358
Mean	2.0	1.8	1.7	2.0	2.0
Mode	3	1	1	3	1

168
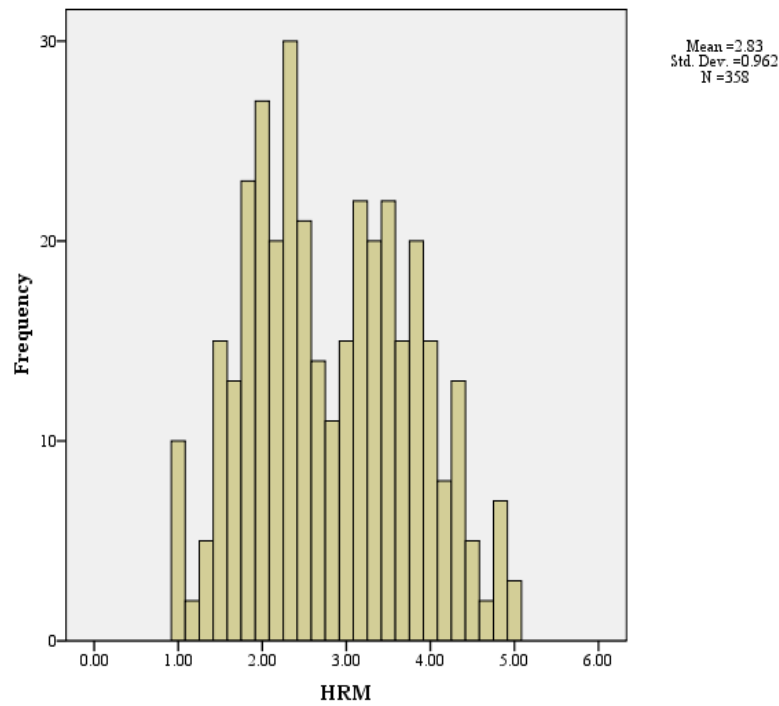
Figure 4.20: Histogram plot of HRM process factors

The above group of elements focuses on changes in the process of HRM (Personnel).

4.3.4.1 Q22: Staff pay determined by grading system/performance

NPM implies changing the reward structure to reflect market conditions through a performance-based grading system, with an emphasis on freedom from pay scales for civil service and public service grades in order to reflect market conditions, and as part of the managerialist agenda to recruit and acquire the right staff (Common, 2001). In this study, 42% of survey respondents supported the idea that staff pay in public sector organisations in Bahrain is determined by a performance-based grading system (freed from the civil service), whereas 40% disagreed.

4.3.4.2 Q23: Public service organisations make use of performance /merit-related pay

The results for this item reflect the fact that more government agencies were applying a merit or performance-based system, while the majority of ministries were tied to the CSB system, which might be out of step with market rates. This might persuade certain qualified staff to move from ministries to governmental agencies or the private sector.

In response to the performance merit pay item (Q23), the results show that 48% of respondents indicated that their organisation did not use performance/merit-related pay,

which is one of the most common elements in the NPM model. This suggests that standardised civil service pay scales should be replaced by performance-based pay. In contrast, 32% reported that their organisation used a performance merit pay system.
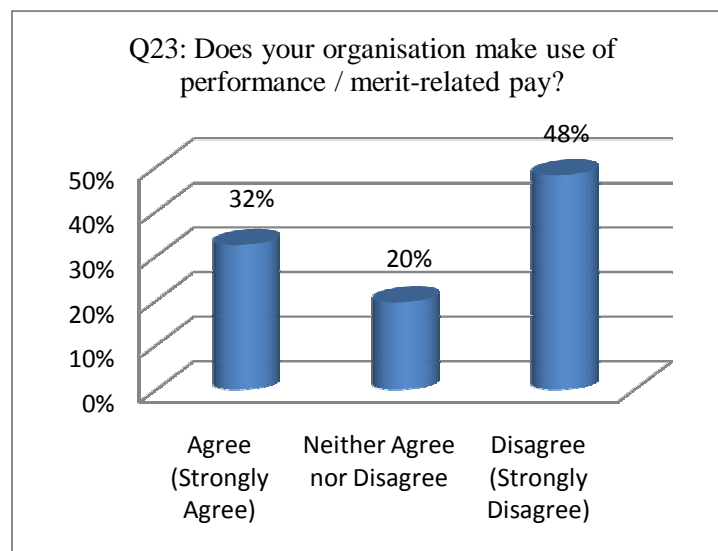
Figure 4.21: Responses to (Q23): public service organisations make use of performance merit-related pay

Merit pay refers to compensation of staff based on their performance or value added to the organisation, rather than just their experience, tenure and education level. Performance is measured by a manager's evaluations and gains in staff outcomes. In this way, the best managers and initiatives are rewarded for their efforts, abilities and contribution to the job.

4.3.4.3 Q24: Encouragement to put members of staff on performance contracts

Performance contract policy refers to:

> An agreement between a government and a public agency which establishes general goals for the agency, sets targets for measuring performance and provides incentives for achieving these targets. They include a variety of incentive-based mechanisms for controlling public agencies, controlling the outcome rather than the process (BIDE, 2007: 1).

France, Pakistan, South Korea, Malaysia, India and Kenya are diverse countries that have experienced great success and sparked much interest in such policies around the world (BIDE, 2007).

Moreover, it has been noted that a "large number of governments and international organisations are currently implementing policies using this method to improve the

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performance of public enterprises in their countries. Performance contracts represent a state-of-the-art tool for improving public sector performance" (ibid, p. 1 mentioned the same). OECD countries use this policy extensively with government departments "to improve the delivery of public services and effectiveness of government machinery. They are now considered an essential tool for enhancing good governance and accountability for results in the public sector" (ibid).
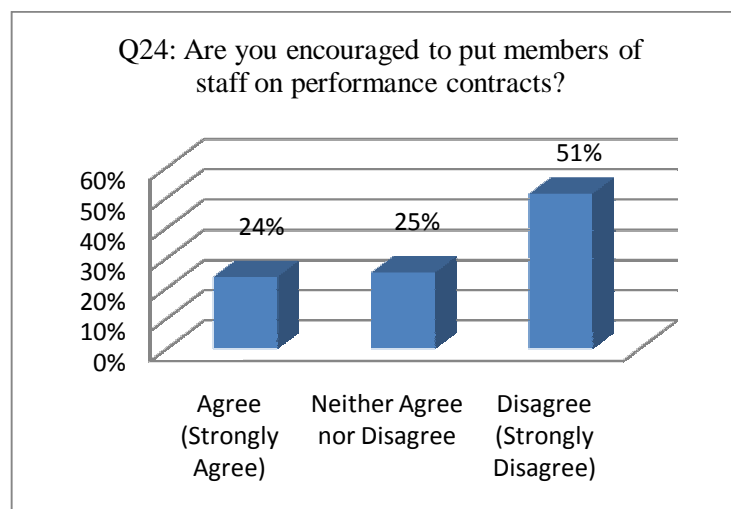
Figure 4.22: Responses to (Q24): encouragement to put members of staff on performance contracts

In continuation of the discussion on performance-related elements, 51% of administrators and managers disagreed (see Figure 4.22) that they were encouraged to put members of staff on performance contracts. However, 24% agreed that their ministries used performance contracts "as an effective and promising means of improving the performance of public sector enterprises as well as government" ministries and departments (smaller insists by BIDE, 2007: 1).

4.3.4.4 Q25: Public service members of staff appraised on a performance basis

The next element concerns appraisals based on performance (monitoring by performance). Performance appraisal, as Common (2001: 245) explains, "may involve linking of financial incentives to objective measures of performance".

In the literature review chapter, it was reported that policy transfer has occurred over the past decade, with one of the popular policies transferred being performance appraisal as a tool for evaluating individual performance. According to Vorontchuk (2004: 1), the aim of applying the performance appraisal policy in the public sector is as follows:

To ensure that formal and informal performance appraisal processes are developed and implemented. It is also the public sector policy to ensure that managers and other employees covered by this policy receive periodic performance feedback, recognition, and corrective instructions through an annual performance appraisal in order to promote effective job performance. Performance appraisals will provide fair, objective, useful feedback to employees when based on performance documentation that meets these standards.

There was equal agreement and disagreement among respondents as to whether they were encouraged to monitor members of staff on a performance basis, with 43% in each category (see Figure 4.23 below).

This reflects the difference between public agencies and ministries in systemic performance appraisal, where government agencies are willing to implement an independent appraisal system outside the CSB setting, while ministries cannot, as they are under the umbrella of the CSB. It might be said that due to the limited trust of staff in the accuracy of the civil service performance system and in a system offering justice and fairness, the performance apraisal system would have to be developed.
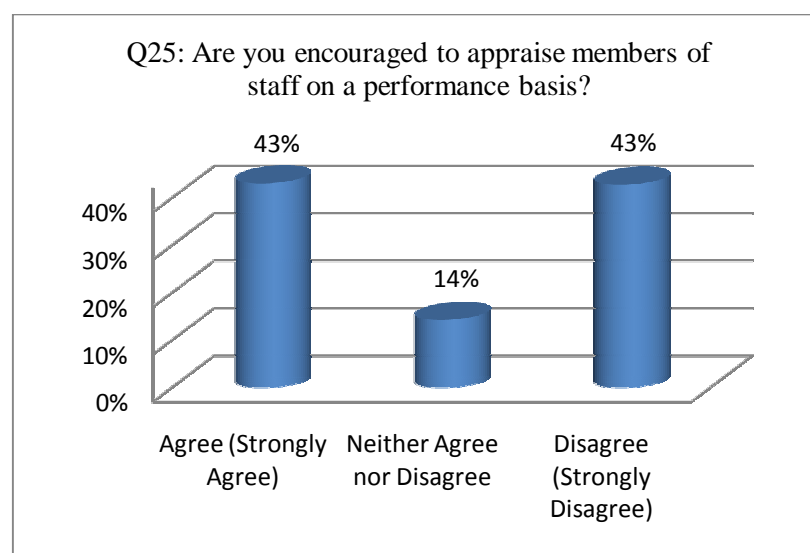
Figure 4.23: Responses to (Q25): Public service members of staff appraised on a performance basis

However, it is quite obvious that this policy is still generally absent in Bahrain practice, although 43% of respondents expressed agreement. In 2003 the Cabinet proposed the launch of end of year bonuses based on performance appraisal with a certain amendment to its policy. The project was abandoned for many reasons, among them the performance appraisal system itself (an issue for further and future research).

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4.3.4.5 Q26: Personnel/Human Resources in public service organisations becoming more flexible

The flexibility of human resources (personnel deregulation) is the final issue explored in the HRM process category. This element covers the elimination of a range of civil service controls over recruitment, dismissal, promotion and so forth. It is an attempt to bring private sector discretion into the public sector in the name of managerial flexibility (Common, 2001). Meanwhile, the context of the flexibility of human resources is reflected in the level of human outcomes and in operational outcomes. There was a split in opinion among respondents on this issue (see Table 4.21), with 43% disagreeing, while almost as many (41%) agreed. The degree of HR flexibility in the civil service sector in Bahrain is related to job security, as dismissal, promotion and basically recruitment are inflexible. *Wasta* for instance, as mentioned in the literature chapter, is a dominant feature of the culture, and there are many other obstacles facing a deregulation approach.

In summary, public sector performance issues related to HRM within the NPM administrative reform agenda were matters of disagreement and shortcomings. This suggests a need for improvement and to be free from a centralised HR process with deregulation of the rules of the CSB, which should play the role of HR regulator instead of monitor and controller. This would enhance good governance and accountability in Bahrain's public sector.

4.3.5 Quality Management Process

TQM in government refers to "an organisational transformation strategy and a method of process improvement by which quality and productivity goals can be achieved without additional resources" (Akbar and Awan, 2006: 1). Top Quality Management (TQM) refers to management techniques that extend to development of performance:

> *… a range of techniques including performance review, staff appraisal systems, performance related pay, scrutinise, so-called "quality audits", customer feedback mechanisms, comparative tables of performance indicators, charter marks, customer charters, quality standards and TQM (Hoggett, 1996: 20).*

Total quality under the NPM model reflects an organisation structure, attitude and culture that strives to provide government customers with products and services to satisfy their needs. The culture of quality in all aspects of the government's operations

implies a decentralised and innovative government where staff members are adaptive, flexible and willing to learn in order to respond quickly to changing conditions.

According to Common (2001), quality management refers to a range of private sector techniques, including Total Quality Management (TQM) and Continuous Quality Improvement (CQI). He adds that Dunleavy located a "push towards limited deprofessionalisation under disaggregation components of NPM, which reflects the close organisational relationship between TQM and decentralisation" (1994: 41). On the other hand, Business Process Reengineering (BPR) as an innovation is regarded as a post-TQM development as mentioned by White and Wolf (1995).

This section of the survey contained six elements concerned with quality process reform in the practice agenda of NPM and administrative reform: (1) quality management (deprofessionalisation); (2) periodical systematic review (systematic analysis of costs and benefits of individual programmes); (3) consumerist mechanisms (consultancy with users or clients – citizen's charters); (4) public relations and marketisation of public services (establishing a market identity for public organisations); (5) one stop shop practice as a notion of integrated service delivery (one stop shop and case management); and (6) fostering greater transparency (public as monitors of services).

Table 4.24 shows participants' overall perception of the existence of quality management in Bahrain public management practice. Table 4.24 shows that there was a quite good statistical distribution trend supporting an agreement (Yes) position. The mean score for this set of questions was 2.86 (almost reaching the middle score of 3), while SD = 0.947. This result indicates that the data distribution tends to be close to and spread around the mean value.

Table 4.24: Quality management process factors

Quality / Scale	Strongly Agree/ Agree	Neither Agree nor Disagree	Disagree Strongly/ Disagree	Total %	Result Status
Q27: Quality measurement	36	19	45	100	Disagree
Q28: Programme review	45	21	35	100	Agree
Q29: Consumerist	41	21	39	100	Agree
Q30: PR and Marketing	37	22	41	100	Disagree
Q31: Integration	25	26	49	100	Disagree
Q32: Transparent	37	27	37	100	Neutral

Table 4.25: Quality management process: mean and mode statistical frequency results

Statistics	Q27	Q28	Q29	Q30	Q31	Q32
N	358	358	358	358	358	358
Mean	1.9	2.1	2.0	2.0	1.8	2.0
Mode	1	3	3	1	1	1
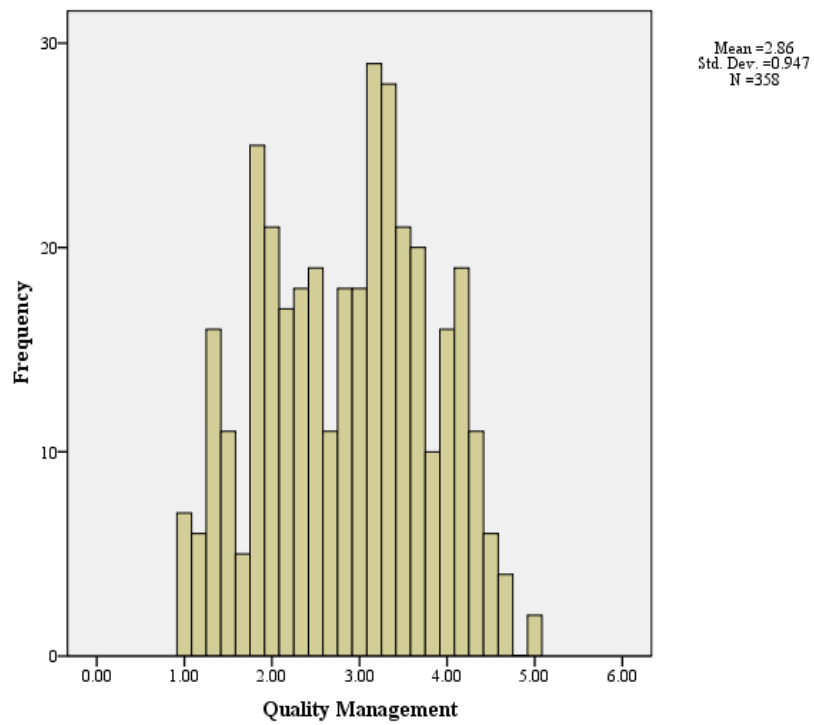
Figure 4.24: Histogram plot of quality management factors

4.3.5.1 Q27: Assessing the implementation of quality management in public service organisation

This first element investigated the existence and implementation of quality management (deprofessionalisation) in the public sector in Bahrain. Survey results show that 45% of managers disagreed with the idea that their ministry or agency implemented quality management, while 36% of them thought it did (Figure 4.25). In fact the public sector in Bahrain has implemented TQM as far back as 1996, when many ministries such as the Ministries of Defence, Commerce, Finance and so forth adopted the idea. Some ministries made an agreement with the United Nations Industrial Development Organisation (UNIDO) to train their staff members (Al-Ghatam, 2007), and implement a TQM programme. Attainment of International Quality Standards (ISO 9000) was a

consequence of that effort, as many governmental initiatives were awarded ISO 9001:2000 for improving the productivity of the civil services.
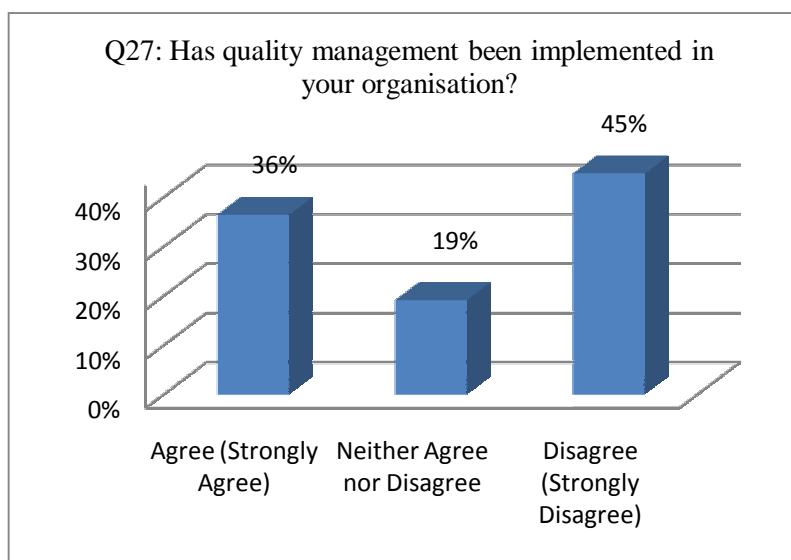
Figure 4.25: Responses to (Q27): Assessing the implementation of quality management in public service organisation

4.3.5.2 Q28: The use of periodic systematic review on the public programmes (services) implemented (delivered)

The second characterstic of quality management is programme review, which refers to a systematic analysis of the costs and benefits of individual programmes. Such analysis can help leaders to identify and then remove or adapt functions that no longer contribute to core objectives.

In this study 45% of respondents (see Table 4.24) indicated that their ministry or agency consulted with its users or clients over service delivery, while 35% disagreed. A further 21% neither agreed nor disagreed on this issue.

4.3.5.3 Q29: To what extent did public service organisations consult with their users or clients over service delivery?

The third element in the quality management set of questions involved consultation with users or clients over service delivery. Common (2001) uses the term consumerist mechanisms to refer to attempts to bring more openness and transparency into the system by introducing a whole range of techniques for citizen and client consultation. He adds that "More people become aware of the performance of specific agencies or

officals and are offered channels to exert both individual and collective pressure then agencies are supported to perform better" (ibid, p. 247).

There was agreement by 41% of respondents that their organisations consulted with users or clients over service delivery (see Table 4.24). On the other hand, almost as many (39%) disagreed. Consultation with users or clients over service delivery is one of the key elements of public service reform, as it creates user-driven pressures for continuous improvements in public service quality.

This results tend to confirm the recent situation, whereby some ministries are consulting clients and users in a more accessible manner and organising information and services according to clients' or users' needs. They aim to deliver better and more responsive governmental services, implementing more efficient and timely electronic services (e.gov is a strategic approach in this respect), and building trust and confidence in service delivery. However, other ministries are struggling to cope with the era of improvement of quality and service delivery, characterised by competition, quasi-privatisation and the cutting edge of e-service delivery, as mentioned earlier.

4.3.5.4 Q30: Do public service organisations market their services?

The fourth element in the quality management set of questions focuses on the establishment of a market identity for public organisations. This is "linked to competion, public organisations employ a battery of techniques aimed at establishing their own market identities" as Common indicates (2001: 247). He adds that "a range of public organisations increasingly employ Public Relations techniques and communication specialists" (ibid).

In this regard, the results below show that 41% of respondents thought their organisation did not market its services, whereas 37% of respondents thought otherwise. This result is consistent with the results of Q18, which indicated that PPBS was not fully implemented in government organisations. If PPBS were to be implemented, the establishment of a market identity for public organisations would happen more systematically.

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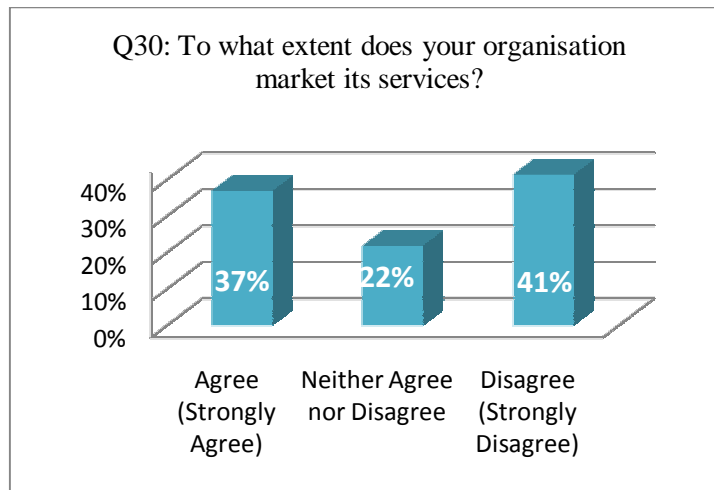
Figure 4.26: Responses to (Q30): Do public service organisations market their services?

4.3.5.5 Q31: Assessing the public service organisations' contribution to service delivery through "one stop shops"

The fifth element in the quality managment set of questions was designed to explore and investigate ministries' or agencies' contribution to delivering their services through a "one stop shop" approach to shared government service delivery (case management) as Common (2001: 247) states. For Aucoin, this attempt to have co-ordinated programmes is to eliminate or avoid duplication, given that citizens "expect public servants to provide them with integrated or seamless services" (1997: 296).

Figure 4.27: Responses to (Q31): assessing the public service organisations' contribution to service delivery through "one stop shops"

However, the results above show that 49% of the sample indicated that their organisation did not contribute to service delivery through a "one stop shop". This reflects the fact that some ministries participate in the Bahrain Investment Centre

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(BIC)[13] to co-operate and integrate related services under one roof, but this is the only co-operative centre formulated under the notion of a one stop shop. Even this is not a fully integrated, systemic service delivery centre. Only one-quarter of managers (25%) agreed that their ministry contributed to service delivery through a "one stop shop", reflecting the fact that ministries shared in service delivery through BIC.

On the other hand, 26% of respondents neither agreed nor disagreed in this regard, which could be explained as a natural response for those who did not have any direct involvement in service delivery.

4.3.5.6 Q32: To what degree are public service organisations monitored by the public in terms of performance and expenditure?

The sixth and final element in the quality management set of questions was concerned with fostering greater transparency, where members of the public monitor services. Here, as Common states, "the public should be given wider scope for monitoring public services, not just in terms of publishing league tables but also in terms of monitoring procedures and expenditure" (2001: 247).
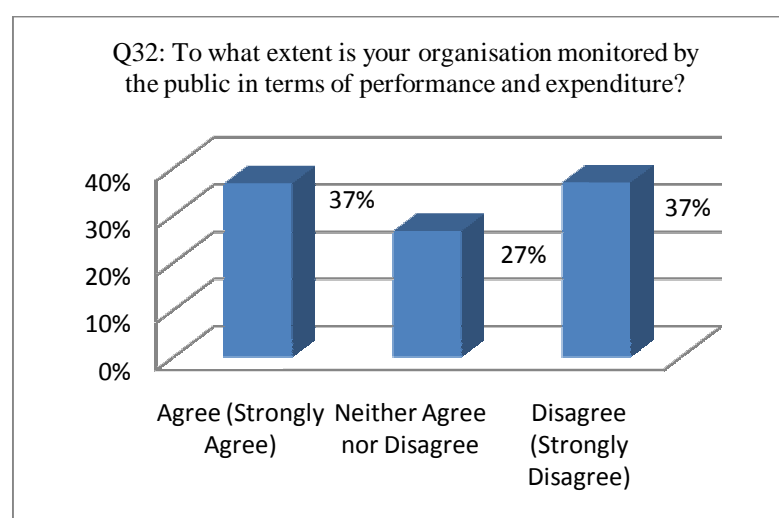
Figure 4.28: Responses to (Q32): to what degree are public service organisations monitored by the public in terms of performance and expenditure?

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[13] The objective of the Bahrain Investment Centre which comes under the supervision of the Ministry of Industry and Commerce is to provide high quality government services to the private sector and promote investors. All relevant authorities, such as the Ministries of Health, Industry and Commerce, Tourism, Justice, etc., come under one umbrella at the Bahrain Investors Centre.

The same numbers of respondents agreed and disagreed on whether their organisation was monitored by the public in terms of performance and expenditure, with 37% in both groups as shown in Figure 4.28. However, in Bahrain transparency is a hot topic as government organisations are under pressure locally (from citizens, parliament, economists, government plans, legislation, etc.) and internationally (international associations, the field of business, trade, human rights, financial bodies, etc.). The above figure shows that a further 27% of the sample held a neutral opinion.

In summary, the existence and practice of quality management related issues within the NPM model are variable within the Bahrain context. The data show little difference in the levels of agreement and disagreement (36% and 45% for yes and no, respectively), except for the indication of limited practice of government organisations in contribution to service delivery through a one stop shop.

The Civil Service Bureau announced that they had developed and implemented a quality system for more than 12 ministries and public institutions. Moreover, to strengthen systems that deal with inconsistent services, they introduced a new system aiming to measure and accredit annual performance for each department and determine causes of non-conformity and focus on systematic analysis and pre-emptive solutions. Moreover, they plan to continue the same mission for about ten ministries and organisations for 2010 (*Al-Wasat* 10 November, 2009 [in Arabic, translated by the researcher]). This suggests that TQM in Bahrain practice is a workable theory and a viable option for allowing public managers to reward members of staff who give truly exceptional performance, along with an increase in the capacity for government-wide cooperation and process improvement in service delivery.

4.4 Summary and Conclusion

An analysis of the questionnaire data has been the focus of this chapter, in which the extent to which NPM elements are expressed in Bahrain's public sector was explored, as one of the key issues of this research, using the framework introduced in Chapter Two.

As mentioned in Chapter Two, the NPM model under examination was developed and designed, fitting the Bahrain context, into two main parts: structure (organisational decentralisation) and process (introduction of private sector management techniques). It was then divided into five different key dimensions: reform of organisational structure

through decentralisation; reform in the public sector decision process through the introduction of private sector management techniques; followed by reform of the budgetary process with the introduction of the PPBS approach (an extension to Common's NPM model); investigation of the existence of HRM elements in Bahrain practice; and lastly the characteristics of quality management. This contributed a better understanding of government performance, practice and diffusion of the policy transfer lessons learned.

It can be seen that the organisational structure dimension of "decentralisation" reform was perceived to exist in Bahrain practice. However, certain administrative reform applications, such as the creation of single-purpose agencies and geographical decentralisation, met with negative responses (the Appendix A-6 further illustrates the questionnaire results).

The decision-making process through the importation of private sector management techniques (dimension two) was perceived to have partial existence in Bahrain practice. The results show that opinion was divided on the existence of strong organisational leadership, which suggests there is not enough organisational leadership and it only "partially exists". However, the characteristics of strategic management and delegation by pushing down the decision making to a point close to service delivery were seen to exist strongly.

Next, in relation to the budgetary process reform, Budget Law No. 39 (2002) emphasises gradual implementation of the PPBS programme and the introduction of accrual-based accounting with the aim of improving the overall efficiency, effectiveness, performance and accountability of the government in Bahrain (Ramadhan, 2009). Accrual-based accounting, a top-down approach, greater evaluation through audit, bulk budgeting and purchasing deregulation were said to exist in Bahrain practices, while the use of PPBS in line with line-item budgets was found to be worthwhile for effective control of government expenditure and accountability In contrast, however, other elements in this dimension (e.g. performance measurement, cost centre creation, shift from expenditure to cost, ending annuality, use of output measures and targets, cost-saving incentive, and implementation of the PPBS) were only weakly in evidence.

Further, the HRM process dimension was found to reflect disagreement and shortcomings, suggesting a need for more attention to this element in order to be free from the HR centralisation process, with the empowerment of the role of the Civil Service Bureau which should act as a regulator for HR instead of a monitor and controller. This would enhance good governance and accountability in the Bahrain public sector. Finally, regarding the dimension of quality management, the data analysis shows little difference in agreement and disagreement rates (36% to 45% for yes and no respectively), except for the contribution to service delivery through a one stop shop where there was strong disagreement, as BIC is the only official one stop shop centre that exists so far.

Having presented a discussion of the research questionnaire data, the next chapter will highlight a case study and the notion of the PPBS programme as part of the administrative reform (budgetary process) in the Bahrain context.

Chapter Five: The Performance, Programme and Budgeting System (PPBS) Case Study

Following the research stages:

Chapter 1	The Research Overview
Chapter 2	Review of the Literature
Chapter 3	The Research Methodology
Chapter 4	Data Analysis of Managers' Survey Questionnaire
Chapter 5	The PPBS Case Study
Chapter 6	Data Analysis of Ministerial and MP Interviews
Chapter 7	Conclusions and Implications

5.1 Introduction

The research objectives, as mentioned earlier, involved determining the drivers for administrative change in Bahrain, how elements of NPM express themselves in public management practice and the extent to which NPM presents challenges and opportunities to Bahrain's public sector.

In order to provide deeper understanding of these issues, following on from the presentation of the survey findings in the previous chapter, this chapter contains a case study of the PPBS project piloted in selected Ministries as a detailed example of Bahrain's efforts to introduce reforms in practice.

The literature shows that public management reform in the Gulf States in general, and in Bahrain in particular, is a very slow and evolutionary process. International reform trends, as typified by NPM, find it hard to take root within the particular cultural, social and political contexts of the Gulf region, yet at the same time there is considerable internal demand for reform. Policy makers in Bahrain over the last ten years have been acutely aware of the perceived and potential benefits of bringing new managerialist solutions to governance in the Kingdom and have attempted a variety of fiscal reforms, such as the Greening Budget approach and employment of a modified accrual base that MOF was engaged in during 1995-1998. Amongst the widest ranging and potentially the closest fit to the NPM reform agenda was the proposal to introduce PPBS into government.

PPBS is a rare example of a strategic and coordinated reform of the public sector in Bahrain, as well as in the GCC countries and most of the Arab world, although certain UNDP reports refer to implementation and practices in some countries such as Jordan, the United Arab Emiratis (UAE) and the State of Kuwait. The UAE introduced a pilot implementation (first phase) in 2002 in selected Ministries, i.e. the Ministry of Finance and Industry, Ministry of Education (MOE), Ministry of Health (MOH), Ministry of Agriculture and Fishing, and the University of United Arab Emirates. Other Union enterprises and ministries are to be covered by the next phases. In 2003, the State of Kuwait experimented with PPBS in three ministries, i.e. the Ministry of Planning (for just over a year), MOH and the MOE. These efforts and that of Bahrain are among the first of their kind in the Arab world.

Bahrain's experiment with PPBS is explored in this chapter as a case study of a reform initiative to provide a detailed narrative which will reveal the full extent of the challenges and problems that the Government has faced when importing a set of reform ideas, concepts and practices that have been developed in very different political and cultural contexts.

The report is based on semi-structured open-ended interviews and secondary resources. Access was also gained to unpublished project documents, specifically those setting out the PPBS notion, implementation plan, early preparation stages of the project including a presentation delivered to the pilot Ministries in 2005, and a draft of the Programme Performance Agreement (PPA) for these Ministries. Formal discussions and spontaneous informal conversations were conducted with both senior officers and the project managers of both approaches: PPBS (first) and PBS (later).

The chapter begins with an account of the data sources and a profile of the participants. It then explains the current budgetary system in Bahrain, highlighting the limitations which prompted recognition of a need for reform. The conceptualisation of PPBS in Bahrain and in the international experience is discussed, after which the rationale for the introduction of PPBS in Bahrain is examined, placing the project in the context of ongoing reforms in public service provision in the Kingdom and the region generally subsequently. The process is described within a chronological framework, from piloting, through implementation, to PBS as the next attempt.

The case study is used as a background for discussing many of the limitations and constraints faced in implementing and piloting budgetary change in the long journey to decentralisation and commercialisation. Constraints and emergent issues will be discussed, and lessons, challenges and opportunities for the future identified in this way. The chapter attempts to identify some of the implications for a better understanding of the significance of possible implementation of PPBS outside its original context within a developing country such as Bahrain.

Throughout the chapter, in order to preserve participants' anonymity, they are referred to as project official (PO) followed by a number.

5.2 Case Study Semi-Structured Interview and Participant Profile

5.2.1 Semi-Structured Interview Open-Ended Questions (Source of Data)

Interpretive philosophy and an inductive approach were adopted in this case study, while a semi-structured interview with open-ended questions was the tool developed to encourage the interviewees to contribute accounts of their experience of the PPBS project and to express their views candidly. These discussions were the main source of primary data on PPBS as implemented in Bahrain, while documents and reports from MOF were complementary sources, particularly with reference to the earlier phases of introduction and planning. Four questions were posed to the purposively selected participants (who were actually managing and implementing the PPBS project and held official posts in the project within MOF itself or pilot Ministries). The four questions were as follows:

1) According to your responsibilities within the pilot and implementation team of the PPBS in the public sector of the KOB, how would you describe the attempt on the ground across the project stages, both technical and in the implementation?

2) Why was the attempt suspended and how do you view the experience of the alternative (PBS) in the light of comparison with your previous experience?

3) In your opinion, what are the lessons learned from this experience, including obstacles, limitations and shortcomings?

4) Are there any other matters or observations you would like to contribute in regard to this experiment?

5.2.2 Participants Profile

Ten directors, project managers and officials were interviewed, all of whom had been involved in implementing the PPBS project. They included four directors in MOF who have a role and involvement in the state budget, two at director level in MOH, who were engaged fully in the piloting and implementation attempt (no access or response was obtained from MOE); two project managers, the key pillars of the former PPBS and later PBS approach; and two senior officers who were involved in the pilot sessions. In addition, two scholars from Al Ahlia University who are interested in this discourse were also interviewed. Professor S. Ramadhan was interviewed in order to explore Bahrain's practice and obtain greater understanding of the PPBS in Bahrain. In addition, a short meeting was held for the same purpose with Professor A. Al Roubaie (Dean, College of Business and Finance).

5.2.3 Interview Procedures

Interviews were conducted in December 2009 and January 2010 and, on average, the time spent on each interview was almost two hours. However, some interviews were held across more than one meeting, for example those with both the key project managers involved four short meetings (20-25 minutes each) to fit round the participants' busy schedules.

Most interviews were not tape-recorded as most POs rejected the idea, except for the two project managers and one MOH director, so handwritten field notes transcribed later were used. These transcripts were examined for key themes that seemed to have potential to provide insight into the fiscal and administrative reforms in the context of Bahrain's experience. Thematic analysis and coding was undertaken to look systematically for indicators of different perceptions, perspectives, preferences, understanding, actions or events from the interviewees. The data obtained from the interviews were categorised based on emergent themes and the phases of the project.

5.3 Current Budgetary System in Bahrain

The KOB applies line-item budgeting besides cash-based accounting while using a modified accrual base in a parallel way. This system base means no budget surplus is returned to the Ministry level; it is noticeable that Ministries accelerate spending before the financial year end, as no financial carry-over is authorised.

The governing structure for national budget formulation is the first sub-section to follow, setting out the parameters of the budget process and structure of the state budget cycle. This is followed by highlighting the basic capacities of the line Ministries to achieve their social and economic objectives. Limitations of traditional line-item budgeting are highlighted and finally the agencies of change (i.e. MOF) derived from the top-down budget controller in the centralised budget system are discussed (MOF, 2008).

5.3.1 The Governing Structure for National Budget Formulation

MOF (2002) identifies that, for determining the broad parameters of the budget, the Government has formulated a certain process and structure. For example, Bahrain has a unique two-year cycle,[14] while most countries go through the same process annually. MOF has introduced an ongoing information and control system to ensure that Ministries and government agencies spend within their allocated budget period, and that the money is spent at the programme level. An evaluation system was set up in 1998 (for project expenditure) for new project proposals to ensure that projects will cost no more than necessary or are predicted in terms of both capital and future recurrent[15] spending.

5.3.2 Basic Capacities of the Line Ministries

In any system, individual Ministries are responsible for meeting the social and economic objectives for which they were created, within the resource levels allocated to them. Under PPBS, the Ministries are given freedom to reallocate their resources in such a way that they can achieve their programme and strategic objectives more effectively. To meet this responsibility, they have to perform a number of key functions, including an analytic function (which allows them to choose the activities that will achieve the appropriate types of social, economic or other programme results); a measurement function (which allows them systematically to measure results and outputs against corresponding resource inputs); and an allocation function (which allows them to choose the mix of resources and activities that will achieve the best programme output and policy outcome results for the resources deployed).

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[14] Bahrain follows a two-year budget cycle based on the State Budget Law (see www.mof.gov.bh).

[15] Line-item budgeting system (Bahrain) classified in eight chapters: chapters 1-7 represent recurring expenditure while chapter eight is used for project expenditure (for more see www.mof.gov.bh).

5.3.3 Limitations of Traditional Line-Item Budgeting

One drawback of line-item budgeting which hinders effective management of public expenditure is that it does not attempt to link the goals and objectives of programmes to the resources that are allocated by the Government for the purpose of achieving these goals and objectives. The system does not facilitate evaluation of alternatives or better ways for achieving programme objectives. In the absence of information needed for judging the impact of increased or decreased expenditure on the efficiency and effectiveness of particular programme results, the judgement, at times, is arbitrary. Without a tool for relating Ministries' expenditure to their performance, the effect of any public expenditure proposal on the national economy cannot be judged.

In various budgetary reforms, developed countries, faced with a similar situation, have sought to overcome the deficiencies of the line-item budgeting system, which is a "resource budget" system, by introducing new techniques such as PPBS, which are basically "results or performance budgets". In the context of increasing requirements for transparency and accountability in public expenditure, and expectations for good governance, most countries in the world, developed as well as developing, have resorted to budgetary reforms as the key to expenditure reforms (MOF, 2005). Ramadhan (2009: 181) contrasts the new approach with that of the line-item budget classification:

> *[Line-item budgeting] neither provides information about the purpose of the expenditures or about the programmes for which they are allocated, nor about the efficiency and effectiveness of the programmes. Performance budgets focus on measurable units of efforts, services, and accomplishments.*

They are formulated so that expenditures are directly associated with anticipated units of output (quantity, quality, timeliness and cost) or outcomes (stakeholders' needs and solving clients' problems), where "resources and results are identified with programmes rather than traditional organisational units, and expenditures are typically categorised by activity rather than by object" (Ramadhan, 2009: 181; MOF, 2005 and 2005a). They are based on resource allocation (efficiency and economy) to expected results (effectiveness and appropriateness).

Line-item budgeting, being based on expenditure items, induces more concern with what to buy, rather than achievement. The budgeting process has been criticised for focusing on control and legality while neglecting decisions related to human resource or financial resource management; providing inadequate feedback information; lacking

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coordination between recurrent and project budgets; placing insufficient emphasis on measurement of performance and stressing input rather than output (Rose, 2003; Ramadhan, 2009). In the case of Bahrain, a significant share of the state budgets was consumed by manpower expenditure (chapter one from the eight expenditure chapters).

The accelerated tempo of development which followed Bahrain's Independence reveals the shortcomings of the traditional budgeting system or line-item budgeting system in use now to meet the needs of the stakeholders and clients in Government. The demand for transparency, efficiency, effectiveness, appropriateness and economy of Government programmes and activities cannot be met by budgetary systems purely focused on the expenditures. International aid agencies, such as the World Bank and IMF (UNDP reports 1999) have recommended that Bahrain adopt international practices and standards in the public sector and commented that the potential of continued financial deficits and "adhocracy" in budgeting created a demand for an efficient and effective budgetary system to be developed to address these issues. In this regard PPBS "has long been advocated by the UN for developing countries to link budgets with development goals" (Rose 2003: 6).

5.3.4 The Agencies for Change

Bahrain employs a centralised budget system, where the presumption is that changes are derived top-down from the budget controller, i.e. MOF on behalf of the Government. This might not necessarily be the case when introducing a new devolved budget management model such as PPBS, which in some countries is run by a budgetary centre, but not MOF. Typically, any relaxation of centralised control is likely to meet resistance from the central budget ministry or agency which should be the key agent for change. This resistance arises from a number of sources, such as fear of the unknown, an assumption that budget programme managers would acquire greater personal freedom (which would result in more waste and corruption), a natural reluctance to give up the power that goes with centralised control, and the recognition that the central budget has limited capacity for change management.

Moreover, the current centralised compliance-oriented budget management system does not foster financial management capacity. It has been indicated that this capacity may be difficult to find in the MOF and is unlikely to exist in the line agencies either, which "often see their role as administrators, distributing limited cash to keep basic services

functioning. This role does not recognise the value of good agency financial management, nor does it foster the acceptance of increased financial managerial responsibility" (Ramadhan, 2009: 5).

PPBS exposure is expected to lead to a number of structural changes driven by a need to cut costs, maximise the resources utilisation and increase the level of managerial and financial controls. A shift from the current culture of public management in KOB to the culture of a market-oriented, customer-focused organisation would be another result of this exposure.

The governing structure for national budget formulation, basic capacities of the line ministries, limitations of traditional line-item budgeting and the agencies for change were subjects highlighted in the pre-phase of the KOB practice. The dilemma of a PPBS definition is discussed next as an issue which MOF has found essential to highlight in the preliminary phase when reform was first mooted.

5.4 PPBS Deliberation Definitions in Bahrain and International Experience

5.4.1 Concept, Strategy and Understanding of the PPBS Range of Definitions in the Bahrain Context

MOF in considering state fiscal reform acknowledged from the early stages the key concepts of the PPBS in general terms. A range of definitions (Table 5.1) was reviewed and linked to the underpinning meanings in order to explore the key themes emerging from the range of definitions expressed in MOF (2002).

Table: 5.1 Range of the PPBS definitions and the emergent key themes

No.	PPBS definition	Key Themes
1	"PPBS is a system designed to assist the managers in making choices about the allocation of resources among a number of competing or possible programmes and alternatives to accomplish specific objectives in the national plan."	1. Systemic approach 2. Making choices 3. Allocation of resources 4. National plan
2	"PPBS is a system aimed at helping management make better decisions on the allocation of resources among alternative ways to attain government objectives."	5. Improving decision making 6. Achieving government objectives
3	"PPBS is an 'UP-DOWN-UP' concept of budgeting where the centralised budget is prepared from the lowest budget component which is anchored on Central Strategic Plans, Programmes and Budget Guidance/"	7. Centralisation and decentralisation 8. Local choices centralisation
4	"PPBS is a management and budgeting system that allocates resources on the basis of expected performance."	9. Performance management
5	"PPBS is a budgetary and management system in that it utilises features of good management practices that focuses and supports performance and achievement based on planned outputs and outcomes or generally the 'results' to be achieved with a given level of resources."	10. Outputs and outcomes orientation
6	"PPBS is a performance-based or results-oriented budgeting system."	
7	"PPBS focuses the budget process more on the results to be achieved for the budget allocated."	
8	"PPBS is a system that integrates a number of techniques in planning and budgeting processes for identifying, costing and assigning resources for establishing priorities and strategies by programmes and forecasting costs, expenditure and achievements within the immediate financial year or over a longer period."	11. Prioritisation 12. Long-term horizons 13. Costing
9	"PPBS is a system that brings together planning and budgeting by means of programming, a process which essentially defines a procedure for distributing available resources equitably among the many competing or possible programmes."	
10	"PPBS translates national interests developed by strategic planners into sector requirements and finally into budgetary requirements which are presented to Parliament for funding consideration."	14. Strategic funding 15. Parliament approval
11	"PPBS is a cyclical process containing three distinct but interrelated phases: planning, programming and budgeting."	

Sources: Range of definitions (MOF, 2002)

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MOF attempted from the beginning to promise a systemic approach to fiscal transformation within the Bahrain context as an approach of PPBS. This would set a comprehensive direction to mobilise scarce resources and help to support systems that would promote the necessary management and fiscal change towards PPBS.

Making choices is another key theme represented within these definitions. PPBS is presented as a system to assist public sector management in making choices about resource allocation among programmes and the accomplishment of specified goals and objectives mentioned in the Kingdom's national plan. This suggests a systemic approach leading to improvement of resource allocation decisions.

Centralisation and decentralisation was the next theme raised. Decision making is pushed closer to the front line while the top management or managers call it back (pull) to a centralised position close to them. This expresses the push and pull looping and instability as a common conflict in budgeting.

The next theme involves local choice centralisation, which concerns the centralised budget being prepared from the lowest budget component attached to the State's strategic plans (a double loop budget process: up-down-up).

Performance management features in many of the definitions. It refers to activities that help to meet the Ministries' or agencies' goals and objectives in an effective and efficient manner. The focus is on Ministry level, departments, programmes, activities, and processes that produce governmental products and services. Hood (1991: 4-5) refers to the "need to check resource demands of public sector and do more with less".

In this regard, PPBS is designed to promote good government practice in performance achievement by focusing on planned outputs and outcomes (greater emphasis on output controls and stressing results rather than procedures, as Hood [1991] has stated).

Finally, the strategic funding approach has a long-term horizon (longitudinal) as it is used for Parliamentary functions and purposes.

These represent the classic factors in the dilemma of the NPM agenda in contemporary public management and fiscal reform. Most of these factors are expressed in State Budget Law, budget circulars, Standard Financial Manuals (15 November 2006), policy development, implementation and control of the state budget for the financial years 2009-2012 and budget preparation instructions (MOF, 2008).

5.4.2 PPBS in International Experience Definitions

The PPBS has been adopted by many countries under different names but all revolve around validating the allocation of resources in strategic priority in order to achieve better performance (Table 5.2). It is a tool composed of numerous parts that must be learned, appreciated and applied if it is to be used effectively (MOF, 2002).

Table 5.2: PPBS approach in different contexts

Country / Countries	Experienced Approach	Acronym
Australia	Portfolio Budgeting, Accrual Output Budgeting	PB, AOB
Kuwait, Dubai, Jordan and Bahrain	Programme and Performance Budget System	PPBS
Malaysia	Modified Budgeting System	MBS
New Zealand	Output Budgeting	OB
Thailand and Singapore	Performance Based Budgeting	PBB
United Kingdom	Comprehensive Spending Review	CSR
United States of America	Results Based Budgeting	RPB

Source: MOF (2002) and McGlone and Dornan (2006)

In summary, Bahrain's understanding of PPBS represents most of the classical factors in the NPM agenda in contemporary public management and fiscal change, and most of the factors and themes (Table 5.1 above) have been given legislative and policy support. The following section sheds light on the rationale for adopting PPBS in KOB's fiscal situation as reflected in MOF reports.

5.5 Rationale for and Introduction of PPBS in Bahrain (2000)

Bahrain's economy and Government revenue, although more diversified than in other states in the GCC, are influenced by variations in oil production and oil prices. The shortfall in Government revenues that may result from a decline in oil prices may not be offset by a corresponding increase in non-oil revenues, and Government scope to mobilise non-oil revenues to offset such shortfalls is limited due to the absence of tax revenues, which is one of the major sources of resource mobilisation in other countries. The prospects for growth in Government revenues are minimal in the absence of major tax reforms. This situation is compounded by mounting pressure on public expenditure.

Due to high population growth and an increasing need for broader and better education, health, housing and infrastructure there has been growing demand on the Government's

public expenditure. The prospect of fluctuating oil prices and increasing pressure on public expenditure have created a continuous fiscal deficit (BHD 1.8 billion for the two fiscal years 2009-2010). While oil prices had improved tremendously over the preceding three years, there had been a violent fluctuation which was projected to continue in the foreseeable future based on the findings of a World Bank Report (MOF, 2000).

Under these circumstances, it became critical for the Government to respond to this scenario by firstly directing scarce resources to key priority areas in the economy to ensure growth potential was maximised to generate revenue. At the same time, the Government sought to rationalise and improve the efficiency and effectiveness of the public expenditure management system through a comprehensive financial and management reform package that would enable the Government to maximise the "returns" on public expenditure and progressively reduce and ultimately eliminate the fiscal deficit. Therefore, the PPBS in Bahrain was used as a tool to alleviate the burden on Government and help to move towards a programme and performance logic.

The orderly pursuit of Government objectives required a budgetary and management tool that would enable Parliament, the executive and management at all levels within the central agencies and the line Ministries, departments and agencies to exercise their management roles and functions (such as planning, organising, selecting, directing, motivating, empowering, coordinating and controlling) over all Government programmes and activities. It was recognised that economic and sector growth could be achieved only through sustained planning and programme implementation. The Ministries and Government organisations were advised to establish appropriate planned growth targets and to formulate their budget estimates on the basis of such plans and programmes.

Accordingly, certain steps were taken. Foremost was legislative support; a new 2002 State Budget Law was issued to replace the 1995 Budget Law. This represents what Hilton and Joyce (2007: 250) call "the rule of law".

Certain articles in this law were formulated to fulfil the implementation of PPBS. Article 6 requires Ministries and Government organisations to "establish systems and procedures for the planning and analysis of all major programmes and capital projects" (World Bank, 2002: 3). Public budgets are no longer regarded as input-oriented; but

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what is more relevant is that the outputs and outcomes are achieved with the resources available.

Further, Article 7 of this law insists that state budgets must include "measurable objectives of programmes within each Ministry's budget" and, therefore, Ministries must be encouraged to establish their respective visions, missions, programme structures, business plan, and measurable objectives of such programmes, which must be submitted along with their budget requests. After the full implementation of the PPBS, these requirements will indeed be part of the system. However, in Chapter Four of this thesis, it was shown that only 56% of managers strongly agreed/agreed that their organisation (Ministry or agency) was managed strategically and had a mission statement and business plan in compliance with this Article.

Next, Article 48 refers to "pre-determined" objectives of programmes in the budget. Obviously, results will be meaningful only if they are assessed against pre-determined objectives, which are, in other words, performance indicators. The purpose of financial reporting by Ministries is to render them accountable for their performance. This Article obviously requires them to establish their mission, goals and strategy, followed by individual programme objectives and performance indicators. The KOB is committed to implementing the PPBS, which works on the principle of "management by objectives". Accordingly, this Article places the responsibility for efficient budget management with the Ministries and Government organisations concerned and makes them accountable for their own performance. These Articles and others in this law are, therefore, of substantive value and importance from the angle of ensuring accountability of Ministries and Government organisations, which is expected in turn to result in higher efficiency, economy and effectiveness in public services.

In brief, this section has shown that PPBS was proposed in Bahrain as a solution to the pressures of economic fluctuation, and public sector growth, by rationalising the efficiency and effectiveness of the public expenditure management system. The PPBS was expected to improve decision making to achieve Government objectives and performance (outputs and outcomes orientation) according to a long-term horizon and legislative support. The successive stages of the project development are discussed next.

5.6 PPBS in Bahrain: A General View in an Historical Framework

5.6.1 Movement from Line-item Budgeting to PPBS (2002-2005)

The budget is the financial policy instrument of the State and includes the estimated revenues and expenditures for the financial year concerned. The PPBS project was developed to design and implement practical and contemporary PPBS, in line with international best practice, in the Ministries and agencies of the KOB. The purpose is to achieve sustained economic development and stability by the judicious allocation of resources and by efficient and effective use of these resources.

PPBS was adopted in Bahrain to secure transparency, accountability, sound management and control of the budget management process covering the revenue, expenditure and assets of all Government organisations (MOF, 2002; PO5 also emphasised this). State Budget Law in Bahrain provides for arrangements to ensure that budget management is efficient. Article 53 provides for internal audit and internal control systems to ensure compliance with rules and procedures. Among these is the "requirement of utilising the resources and inputs to achieve what is known as value for money" (Ramadhan, 2009: 179-180). This requires implementation of PPBS, which was initially introduced alongside the existing line-item approach to budgeting. Despite the advantages of the line-item approach as indicated previously, it has several shortcomings that may make it inappropriate for certain organisational environments. Ramadhan (2009) has found that directors and managers in four Ministries surveyed in Bahrain were dissatisfied with the line-item approach to budgeting.

The PPBS was considered to be in line with Bahrain's aspiration to shift from an economy built on oil wealth to a productive, globally competitive economy shaped by the Government and led by a pioneering private sector. The components of PPBS include strategic planning and priority setting, programme planning and design, costing, establishing programme goals, objectives and performance indicators, budgeting, management information, management control, reporting, evaluation, and improvement of performance reporting to Government and the public, as shown by the New Zealand experience (Bale and Dale, 1998). As will be seen, these elements are all employed even now in the Government at different stages but in a disaggregated manner. The introduction of PPBS was intended to focus on integrating them into a "system, as part

of a change management, to achieve the established national vision and goals" (MOF, 2005: 4).

The public sector cultural shift from a compliance-oriented to a performance-oriented budget management model essentially involves the move from focusing on inputs (salary, supplies, assets, and projects) and how they are employed to focusing on outputs and how they fulfil the original budget goals and objectives. This is a "move away from traditional administrative procedures to a more modern management orientation focused on meeting clear objectives" (MOF, 2002: 6; MOF, 2005). This was a highlighted aspect of fiscal reform in "Australia and New Zealand; the 1989 Public Finance Act in New Zealand", which introduced major reforms in fiscal management, developed a set of principles for financial management which began with the clarification of strategic and operational objectives for achieving these goals (MOF, 2002: 12). To meet these objectives a feedback mechanism for continuous improvement is required (ibid).

The MOF (2005) report expressed the intention that Bahrain society and Government would embrace the principles of fairness, competitiveness and sustainability, providing all Bahraini people with the means to live a fulfilling life and reach their potential.

5.6.2 Bahrain Fiscal Strategy for Implementing the PPBS (2000-2002)

The PPBS embraces the whole gamut of expenditure management by Ministries and is not just meant to be a change in the pattern of budgeting (PO5). Implementation of the PPBS was planned to impact the way in which Ministries and agencies function to achieve their established goals and objectives within the state strategic themes (PO6). In view of its comprehensive nature, such a reform will call for significant efforts and inputs including extensive training of staff both in the Finance Ministry and in the line Ministries. PO1 admitted:

> *The PPBS training programme went smoothly as the MOH team showed advancement in understanding and implementation among the plan framework.*

The implementation plan was developed in phases, while a comprehensive project report for the PPBS was prepared by the International Development Management Group (IDMAG, 1999 and 2000), a well-known international consulting firm from Canada, and external expert consultants (hereinafter the project manager). Moreover, the project

was supported by the IMF and World Bank, who advocated a step-by-step approach to its adoption. The expected timeframe for implementation in Bahrain was initially four years. In this regard, the steering committee was guided by the 2002 IMF Report on "Bahrain: Restructuring the Budget Processes" (OP1).

5.6.3 PPBS Project Objectives (2000)

In PPBS, it is necessary to include an assessment from the perspective of policy objectives and resource allocation, and a project should be evaluated in economic and prospective impact terms against proposals from other sectors as well as within the sector. Deficiencies in policy making, planning and budgeting are the most important factor contributing to poor budgeting outcomes (World Bank, 1998).

In 2002 MOF developed the performance budgeting approach to achieve the following objectives (MOF, 2002: 4):

1. To improve decision making on allocation of resources using principles of rationality inherent in PPBS.
2. To improve the efficiency and effectiveness of public services offered to the people of Bahrain.
3. To improve national corporate governance, thereby reducing continuous fiscal deficits and rising public debts.
4. To improve accountability and transparency.

5.6.4 The PPBS Model Framework for Bahrain (2002)

In 2002 MOF developed a PPBS model framework consisting of a number of institutional and organisational elements driven by a number of principles and conditions. They were designed integrally to create a self-motivating system that would act to improve the State's output efficiency and outcome effectiveness, realise motivating factors and be adaptable to available and scarce resources. It was suggested that the absence of certain key elements would probably lead to lack of success over the longer term but that success could be reasonably expected if all the conditions could be met (MOF, 2002). However these conditions did not all need to be met at once, as phased implementation was possible (a lesson drawn from policy transfer practices).

Lessons from OECD countries have shown that "reform programmes had to be engineered, a reform plan formulated, an implementation strategy agreed, and implementation managed to achieve the objectives and sustain the reform initiative" (Diamond, 2001: 8). The literature shows that there was no standard model across the OECD (see Table 5.2), as institutional and cultural contexts provide a considerable lens through which any package of reforms is refracted (Common, 2009).

Lessons were drawn from New Zealand, where success in moving to an outcome focus was achieved through the generation of better quality information, particularly through the introduction of accruals accounting (a modified cash basis is in current use). This was accompanied by the clarification of the respective roles of Ministers and chief executives (MOF, 2002). Accountability relationships are enhanced with rewards and sanctions linked to performance (Rose, 2003).

5.6.5 Pre-stage: PPBS Project Preparation and Setting in MOF (2000-2005)

KPMG[16] Fakhroo Consultants were selected to design and advise on the project. They studied the task in the light of the Government's vision and modernisation aspiration, including the financial situation at the end of 2000. In provided a project design, plan and implementation guidelines. The implementation phase was fully owned by the Ministry of Finance PPBS Team, which hired a Malaysian consultant with experience in the Modified Budgeting System field and a long history of involvement in training for PPBS with a good track record in application (as PO5 mentioned). The consultant was assigned to liaise with the KPMG team on the practical side; including the review of performance and a follow up of the project process (PO3 and 5 both mentioned this).

Next the PPBS literature, documents, project design and plan were prepared by KPMG Fakhroo and the Malaysian consultancy to guide Bahrain's practice, which included new civil service orientation and development procedures, etc. (as PO5 and PO2 mentioned).

The implementation plan was provided by KPMG, as the MOF consultant could not do things alone. KPMG, as part of the agreement, had a special team for the implementation, including specialists in education, health, budgeting, PPBS, key

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[16] KPMG in Bahrain was established in 1968. Since then it has grown in stature and reputation, based on a combination of experience and international skills. They offer a great number of financial, audit and consultant services. For more see http://www.kpmg.com.bh.

indicators and others. However, evaluation of these specialists reported weaknesses and limitations, including insufficient experience in contributing to successful implementation.

KPMG was aware that if the implementation was delayed for any reason, the drawbacks to line-item and directorate budgeting would be too harmful and difficult. The idea of having parallel accounting structures was not welcomed by FMIS, which called for a clear requirement to comply with the line-item budgetary system. Finally, KPMG provided MOF with an implementation plan. From there onward, the MOF team started pilot testing. Adjustment was made to the implementation plan to suit the situation on the ground.

5.6.6 Training Attached to the Piloting and Implementation Phases (2005-2006)

Training was developed from the beginning to encompass the whole management level across all Ministries, from the Ministers themselves to front desk service delivery staff in order to maximise awareness and commitment. MOH and MOE among other Ministries had more comprehensive training, diversified between theoretical, practical and personal skills. Staff underwent a long period of training (more than six months) which focused on programme agreement, building targets and performance indicator measures. This training was tailored to suit the pilot Ministries and their needs (PO7).

In addition, detailed instructions for preparing budget proposals on the PPBS model and a parallel set of expenditure accounts (in an accrual based system) on a programme basis for the pilot Ministries also formed part of this phase (MOF, 2005). The staff of MOF and the pilot ministries underwent detailed training in the various aspects of the PPBS. Simultaneously, a guideline was issued to all Ministries to prepare their subsequent budgets following the PPBS format. This brought all Ministries into the PPBS fold but at a convenient pace, and subject to the availability of related data and specific information systems. The expected timeframe for implementing PPBS in Bahrain was four years.

MOF information for 2002 and 2005 shows that development of the plan was followed by a gamut of induction activities, such as a series of workshops for Government line managers to encourage "feedback on the appropriateness of the senior management development of the vision and values" (Andreescu, 2003: 28 cited in MOF, 2005). The

entire package was shown to staff at a set-piece event. An "e-government strategic framework followed, which set out a series of guiding principles built around a common framework and requiring public organisations to innovate by building services around citizens' choices, making Government and its services more accessible electronically, and managing information and knowledge in more efficient ways to ensure easier on-line access and more effective use of all services" (Andreescu, 2003: 19 cited in MOF, 2005 on their comparison to the UK experience)

Next, a leadership[17] workshop was conducted in order to address the skills and new competencies needed by existing top management and directors so that they could drive forward the reform and change programme. Attention was also paid to the issue of reward and pay systems. A major aspect of the "re-alignment process was to change the content of performance appraisals (the existing system did not fit the PPBS approach) to reflect many aspects of the desired new behaviours in the new culture and to offer incentives and bonus rewards for those who made a real contribution to business achievement" (ibid).

Resourcing, selection and career development HRM policies were "redesigned in order to ensure the organisation was attracting the right kinds of people with the right skills and competencies. In parallel with the structural changes, the Balanced Scorecard approach was explained as a way of consolidating corporate performance measures and focusing them on core strategy components" (ibid).

Diamond asserts that "once the need for reform was recognised and accepted, a common approach is that it becomes part of the government's fiscal strategy, and a central element of government policy" (2001: 7). The PPBS, as an essential part of contemporary reform strategy, embraces the whole gamut in expenditure management by the line Ministries. Implementation of the PPBS would affect the way in which Ministries function to achieve their established goals and objectives. In view of its comprehensive nature, such a reform called for significant effort and input, including extensive training of the staff both in the Finance Ministry and in the line Ministries taking part in the pilot sessions.

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[17] Leadership in this case study refers to transformational leadership (transformation or change in composition or structure) which aims at fostering capacity development and higher levels of personal commitment to the goals of the organisation. This capacity and commitment is developed to result in extra effort and greater productivity (Leithwood et al., 2004).

In summary, this section has presented an overview of Bahrain's movement from line-item budgeting to PPBS, in line with international best practices, in its Ministries and Agencies. The implementation plan and timeframe were highlighted, as well as the project objective. The project model framework, preparation and setting in MOF (2000-2005) were described, including the consultancy selection and output, the follow up of the project process, provision of an implementation plan, etc. Some shortcomings have emerged in relation to consultancy outcomes and contribution; such as their limited experience in contributing to successful implementation. FMIS rejected the idea of employing parallel budgeting structures, as the pilot phase was not guaranteed to continue to full implementation and this would present a difficulty in resetting the Government's budget accounting structure.

The piloting and implementation phases (2005-2006) will be reported in the next section.

5.7 Pilot and Implementation Phases in MOF (2005-2006)

Although Bahrain was recommended by the United Nations Development Programme (UNDP) to implement PPBS across the public sector in 1999, and passed legislation in 2002 allowing for gradual implementation, it was not until 2005 that it was finally piloted in the Ministries of Education and Health. (Implementation in the Ministry of Industry and Commerce, MOF, the Civil Service Bureau and Central Informatics Organisation was scheduled for 2009/2010). Based on an unpublished draft report by MOF, PO5 clarified:

> *The introduction of PPBS implies a considerable change in the roles and culture of administrators for it to be implemented.*

5.7.1 Preparation and Pre-Implementation Plan for MOF (2005)

In choosing MOH and MOE as the pilot Ministries, Bahrain took the same path as Kuwait and UAE. PO5 explained the rationale for this choice in Bahrain's case:

> *These Ministries are big enough and provide a huge volume of services, they are good representatives as they have clear objectives, services, performance indicators (most are probably known) and output and outcomes are visible, while these might not be as clear for other Ministries. In the MOH for instance [visible indicators are] disease and number of patients, while other Ministries might be less clear. If the application of the project was implemented correctly in the large-scale Ministries it would be possible to implement it in the rest easily.*

The pilot phase in the MOE and MOH was planned to be launched by the 2007-2008 budget cycle, while the first phase of actual implementation in these two Ministries was planned for budget cycle 2009-2010. Thereafter, based on the results, the system would be rolled out to all other relevant Ministries and Government agencies. Accordingly, a new master plan for the Government-wide implementation of PPBS in Bahrain was set for the period from 2009 until 2015.

In consequence, attention was drawn to outputs and the measurement of actual results for each level of expenditure, rather than measuring the size and type of budget inputs, which would result in achieving the highest return from expenditures.

5.7.2 PPBS Project Prerequisites for MOF (2005-2006)

The constant evolution in public finance management at the global level promotes the adoption of modern fiscal tools (such as PPBS and/or PBS) necessary for Bahrain's future movement and gives them priority within the national strategy. A prerequisite platform of programme-based accounting to replace line-item and cash-based expenditure appeared as an essential element for adoption. FMIS realised that success in the implementation of the PPBS could be built on at a later stage in restructuring the full state budgetary system.

Thus, the PPBS project team and FMIS cooperating in restructuring the accounting codes to suit the PPBS was a prerequisite key success (an operational, technical factor); while accomplishment of the manual coding system was the solution's downside. The Oracle application, on the other hand, showed limited ability to accommodate the accounts restructuring of the programme approach (PO7).

Another issue arose with regard to strategy setting. As socio-economic, economic, social, and financial situations and factors are subject to change, the national strategy is subject to review every two years, which tallies with the State's two-year budget cycle. This should absorb any change and ensure that State budget formulation is based on a dynamic national strategy and real targets. Hence, Ministries are required to review their service strategy as an essential prerequisite. Failure to do so was a shortcoming, as many POs considered.

Field notes indicate that MOF exercised the PPBS without a clear comprehensive national strategy (strategic factor), where this was developed at a later stage by the

EDB. The task was devolved across the Ministries to set their own strategy, goals and objectives, as this would also lead to their setting targets and performance indicators. These were to be developed prior to the two-year budget cycle and without additional resources unless needed for new programmes, according to PO2. However, PO4 saw things differently, claiming there was no clear-cut strategy at either Government or Ministerial level, based on his experience with MOE in many projects. This was the same in MOF itself, where many officers found themselves feeling confused with no clear strategy and direction (PO5 and most MOF directors indicated this).

In summary, the programme-based accounting structure and national strategy, which were both prerequisite elements for the reforms, displayed shortcomings.

5.7.2.1 Line Ministry Strategy and Strategic Plan (2005-2006)

Ideally, each Ministry should formulate its own strategy aligned to the national strategic plan. Accordingly, every Ministry has a strategic plan based on the medium- and long-term elements of the Government master plan. It should satisfy the governmental aims and targets (e.g. on literacy rates or mortality rates). As PO5 stated, therefore, resources are allocated to meet pre-determined targets. Targets should be measurable: *"if you can't measure, you can't manage",* he added. This, however, was not the case in practice, although all Ministries have a vision, mission, goals, strategic plan, etc. At that time (up to 2008) no master strategic plan existed as part of a global state vision for 2030, which would come later. Moreover, some targets are spread across more than one Ministry (i.e. title deed registration, nursing schools, building permits), so each has to accomplish its role in that specific target while others are in other Ministries' control. Programme structure has to be designed to reflect this situation. This was a difficulty faced by the PPBS team upon their implementation mission in MOH and MOE (PO5).

5.7.2.2 Documents and Presentations (2005-2006)

Documents and practice have not been publishing as yet, as the implementation was not accomplished during the former attempt. Moreover, the PPBS project cycle went the same way and has not accumulated enough data to present a complete picture of the practice (PO2). This implementation stage was followed by a series of presentations delivered in mid-2005 for both pilot Ministries. It contained the approach under implementation, PPBS project notion and elements, the logical relationships in PPBS,

its conceptual model, examples of cascading of strategic planning and building-up, project phases and achievements, expected milestones and expectations (MOF, 2005).

Moreover, presentations reviewed the concepts of ownership, accountability and leadership in the successful implementation of the PPBS. As change was intended to be transformational and to affect all aspects of the organisation and the levels within it, the entire programme was top-down driven, with the provision of clear, sustained direction, and was well-resourced and co-ordinated. The instigators of the transformation were the leaders of the organisation. The core values were identified as being "customer focused", "quick", "working together", "able to take some risks", "interested and excited by challenge", "personally accountable", "commercially oriented" and "rewarded for results" (Ramadhan, 2009; Andreescu, 2003 in MOF, 2005; MOF, 2002).

A budget circular on the PPBS framework came later in the following plan, as this had to fulfil the Cabinet resolution and the State Budget Law. A draft circular including a set of guidance and formatted worksheets was planned to start with the 2009-2010 budget.

5.8 Implementation Stages: Real Practice in the MOH (2005-2007)

5.8.1 Pre-stages: the PPBS Project Preparation and Setting in the MOH

The MOF and MOH in particular were aware of the PPBS approach as they were engaged in certain international programmes associated with the World Bank, IMF, WHO and UNESCO[18]. This, in participants' view, played a positive role in full implementation of the PPBS in these Ministries. For example, as many MOH officials are engaged in WHO, they have become familiar with the PPBS terminology. Moreover, *"plenty of projects in the MOH are designed and implemented based on the notion of programming and performance bases to satisfy the ministry strategy"* (PO1).

At the early stage, MOH sought consensus among its managers and administrators on the need for budget reform, focusing on selected pilot health centres i.e. Sitra and A'Ali. This introduction included a visionary approach towards PPBS that lasted approximately three months, as MOH participants mentioned. Moreover, MOH already

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[18] UNESCO = United Nations Educational, Scientific and Cultural Organisation.

WHO = World Health Organisation.

had a strategic plan as a consequence of the Bahrain Health Strategy, while some other Ministries

> *This was a great help. Where the managerial level in health services is aware and has been engaged in certain practice, this minimised staff resistance* (PO1).

MOH had for a long time been developing a Health Strategic Plan including certain KPIs at all Ministry levels: for all health centres, Salmaniah Medical Centre (the main hospital in the Kingdom), geriatric hospitals, maternity hospitals and psychiatric hospitals (PO1 and 2). Central Strategic Planning within MOH has priority with Ministry management, according to PO1. After several years of continuous increases in the health sector bill, the MOH kept calling for more flexibility to manage and budget decentralisation of the health centres to remedy (partially) this increase and resulting deficit (OP2, OP6 and OP8). This issue, affecting Government Ministries, managers and organisational units, such as health centres, was an additional driver for change and fiscal and administrative reform (see Chapter Two for Governmental institution and organisational demand drivers).

As far as PO2 was concerned, the implementation of this approach would direct Bahraini public management attention to the outputs and measurement of genuine results of managing the government products and services on each level of expenditure, rather than measuring the size and type of budget inputs. This for them would result in achieving the highest expenditure return. However, comprehensive performance budgets require managers to specify objectives, consider alternative means of achieving them, establish workload indicators and perform cost-benefit analysis (PO6 and PO5 mentioned the same).

5.8.2 Steering Committee Formulation

MOH senior management acknowledged from the beginning the need for budget reform on a performance budgeting basis; certain preparation was required, including an approach which would "let managers manage" and incorporate "managerialism". This had to be followed by establishing the institutional framework to develop and implement the performance budgeting model. This framework includes the formation of a steering committee chaired by the Ministry Under-secretary. The project team was

then formed, headed by the Assistant Under-secretaries, the administration and financial affairs. PO1, however, criticised these arrangements:

> *The committee should be chaired by the Minister himself, as this downgrades the strategic commitment in view of the committee members. Meetings continued for less than one year, the steering committee did not represent all Ministry sectors' services and directorates. To me, this was one of the limitations, as most of those sectors and directorates have key roles in daily health centre services.*

Next, a series of meetings and presentations was held to convey the MOH vision, mission, goals and objectives and a plan set to communicate among all levels, divisions and directorates of MOH (MOF, 2005a). Further, an implementation action plan was drafted by MOF to implement the steering committee decision (see Appendix). The overall programme and activity structure, including all MOH operations, could then be developed, including primary health care, public health, limited private practice (LPP), secondary health care, tertiary health care and so on.

Later on, a programme budget in the form of a programme statement was prepared for each activity in the programme structure (a task shared between MOH and MOF). Afterwards, the steering committee reviewed the implementation process to ensure proper implementation according to the action plan; the programme budget was executed and performance monitored and reported for any follow-up action.

Outlines of the conceptual models, the cascading of strategic planning, training and pilot sessions and the initiation of the strategic planning have been given in previous sections.

5.8.3 PPBS in Stage Movement, Emergent Themes and Issues Raised in MOH

Base-line data to build on the targets appeared at the top of the agenda in MOH, yet there was no information system to support and accommodate collection of information and data during the pilot phase in health centre's (PO1 and PO2 highlighted this but most POs mentioned it as well). It was emphasised by many POs that the MOH project teams were very enthusiastic and made extraordinary efforts in data collection and analysis. They claimed extensive collaboration for this achievement in order to fulfill their Ministries' and personal needs. Resistance to change was found at the very top,

while most directors and middle management, including the health centre staff (in general) were more favourable to reform.

Unexpectedly, however, the project slowed and was eventually suspended, as PO1 sadly reported:

> *Unfortunately, by the end of fiscal year 2007 and the start of 2008, and during the data collection phase for the A'Ali area, all of a sudden things cooled down from the MOF side. Later, while our staff were proceeding and keying the massive data (input) for A'Ali district, it was noticed that a certain decision had been taken to suspend the project. Things on the ground were stopped...Later, it came to our attention that the PPBS project manager had left MOF (the project continued without leadership) and the project consultant left too.*

This represented a weakness in the organisational structure, where such a huge project was run without full institutional support within MOF organisation and government.

MOH staff (particularly those who had expended extraordinary efforts) were disappointed and morale weakened, which would affect commitment to future similar tasks and movements (PO1).

5.8.4 MOH applied to complete base-line data collection

As the MOH employees were still enthusiastic they were keen to benefit by continuing to collect base-line data and build up their database for future needs. They still insisted on moving ahead for fiscal reform as they had had enough experience with international health institutions, as indicated by PO1, while PO3 from the same Ministry explained, with a sigh:

> *The MOH steering committee, however, decided to continue data collection to improve the database for any future needs. This shows how the Government runs its tasks and programmes; things depend on people, not on institutional constraints. Apparently MOF shows weakness in achieving success with the PPBS approach, although they acquired a certain capacity.*

After several reminders from MOF, MOH felt that the approach faced too many restraints and shortcomings as FMIS could not redesign and shift the accounting code structure from line-item to a programmes and sub-programmes orientation. MOF could offer no guarantee of more support in this regard, as the EDB came across shortly with a strategic funding approach, PO1 added. At the same time, the Government replaced the Health Minister. These led to full suspension of the PPBS project. *"The project was*

dying in MOF while the PPBS idea died during the recovery when the new Health Minister was appointed" (PO1).

However, it is worth noting that the MOH did not have a problem as they assessed their targets through various measurement tools, as PO5 insisted.

5.9 Post-stages (2008 onward)

5.9.1 Post-Stage: PPBS Suspension (2008)

Following the suspension of the PPBS project described in the previous section, the EDB introduced a new scheme with the full commitment and support of HM The Crown Prince and the Ministers (as members of EDB). The EDB (as a strategic planning body) reformulated the same notion as PPBS under a similar approach of "budget by results" or, as they preferred to call it, "Strategic Funding" (PO10). PO10 was also certain that despite the decline in morale and enthusiasm following the suspension, the preparation tasks and different design of the PBS stages would remedy some of these problems. The associated reward system was also expected to improve staff satisfaction.

5.9.2 The Emergence of the PBS Project (Next Attempt-2009)

The EDB acknowledged the Government's limitation in its movement towards administrative reform and change, as fiscal change is the catalyst for reinventing the budgetary system. The shift from line-item budgeting to a performance strategy or strategic planning budgeting was, in participants' experience, a hard path to walk, with resistance to change commonly emerging during the pilot sessions, both in the Ministries and in MOF itself. Recently, however, PO2 (in a budget management post) commented that the EDB mainstream insisted that Ministries put PBS in action, built on the grounds of a Government sector with full commitment and ownership by every single Minister (as most Ministers are members of the EDB board) as this has to reflect the notion of the National Economic Strategy (NES) and the State's National Strategy Planning in light of the 2030 State Vision (PO2).

Comparing the former PPBS and the PBS approach, PO5 indicated that the PBS programme has a collaborating frame. This strategic funding approach is deferred, as it related to the 2030 National Vision (the National Economic Strategy was formulated in

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2009, while the 2030 State Vision was established in 2008). PBS, however, is part of a strategic movement in the light of this vision and the planned reforms. Strategic budgeting is expected to reduce the state budget deficit or at least rationalise state spending. The deficit is currently around 20% of State GDP (still a reasonable level as the Minister of Finance announced very recently).

EDB, meanwhile, is rolling out the national strategy and ensuring that the economic platform is on the ground, as it is engaged in national strategies. Hence the financial side of the strategy has to be developed and controlled by the Government and MOF. Cooperation is quite strong between EDB and MOF as the 2011-2012 budget goes in same direction, including prioritisation of initiatives as supportive advances to implement the PBS with full hands-on support and top strategic commitments (PO2, PO5 and PO10).

Thus, the EDB has apparently become the pioneer of the PPBS in an approach related to the State and Government strategy. (Hence, MOF deciding to suspend the first experiment as a result of which the project manager and consultant both left the Ministry).

5.9.3 PBS is the Coming Approach

The PBS project is the next approach planned to be implemented in the State budget cycle 2011-2012 and onward. This plan was developed to cover five to six Ministries in the first phase, including MOF, while it will be spread later across the entire Government. More activities are being restructured to cope with this approach. The budget for 2011-2012 and subsequently will be formulated according to the PBS, focusing on performance and government targets. Government programmes will be set at sector level, e.g. Health, Education and so on, while detailed programmes and sub-programmes will be the Ministries' role. This will overcome the difficulty of restructuring Government activities and the entire accounting system (PO5).

PO10 maintains that this:

> *Is not a problematic in the PBS where the programme accounting has attached to the Ministries to allocate their programmes, sub-programmes and activities in the light of their strategy and objective, as it will be a subject for disclosure in Ministries' internal accounting systems.*

Accordingly, EDB has started to circulate the PBS forms and applications that will be used in the 2011-2012 budget process. This was followed by intensive training and continuous presentations to all the Government institutions. Training sessions were developed based on every single Ministry's strategy, inviting the Ministries' contributions to develop their goals and objectives, targets and performance indicators. The idea is to structure the Ministries' activities through sector affairs and from there the programmes and sub-programmes (PO10).

In the view of most POs, both approaches, PPBS or PBS, aimed to reform State spending, "directing the resources for result orientation, diverting input to output and in the latter strategy outcome focus". This apparently is quite a big change in Government mentality. Implementation of a performance strategy will link the financial policy to a VFM and less-for-more orientation. A targets focus requires more authority for the front line deliverers of public services, including middle management, to "let managers manage", and decentralise decision making. The budget, therefore, in PBS, is based on the platform of goals, objectives and targets, evaluated and measured by pre-set performance indicators. This might lead to "downsizing" the government, while "performance and quality would be subjects to realise in providing competition". Outsourcing would be the norm at that stage. Such changes are expected to play a great role in "budget reduction" and/or "renationalising" the State spending with resource allocation to targets, in the view of almost all POs.

PO10 assumed that this restructuring and decentralisation are normal consequences of reform. Downsizing or right-sizing, less-for-more productivity, efficiency and e-government are other features associated with this type of reform.

As Bahrain is moving into its implementation of the PBS, the project team acknowledges that the ideal is subjective as the learning process will improve, enhance and redeploy the lessons learned as the reform wheel is invented (as some POs indicated) for excellent budgeting and good practice in the modern Bahrain context with its unique needs and opportunities.

It is worth noting that recently the Cabinet in a weekly meeting (11 April 2010) under the chairmanship of His Royal Highness Prince Khalifa bin Salman Al Khalifa, the Prime Minister, discussed applying the principle of strategic funding (PBS) as a step in developing the process of preparing the State budget, and increasing productivity of the

public sector by reducing the size and cost of the governmental body in order to improve efficiency and effectiveness of performance. They called for a focus on the principle of self-censorship and removing duplication of services provided by the public sector and the introduction of the principle of rationalisation of expenditure policy in general in all stages of budget preparation and implementation. Moreover, the Cabinet also discussed the development of a project-based budget, with priority given to vital sectors such as infrastructure, housing, education, and health care, to achieve the objectives and aspirations of the KOB (Al-Watan, 12 April 2010; Al-Wasat, 12 April 2010).

Recent Cabinet action and discussion in Bahrain has come a long time after the start of this study and, moreover, has confirmed the results achieved by this study. This adds an important means of validating the findings of this study.

5.10 PPBS in the KOB Practice: Constraints, Shortages, Emergent Issues and Lessons Learned

The description and interpretation of interview transcripts including the field notes show certain constraints, emergent issues, lessons, challenges and opportunities. For the purpose of presentation, categories and sub-categories are developed to reflect the emergent themes and issues, while Ishikawa cause-and-effect diagrams (fishbone) were also found to be useful. This is followed by classifying constraints into three categories according to the PPBS project time framework i.e. strategy and planning (preparation phases), implementation and operational.

Next, certain mediator and other elements will be highlighted as emergent issues, while lessons learned and opportunities and challenges will come at the end before the chapter summary and conclusion.

5.10.1 Strategic and Planning Constraint Factors of the Project

5.10.1.1 Top-Management Commitment

The administrative and fiscal reform initiative was obviously owned and supported by all Ministers, including MOF and the budget officers (at least theoretically), as it formed a critical element of management strategy in the whole of the Government of Bahrain (MOF, 2005). Diamond (2001: 7) emphasises that "all public sector managers have to assume responsibility for its implementation, and this could not be left to those

managing the agencies' budget or its accounting system". This top-level commitment "facilitates desired changes in administrative procedures and the willingness of central agencies to devolve budget management" (ibid).

In this research, Government commitment appeared to be a major element in the success of the project attempt; all participants confirmed that the top management commitment was too limited, although the Government released a Cabinet order (Cabinet Resolution No. 1687-04 in 2002) and made legislative changes in the Budget Law as prerequisite actions. For many participants, this kind of change and reform has to come with full top Government commitment, e.g. from the Prime Minister's Office, as this has to be followed-up and reported to the Cabinet. This was mentioned by PO5, while PO1 expressed the same idea:

> *If it had come from the Prime Minister's office things would have been dictated differently in such situations, with greater support and commitment from all Ministers and more chance of successful implementation.*

The PPBS requires certain mechanisms to align the Government efforts and resources to fulfilling the assigned master plan and ministerial targets. This was too difficult when no strategic plan and national vision had yet been diffused (the 2030 Vision was formulated later).

"*Authority has to be there,*" PO5 asserted. Apparently, MOF tried to implement the PPBS in a one-sided way, since MOF retained control over the State budget and to a certain extent could influence the Ministries' implementation, whether they were convinced of the procedures or not (PO5). However, a strategic plan was needed, which was not MOF's role but that of EDB. Therefore, MOF could not affect the strategic planning process, while the Prime Minister's office and/or the Cabinet could direct the Ministries to formulate and set their targets (PO5). "*This is what the EDB is after now since commencing the latter PBS approach as a prerequisite for implementation*" (PO2 argued). Meanwhile, MOF lacked the power and authority to implement administrative and budgetary reforms as a central approach. The situation with EDB is different, as power, authority and full Government support are guaranteed (as PO5, very closely involved in implementation, mentioned).

5.10.1.2 A National Economic and Social Vision: the Overall Guiding Objectives

To be effective in using human and financial resources, the Government of Bahrain and its Ministries need to know their collective and individual social and economic objectives over the longer term. A basic and comprehensive (but not lengthy) list of long-term goals needs to be set out by, or with the approval of, the most senior level of Government. Each Ministry should be able to identify its direct and indirect roles in relation to the national vision. The list should include what general levels of education, health, housing, welfare, environmental protection, defence, infrastructure and material wealth the government leadership sees for Bahrain in the future (MOF, 2002).

Fiscal and administrative reforms require a top-down approach as the objectives need to have authority and meaning if they are to be followed by the organisation as a whole. It has to be long term, as Ministries can only follow a straight path each year towards the ultimate objectives if they know where they are heading over the longer term. Finally, reform needs to be general, as too many specific objectives become confusing and lose their motivating impact. In consequence, Ministries themselves have to define more specific objectives to come closer to the goals in the National Vision (MOF, 2002; MOF, 2005).

5.10.1.3 The State Government and Parliament views on Sector Funding Priorities

At the head of the related issues are the State Government and Parliament views; a tension between affordable resources in aggregate and the state demand in terms of funding for programmes, projects and sector policies. This might lead to failure to link policy making, planning and budgeting and contribute to poor budgeting outcomes, and block a successful shift to PPBS (World Bank, 1998). In turn, improving the balance between policies and resources (what is affordable over the medium-to-long term) reduces the pressure on aggregate expenditure and is essential for effective expenditure control. Achieving this balance requires a mix of policy decisions being made at the centre of Government (inter-sectoral) and by individual Ministers at the sector level (intra-sectoral), by using a Medium Term Expenditure Framework (MTEF) as a tool for linking the State policy, planning and budgeting over the medium term (three years) at a Government-wide level. "MTEF consists of a top-down resource envelope and a bottom-up estimation of the current and medium-term costs of existing policies" (Bigsten and Levin, 2000: 18),

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5.10.1.4 Elements of a Reform Strategy

Lessons drawn from OECD place emphasis on implementation strategy and the mechanics of implementation, i.e., managing the reform process as a whole rather than concentrating on individual reform elements or a limited scale of a few selected Ministries that represent different sectors, as with MOH and MOE in the case of KOB. This includes getting agreement from top decision makers that the budget system needs to be made more flexible and designing the required organisational and procedural changes. However, the human factor is the most apparent constraint in institutional change. In Bahrain's experience, this was visible in top and middle management.

A fiscal reform strategy has to pay enough attention to the agents of change (who are the champions of reform, who is going to recognise the need for reform, and who will design, monitor and implement the reform), by first identifying them, offering them incentives to undertake reforms (why, and for what purpose, will reforms benefit the individual rather than the system as a whole, and compensate for the costs of the effort involved), and removing the constraints they face in sustaining these reforms (how, and by what means, is reform to be carried out? What is the capacity[19] to carry forward reform, is this adequate or does it require administrative restructuring, changes in procedures, the skills available), according to Diamond (2001).

5.10.1.5 Programme Accounting and Management Structure

Programme accounting structure (as a technical factor) is another constraint facing Bahrain's transfer to a programme and performance budgeting approach. Current government accounting structure is developed based on the Civil Service structure, which reflects a hierarchical bureaucratic style on a directorate level (department and specialisation), while the PPBS is based on programmes and sub-programmes. Hence, the authority for restructuring the accounting system is assigned to CSB (MOF and MOH are unauthorised to do so), as they are not going to do so for PPBS fulfilment, unless (PO5 added) they are directed by official Cabinet instructions. This represents *"top strategic involvement"* in the view of PO3.

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[19] "'Capacity-building' is a term very commonly heard in relation to governments in the developing world. In a sense all administrative reforms the world over are concerned with capacity-building but the term is given particular emphasis in developing countries because many of them suffer from severe capacity limitations" (Polidano, 1999: 16).

5.10.1.6 Priority-setting Mechanisms

For the Government as a whole, priority-setting structures have been planned to include medium-term strategic economic and fiscal as well as organisational mechanisms for gaining consensus in Cabinet on medium-term priorities to guide the budget process. In addition, individual Ministries will *"need their own processes to select priorities between different programme or sub-programme objectives"* (PO10). An absence of strong priority-setting mechanisms may not be a serious problem if financial and human resources are plentiful (MOF, 2002; and PO5 also mentioned this). In the case of Bahrain, with fixed and limited resources for Government spending, choices have to be carefully made, or the most important (on the priority agenda) objectives may not receive adequate priority.

Participation of all public service employees and managers (interviews show that this was limited to the pilot Ministries) in the design and implementation of PPBS from the beginning is essential. Without this, the project will not have the features required for it to survive in the culture and circumstances unique to the country and the bureaucracy in which it is intended to operate. Again, this critical concern was given limited attention and consideration across the Ministries and public service employees.

When the budget is set, resources should be allocated in a way that reflects strategic priorities in order to ensure the predictability of funding and policy needed for efficient and effective service delivery (Swaroop, 2000). This would lead to a sustainable balance between resources and policies as a reflection of policy disciplines. This would require adequate training and preparation for Government line managers which will demand more attention in the future attempt at the PPBS in the Bahrain context.

5.10.1.7 Strategic Voluntarism

Essentially, PPBS practices provide evidence of success in mutual gains made by both the PPBS centre (MOF or EDB) and each individual Ministry. Allowing the programme to be initiated on a voluntary basis is a powerful test of sustainability. In the view of PO3:

> *A key objective is to create PPBS or PBS that continues under its own steam, with a minimum of compulsion from the centre itself.*

Effective PPBS, however, has to be designed to suit Bahrain's conditions, to provide individual Ministries with incentives to achieve and report real improvements in their ability to deliver services. PO4 said in this regard:

> *If the Ministry understands how the system works (awareness and training) and participates in the design (amalgamation between targets and customer needs), then it should be willing to volunteer for early implementation if it can reasonably expect to receive a benefit attached to its output and outcome performance.*

In most cases, as Common (2009) states, the benefit need only be the fact that it has the flexibility to manage its resources freely within programme limits: "let the manager manage". Other benefits, he added, can accrue as a result of the right to retain savings from increased efficiency, in order to finance new programmes that would not otherwise be possible.

However, MOH and the WHO are committed to signing a programme agreement in which the WHO will sponsor and fund some health programmes that have to be designed and formulated within the PPBS accounting structure, as this has to rely on the results of the PPBS pilot implementation. However, the suspension of the PPBS project missed a potential opportunity from international agencies including the experience and lessons from which Bahrain could have learned (these sub-programmes are funded and supported by the WHO as they rely on PPBS, (Another opportunity forgone).

5.10.2 Constraints on Implementation of the Project

5.10.2.1 PPBS Implementation Centre

Failure can be tolerated from time to time against a backdrop of success. Success for the first Ministry to participate in the PPBS (in the first or subsequent attempts) should generate interest on the part of others and maximise voluntarism. In addition, a successful reply can become an ally in assuring others of the sincerity and value of the new system, and in assisting the Centre (advisable in policy transfer literature) to implement PPBS in other Ministries. The choice for the first pilot, and the number of pilots undertaken at the beginning, is, therefore, critical. A central condition of success is "getting the basics right," before entering into PPBS. This would eliminate certain resistance to change.

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The functions of the Centre in Bahrain are represented by MOF, the Prime Minister's office and the CSB. In certain transferable practices, the Centre is developed and established as an independent unit to implement, monitor and control the PPBS programme. Moreover, the Government and its Ministries need to know their collective and individual social and economic objectives over the longer term. Part of this process is, under PPBS, internal to the line Ministry but part of it must be performed at the Centre, usually by the Finance Ministry or a special central agency. In the case of Bahrain, by engaging the problem-solving skills of a large number of line Ministry officials and bringing them to bear more effectively on programme effectiveness, the Centre should gain partners in addressing the challenge of eliminating the structural budget deficit (Rahmadan, 2009).

5.10.2.2 Collaboration of MOF Efforts through a Common Direction

For many directors and officers, *"MOF does not set a direction to collaborate over the whole Ministry efforts to contribute and support the project implementation, as the project team had the centralised role and responsibility"* (PO1 pointed out). However, some essential directorates and sections found themselves limited in commitment and contribution, as they had to work within one comprehensive vision, despite their representation on the project team. This apparently shows a certain shortage of commitment and involvement which has influenced the response of the Ministries, in PO5's view.

5.10.2.3 Project Orientation

Project orientation requires a link between target and resources (budget), starting with targets. Experience shows that the Ministries were not sufficiently prepared to understand the notion of this approach, as they were used to following the line-item budgeting system based on budget spending over activities, with no targets at all (as PO1 explained). Ministries still appeared to face difficulties in restructuring their organisation roles and services in terms of a project orientation, and this included MOF itself, PO2 added.

5.10.2.4 Base-line data and information

Base-line information and data appeared to be in short supply. Experience shows that the MOH and MOE utilised huge amounts of time and effort in accumulating a massive

volume of data "manually", in order to determine the current situation of activity-level (school or health centre) targets and indicators. This was found in PO5's comments:

> *The base-line data and information system was found to be very limited or missing, although the KOB is positioning itself in e-government and the use of advanced technology. This consumed a lot of time for the pilot Ministries' work teams in accumulating these data ... Without base-line data we can't build up the targets and performance indicators and so on.*

This finding calls into question (in the opinion of PO5) the huge spending on advanced technology and the roles of IT directorates across the entire Government, including the Central Informatics Organisation (CIO).

5.10.2.5 Performance Indicators

Performance indicators presented another shortcoming. They were built on surveys to set targets. This shows the gap between the existing situation and the targeted future, and statistics apparently become vital in certain services such as education and health. Targets rely on base-line information, so the lack of it was a great challenge (PO5 and PO10 confirmed the same).

5.10.2.6 Matching Authority and Responsibility (Ministerial Level)

Increasing and matching authority and responsibility in utilising available resources for individual Ministers, their Ministries and agencies to better outcomes for citizens is another issue that emerged in analysis of this case study. There was no clear identification of the right capacity of Ministries or managerial authority to be subject to accountability; funds and human resources were monitored and controlled by MOF and CSB (EMRO, 2007).

5.10.2.7 The Project Leadership

Top management project leadership was not clearly identified; a Minister, Under-secretary or Assistant Under-secretary within MOF and/or the line Ministries would steer the reform project, as many of them were elected based on their managerial position. This no doubt affected the project ownership, commitment and implementation (PO1, among others).

5.10.3 Operational Constraints of the Project

5.10.3.1 Resistance to Change from certain Budgeting and Accounting Specialists

Line-item budgeting covers the input side without the outputs and outcomes (PPBS). This was one of the *"implementation constraints"* (PO5), in the public sector employees' experience. This domain was a source of resistance, *"mainly by related financial and accounting specialists whom they normally engage in preparing and cascading Ministries' budgets"* (PO7). Some of these are in leadership and management posts such as Under-secretaries and Directors. This type of resistance is to be expected, as reformulating the state budget on a programme base has its difficulties and is a longitudinal effort, while some people might lose power and benefits, PO10 insisted, while PO2 had found the same during his long experience.

5.10.3.2 Results Scale and Generalisation

The project scope seems to be huge, while a health centre in the MOH represents too limited and small a scope to enable results to be generalised across the entire Ministry and, later on, the rest of the Government. The piloting task was not easy, PO5 pointed out*:*

> *A single health centre (such as A'Ali) cannot generate targets on a sufficient scale for the whole of health care, the MOH and public sector as a whole. Targets have to be defined and clear at the top level, as this was not the case of Bahrain. This presented a crucial shortage factor in the former PPBS project. Targets are related to real facts on the ground, such as a target having to be defined and clear, otherwise this will create a problem at the lower levels.*

PO1, with long experience with health centres and management directorate posts, had a different view:

> *These health centres provided quite a sufficient scale of results as they cover different social levels and various diseases in most high-population-density districts. This, however, will help to generalise the practice among the rest of the health centres as they have smaller capacity and district coverage in comparison.*

Although these health centres provided a good selection for the reasons given by PO1, full implementation among all heath centres does not look easy, as it requires massive effort and extensive resources and capacity which the MOH might lack. Gradual diffusion is common with policy transfer lessons.

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5.10.3.3 Support from POGAR-UNDP in the Operational Phases of the Project

Case study resources, whether unpublished documents or interviews, do not confirm whether the KOB received positive support from POGAR-UNDP or any other international institution; this might have led to different results, as these institutional agencies have had wide experience and expertise in implementing similar tasks around the world. Although Bahrain used the KPMG consultancy group, it apparently did not contribute enough to implementation, as all the interviewees mentioned. MOF depended on its own initiation, staff, consultancy and overview.

5.10.4 Mediator Elements: Emergent Issues

This sub-section will present the issues and elements that emerged in interview transcripts in two sub-categories: issues directly related to the project and other emergent issues.

5.10.4.1 Related issues

5.10.4.1.1 Decentralisation of the Government Structure

For many countries, such as Bahrain in this case study, reform requires a change in organisational structure (decentralisation) and investment in training and development to enable better integration of decision-making on financial and programme policy/delivery matters. These act as management tools for improving motivation among line managers through increased awareness and an understanding of top management's priorities as outlined in the strategic plan at all levels of the Ministerial hierarchy. Greater flexibility in the re-deployment of the PPBS project is another target for the allocation of human and financial resources by line managers within aggregate constraints.

Evidence of problematic reform can be noted from a 2007 EMRO (p. 29) report, as it mentions that "decentralisation is one of the areas that the Ministry of Health is aspiring to develop. Several pilot projects were conducted to explore the possibilities and the impact of a decentralised approach", including a trial as part of the PPBS pilot implementation (a *"partial pilot"* as PO1 called it) in two health centres, i.e. Sitra and A'Ali, as the first targeted centres (EMRO, 2007: 29).

Experiences in the two centres showed some potential benefits. A major limitation is the overall centralisation of finance and human resources functions at the Government level. Finance and human resources affairs are dealt with by the MOF and CSB respectively. The complexities attached to these issues offer major obstacles toward decentralisation within the Ministry of Health (PO5 pointed out).

5.10.4.1.2 Project Structure in Sub-programmes

The project as a whole had no sub-programmes within phases and required a longer period of time (at Ministry, directorate, section and unit levels) to enable budget preparation at the line management level to take place at the same time as the preparation of work plans (i.e. 2-4 months before the start of the fiscal year). This would have made budgeting at this level a more meaningful exercise.

5.10.4.1.3 Pay and Reward System

Nothing was remarkable with regard to the reward system, which some viewed as one of the key success factors that have to be attached to a PPBS project or any forthcoming reform project such as PBS, PO7 suggested. Although some attention was paid to designing and formulating just such a new pay and reward model (MOF, 2005), no further action to activate this model was traceable. This model should link to defined goals (both at Government and Ministry levels) and overcome departmental resistance by ensuring that incentives and reward systems are in place.

5.10.4.2 Further Emergent Issues

5.10.4.2.1 Cultural Context

In any attempt to transfer performance models, careful thought should be given to the cultural context. For example in the Gulf States, the strong traditional, religious and collectivist values of society support centralised government and strong organisational cultures that reflect the values of the region (Tayeb, 2005, cited in Common, 2008).

As culture may be observed as a major determinant of work attitudes, culture has an enormous influence on the potential for administrative reform. International trends, such as NPM and PPBS in this study, are largely Anglo-American or Western inventions and underpinned by Western cultural values. The management culture aspect was not clearly identified in the few available references for this case study, but this aspect of

culture might account for the resistance to change within the pilot Ministries and MOF. In addition, no performance model was traceable in Bahrain practice toward PPBS.

As Hilton and Joyce (2007: 251) remark, "it is important that the basic managerial capacity should be developed and in place before performance management reforms can be introduced". Performance management characteristics, such as the rule of law (constitution, budget law, etc.), budget adherence, and transparency (availability and access to information by the public), were present. However, in the project process, there are certain contributors to "the effective PPBS management of individuals and teams in order to achieve high levels of organisational performance, such as shared understanding" about target achievements and an approach to leading and developing people which would ensure that these are achieved (CIPD, 2010: 1). Government and individual Ministry strategies in this sense are related to "every single activity of the organisation set in the context" and capacity of its HR and funding, "policies, culture, style and communications systems" (Armstrong and Baron, 2005: 7). The nature of the strategy depends on the organisational context and can vary from one organisation to another (ibid). Three Ministers expressed similar opinions:

> *Our strategy for change was based on investigating and developing human resources as the means of development, as it is part of the overall State strategy including fiscal change* (M2).

> *.... our strategy is focused on building the independence of this Ministry, where certain policies are within our context* (M3).

> *Continuous development and qualitative training are vital for this organisation's performance and outcomes. Strategy should be diffused wherever our service is to be delivered* (M5).

Change in culture has to be imposed in public organisations, as the preparation has to be undertaken in the early stage; this was missed in this practice in Bahrain, as it was assumed to be open to choice by Ministries and directorates (as PO9 commented). Whichever fiscal reform option is selected, the programming and performance approach demands attention for changing old perceptions and behaviours.

5.10.4.2.2 External Review of the Credibility and Validity of the Project Process

As a basic requirement, the credibility and validity of the project process are assigned to an external review body, as the project document illustrated (MOF, 2002; MOF, 2005),

yet no internal or external review has been recorded for this experiment (PO5 confirmed the same).

5.10.4.2.3 Trust and Confidence

Trust and confidence within MOF was another issue raised by some participants who thought these were not at the desirable level, particularly within MOF directorates regardless of the PPBS teamwork (POs 3, 4, 5, 6, 7, 8 and 9). Others attributed it to weak commitment. The lack of trust and confidence was traced specifically in MOF and in the pilot Ministries in general, as they felt themselves to be acting under coercion rather than through choice and ownership (according to PO6). In his study of the transfer of the New Zealand experiment to Mongolia, Rose identified the same "difficulty in imposing financial discipline" (2003: 15).

5.10.4.2.4 Managerial Awareness

MOF (2005) highlighted the European experience of PPBS in output budgeting, with its problem of linking outputs to long-term outcomes, especially in policy areas which demand the accomplishment of economic and social results. There are several examples of initiatives being implemented in a top-down fashion with little attention being paid to the resources and capacity of departments to implement them. Question 14 in the questionnaire (see Chapter Four) regarding the use of top-down budgeting for planning and control showed that 44% of managers were aware of this perspective. In successful experiences elsewhere, the focus has been on efficient and effective achievement of policy and programme targets, rather than simply budget cuts for their own sake (Rose, 2003).

5.10.4.2.5 Project Team Formulation

The PPBS project team formulation is another issue that was criticised, as the team was set up by and represented the MOF Accounting Directorate; the voices of the Budget Directorate and others were absent. This posed a limitation on involvement at the implementation stage, as this is a role of the Budget Directorate (PO7).

5.10.4.2.6 Why was MOF not in the First Implementation?

It is interesting to note that most interviewees (who were mostly MOF representatives) thought that MOF should have started piloting within its own territory and the attached agencies and brought other Ministries in at a later stage.

5.10.5 Lessons Learned

5.10.5.1 Resistance to Change

Resistance to change in MOH was very low at the staff and director levels but higher amongst top management, according to interviewees. PO1 identified:

> *All staff, teachers, physicians, directors and others expended the maximum time and effort to achieve the reforms. Plenty of them viewed it as a desirable and personal goal.*

Dilution of staff morale and depression were the consequences of the suspension of the project; moving people away from that to sharing in the coming PBS attempt would be an additional challenge. Moreover, the staff and directors pushed for an official appeal to be forwarded to MOF (according to PO1) to retain the data collected and decentralise MOH from the line-item budgeting system, as they sought the choice to continue to implement the PPBS in a gradual manner among the health centres and the MOH as a whole. This indicates that the Ministry is thinking ahead, as it is committed to challenge and advancement within the contemporary management and fiscal reform agenda. Such was evident in the MOH team (PO1):

> *Enthusiasm for administrative and fiscal reform is a driver for implementation success; some go to present extra awareness to speed up the implementation and keep realising its benefits, such as A'Ali Health centre employees, including the MOH team members.*

The PPBS experiment within the KOB context shows that resistance to change came from the top managerial level, which spared limited commitment and support, while the normal practice in policy transfer is for resistance to come from staff as "the result of a history of changes that have been more cosmetic than real. Sometimes managers are resistant to efforts at measuring performance for fear that they will be unfairly criticised should there be a performance deficit" (MOP, 2004: 25). Management accountability and performance outcome measurement, including the setting of goals and targets, would be the reasons behind this, as well as centralised authority and lack of flexibility over spending within the current eight line-item budget chapters. In addition, the Up-

Down-Up concept may be a driver for the decentralisation of budget preparation and spending, which may lead to the loss of certain managers' powers, they might have reasoned.

It is worth noting that internally the Ministries showed strong support for the activities of the pilot, such as the A'Ali Health Centre and Jidhafs Technical Secondary School, as a PPA for the purpose of implementation, whereas centre management was expected to be the first fiscal and administrative change agents.

5.10.5.2 The Desire for Reform

To undertake a massive administrative and financial reform such as PPBS, there must be a strong desire coming from within the organisation (as apparently was the case with MOH, where the management and employees demanded it). This will sustain the reform throughout the implementation phases. As many participants argued, Bahrain had to be flexible in using means intended to be able to survive the pull of the status quo; such as the MOW and MOH usage of the Balanced Scorecard tool in parallel with line-item budgeting to move towards the PPBS approach. The MOP in the Kuwait experiment did the same (MOP, 2004).

5.10.5.3 Pre-planning Change

The pre-planning of change requires advance preparation to inculcate general awareness in the prior stages of implementation. Any action plan, as PO1 emphasised, has to be owned and operated by MOH (Ministry or agency) managers and staff who have the authority to promote and guide the planned reform. UAE and Kuwait found the same.

5.10.5.4 Project Leadership

Leaders in this context have to direct the fiscal change movement with sustained involvement in leading the change vision, commitment, trust and confidence, including the ability to bring about real change and build commitment to that change. On the other hand, reform must extend across the whole Ministry and Government as every single director or officer must be prepared to be part of the reform process.

This was found in general to be a shortcoming, as there was no clear vision of the desired change and a lack of top level involvement, which were drawbacks to change in management processes and culture.

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5.10.5.5 Reform Champions

In relation to reform champions, no Minister or Under-secretary in the pilot phase was identified as a champion for the reform; indeed, many directors did not rally around or participate in the reform endeavour.

5.10.5.6 Communication

Effective communication was needed in training sessions to provide deeper explanation and clarity of reform principles, the benefits of the change, the system under implementation and the members' relative roles and responsibilities. Attempts show certain limitations in this regard.

5.10.5.7 Resources and Information Details

Resources and detailed information needed for PPBS and/or PBS faced difficulties. The pilot Ministries spent a great deal of time and effort on accumulating the necessary data to build their targets (simply for the selected school and health centres). However, the accuracy was questionable and data access difficult.

5.10.5.8 The Willingness of the Line Ministries to develop their KPIs

The MOH centres in particular showed a willingness to develop their KPIs for assessing the results achieved under PPBS, although these health centres may present too small a scale for generalisation.

5.10.5.9 Performance Orientation in Organisational Culture

The piloting and implementation experiment to install PPBS would help in building a performance-oriented culture that will sustain the full implementation and diffusion of the PPBS, PBS and/or any performance approach. One of the lessons of the PPBS pilot experience in Bahrain is related to government (MOF) culture, where the capacity was not sufficient to administer and oversee such a reform project (PPBS, PBS or task budgeting) and lead the entire MOF to successful implementation, even apart from the absence of the prerequisite budgetary account structure. Policy transfer has to adapt to suit the State context; above all, the cultural context. This requires preparation to encourage the programme and performance awareness and practice on a scale sufficient for generalisation. The EDB, after critical evaluation, decided to launch PBS (using a

performance strategy or strategic funding approach) as a replacement for the PPBS, and learning from its lessons and constraints.

In summary, certain lessons have been drawn from this practice. Among them is that the PPBS model as an example of NPM and policy transfer presents difficulty in implementation when taken out of cultural, political and organisational context. This includes jurisdiction as well as sustaining cross-national policy differences. In Bahrain's case, it is recognised that National Strategic Planning was the key element missing in this experiment, although official direction (Cabinet Resolution, 2002, and budget law) was issued in support of it. This attempt found limited commitment, although the pilot Ministries showed high levels of confidence and competence as they expended every effort for success. This shows that resistance came from the management level, not from the employee side. Finally, many POs had discussed the idea of gradual implementation instead of one full move, which would have reduced a certain degree of resistance as well as overcoming some of the limitations and pitfalls.

Moreover, the selected health centres showed tremendous capacity and cooperation as they considered that PPBS would free centre management to plan their own activities and programmes according to actual conditions in the locality. Fortunately, most staff and physicians were trained to do this.

5.10.6 Opportunities and Challenges

PBS in the view of PO5 would have a good chance of success, as it is supported and led by the EDB and has the full commitment of the Ministers. The PBS team is led by the EDB project manager, while the team members come from different directorates within MOF and other Ministries with the aim of maximising specialist contribution. PO10 viewed it as a great challenge to shift the account structure from line-item budgeting to programmes and sub-programmes.

All interviewees admitted, however, that certain Ministries or activities are too complicated in nature; this represents a challenge to success for Bahrain in the fiscal reform agenda and alignment with contemporary public management trends.

In summary, PPBS and/or PBS as a fiscal and management reform within the NPM paradigm present challenges and opportunities for Bahrain's public sector

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5.11 Summary and conclusion

This chapter explored Bahrain's experience with PPBS as a practical instance of a NPM-related reform initiative. This case study helps to shed light on the institutional capability of the Bahrain public sector to introduce and sustain reform, and on the challenges and opportunities faced in the process.

Consistent with Diamond's (2001) findings, in Bahrain, once the need for reform was recognised and accepted, it was reflected in the government's fiscal strategy and became a key strand of government policy.

The PPBS, as an essential part of the contemporary reform strategy, embraces the whole gamut of expenditure management by the line Ministries in Bahrain and is not simply meant to be a change in the pattern of budgeting. Implementation of the PPBS impacted the way in which Ministries function to achieve their established goals and objectives. In view of its comprehensive nature, such a reform will call for significant effort and input, including the extensive training of staff in the Finance Ministry as well as in the line Ministries involved in the pilot sessions.

Administrative reform (such as PPBS) is particularly prone to failure; the World Bank has estimated that World Bank civil service interventions have had about a 39% success rate (World Bank, 1999 cited in MOF, 1999).

PPBS in the Bahrain practice arrived prematurely. Preparation of the Government is essential in policy transfer as it requires great attention and the deployment of a choice in approach. Account restructuring, on the other hand, appeared to be a prerequisite for programme budgeting. The Balanced Scorecard is an alternative way to regard the Ministry strategy, as the Ministry of Works (MOW) and MOH recently does (Al-Wasat 4th June 2010). They introduced the Balanced Scorecard tool alongside the line-item budgeting and linked them with the Ministry strategy. They then set the Ministry, directorates and sections certain activities, goals and targets. This tool, used to determine Ministry policy, drives towards decentralisation and accountability for achieving Ministry targets, although this practice still faces difficulty.

The PPBS pilot attempt was suspended after almost eight years (2000-2008), due to the lack of a supporting organisational culture and insufficient training in the system prior to implementation. The lack of trust and database information was a critical

shortcoming but, above all, came the lack of top-level political support and commitment; it is a common observation that reform is unlikely to succeed without the political demand for reform. Two years later (2010), a new approach, PBS and 'strategic budgeting', is being trialled. PBS and PPBS have the same root and meaning, as some POs referred to both systems as having much in common: performance strategy, performance budget, management by objective, strategic funding, strategic budgeting, and so on.

Bahrain offers an example of the difficulties of finding the right fit between reform and context when adopting performance management. Although there are no clear results available for the PPBS in Bahrain, especially from the first pilot implementation attempt, what is clear is that international initiatives continue to have an appeal far beyond their point of origin and the selected policy transfer.

In PBS, EDB and MOF seek a cooperative project approach to combine the process of change with the process of the implementation of strategic budgeting in alliances with Bahrain's 2030 Vision.

It can be stated that there "is widespread recognition of the shortcomings of traditional budgetary approaches and that there is much to be learnt from experimentation with new approaches" (Rose, 2003: 16). The UN's experience of transferring such systems to developing countries shows that, even with limited empirical data, there are certain preconditions for implementation of such systems that need to be met.

The Government and MOF are in the process of once again attempting to modernise the budgetary reform and related accounting system, including financial reporting. This is "evident from the important administrative changes and major reforms which have been specified in Budget Law No. 39 (2002) regarding the gradual implementation of PPBS and the recommendation to introduce an accrual basis. The aim is to improve the overall efficiency, effectiveness, performance and accountability of the Government" (Ramadhan, 2009: 182; Laurin and Bilodeau, 2004; Constitution of the Kingdom of Bahrain, 2002; MOF, 2002a [Budget Law]).

PPBS can help managers and administrators in Government organisations by improving their understanding of their organisation, providing better estimates of the impacts of various decisions, organising and systematising institutional information, and providing a more comprehensive view of the total operating status of the institution both currently

and in the future. Moreover, PPBS requires increased resources for planning and provides an apparent means for increased control (Weathersby and Balderston, 2004).

For the Government, change agents and MOF, PPBS (as Bahrain's experience shows) has to be effective and self-sustaining. Implementation has shown that certain principles need to be followed. The elements and principles required are participatory design; strategic voluntarism and negotiation; realistic, specific and measurable objectives; clarity, comprehensiveness and commitment in agreements; systematic measurement of results; accountability; incentives for success and disincentives for failure; and focus on outputs and outcomes. There is also the need for organisational restructuring (decentralisation).

In general, the Bahrain attempt suffered from the lack of a national plan at the strategic level to define the targets and specify the performance indicators or targets at the State and Ministerial levels. Without clear targets and indicators it is impossible to implement an approach like PPBS. Moreover, the Government appears to have been insufficiently prepared to launch this change programme.

Despite shortcomings and constraints with regard to the first attempt at budgetary reform and a shift to a performance approach, whether PPBS or PBS, many interviewees favoured this approach for its transparency, as it will make decision making and resource allocation open and visible to all, including citizens. This will lead to information sharing between the State Government and community, and will improve trust and confidence in spending decisions, increase budgeting outputs and fulfil social priorities, their views reflecting the principles of participatory budgeting norms, as discussed by Hall and Lerner (2006).

In short, this case study highlighted the PPBS "fit" with the rationalistic, managerialist approach of NPM. It highlighted the implementation difficulties associated with NPM when taken out of "context" (cultural, political, organisational, etc.). The PPBS is a unique case study of the problematic implementation of an NPM-type reform out of context. It is a tool that is composed of many parts, which must be learned, appreciated and applied if it is to be used effectively.

Following this analysis of the case study, the next chapter will present the outcome of the interviews conducted with MPs and Ministers which shed more light on the current state of NPM thinking and practice in Bahrain's public sector.

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Chapter Six: Data Analysis and Discussion of the Results of Ministers' and Members of Parliament's (MPs') Interviews

Following the research stages:

Chapter 1	The Research Overview
Chapter 2	Review of the Literature
Chapter 3	The Research Methodology
Chapter 4	Data Analysis of the Managers' Survey Questionnaire
Chapter 5	The PPBS Case Study
Chapter 6	Data Analysis of Ministerial and MPs' Interviews
Chapter 7	Conclusions and Implications

6.1 Introduction

Following the reporting of the questionnaire survey and the PPBS case study in the previous chapters, this chapter reports on the interviews and analyses thematically the data obtained. This chapter consists of five sections, designed to explore and answer in turn the research questions identified in Chapter One. The chapter begins with a report of the response rate and analysis procedures. The drivers for administrative change in public organisations within the NPM approach in Bahrain, including policy learning, as they emerged from the interviews are discussed in the second section.

The third section considers how the NPM elements express themselves in management practice in Bahrain public organisations. An exploration of the responses reported by the interviewees about NPM challenges and opportunities for Bahrain's public sector arising from the key themes is presented in the fourth section. The final section contains the chapter summary and conclusion.

As described in the Methodology chapter, information concerning administrative reform within the NPM concepts and approach was solicited during 23 semi-structured interviews (10 Ministers and 13 MPs). Interview questions were designed to obtain and explore views from key decision makers within the public sector administration. While views from Ministers represent an insightful perspective into the reforms, views from parliament members were solicited to reflect the perspective of politicians and citizens.

It is worth noting that although this study was designed to cover all Ministers (23) and MPs (40), the majority, unfortunately, did not reply or declined. This particular concern may result in missing some important voices. In addition, formal approaches were made to meet HM the King, HE the Prime Minister, and HE the Crown Prince aiming for their contributions, but without success. Nonetheless, the study draws on interviews with a substantial number of respondents from a hard-to-access elite.

The essential purpose of the interviews was to probe and explore for more information from the decision makers, i.e. the KOB legislature and the executive powers, in terms of their construal, views, knowledge and awareness of the administrative and fiscal reforms in the NPM approach and its drivers.

Interviews were also designed with the aim of verifying, supplementing and enriching information collected from the managerial questionnaire including the PPBS case study, so as to yield a truer picture of the themes that emerged, as will be discussed in the relevant sections. Semi-structured interviews, as previously indicated, were the research instrument used in collecting data from the decision makers' level.

In line with the literature, two sets of interview questions were designed, namely the primary and probing questions for both the minister and MP groups aimed at exploring and obtaining detailed information and evidence pertaining to the NPM issues under study (Appendix: C-6 and D-3). The main questions and probes were organised to reflect the NPM issue, such as factors of change and reform, political system, administrative system and general questions. Interview data analysis started with organising, categorising and meaningfully interpreting the large volume of words and information obtained from interview sessions and field notes. Analysis was anchored to the conceptual framework and tied to the objectives of this study. Analysis proceeded in phases: data reduction (coding and categorisation according to different themes and the key areas of research); display (organising and matching the reduced data into a reasonably understandable shape, providing inferences and suggestions concerning a particular issue undertaken in the setting); and finally drawing conclusions and interpretations (Miles and Huberman, 1994; Creswell, 2003).

In this study a coding scheme was developed based on emergent coding from both groups of interviews that was designed to accommodate the major emergent themes. From these themes, an explicit coding was instituted in the light of further validation of

coding and categorisation of the emergent themes by the research supervisor role. Comparison of findings revealed agreement in the major reported themes. Accordingly, the coding scheme was found to be reliable enough to reflect the reported themes.

These interviews were conducted during the period ending May 2009 and began just before the questionnaire survey, although the questionnaire data were collected before the completion of the interviews. The lack of access to elites to conduct the planned interviews was the main difficulty. Interviews consumed a lot of time as access to both elite groups was very difficult. Moreover, interviews were not tape-recorded (as all Ministers and MPs refused permission) and so handwritten notes transcribed subsequently were the only choice available for recording the responses.

The field study interviews, observation and notes transcripts identified certain key themes that seemed to have potential to reveal answers to the research questions. Thematic analysis and coding were undertaken to look systematically for indicators of different perceptions, perspectives, preferences, understanding, behavioural actions or events from the interviewees.

Some interview sessions were conducted with two MPs simultaneously, as the meetings were held in their offices. Joining in a comprehensive interview was preferable due to the lack of access and MPs' time pressures, such as with MPs 2 and 3 as well as MPs 5 and 7. (Although this might have seemed like a focus group interview, it was not; they did not follow the method procedure and process. It was simply a case of sharing a place and shortage of time).

6.2 Profile and transparency analysis

6.2.1 Profile

The 10 Ministers interviewed had a range of four to seventeen years in ministerial posts (two of them being appointed four years previously, three seven years, one nine years, two twelve years and two seventeen years). Most of them led essential public service ministries, while one of them held the post of Minister of State. Of the 13 MPs interviewed, four of them had been elected as a Member of Parliament for two terms (2002-2006 and 2006-2010) and the other nine for one term (2006-2010). Moreover, three of them were representatives of leading parliamentary blocs and parties, which

enriched the field work as they were very interested in contributing, and had unique insights to offer.

Further to the description of the content of the schedules in Chapter Three, transcript and field notes analysis was carried out for all interviews holistically as one source and the themes allowed to emerge naturally. The data analysis for each of the three research questions posed in Chapter One is given in the following sections.

6.3 Answering Research Question No. 1: What are the drivers for administrative change in Bahrain (including policy learning)?

The first research question was designed to explore the change factors driving the KOB towards launching administrative reform from within world policy learning. These drivers would influence many developing countries in their approach to experimenting with NPM reforms. Some well-known experiments have been reported across different contents. As Polidano describes:

> *Malaysia's experiments with total quality management (Common, 1999); the results-oriented management initiative in Uganda (Langseth, 1995); and the wholesale restructuring of Chilean education along internal market lines, a far more radical change than anything tried in the UK (Parry, 1997). Nevertheless, EU countries (origin) present an implicit reference in the world movement toward the NPM implementation (1999: 5).*

These cases show a general trend of movement towards reform, which influences the Bahrain public sector in the light of the NPM or new forthcoming paradigms.

Information on this issue emerged from Ministers' and MPs' answers to questions 5, 7 and 8 (Ministerial set) and questions 1, 3, 4, 9 and 10 (MPs' set). Nevertheless, full sets of questions including probes are dealt with as one source of data whatever the question(s) number and sequence. Accordingly this section presents the narratives gathered from interpretation related to the first research question, exploring emergent factors and drivers of administrative change and reform in the KOB by determining how the NPM domains and drivers for change and demands are analysed and incorporated into the Bahrain context. The findings disclose that the KOB faced both internal and external drivers and influences forcing such administrative changes. they included public dissatisfaction with government services, economic pressures and the forces of globalisation (Polidano, 1999).

6.3.1 Reform/change drivers in the KOB context

Literature shows that reform has been very much a result of the national vision in response to various social, economic, political and administrative forces. This would position Bahrain politicians and administrators as the internal drivers to processing the approached reform. The World Bank, IMF, UNDP and others provide support and advice in practice.

External factors have created changes and demands that were taken into consideration by the KOB public sector institutions when developing their reform strategies. In order to illustrate the emergent themes of change and reform drivers, the widely-used PESTEL framework (Johnson et al., 2005) has been adopted.

6.3.1.1 Socio-economic factors

Socio-economic factors and variables, such as education, health, level of income, employment, population size and growth, demographic capacity and the limited area of land, have had an impact and influence on encouraging Bahrain's choice of reforms.

The majority of Ministers (in responding to MQ5[20]: Where do you think the need for reform stems from?) acknowledged that socio-economic factors had been one of the essential drivers of change towards NPM and administrative reform. Various categories, sub-categories and themes of socio-economic elements emerged from the participants in assessing the drivers of reform in Bahrain; many are illustrated in Table 6.1 below. These themes and issues emerged from the transcripts, while the text represents them in the order in which they emerged.

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[20] MQ = Ministerial semi-structured interview question.

Table 6.1: Illustration of the coding scheme corresponding to thematic elements of various factors and drivers of the reform in Bahrain (socio-economic and economic forces)

Code	Categories and sub categories	frequent / rating		Emereged themes	frequent / rating	
		Ministers	MPs		Ministers	MPs
A	**Socio-economic and economic forces**	**Majority**	**All**	**The top driver for Change - Bahrain context**		
A1	Global economic forces	most	some	Global economics forces pressures - Globalisation	most	some
				Competition	many	many
				Privatisation	most	many
				Out sourcing	most	many
				Market pressure	most	many
				Business environment	most	many
				Fiscal / budget change	most	most
A2	Socio-demographic change	many	majority	Changes in the patterns of life and public services	many	many
				Increase in the level of unemployment	some	majority
				Increased demand on welfare services	many	all
				Pursuit of social security	some	all
A3	National socio-economic policies	few	many	Organisational design principles based on macro-economics	few	many

Key words: majority = 8-9 Ministers, most =6-7, many = 4-5, some = 3, few =2 and none, while MPs majority = 12-13, most = 9-11, many = 6-8, some = 4-5, few =2-3, alongside all and none).

Transcripts and field notes show that many Ministers and MPs explicitly highlighted socio-economic factors. For example:

> For sure reform stems from socio-economic and political systems, and I believe that the business environment, problems in the executive in the Bahrain public sector and fiscal areas are the main variables and challenges facing our Government today (M2).

> The need for reform stems from the socio-economic, political system and event change. World states in this millennium build on two wings i.e. public and private sectors. Needs, wants and requirements of life and humans are continuously changing (M6).

> Reform stems from the socio-economic and political system, and I see that the Government roles in the economic business environment should depend more and rely on sharing the two wings of the state, i.e. public and private sectors within coexistence and cooperation in the global market system (MP7).

> Bahrain is facing a growing population and dwindling resources, whilst at the same time it has to cope with limitations of land and water and attempts to stimulate investment in non-oil-based activities. The needs of change and reform stem primarily from citizen demand, the socio-economic and political system, and globalised economic environment (MP10).

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All the above quotations highlight socio-economic drivers, including forces from the international economy, wide social and demographic changes and the limitation of land area. Bahrain has been engaged in geographical (land) expansion as many maritime areas have been developed, mainly for commercial cities. Moreover, a view held by many participants was that the increasing population growth rate and scarce resources present key challenges to balance. Their readings of the external factors informed their views on how the state should best respond, and how it should position itself relation to the commercial sector.

Consideration of socio-economic factors appeared essential for fully understanding most resource management issues and for making sound resource management decisions. In the same vein M3 revealed:

> *Consideration of projected future economic and demographic trends can help Government and entire public sector and strategic planners to anticipate and plan for them.*

Apparently most MPs and many Ministers focused on social and economic drivers in relation to human rights standards for administration. They raised the discourse of different socio-economic characteristics and factors including ethnicity, sense of community, gender, age, employment and occupation, education, family size, farm holding, income from different sources and other such factors and indices of social class, which they said were all related. This shows the great emphasis on social issues as a significant focus of almost all MPs, regardless of political party.

> *Services delivery and explicitly support for children, women's groups and low standard of social groups represent economic and social change factors. Unemployment and redundancy are issues of challenges in Bahrain over the last ten years (MP6, 7, 12 and 13).*

This is similar to EU democracy initiatives during the period 1990-2002 (Youngs, 2003).

As a second sub-theme, respondents also drew attention to the *external* forces of reform and change. International economic forces and the term globalisation were familiar, particularly to those Ministers engaged in the business sector, where external political pressure and occasional change events, to them, followed on from each other. The term privatisation was used with reference to collaboration between the *"two wings of the state; public and private sectors"* (voice of M6 and M7 above). Both participating

groups showed awareness of economic forces as drivers for the expected reform in Bahrain, as M9 indicated:

> *In respect of external forces, it stems from international economic forces, political pressure and change events. Changes in business environment, fiscal budget, and lack of public sector executive are other variables evolving in the Bahrain public service.*

The majority of Ministers and many MPs (Table 6.1) raised a discourse of economic competitiveness and expressed their beliefs and thoughts globally. *"The wave of globalisation is carrying Bahrain's economic life"* (M1).

In this respect, economic forces with regard to globalisation and the diversification of the economy and increasing business investment activities were found to be moderately discussed in the KOB Cabinet and EDB, as M9 highlighted:

> *The recent developed National Vision for 2030 sets out the aspirations for the Bahrain economy, Government and society in accordance with the guiding principles of sustainability, competitiveness and fairness aiming at a higher economic growth rate.*

M9 saw how changes in international economics, market pressure and the labour market milieu would pose challenges and threats. Economic diversity, competition, privatisation, outsourcing, the business environment and fiscal change were other themes that emerged, as some passionately explained:

> *The new paradigm of utilizing private sector management elements is being introduced in the public sector, where attention covers public service quality, motivation systems, control on service delivery, competition and business environment, reward systems and so on. This stands as the platform of our 2030 National Vision[21] (M1).*

M6 shared this view. This quotation envisages the shape and the notion of Bahrain's future public management (as an influence of privatisation and global economic changes) in light of the 2030 National Vision and contemporary public management.

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[21] "We aspire to shift from an economy built on oil wealth to a productive, globally competitive economy, shaped by the government and driven by a pioneering private sector – an economy that raises a broad middle class of Bahrainis who enjoy good living standards through increased productivity and high-wage jobs.

Our society and government will embrace the principles of sustainability, competitiveness and fairness to ensure that every Bahraini has the means to live a secure and fulfilling life and reach their full potential" (*GDN*, 24 October 2008; Available as well: http://www.bahrainedb.com/EDBHome.aspx).

In relation to socio-economic factors, the terms privatisation and outsourcing emerged from MPs' narratives:

> *The sector was expanded and too inflated. Agencies, outsourcing and privatisation could be a solution (MP12).*

> *Economic decisions have to be rationalised. Things are going on without planning! I am in favor of privatisation from national concerns ... to reinvest within the national territory (MP9).*

This presents an agreement that privatisation and outsourcing would be methods of remedying public sector inflation, lack of management, budget deficit, service quality and the search for better public servant performance. Organisational structure appeared to be a key concern for respondents.

Labour market capacity and unemployment presented themselves in the following statement where M3 was in agreement with M2 and with MPs 6, 7, 12 and 13:

> *We are facing a number of issues and domains; such as labour and employment regulation with a long history of the workforce in Bahrain and among GCC region countries where Bahrainis had to seek work opportunities outside the home state (M3).*

These respondents' comments reflected the Government (Ministers and leadership) opinion on future public management in light of NPM, with administrative reform at the core. While the former quotation highlights the labour market capacity, unemployment and the working environment of Bahrain based on the Minister's close observation and involvement.

Environmental forces came to the surface, with pressures regarding the environment for the Government to play an effective role in facilitating economic planning and desired growth to justify the need for sustainable development. Changes in the social landscape as the State faces a massive population growth, even apart from the demographic changes, call for social re-engineering efforts to be undertaken by Government, according to several respondents. For example M3, who draws on his background as an economist comments:

> *Managers can identify the beneficiaries of environmental preservation and restoration actions, as well as those who will bear the substance of the social and economic costs.*

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Thirdly, there was a belief that the public sector executive constitutes another reform driver as this management layer has failed to accept dynamic change and continuous improvement, and instead stands as an obstacle to change. The following quotations identify this issue:

> The public sector executive in Bahrain, together with fiscal issues, are another variable facing our Government today (M4).

> I am afraid that the executives among the public sector are subject to change while to me it is quite visible that many previous attempts at change failed or were suspended. The bureaucratic style they cling to…. knowledge and skills, power distance and so on apparently are problematic in Bahrain (MP7).

On the other hand, some ministers argued that there are economic and social pressures on the Institutions of State which make reform of the management methods used in the public sector essential, Flynn and Strehl, 1996 have also emphasised this. "These pressures either produce material changes in the production and distribution of public services, or a rhetorical and ideological response from Government and public servants which creates the impression of change" (ibid, p. 2). Most Ministers indicated certain factors that had a strong positive influence on the adoption of administrative reform, including organisational *"goal and strategy"*, *"organisational performance, communication in the organisation, and productivity"*, and *"openness of employees to change"* (M2, M9 and M10, respectively). Furthermore, some of them mentioned economic factors and applications that include the high rate of inflation (M6) and the acceptable rate of unemployment (4%)[22] as one of the priority issues in Bahrain (M1), as well as low wage levels, the huge cost of public services (M2), and inadequate funding (Ministries' budget). These constraining factors are indicators of economic shortcoming.

Echoing the above in more detail, M9 expressed:

> Bahrain has adopted certain policies out of necessity, and to a large extent had little control over such policy options – we could not and cannot, as a small island country with little in the way of natural reserved of oil and gas, exist as an island and provide for a young and growing population.

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[22] Bahrain has taken about US$ 80 million over the years to reduce its unemployment rate from 16 to 4%, in addition to improving the wages of about 17,000 citizens who were paid less than 200 dinars (detected by the Labour Minister). Available: http://www.alwasatnews.com/2739, (Accessed 7 March 2010).

In the same manner, M8 illustrated:

> *Reform stems from a perceived need in response to a change of circumstance, which may be the result of a change in a forward-looking policy or as a result of change in economic, social or political climate which is either influenced by internal or external factors. We always need to keep moving forward, forward towards achieving a circumstance where we can achieve the greatest benefits for the most people in a manner that best preserves our limited resources and protects our national heritage, and we need to do this whilst achieving comparative advantage in a world which is becoming increasingly more open and competitive.*

The literature indicates that the common policy transfer practices (reform) are influenced by market-based and economic orientations, which may also lead to addressing equity-based and efficiency-based reforms (Wise, 2002). The demand for greater social equity and for democratisation (as in the case of Bahrain), empowerment, and the humanisation of public services (in the light of citizens' needs) all present normative drivers representing reform forces that are not based on economic or rational intellectual traditions. These drivers raise expectations for a better quality of life and other broad social changes (socio-economic variables), resulting in a new emphasis on post-modern needs.

In summary, socio-economic factors and variables were perceived as very significant in the Bahrain context. Social factors such as demographic and geographic changes are among the top drivers of change. Socio-economic and global economic pressures include globalisation, privatisation, outsourcing, market pressures, public management, and the business environment and fiscal budget and were the main themes raised during the interview discourses. Next came socio-demographic change: changes in the patterns of life in relation to public service quality and delivery, an increase in the level of unemployment, increased demand on welfare services and the pursuit of social security. Finally came public organisational design principles, based on the mentioned macro-economic factors. Citizen and public demand factors will be under exploration in the next sub-section.

6.3.1.2 Citizen/public demands

While socio-economic factors were considered to be important, citizen needs also have significant importance in the views of the participants. Citizen/public demands emerged as the second driver of reform in the Bahrain context, as almost all Ministers (nine) emphasised it as their priority. Terms related to the political system and intellectual

factor emergent themes are illustrated in Table 6.2 below, highlighting citizens' demands and other drivers of change in Bahrain. Diverse categories and sub-categories are coded and classified accordingly: pressure from citizens, party political idea, elite perceptions of what management reforms are desirable and elite perceptions of what management reforms are feasible, and chance events (e.g. scandals and disasters).

Table 6.2: Illustration of the coding scheme corresponding to thematic elements of various factors and drivers of the reform in Bahrain (pressure from citizens)

Code	Categories and sub categories	frequent / rating		Emereged themes	frequent / rating	
		Ministers	MPs		Ministers	MPs
B	**Political System and intellectual factors**	**Many**	**All**			
B1	New Management Ideas	many	many	Generic management ideas	many	many
				The second driver for Change		
B2	**Pressure from citizens**	many	all	Citizens and demand presure	many	all
				Civil societies presure	few	all
B3	Party political ideas	some	many	Parliament presure	very few	many
				Political parties acquire ideas on how to govern	many	all
				International influence and support POGR/UNDP	none	many
B4	Elite perception of what management reforms are desireable	few	all	Transparency	few	all
				Accountability	few	many
				Responsibility (responsiveness of public sector institutions' to citizens)	some	all
B5	Elite perceptions of what management reforms are feasible	all	all	Modernisation emphasis	many	all
				Vision and strategy for better public sector	all	all
				Capability of public inistitution organisations	all	all
B6	Chance events, e.g. scandals, disasters	some	all	Contengency plans and genartion reserves	some	all

In the view of M6, reform is inevitable to keep pace with the rest of the world in responding to citizen and population needs. M3, M7 and M10 emphasised the same:

> *The need for reform stems from our needs to fulfil public needs and requirements, to safeguard and give them their rights as assessed by laws and the Constitution (M3).*

> *Change and reform stem from citizens' demand, perceived needs within the notion of rights and justice to fulfil the requirement of the democratic sphere. This includes pressure raised from civil societies, which exceed 480 institutions in Bahrain (M7).*

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Pressure from citizens comes from the extent to which we benefit citizens' social economic conditions and face the changes that affect the standard of living (M10).

While M1, MP5 and MP9 asserted:

The world has changed, political and geographical boundaries have been impacted by technology and by the effects of multinationals, and citizens have been exposed to a world which has allowed them to witness and demand a greater involvement in shaping their political, social and economic environment. It is this heightened awareness for participation that is at the root of reform (M1).

We need more space for responsive freedom to expand the voice of citizens in decision making (MP5).

Citizen rights and demands to improve the standard of living, access equal opportunities, achieve social justice within the framework of rights, duties and justice as enshrined in the Constitution and international covenants, are paid close attention (MP12).

The above quotations present a discourse of citizenship needs, referring to the "public" (residents in the same district or locality). By linking the notion of the public with a discourse of socio-economic factors, participants were also making a link between citizens, social priorities and the notion of democracy.

It was argued in the previous discussion that as a member of a political community, a citizen has rights and responsibilities to exercise within the constitutional kingdom model to which Bahrain is committed (see the Citizen's Charter and Constitution), and in responding to citizen and Government responsibilities. Many respondents referred to public service recipients as "customers", reflecting quality initiatives.

However, "the democracy agenda has been seen to be concerned with 'giving people a voice' in social development work, rather than imposing specific macro-level institutional structures" (Youngs, 2003: 130). Thus, it is clear that socio-economic and citizen/population pressure and demands have become crucial internal drivers for reform and change in the KOB. In addition, many Ministers felt that change events were another driver of change that influenced them. Some Ministers expressed that they were influenced by the global economic environment, system development and pressure from Parliament (the voices of citizens' needs and desires), as this apparently underlies the State's social demands to improve the standard of living, provide access to equal opportunities, achieve social justice and so one. The theme of citizen participation in

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decision making was traceable in most MPs' transcripts albeit expressed differently. In addition, the needs of the young and growing generation were also a noticeable issue.

In summary, changes and reform are seen by political elites (Ministers and MPs) as a genuinely domestic priority (socio-economically driven and citizen-demanded) that the Government is more likely to follow, as trust and commitment will be afforded to citizens. This is a factor supporting the reform decision in Bahrain as the majority of participants agreed.

The next sub-section will consider the social variables which have already been noted.

6.3.1.3 Social variables

A number of issues were raised in interview sessions in regard to social forces. The first discourse was focused on demands for a higher standard of public services and calls for a more customer-oriented approach in dealing with people and service delivery. This was followed by the sense of the need for effective and meaningful public participation in Government policy making under the concept of good governance (asserted by MPs 12 and 13). Another emerging discourse was that of policy change to satisfy the public demand to overcome and tally with population growth (described by Ministers 1, 2, 3, 7 and 8). These included improvement in health and education standards, provision of better homes, increased life expectancy and pursuit of social needs, in addition to tackling urban poverty (M12).

As Table 6.2 shows, these issues were given priority by almost all participating MPs. Changes in demands and expectations from the people have always been key challenges for the Government (Ministers) in designing and developing their strategies, as highlighted by M1:

> *We are facing incremental pressure from the public for the higher quantity and performance of public services ..... Our role is to provide all the services that can fulfil the desires of every resident (M1).*

However, MP9, from a different perspective, considered:

> *The citizens and public are more demanding. They keep asking for their rights. They want value for the taxes or duties, levies, fees or charges[23] they pay.*

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[23] A tax regime partially exists in Bahrain and among the GCC countries, although the word "tax" is still sensitive from a political point of view. Apparently, Bahrain's introduction of a corporate tax system is forthcoming.

Although a number of social variables were highlighted in previous sub-sections, rather more themes were identified. The standards of public services with continuous improvement of quality to suit different customers (demographic and geographical) factors were as follows: customer orientation in view of private sector production and delivery; effective and meaningful public participation in public sector policy making under the concept of good governance; and customers as owners and participants in the policy-making process.

Socio-economic, citizen demands and social drivers of change and reform in the KOB have now been explored and highlighted. Political drivers, legal variables and the issue of technological advancement will be the next subjects of discussion.

6.3.1.4 Political drivers

Political drivers of the reform approach focus on how political forces trigger reform and change. Political variables in this study include the general political climate, the decision-making process and changes in policy direction (towards a democratic era in Bahrain). As revealed by certain participants, changes in Government policy are among the major considerations and challenges for almost all MPs and many Ministers in developing their ministerial strategies. Political change and the consequential influences, however, were deliberated differently by Ministers and MPs.

The Government and Economic Development Board (EDB) collaborated to create a national vision to improve the standard of living or "quality of life" and implemented policies and programmes related to the public services (housing, employment and fresh graduate training for citizens, health and education). Accordingly, ministries instigated a range of programmes to expedite responses to citizens' needs. To persuade citizens of the necessity of reform, different strategies can be used, such as locating specific public service reforms within a wider programme shift. The EBD, however, mobilised and linked the reforms agenda to the 2030 National Vision.

MPs' power, in the general view of respondents, stems from:

> *People support, initiatives, lobbying with the parties' key figures in parliament, the flexibility of good relationships with Government representations and positive coordination are required between the legislative and executive power. This has to go with continuous coordination and consensus among all political groups and parties aiming to oversee and regulate issues (MP9).*

All participating MPs claimed to be quite satisfied with Ministers' collaboration and relationships: *"very good personal relationship"* (MP2); *"friendly and like brothers"* (MP3). They asserted that this helped (in cultural terms) to bring things to the surface. This in turn assists Parliament in exercising its power and investigations to bring the different issues to the attention of the relevant Government Ministries. The media also have a role in clarifying issues, aiming for greater participation from citizens (as described by MPs 2 and 3).

On the other hand, political reform is dynamic, while administrative change lags behind: *"The level of trust and confidence between citizens and public service providers is frustrated in the view of our representatives"* (MP12). Thus, trust improvement would promote partnership in decision making, while feedback and continued evaluation would secure and prevent the administrative sector from such pitfalls and shortcomings (MP10).

For Ministers with regard to political drivers, M9, who has long ministerial experience, spoke out thus: *"Democratic political transition in the KOB serves as the most influential force on this country in designing development and change. It implies reform in a particular direction and is closely linked to democratisation and the prerequisite platform and promotion"*.

6.3.1.5 Legal variables

Review of the interview transcripts and field notes led to the inference that legal and jurisdictional matters were treated (in the view of MPs) as an internal weakness by the public organisations, rather than forming the rules and procedures required for service demand and delivery. Common legal themes raised in this study show the importance of creating policy that will be accepted by a proportion of people; capturing their trust and belief that the policies will bring them peace and justice.

6.3.1.6 Technological advancement

Technology advancement is another challenge usually emphasised as the domain of all the public services. In the researcher's district, citizens and representatives are dissatisfied with the quality and timing of service delivery. IT, however, presents an opportunity for the KOB to enhance and upgrade its service delivery systems: *"e-gov. is performing well while customer skills have to develop and improve"* (M2).

Telecommunication is regulated by The Telecommunications Regulatory Authority (TRA)[24] founded in 2002, with the intention of developing the KOB as the region's most modern communications hub and facilitating development of the market. E-Government, on the other hand, is focused on ensuring the effective delivery of government goods and services to citizens, residents, businesses and visitors in an advanced, competitive manner, aiming to improve service quality and speed up delivery; it is much more than implementing technology. Currently, 111 government services are on-line and the authority is targeting the provision of 200 services by the end of 2010. However, *"This advancement in service delivery has to be justified by production and the customers' end charges"* (MP11. The trust and confidence of the citizens are crucial to the success of such undertakings. Advanced technology which includes means of communication is part of today's media, facilitating the formulation of knowledge, awareness and society opinion in addition to its feedback capability. It plays an important role in all other factors. A technological force, however, was presented as a driver for change in regard to achieving a contemporary and modern state.

While the significance of e-government was discussed earlier in literature review chapter two, this section has presented and discussed the emergent themes and issues that categorised answers to the first research question: What are the drivers for administrative change in Bahrain (including policy learning)? Themes emerging from the semi-structured interviews conducted with Ministers and MPs were the main sources of reference used in the presentation and discussion. Socio-economic forces and citizen demand drivers were the strongest forces, among other factors and variables. These two drivers attracted the support of most participants. Wamukonya (2003: 1274) has found the same, as he asserts that "reform is driven by a variety of factors whose level of importance differs across countries". Initial reforms were largely a response to a government's inability to meet and fulfill the citizen and residential demands to improve their standard of living.

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[24] The Telecommunications Regulatory Authority (TRA) was established as an independent body and its duties and powers include protecting the interests of subscribers and users, and promoting effective and fair competition among established and new licensed operators. (Available: http://www.tra.org.bh/en/home.)

6.3.2 Country context: a general explanation of reform concepts

Some Ministers mentioned that a key aspect in the reform agenda was the country's context. One Minister (M1) expressed this in explaining the understanding of the word "reform" (Q3 in the ministerial set):

> *The public administration and fiscal reform and changes for instance, do not imply that all developing countries[25] are experiencing similar development. Each country has its unique setting and constraints, whether political, social or economic. Ultimately, these constraints of reform will impose different issues relevant to the reform paradigm and public management in general.*

It was found that the word "reform" is closely related to needs and expectations in the Ministers' and MPs' perception, as for them it connotes an approach to improving public sector efficiency and effectiveness, including service quality, with better performance, as well as an explicit desire to enhance democratic accountability, citizen and public rights and modernisation. Indeed, "reform" reflects change and restructuring.

Some of the MPs interviewed focused on the initiative to build a democratised environment at all Government administration levels in Bahrain, including improving the low level of administrative readiness, with a certain emphasis on capability, accountability, and responsiveness issues (Robinson, 2008, has made similar assertions). Moreover, understanding cultural dimensions was also highlighted; MPs found it necessary to consider both organisational and national culture, bearing in mind the overall context in which NPM and administrative reform was proposed to operate (Hofstede, 2001, has discussed cultural impacts in detail).

6.3.3 Lesson drawing (policy transfer)

MPs 8 and 10 strongly believed that Bahrain would have its own niche and distinctive experiment and present an opportunity to draw lessons among the GCC in particular and possibly the Arab World in general, as it is advanced in many fields. M1 gave his view of policy transfer as follows:

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[25] A developing country is generally defined as one that has a per capita gross national product less than USD$ 2,000 (Ball, et al, 1990). In these terms, nearly 80% of the world's population is living in developing countries.

> *Learning from the EU (where I lived for some time), Asian and other world policy practice would be our target as we have a strong political and trade relationship with all these regions. It would be wrong to say our management style is the same as the European or even similar to Asian practices. From there onward, a new approach for best management practice in private sector has emerged.*

Policy transformation lessons can be drawn from New Zealand, Malaysia, Singapore, Hong Kong and Dubai (MP1). Meanwhile MPs 2 and 3 emphasised lessons taken from Singapore. Moreover, some literature refers to Morocco and Jordan in the movement towards good governance and certain change programmes. The majority of participants referred to Singapore practice. Among them, M9 explained:

> *Other countries, such as Singapore, have achieved an economic miracle based on free and open markets. Bahrain has really no option as it has to adopt similar open market policies, and in doing so must also then accept that reform is necessary in order to ensure that this policy is successful in delivering the desired results.*

However, no evidence that any Arab country has significant experience of administrative reform (a full package) particularly in light of the NPM, is traceable. It is quite evident that the policy transfer choice varies, as participants mentioned Islamic and Asian countries such as Malaysia or Asian non-Islamic ones such as Singapore and Thailand. However, Australia, Canada, New Zealand, the UK, and others were all mentioned as possible policy transfer sources with adaptation of their experience based on the contextual requirements.

Two Ministers (M5 and M9) expressed their thoughts on examples from New Zealand:

> *I believe that every country has its unique situation and model of reform. We refer normally to Western experience as they experimented for many years. Since 1970 many countries found their way to public management and fiscal reforms. For me... um... the New Zealand and Asian countries offer attractive practices (M5).*

> *It is very interesting to me to learn from the New Zealand practice, governance and fiscal reform in particular....... I directed my strategic committee to study our ministry policy in light of New Zealand's successful implementation, and whether it would fit the Bahrain context with certain adaptation. I do realise we can do much in a very short time..... For me it's quite clear... I already encourage my team to collaborate with the MOF in this manner, as they have already visited New Zealand with this in mind (M9).*

MP9 and M10, on the other hand, moved to explore lessons supporting a credible transformation, noting that political stability, economic diversity, and effective governance are the primary objectives of the transformed state (such as Singapore and Malaysia and so on). This would be at the expense of political and social pluralism, including the pervasive role of the State's economic and social spheres (Cheung, 2003 and Quah, 2003 noted the same in the literature on Singapore's reform).

Although the participants mentioned a number of countries, several of them followed the Singaporean administrative change practices (MP1, 7 and 12), as they perceived that Bahrain needs changes characterised by competency, a strong generalist administrative elite, a clear system of performance and ministry financial accountability, besides an uncompromising commitment to combating different forms of corruption as a critical issue in Bahrain today (more discussion in section 6.3.8). These changes tally with the core principles of Singapore's administration reforms (Sarker, 2006).

However, the Programme of Governance in the Arab Region (POGAR) initiative programme run under UNDP aid and consultation was thought to be feasible if it could be implemented without any political influence (MP5). For those states which aspire to develop their entities, POGAR has several benefits, as it is designed to fit the context of the developing world (MP6). Along the same lines, MP9 agreed on Bahrain's potential to benefit from POGAR and support related from UNDP, asserting that:

> *The roots of such administrative reform in Bahrain exist and are available. POGAR, on the other hand, provides an opportunity for Bahrain towards successful implementation of governance and the NPM approach, as assessed by UNDP and supported by Bahraini expertise and platform domains including EDB vision and strategy (MP9).*

Some MPs supported POGAR as they looked on it as an opportunity to access UNDP assistance and expertise (MPs 2, 3 and 12 all indicated similar views). POGAR for them apparently looked sensible and promising but they agreed that attention must be paid to the removal of political or similar influence and pressure. Adaptation to fit the Bahrain context is essential. Moving ahead *"needs a transition period in order to achieve the agreed goals and legislation and improve living standard"* (M2, with long ministerial experience).

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Having said that, it is worth noting that the NPM literature shows that:

> *Nowhere in the developing countries has the complete set of packages of the NPM model been implemented (or complete policy transferred from its origin - EU) or is it being considered for implementation. Adaptation of practice to the model has been the norm in piecemeal efforts undertaken by different Governments in different parts of the developing world, according to 'situation and context' (Polidano, 1999: 5).*

In summary this section has discussed the drivers of change and reform in the Bahrain context based on the emergent themes and related issues arising from the interviews. These have been categorised to answer the first research question and indicate the forces for administrative change, including policy learning. Socio-economic and citizen demands, among other factors, were given a high level of importance as these largely reflect a response to the Government's inability to meet and fulfil citizen needs and demands and improve the overall standard of living.

The term "reform" was understood and in all participants' perception stood for an approach to improve public sector efficiency and effectiveness, including service quality with better performance and an explicit desire to enhance democratic accountability, citizen and public rights, modernisation, and change and restructuring, managerialist emphases sitting alongside democratic emphasises.

Finally, Singapore, Malaysia, and New Zealand were the main policy transfer models in the view of the participants, while they saw POGAR as providing an opportunity for the KOB to move towards successful implementation of governance and the NPM approach. Next, elements of the NPM approach in the context of Bahrain will be explored and discussed.

6.4 Answering Research Question No. 2: How do elements of NPM express themselves in management practice in public sector organisations in Bahrain

Chapter Four examined and explored the extent to which the NPM elements exist and express themselves in public management practices in the Bahrain context as reflected in the survey questionnaire results. This section will now discuss certain elements and issues that emerged from the interview sessions, including good governance, leadership and management style, decision making, patterns of public service work, decentralisation (organisational structure), size of the public sector, customer orientation

approach, and cultural factors. These issues and themes are illustrated in Table 6.3 below, which highlights some of the NPM elements and their existence in public management practices in the Bahrain context.

Table 6.3: Illustration of the coding scheme corresponding to thematic elements of various factors and drivers of the reform in Bahrain (NPM elements)

Code	Categories and sub categories	frequent / rating		Emereged themes	frequent / rating	
		Ministers	MPs		Ministers	MPs
C	**Administrative system**	**Many**	**Majority**			
C1	Content of reform package	some	majority	Decentralisation and power to close operational units (authority delegation)	few	many
				Down-sizing (right sizing)	many	majotity
				Restructurings (movement to flalter structure)	few	many
				Rules and regulation	many	few
				Good Governance	some	majority
C2	Implementation process	many	many	Total Quality Management (TQM),	many	some
				Benchmarking Practice	many	many
				Management By Objective (MBO),	few	some
				Effectiveness	few	many
				Customer oraintation and satisfaction	some	most
				Single implementer	many	some
C3	Reforms actually achieved.	many	majority	Leadership and management styles	theme	itselef
				Decision making process and rationalisation	theme	itselef
				Change through Developing, acquisition, enhancement, sharing, team, corporation	theme	itselef
				Consultants - Democratic Leadership Style	theme	itselef
				Lack of public sector executive	majority	majority
				National Vision, Goals and objectives	many	many
				Performance	few	majority
	external communication			Public and Citizen cooperation (shating in decision making)	few	majority
				Public services Evaluation and feedback	some	majority
	internal communication	many	majority	Top-down by minister themselves	many	none
				Bottom-up (employee ownership)	few	majority
				Evaluation and feedback	some	majority
				Policies in the telecommunication and technological advanceemnt	many	many

Barzelay writs that, "how policymakers should guide, manage, and oversee public bureaucracies is a question that lies at the heart of contemporary debates about Government and public management, this includes the distinction of new themes, styles, and patterns of public service management" (2001: 1). In this notion, NPM focuses on public management culture, style and administrative system with the emphasis being on the centrality of the citizen or customer and including accountability for results and outcomes. Policy transfer literature, as illustrated earlier, indicates that organisation

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structure is a choice used to promote decentralised control through a wide variety of alternative service delivery mechanisms and achieving results more effectively.

In restructuring the practices of public organisations, new management techniques which came from the growing and better performing private sector and reflected the principles of the new managerialism were taken into use along the way to implementation. Strategic planning, measuring outputs and performance-based rewards were some management instruments employed in many countries. Management by results makes it possible to treat some measures shown in the action plan as key results, to which more resources need to be allocated (Barrett, 1997).

6.4.1 Good governance

The bureaucracy regarding public administration posts in Bahrain is a vehicle for a radical administrative reform, expected to be introduced shortly, focusing on restructuring and decentralisation in the light of a "good governance" approach (M2 and MP3 both used this impression). They pointed out:

> *Good governance in public administration is the pursuit of real equality among citizens in rights and duties on the basis of citizenship, and rights to provide them with quality services with continuous improvement in institutions and law, approaching justice among all people (M2).*

> *Welfare and all public organisations have to turn - with no choice - to transparency (committing to a free information flow), accountability, participation (customer participation), observing the rules of law. This is what is acknowledged from reform benchmarking practices (MP3).*

Other MPs (such as MP5 and MP12) expressed the idea of good governance which had gained momentum from the National Constitution and 2030 National Vision framework:

> *People are equally treated with the same quality and delivery manner under the concept of good governance. So Government (ministries and agencies) has to pursue its service development plan to fulfil the public needs fairly and equitably (MP5).*

> *Open processes on results, transparency of services provided, employment among public sector itself based on equitable enforcement of transparent laws, are all integrity and accountability related (MP12).*

These quotations highlight an approach in which public institutions function responsibly to improve public performance and promote sustainable growth. Participation of

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citizens in decision making will shape their future as this requires the promotion of transparency (information flows), accountability, efficiency, fairness, participation and ownership, all directed towards fulfilling the public's needs and demands. Citizens' rights to be served with equal quality services were voiced by both participant groups. For M2, good governance is the pursuit of real equality in service to the Kingdom's public, while MP5 argued similarly that people should have equal treatment with the same quality and delivery manner aimed at fulfilling their needs and demands. These have to be pursued with service management accountability to produce and deliver services which are continuously improving to satisfy people's demands.

In terms of governmental institutions, participants asserted a shifting of government functions in light of the administrative reform agenda, where Government departments and their functions have to be shrunk by a significant margin to achieve efficient and effective service.

Again, transparency of law was highlighted by both groups. This represents an interesting point, implying Ministers' acknowledgement that certain laws and/or procedures are not transparent.

Fairness, equity and justice were other themes raised. It was acknowledged that citizens have the complete right to obtain high quality government service in an equal manner and experience fairness and justice. Finally, employment in the public sector, in the view of MP12, was another issue that had to be subjected to the laws and standards of justice, equal opportunity and transparency. Good governance, thus, has taken root in the context of KOB public sector management.

6.4.2 Leadership and management style

This sub-section will present a narrative and interpretation for the theme of leadership style in the public sector in Bahrain. Categories and analysis of themes and a general discussion of leadership begin the discussion, followed by autocratic and bureaucratic leadership styles, and lastly democratic and/or participation styles will be highlighted.

The roles of organisational leadership and its construal are other issues arising from the interviewees' narratives which determine to a certain degree the public sector leadership and management style in the KOB.

As actors in other governments have learned, "leadership is an extremely complex and value-laden concept that is highly dependent on context" (Canadian Ministry of Public Works, 1997: 1). Indeed, one of the respondents (M9) identified Canada as an influence on his thinking about leadership.

It refers to a range of qualities that confer the ability to influence, lead and inspire others. Many participants, MPs 6 and 7 in particular, insisted on the motivation role of government leadership, as leadership is for them much more than legal authority or certain management skills. MP6 and MP7 further discussed and distinguished leadership, having been involved in civil servant management for a long time:

> *Many in public management in Bahrain use the terms management and command interchangeably with leadership, while others assume the issues of responsibility, authority, accountability, etc. are the constituent concepts of leadership; these things have to be distinguished (MP6).*

> *Our track record of experience confirms plenty of public sector managers are assigned with clear responsibility, supported by official authority as they are subject to accountability but they do not prove their leadership likewise (MP7).*

The above quotations illustrate some participants' understanding of public sector leadership characteristics and attempt to distinguish them from interchangeably used terms, such as management and command, suggesting that managers can possess authority, responsibility and accountability without showing leadership. For them, the motivation function is the key role of Government leadership, but they found it to be limited in Bahrain practice. A Canadian Ministry (1997) report on leadership confirmed the same, suggesting a shared meaning and understanding of the term and notion of leadership in the general view of the public sector in different countries. However, in the Ministers' view, leadership ability is a requirement for a good Government manager (although they occupy a position of authority) in contemporary management and the pursuit of good governance (M9).

Leadership from a process point of view involves two intertwined activities: creating a sense of organisational purpose and direction, and influencing people in Government organisations to achieve that objective, including the mobilisation of followers to achieve ministry and department goals and the utilisation of accessible resources (HR, fiscal and those which are information related). Leadership from the Ministers' perspectives involved employees who held overall responsibility for service delivery

(M3), employees who held positions at the top level and made decisions (M6), and finally, staff holding certain powers and authorities over processes (M9).

6.4.2.1 Autocratic Style

One typology of leadership style is based on three leader types: strong, group, and inspiring (Tolymbek, 2007). Ministers with very long experience, such as M4 and M8, shared a tendency towards an autocratic, directive leadership style, as they reflected:

> *Normally I make the decisions related to my ministry and its rules ..... As I have my own team and consultants, the rules of my team support preparing the arguments and clearance of subjects and questions which they present and pass through to me for the final decision. These support groups are enough to carry out the requirements of the Government. We continually encourage our employees and motivate them, shaping their skills for better performance as supportive groups.... I have restricted my staff to follow the rules and procedures I initiate that will save all of us from unequal service provision.*

This represents the classical autocratic leadership style (some refer to it as the procedural-laden management style) characterised by a minister or manager normally seeking to make as many decisions as possible, having the most authority and control in decision making, retaining responsibility rather than utilising complete delegation, and having minimal consultation with other colleagues. Decision making becomes a solitary process and such leaders are less concerned with investing in their own leadership development, preferring simply to work on tasks by themselves (Oates, 2009). This style is employed by many leaders across the globe and in the Arab world, such as Al-Said and Becker (2001), who advocated that the autocratic style in decision-making can be attributed to the autocratic political system.

Some see it as intuitive, carrying instant benefits and coming naturally to many leaders. To some extent this style involves a moderate degree of interaction and involvement, with decisions being made most often by the leaders themselves with much focus on procedure and rules to enforce compliance with performance targets. As some participants indicated (MP11 and 12 shared this view), certain ministry officers make almost all decisions unilaterally.

6.4.2.2 Bureaucratic Style

M8 (with four years in a ministerial post) tended to favour a centralised hierarchical bureaucratic orientation, as he expressed:

> *Hence the Ministerial role is identified and clear for all Ministers, the political decisions related to every Ministry is that Minister's responsibility to pursue regarding the condition and situation on the spot, while the administrative and implementation decisions should go by delegation to the managerial level and downward. In the end, staff have to follow the rules and procedures within the position of authority and responsibility I have assigned them (M8).*

This quotation represents how some Ministers believe in running their Ministry business as they retain all the power, authority and decision making. Some Ministers are reluctant to share their assistants' and subordinates' opinions, although delegation and authority are subject to rationale. MP9 expressed this in more detail when he answered Q2 (in the MP set): What do you consider to be the most important issues facing public services in Bahrain today? (In other words: What are your constituents telling you?):

> *No doubt systematic and strict (with certain differentiation between groups of people) discipline is the domain in government as a whole. It is imposed through unworkable rules and procedures which the front desks of almost all Ministry staff have to impose without question (position power) as part of obeying Ministers and public management authority. People in our district zone keep suffering from this; some keep insisting that the Ministry staff have no authority and designation to move forward with reasonable freedom to make decision on the spot:*

> *"Sorry ... nothing's in our hands, we are staff so we have to obey instructions or otherwise we will find ourselves being punished ..... It's your choice. You can go higher and ask ...." This is a very common dialogue in many public service offices.*

From the same position MP3 illustrated that there is:

> *No certain accountability for trial and no punishment for those within the higher levels of authority, resulting in poor service delivery.*

> *Citizens still don't know where to go to get service, it is in a very complicated design and policy is hidden among many authorities in this state, i.e. the Ministry of Municipalities and Agriculture, Ministry of Housing, the Area Municipal Council, Ministry of Works and others.*

MP3 also raised a simple inquiry: Is a one stop shop going to resolve this labyrinth?

Staff have to refer to a hierarchical and long span of authority even for minor routine tasks; rigid bureaucratic style is the norm in Bahrain.... Public services are the same. However, I believe that this would represent an opportunity for introducing certain modernising reforms within this context...experience with a one stop shop as a successful initiative of the Investors Centre has been a good practice and standard on restructuring and decentralisation of public services in Bahrain. Such Ministries and departments as Immigration, Traffic, along with municipal and utility services and all others are being requested to follow this movement (MP5).

Acknowledging the prevailing position, however, and despite such initiatives, MP5 added:

I admit that certain Ministers very much recognise that they deploy a bureaucratic style in their daily routine job and activities and I'm very concerned that cultural and communication changes can't occur overnight.

The above quotations provide conformation as to the existence and even prevalence of the bureaucratic leadership style in the context of public service management in Bahrain. Some Minsters criticised this style as they blame it for the shortage of public servants' knowledge, initiative and experience, which have caused them to drive services into the ground. However, some MPs thought that the bureaucratic was a highly appropriate style in managing certain services, such as safety and security, registration, etc.

6.4.2.3 Democratic and/or Participation Leadership Style

The democratic leadership style apparently received much attention, as the participants saw it as a means of moving to the new era of democracy in the KOB. For example, M5 in response to probes regarding interpretation on Q3 (From your experience what is the process of decision making about policy in public sector management? How is policy made?), commented:

I am keen on what has been done by HM the King of Bahrain in the field of labour market and employment. We deal with many approaches and programmes that have made a contribution in developing our labour market and employment.

The process of decision making could be achieved through discussions and dialogue and debate with the key parties - private sector, investors, different associations and related parties - in the light of ongoing social dilemma. In general, we as Ministers are the decision makers with top rulers of the Government and other groups and parties in consultation.

In general, the transcripts indicated that the voices of citizens ranked lower from the Ministers' perspective compared with the dominant position this theme held in the MPs' perceptions. Different MPs on a number of occasions have called for an expeditious movement to a democratic leadership style in place of the existing bureaucratic style, in order to encourage the sharing of responsibility, the employ of delegation and continual consultation.

The concept of participation was found to be very strong in the voice of the Ministers in their answering of Q3 (Ministerial set). Ministers expressed their strategy for change and how they dealt with their Ministry team, as follows:

> *The process of decision making is achieved through discussions, deliberations, sharing of ideas and reaching a consensus (M1).*

> *It depends on each Minister. He can decide on and take the decisions related to his rules and Ministry, where others may depend on their own team to help. Some Ministers prefer to go for more study of a phenomenon and change the events they face (M2).*

> *Personally, I believe that the key to success relies on continuous discussions, dialogue and debate with the key parties and actors such as the private sector, investors, professional societies and our staff (M6).*

> *I normally depend on my team, and everybody has his contribution and role in implementation and the mechanism on the necessary feedback from the customers and stakeholders. This will encourage the employees and motivate them, shaping their skills and performance (M9).*

Another Minister (M10) raised the idea of the *"influential or inspiring leader type"* who relies on *"excellent communication"* and feedback from beneficiaries and customers. It was learnt that this former Minister had laid down the first 10-year strategic plan for his particular Ministry and which was currently being carried out. However, MP9 looked at the matter from another angle:

> *Transparency in Bahrain is quite sufficient as it's improving gradually as we move towards democracy..... Publications and newspapers in Bahrain are more sophisticated ... The citizens' role in reform programmes is essential.*

However, additional themes emerged describing the Ministers' role and perspective with regards to different styles, among them being "implementing", to which most of the Ministers referred (a bureaucratic style). Issuing, supervising, and managing were also frequently found in the Ministers' voice. "Controlling" appeared in some

Ministers' views expressing an autocratic style, while "encouraging" was contributed by few of the participants (democratic style). On the other hand, the majority of the themes refer to management factions rather than a particular leadership style. "Issuing" is one example noted that could refer to both autocratic and bureaucratic styles; this made categorisation problematic.

Leadership style is not simply about what is carried out by the Ministers in this discourse, as much as how they have achieved it. Thematic analysis in this manner was found to be slightly problematic when categorising a certain theme under a specific leadership style, as there are a number of different leadership theories which use different typologies.

The above narrative indicates the participatory leadership style, which is "characterised by a high degree of interaction, contribution and involvement with subordinates and joint decision-making" practices (Baumgartelm, 1957: 360; Tolymbek, 2007). This reflects the "inspiring leader type" factors described by Tolymbek (2007: 189) which are that the leader inspires others with national, State and Ministries' "vision" and overall "strategy" in "constructive progression". Innovation has to do with "flexibility in HRM with emphasis on a wide range of human values" and "bringing about change, new ideas and addressing issues creatively" (ibid). Delegation, sharing and enabling followers is the norm. Tolymbek (2007: 189) further describes how such a leader "trusts followers, delegates authority, and promotes self-government" while motivation is spread among followers (encouragement). Among all these factors joint decision-making is head of the emergent themes found in these different practices.

Such services as health care, education, and housing were said to be the most keen on reform. Civil service rules and regulations are also subject to demands for reform (field notes from MPs 2, 6, 7, 9 and 12).

In participants' views, a democratic leadership style in the context of Bahrain meant seeking reasonable consultation on all major political, social and economic issues and related decisions, promoting delegation to subordinates at lower management levels, and allowing managers to manage and giving them full control and responsibility for the assigned tasks. However, some of the MPs thought that seeking consultation over decisions might slow the process and cause the State to miss opportunities and act too late in avoiding certain hazards.

Furthermore, Ministers and officials require feedback (assisted by efficient and effective mechanisms as the result of initiatives in the work environment in relation to public service and its delivery), as asserted by M9. Encouraging others to become leaders and be involved in leadership development will be a continuous task.

This supports the existence within KOB of a leadership and management style that would represent an opportunity for being a supportive element in achieving a more effective performance in administrative sector reform within the NPM implementation programme.

The leadership styles within Government in the KOB are varied: autocratic in some cases, bureaucratic in most and democratic at a certain very narrow level. This can indicate an important variable determining the sector's motivations and attitudes towards any reform approach.

6.4.2.4 Person-job Fit

The issue of there being no confidence and trust between citizens and public sector authorities, with unfairness in service delivery or employment from the view of equal opportunities and person-job fit, particularly at the decision-making level, was raised by MPs 1, 2, 3 and 4. MP2 emphasised:

> *No confidence, no fairness at the managerial level, as they have no authority or delegation to assist them to make immediate decisions at floor level... Everything is subject to the Ministers' decisions... One day I went to get something that relates to house building permission. The front desk staff argued in clarifying the regulation upon my objections to unfairness and lack of equality with other citizens. This weakness in my view is a natural result of the "wrong person in the wrong place", which is quite noticeable in Bahrain's civil service sector.*

MP13 shared the above Minister's attitude:

> *Putting the "wrong person in the wrong place" is a result of political pressure and the burden on public sector management, where the qualifications and skills standard is unaccountable to public recruitment. This leads to weak management and low performance.*

This presents the concept of "person-job fit", which refers to the process of matching potential candidates to specific roles and responsibilities within the public sector organisation. It determines the fit between an individual's abilities and the demands of a particular job or position (Kristof, 1996).

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In summary, based on the above interpretations of quotations, field notes and statements, this sub-section began with highlighting the participants' understanding of leadership in the public sector in the Bahrain context. Many distinguished leadership from other terms, such as management, command, responsibility, authority, accountability, etc. Motivation and encouragement roles were also highlighted in their views.

Leadership styles were then discussed. The participatory leadership style came first in discussion with both groups of participants. Ministers view it as a way of seeking the involvement of others in the decision-making process: assistants, subordinates, consultants, peers, superiors, teams and stakeholders. The transcripts show that the level of participation varies according to the type of decision being made. Decisions regarding goals, strategy and motivation required a high degree of participation. While MPs referred to a democratic leadership style as being desirable, a closer look showed that they meant a stronger voice for citizens in decision making. They spoke mostly in terms of: discussion, teams, contribution, motivation and encouragement. The term "joint decision-making" was popular. This style is also known by various other terms: consultation, empowerment, democratic leadership, Management By Objective (MBO) and power-sharing. The democratic leadership style was expressed as a desirable style by MPs in particular, although some feared it would lead to a slowing of the process, loss of opportunities, or hazards avoided too late. To many MPs, this style has to be a prerequisite for the new era of democracy in Bahrain.

Following the autocratic leadership style, the "classical" (procedural-laden, as it depends heavily on procedure and rules to enforce compliance with performance targets) was highlighted as one of the dominant styles in Government. Such decision makers seek to make as many decisions as possible, using authority and control, retaining responsibility rather than making use of full delegation and consultation, and are less concerned with investing in their own leadership development and motivation. Moreover, some participants revealed a tendency to be in favour of a centralised, hierarchical, bureaucratic orientation of leadership.

It can be seen that different leadership styles are needed for different situations; leaders need to know when they should put a particular leadership approach into practice.

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Weber believed the same, asserting that "most leaders exhibited characteristics of all three styles". He described these as transactional, bureaucratic and transformational[26].

6.4.3 Decision Making

6.4.3.1 The Decision-Making Process

For Huq (2001: 8), "efficient decision-making procedures are part of the professional and result-oriented administration, where the organisation and structure of the Government and public service and administrative culture have a bearing on the decision-making system". Under the existing situation of the KOB Governmental administration, the Ministries are responsible for formulating their policies, services and means of delivery. Some Ministers, (e.g. M7), highlighted the process of decision making in the Government:

> *Every Minister is requested to report his opinion and the plans of his Ministry to the State Cabinet at a formal weekly meeting, where discussion and direction normally take place to approve those polices and forward them to the cabinet support committees for the necessary action and regulation.*
>
> *In addition, from my point of view, I found that the decision-making process is normally approved through a democratic process in the Ministerial Cabinet.*

This would seem to represent evidence of a lack of executives in Ministers' views.

> *Moreover, we need a real shift in the public management paradigm to deal with HM the King's modernisation approach and projects to develop certain strategies to modernise State public sector management (M2).*
>
> *The managerial level (middle management) shows low performance and efficiency in administering the State rules and services, and needs real reform (M7).*

In answer to a question about what MPs considered to be the important issues facing public services in Bahrain today, the majority of them acknowledged that there was an unclear demarcation line between policy decisions and operational decisions. This confusion is complicated by the centralised tendency in administration which causes delay in decision making. The other important aspect that may be noted here is that the

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[26] Cited [online], Available: http://www.money-zine.com/Definitions/Career-Dictionary/Traditional-Leadership-Style/ [Accessed 4 April 2010].

discourse on decision making is confined to the dominant bureaucratic structure within the Government. M10 confirmed this:

> *One of the key issues and problems concerning the application of standards and controls that lead to providing equal opportunities is determination of the Ministry and the division responsible for and involved with service delivery.*

While MP12 (as a representative of the Parliamentary public services) went further:

> *Public services are labelled as having a very slow response and delivery with inequality and unfairness among citizens and demanders. This goes with unclear roles and responsibilities between the Ministries concerned; a lack of specialisation and overlap. We acknowledge that we miss the path from where service starts to where it ends, and which Ministry's role it is. It is a real mess in citizens' awareness. The Government has to provide an equal standard of service to every citizen with equal justice and fairness, whatever their race, beliefs or circumstances. In confirmation of this, a letter sent to a Minister takes two to four months to reply to, as it might get lost in the bureaucratic set-up among these Ministries.*

MP8 gave another example:

> *I've been following up an application with the Ministry of Housing for five years. There's an overlap between more than three Ministries or Directorates.*

To him, this represents inefficiency in public services as a normal outcome of the duplication of responsibilities and tasks and where the roles and regulation on occasion are found lacking.

MPs clearly expressed that they are limited actors as there is no indication in the rules of business regarding the role of MPs in decision making, particularly at various administrative levels, without violating the separation of power policy.

On the other hand, M3 raised his concerns about the roles of consultants in decision making:

> *There is a danger in relying too heavily on consultants and using them as a proxy for decision making. Consultants may best be used to bring an analysis of similar situations and an objective view to the table, but the ultimate ownership of any policy decision must come from the client who understands what is to be achieved, and is able to listen to what the consultants have to say, learns from the consultation, and then takes a reasoned decision.*

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6.4.3.2 Efficient Decision-Making Procedures

Decision-making procedures in most public service organisations could be made more efficient; this was the general view of the majority of participants. Slow and complicated rules and procedures, with a long span of bureaucratic control often resembling a legislative process rather than operational decisions, supported the image that the Bahrain Government sector is inefficient. Performance implementation and overseeing the controlling and supervising of rules, policies and procedures were common functions raised in the interviews, supporting the existence of a bureaucratic management and leadership style within the KOB Government. More importantly, MP5 mentioned:

> *Civil staff need to feel that they contribute to the organisation's success and that they are valued members of the team. This is one reason why democratic management techniques are required.*

On the other hand, this process takes a different path between the House of Representatives and the Government:

> *… particularly when the dilemma comes to a disagreement between Government and Parliament. In this case, the issue is subject to taking a different channel. This would make its way to the Cabinet and HM the King, as they normally take the most decisive decisions (MP8).*

MP12 highlighted the same, while MP9 felt:

> *We are in serious need of reform, particularly to improve and develop the essential citizens' needs such as housing services, health and education…. Power production will soon be privatised….. [for example], Power station (A) was sold to a foreign investor while 90% of station (B) was sold to the investment sector against 10% to a national investor. The national private sector has to encourage contribution in the national economy as a favoured strategy (MP9).*

6.4.3.3 Public Management and Decision Rationalisation

Strong agreement was found among MPs and Ministers on what they called the "rationalisation of public administration". MP5 and MP7 emphasised:

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Need is a driver for reform as we can see the administrative bureaucracy has begun to impose some of the major Governmental tasks, which we find by the slow pace of decision-making and also the quality of decisions made, as they do not reflect the reality. We need a rational administration (MP5).

The bureaucratic style they cling to.... knowledge and skills, power distance and so on apparently are problematic in Bahrain (MP7).

They attributed poor performance to the lack of decision transparency; planning; cooperation between ministries; fairness, equity and justice in employment; and citizen dissatisfaction with housing, health care and education service quality and delivery (MPs 2, 3 and 6). On the other hand, power distance was pointed out as being problematic. Bahrain is categorised among the Arab World countries as somewhere where the power distance is very high, scoring 80 on Hofstede's Power Distance Index[27]. It is quite evident that the front line staff in public service lack authority as this is vested with those of higher rank. Delivery is subject to long bureaucratic procedures and there is differentiation between service demanders, as class divisions within society are accepted in Bahraini and Arabic culture.

Based on his Chairmanship role and long experience, MP9 reported:

Satisfaction is not at the desired level but we are approaching it as things in Bahrain are not dramatically deficient compared to the real situation in other countries..... For instance, health services have been developing (orderly home treatment, pregnancy and maternity follow-ups and check- ups as well as primary health care and so on). Power and water utility services are also good to a certain extent. Satisfaction depends on providing and delivering quality services on time for a lower cost. This is a challenge as we face a fiscal budget deficit or limitation.

Another factor is political stability, given that Ministers hold their position for four years (the election cycle in Bahrain), as mentioned by some Ministers (M6 and M9). The MPs' views on this varied; some thought that giving Ministers more time would result in better performance and follow up, while others felt differently.

6.4.4 Changing Patterns of Public Service Work

With the emergence of privatisation (referred to by Ministers 6, 9 and 10) the public sector notion of service delivery is shifting to private sector market orientation in terms

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[27]   Hofstede   (Available: http://www.clearlycultural.com/geert-hofstede-cultural-dimensions/power-distance-index/ and http://www.geert-hofstede.com/), [Accessed 2 September 2009]

of customer focus. This tends to *"change the pattern of public products and services"* (MP7, who was involved in the economic field). He added:

> *This consequently increases evidence that the direct cost has been reduced but on the other hand the reduction of price at the cost of worsening working conditions and the service and product quality (specification and time are vital here) are commonly noticeable in the Bahrain experience. Production or delivery time is assumed to be shorter but this is not the case in reality [as shown by the case of] immigration services (in Bahrain) and English international visa services (that were previously under the UK embassies' public service provision). Today we are debating with the Government over prospective privatisations, such as the post office services (the EDB announced a plan to privatise within a year (i.e. by March 2011) (MP7).*

> *I am in favour of the privatisation of national concerns ... to reinvest within the national territory (MP9).*

As some Ministers mentioned, health care services are to be split between the private and public sectors. There was no doubt that certain shifts such as IT services within the entire Government were considered good practice.

On top of the awareness among MP participants of the privatisation "shift", certain themes emerged, such as the impacts of "staff reduction" (increased unemployment); "increase in part-time staff" (no social and job security); and "pay reductions" (lowering citizens' standard of living). However, they found the issues of "productivity", "efficiency" and "better organisational design" and "technological advancement" to represent gains (MPs 3, 10 and 13).

Technological advancement, in the form of IT provision, presents an opportunity for the KOB to enhance and upgrade service delivery systems: *"e-Gov. is performing well while customer skills have to develop and improve"* (M2).

6.4.5 Decentralisation

As we can see from the above discussion, bureaucratic management in the public sector globally has become ineffective, as the centralised form of organisation is more the norm. In Bahrain this form of management, as we can see, is tied by Ministry rules and constraining regulations that place pressure on available resources and offer a focus on input rather than on outcomes. Public sector flexibility and responsiveness are other issues. Ideas for change or reform have to be accomplished with greater responsibility, accountability and transparency for the results achieved, rather than simply complying

with rules and using resources in the production of routine services. Decentralisation was one of the most commonly emphasised themes emerging from the majority of MPs' interviews. For the MPs, decentralisation was viewed in terms of independence and had a political dimension:

> *Devolution of political power determines the extent of decision making at service delivery level (operational management level) and elected members of the local authorities i.e. Municipal Councils in the case of KOB.*

Ministers, however, explored the term from a management perspective, as clearly explained by some Ministers (M2, M9 and M10 shared the same view):

> *We are continually depending on our teams to share in decision making. We encourage and give our line managers and directors greater managerial authority and responsibility (M2).*

Political decentralisation is often seen as an integral part of Government reform because it entails reaching the appropriate size of Government and number of civil servants in Government bodies and local authorities (Ministries and Municipal Councils in the case of Bahrain), as well as the radical restructuring of central Ministries such as Health, Education and Housing. The public sector has been inflated so that salaries have consumed a major part of the State budget. Meanwhile, the independence of Municipal Councils has become a matter of Parliamentary and Government controversy (*Al-Waqt*, 2 April 2010). They should be aiming at the delivery of better quality services besides infrastructure development in each province, according to the State policy, in coordination with the relevant Ministries and agencies and maintaining the independence of the Municipal Councils.

As can be seen, lessons drawn from certain policy transfers show that centralised administrative activities are undergoing dramatic and comprehensive change towards decentralisation in the light of NPM. The time of the centralised public sector structure seems to be over in the post-NPM countries which are practising governance in dramatically more decentralised societies. This is the contemporary movement in Bahrain.

The Government has started to create a number of autonomous agencies and corporations; this is an important move towards a more *"open personnel management structure"* (M6), although the *"civil sector is still behind the notion of real HR or HRD"* (MP1).

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6.4.6 Downsizing and Right-Sizing

It is becoming more visible that NPM and such administrative reforms being undertaken as part of the worldwide contemporary approach lead to state modernisation. In this relation, a view was held by some of the MPs that modernising the machinery of State Government is needed in order to improve the quality and cost effectiveness of public services in the KOB. In their view, this has to be reflected by Ministries promising improvements in education, health care, housing and social services as a key issue of the KOB modernisation agenda. One of the MPs offered this opinion:

> *Greater efficiency, effectiveness and cost savings to me represent some of the reform driving forces in this state (MP11).*

Right-sizing was one of the common themes addressed by all the MPs, whatever their political party. MP8 asserted:

> *Since 2002 we have identified that the public sector and civil servants have been inflated, and more Ministries, agencies and public institutions have been founded. This raises a question about the HR and HRD bill including the related budget margin for this expansion. Government expansion shows we do not know what is the right or desirable sizing, while we as MPs favour downsizing, although we insist that the economy will encourage and produce more employment opportunities specifically for Bahrain. Public servants are forecast to be between 75 and 80 thousand employees (for both civilian and military sectors).*

Recently the State Cabinet directed CSB to restrict the annual new recruitment to 1,000 newcomers (*Al-Ayam*, 15 March 2010).

However, this issue is under continuous debate in the KOB, as the Ministers indicated:

> *We can see that we have political pressure from Parliament to increase the number of Government servants, whereas we assume we have to go the other way round to the size and number of civil servants to match the right size of Government, with the right capacity and available resources (M10).*

> *The size of Government is inflated; we haven't the right size of Government and its employees and privatisation and outsourcing would be one of the approaches. We have already started downsizing public sector employees. PPBS is one of today's approaches to moving ahead in the fiscal system where we can improve the real performance of Government bodies (M2. MP4 mentioned the same issue).*

The sector was expanded and too inflated. Agencies and privatisation would be a solution (MP12).

For me it is quite visible that the public sector is inflated, while the Government has to reduce the employment bill (80% from the recurrent budget) by swapping the Government volume of staff with skilled and qualified people as well as advanced technologies, i.e. e-Gov (MP13).

Privatisation and outsourcing would result in downsizing public sector employees (M2).

For many MPs (MPs 10, 11, 12 and 13), public sector shortcomings tended to be linked to the structure and size of the Bahrain public sector as a whole and a predominant view was that significant restructuring and downsizing of the workforce was required: "the so-called hardware side of the government" (Ha, 2004: 513). Political pressure tends to pump a number of fresh Bahraini graduates into Ministries and Government departments with the aim of reducing unemployment and bringing in new blood. This results in upsizing and is contrary to the restructuring plan.

As indicated previously, privatising unprofitable state enterprises and some public sector corporations and boards is one measure adopted to improve effectiveness. Moreover, the civil service is one of the major issues of reform in the State, according to the majority of the MP participants, who perceived poor performance in the delivery of basic services or excessive and costly regulation. Poor performance was generally presented as due to the wrong incentives for civil servants or a lack of capability. In relation to this view, M1 with very long experience in the civil service, shared his views:

> *The civil service sector is running without a clear agreed strategy and management approaches to the problem including job descriptions in certain concerns being developed to fit the person instead of the job. This kills the professionalism and performance in this sector. Creating clearer job descriptions tied to tasks [is needed] to reflect the Ministries' and departments' role or mission (role orientation) ..... This would assist civil servants to judge against known and consistent standards.*

This issue received more attention from MPs (such as MPs 7, 11 and 12) in their replies to question 2 (MPs' set, see Appendix D-3), on what they considered the most important issues facing the public sector in Bahrain, including their constituents' views:

Appeals and complaints against promotion decisions or unfavourable ratings could result in punishment for the sector management concerned. Appraisal to a certain degree could be almost irrelevant in civil services dominated by unequal opportunities perceptions, and the awarding of jobs in return for favours. It was also very difficult where ethnic or regional and other considerations drove employment decisions, contrary to democracy. There was also little incentive for assessment when reward bore no relation to performance in terms of service delivery or Ministerial and/or departmental missions and objectives

In tackling any downsizing initiative, it must also be recognised that roles and responsibilities are diversified in terms of a Ministry's function and activities, in addition to supervising the public service rules and regulations (M4). While for M2, his role had evolved into implanting Government policy in related affairs and encouraging more development in dual foreign and international relationships. For the majority of the Ministers it was quite common for them to share the implementation of roles and procedures (role orientation) in developing and modernising existing public services within the jurisdiction and laws, besides issuing new laws to fulfil the needs of modernisation. Some of them went on to emphasise their roles in improving market and labour policies to utilise State resources and maximise their contribution to national productivity.

Developing training is required to meet the Bahrain market skills and knowledge base for available vacancies besides encouraging the market to produce more jobs with better return. [As well as] controlling the housemaid category work permits (M5).

In contrast, M6 found a primary role is to manage a Ministry's core business and to recommend policy actions to the Cabinet. This included a responsibility to contribute to strategy and policy making across all Ministry responsibilities.

M9 and M10 described this in more detail:

On a day-to-day basis I must keep in touch with my management team to ensure that issues are escalated and dealt with in a timely fashion, ensuring an orderly market place where investors, consumers and businessmen are equally protected. My responsibility here is to interpret market signals into policy dynamics as a regulator and promoter of business and service in Bahrain. We are constantly in harmony with both the changing market requirements and provide support and encouragement for the organic development of new businesses and the expansion of existing enterprises.

In summary, downsizing and right-sizing are key challenges for the KOB civil service within their modernisation agenda. Right-sizing was a common concern for all the MPs, whatever their political party. In addition, poor performance and job-person fit represented shortcomings responsible for sector inflation.

Some 75 to 80 thousand employees is the forecast volume for this sector, with consumption of almost 80% of the annual recurrent budget. Privatisation and outsourcing on the other hand would also result in downsizing. This might contradict the political, social and unemployment pressures. However, diversification and the reform of public management is a normal part of management processes; every country has to find the right capacity to fulfil citizens' demands in an efficient and effective manner.

6.4.7 Customer Orientation

One of the recurrent themes of reform raised by the majority of the MPs was the desire to orient the public services towards the consumers of these services:

> *Based on the service delivery, Ministries have to treat the service users as customers with citizenship rights, fairness and justice and otherwise (MP4 and 6).*

This presents a concern with "the citizenship role and rights in the notion of market type reforms based on the service user as a customer" as indicated by Flynn and Strehl (1996: 17). Shifts in Governmental agencies' organisation structure revolve around this notion, and this is something the KOB has experienced based on a customer orientation approach.

6.4.8 Cultural Factors (the Phenomenon of Corruption: Wasta and Nepotism)

There are those who have argued that the NPM is inappropriate for developing countries on account of problems such as corruption and low administrative capacity (Polidano, 1999). One MP noted problems with Bahrain's Government services in certain circumstances:

> *Lack of performance and productivity in relation to the high expenditure ……
> Corruption is another issue considered among this sector; I believe that we
> have to commence a perspective of VFM, getting value for money, including
> accountability and responsibility (MP1).*

The KOB has recently been engaged in formulating an Act driven by the House of Representatives and debated in the Shura Council which aims to keep pace with the global trend against influence peddling and corruption. This approach has been growing and developing, especially since the United Nations declared the Convention against Corruption and urged all states to accede to it to reduce the abuse of power and fight against financial corruption. Bahrain has recently ratified this Convention and become bound by the provisions it incorporates to combat corruption in both administrative and financial areas, particularly in the public sector. Among these is financial disclosure for senior Government officials and staff in the KOB (*GDN*, 19 February 2010). In their answer to Q2 (What do you consider to be the most important issues facing public services in Bahrain today? What are your constituents telling you?), MPs 6 and 7 shared the same view as MP7 acknowledged:

> *Corruption is around; in both streams of financial and administration in the public sector. Government in this respect has not shown any willingness or initiative against corruption (MP7).*

Employment in the public sector is characterised by corruption in the view of some MPs, as *Wasta* is widespread in the country's culture. This was mentioned by other MPs (with long experience) in more conservative terms:

> *We are living at a very narrow distance as a family; no doubt Wasta is one of the significant tools used to access public services, including employment (MP8).*

> *We have to allocate and emphasise the selection of qualified people in order to achieve the best results without any differentiation, nepotism and cronyism (MP9).*

MP12 expressed the same feeling:

> *Wasta and nepotism lead to low productivity and performance and kill initiative among the public sector as a whole.*

MP5 explicitly asserted:

> *Employment within the public sector depends on differentiation ...Wasta, on the other hand, plays a significant role as this is applied to promotion and appointment, although officials deny the existence of this phenomenon. Equal opportunity and gender rights and so on..... are another challenge in this regard. ... We all are aware of the need for administrative reforms. Unemployment, citizens' rights and service provision are all based on whom you know, your relationship, and mutual interest, nepotism and cronyism.*

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The issue of bribery was raised by MP12 in his discussion of how *Wasta* and relationships pose serious challenges within the public sector. Currently, many cases are under trial, such as a case related to the Tourism sector.

The Government has begun to tackle this problem. Recently the CSB (*Al-Ayam*, 15 March 2010) issued instructions for a Code of Conduct. These instructions required public sector employees to refrain from any activity that would lead to real or apparent conflicts between the interests of potential employees and their responsibilities and functions. These instructions are aimed at establishing the principles of discipline and transparency, impartiality and objectivity, effectiveness, loyalty and efficiency in the conduct of civil servants in the KOB in the performance of their duties and functions and to provide the public with high standards of professionalism.

Interviewees recognised that there is dissatisfaction with public service quality and delivery, and that every single person should be treated equally.

> *Differentiation between citizens is based only on fairness, justice and equality being the norm everywhere* (MP4).

MP2 made the same point as above. Furthermore:

> *The citizens' sense of discrimination and inequality is a negative reflection of citizen abuse and consequently the provided services themselves* (MPs 12 and 13).

The cultural dimension plays a strong role in public sector organisation, shaping the work environment, the production of services in the work place and formulating the pattern of the work flow. Certain cultural phenomena such as *Wasta* also have "strength and widespread practice in Saudi Arabia" (Mellahi, 2007: 92). He added: "Loopholes in the legal structures may weaken the enforcement of the laws". "*Wasta* is a person's ability to utilise connections with people who are both able and prepared to change the course of natural events on that person's behalf" (Whiteoak et al., 2006: 81). People with strong *Wasta* may rely on their connections to bend or ignore some aspects of the law and regulations (ibid).

MP1 refers to corruption in relation to Value For Money within national spending and the need for responsibility and accountability to promote public sector performance and productivity:

Lack of performance and productivity in consideration to the high bill of spending…Corruption is another issue considered among this sector, where I assume that we have to commence the prospect of VFM to getting value for money, including accountability and responsibility (MP1).

In summary, cultural dimensions play a strong role in public sector organisations, shaping their work environment and including the production of services in the work place and the pattern of the work flow. Certain cultural phenomena such as *Wasta*, together with nepotism and cronyism were important themes raised. In particular, *Wasta* was the only category of themes discussed by all thirteen MPs, while none of the Ministers talked about it (see Table 6: 3). *Wasta* is a very common word in Arabic culture, but in this study it was found to be perceived differently from the general meaning. *Wasta,* in the participants' view, reflected unequal opportunity among citizens to be provided with services of the same quality and the same treatment, which is not always the case in Bahrain, as claimed. Some mentioned that this could take the form of illegal exemptions from payment of fees or taxes. Furthermore, *Wasta*, nepotism and cronyism were said to have a strong influence on public employment and recruitment in the Bahrain context, as is the case in other Arab World countries. This might lead to low productivity and performance, unequal opportunities and neglect of gender rights.

On the other hand, *Wasta* is a significant tool used to access public services for many things, including information and research, as this study was able to do.

6.4.9 Organisational variables

6.4.9.1 Administration system

Skilled staff are moving from the Ministries to the public sector and to public agencies which offer a better organisational environment and higher pay. MP8 commented on this phenomenon of *"migration to the outer circle and admitting losses to the public sector"*.

As already mentioned in the literature, the rhetoric of reform tends to outpace the reality in any country and such is the case of Bahrain. In this regard, MP8 added:

> *Government and citizens are all appealing for administrative reform, especially in health, education, housing, employment and others that require strategy in place with immediate effect, reflecting the notion of a democratic public management style. The MOH has formulated a health strategy plan and achieved considerable success in primary health programmes, while other sensitive health services are still run under a rigid bureaucratic management style and performing low in comparison. Centralisation is the dominant feature in these ministerial services as the main providers.*

Another MP similarly highlighted this issue:

> *I believe that administrative reform is an urgent issue to obtain citizen and customer satisfaction and enhance the relationship between the public sector and citizens (MP12).*

M1 discussed reform in the context of the characteristics of the health sector and the MOH strategy for change. He reflected:

> *My strategy for change in this sector is a reflection of the public needs (residents and citizens are equal in receiving free treatment).... This requires a bottom-up system with collective input. This strategy28 aims to separate private and public health services, which will ensure that under-privileged patients will receive quality and advanced health services with no compromises ..... I intend to introduce this in a non-threatening way.*

The above indicates that certain Ministries, such as Health, have their own strategy. Separation of private and public health services (decentralisation) has emerged as a priority in the change agenda of M1.

Considering the Ministers' roles, M4, M5 and M6 claimed that CSB stands as an obstacle to the performance of their roles and responsibilities, particularly in HR recruitment, besides the inflexibility in restructuring and decentralisation. They sought freedom from CSB procedures and control, so that they could practise equalisation and hire specialists and qualified people within a competitive market. All these Ministers highlighted the role of the CSB as the body of the HR regulatory board, while control rests with the National Audit Court (NAC).

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[28] To improve the health of the population in Bahrain by partnership with stakeholders, in order to provide accessible, responsive, high quality services for all throughout their lifetime. It forms the basis for future decision making and provides a comprehensive view for improvement and development (available: http://www.moh.gov.bh/EN/AboutMOH/Vision.aspx).

> *For best performance, it is a Ministers' and Ministry role to allocate the budgeted resources in the way of better outcome, freeing our hands for allocation required, certainly to be free from CSB process and "bureaucracy". We have to be decentralised and enabled to utilise the available resources, HR and finance ..... need to be more flexible and free to manage resources, although we are subject to control by the NAC (MP5).*

Public HRM system(s) in NPM-oriented reforms present evidence that the major personnel functions, such as recruitment, promotion, HRD and so forth, were shifted from the central public service organisation (CSB) to the Ministries. M6 cited Singapore as an example in this connection.

Reflecting the new trend during a recent interview broadcast worldwide as part of CNN's week-long I-List "Bahrain in the fast lane"[29] coverage, His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince and Deputy Commander-in-Chief said:

> *We are moving into a far more diversified economy that is dependent on the private sector as the main engine of growth. We're going to do that by really stimulating business, by transforming the role of Government and continuing to invest in new technologies and innovations. This means revolutionising the role of Government from provider to enabler and regulator. In order to do that we need to invest in education, we need to get skills, new technologies. It gives people a better life. The aim is to build a better future for the generations to come.*

This presents strong evidence that the top management of the KOB has a clear vision and strategy for downsizing the public sector and reducing the sector's role. Services provision will be transferred to the private sector through various means. Such moves confirm the existence of an NPM orientation in this regard.

6.4.9.2 Evaluation and feedback

The majority of MPs considered that public services in general are run under inadequate evaluation, including unclear mechanisms. Some departments still retain suggestion boxes (one of the traditional means) but customers have no trust in this due to lack of feedback or tangible improvement in government services.

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[29] CNN's Quest Means Business (presenter Richard Quest), Thursday, March 11, 2010, "Bahrain in the Fast Lane" *Gulf Daily News*, 11 March 2010 - Vol. XXXII No. 356.

Performance and result measurement (output and outcome), achievement of good feedback from clients being related to rewards, pay and promotion; this could be used as a link between national and Ministries' goals and departmental and individual tasks (M1).

We have to fill the gap between public service providers and citizens to fulfil the demands, which requires an adequate evaluation and feedback mechanism as one of the challenges facing Bahrain today. Assessment of public sector performance is the role of the House of Representatives and the Municipal Councils in the lower dimension. Hence we acknowledge that there is no such sophisticated evaluation system on the ground (MP6).

Sharing the same concern, several other MPs shared these views:

Citizen contributions including feedback are at a minimal level ... We are looking for a sufficient formal feedback system that would encourage the public to participate in the rules of decisions and their processes (MP2).

They don't have any service evaluation system, although certain Ministries keep some figures. The media, particularly newspapers, are the only means of measuring public customer feedback, but it's not enough (MP13).

I acknowledge that the feedback mechanisms on public services are inadequate as it shows poorness .... Research and studies are rare in Bahrain and the rest of the Arab World in this regard (MP9).

M9 explicitly asserted the benefits he expected from an effective feedback mechanism:

A mechanism for the necessary feedback from the customers and stockholders will encourage the employees' motivation, shaping their skills and performance.

There was a widely-held view that facilitating a greater level of trust between the public sector and citizens would promote partnership in decision making, while feedback and continuous evaluation would secure and prevent the administrative sector from pitfalls and shortcomings. On the other hand, many MPs raised the issue of "jobs for the boys", which came up many times with different explanations of cases throughout the interview sessions.

Moreover, respondents (certain Ministers and the majority of MPs) raised a discourse of the overlapping between services providers (departments in Ministries). This confirms the need for restructuring within a decentralisation approach as part of the reform agenda in most Bahrain public organisations (the questionnaire findings raised the same issue).

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6.5 Answering Research Question No. 3: To what extent does the NPM present challenges and opportunities for Bahrain's public sector?

Evidence has been presented concerning the existence and appropriateness of the NPM elements and domains for adoption in Bahrain, with attention to the failure of attempted NPM reforms in other world countries, which might seem enough to lead us to a negative conclusion. However, it would be a mistake to look at the NPM in isolation; administrative reform has always had a high number of pitfalls and restrictions in both developed and developing countries (Caiden, 1991; Kiggundu, 1998). Debate continues as to whether NPM reforms are inappropriate for developing countries, basically because of their poor record of implementation, but one may as well say the same for any kind of administrative reform. Instead, NPM presents an opportunity for Bahrain as the movement towards a more democratic era is ongoing.

The lack of legislation (transparent rules in relation to public services) and minimal development of a public administrative culture among the civil service in Bahrain are also elements which can result in problems in creating cross-departmental coordination. These rules crucially concern administrative procedures and enhancing the relationship between citizens and administration (according to MP12). In addition, the stressful movement from the administrative state to the legal "constitutional state" poses many challenges and demands new legislation (MP6). Both groups, MPs and particularly Ministers, expressed this view. For example:

> *Legislature in the civil service refers to law and regulation is one of the top drivers for increasing the administrative capacity of the Bahraini public sector.*

Modern law in the civil service is a key regulation for a modern administrative culture. A new civil service law is another challenge, as was the case in many NPM transition countries; new civil service laws have been enacted.

Ministers added (M5 and M3):

> *The suggested new law has to develop the professional civil service into being efficient and effective, which claims initiative development of service based on customer orientation.*

MP6 illustrated:

> *At the top of the challenges is the Government's commitment towards contemporary democracy.*

For MP9, fiscal policy and bi-annual budgeting was one of the critical challenges, and which should reflect the State's strategy for addressing citizens' demands.

MP1, in answering Q2 (MPs' set of interview questions) said:

> *Bahrain is facing many challenges, such as poor efficiency on delivery of services, how to deliver services in an equal manner and standard and being efficient in terms of real cost and quality. Participants among my geographical boundary keep suffering and criticising the daily routine services as they are dissatisfied. Having said that, some Ministries or Departments have been ahead in restructuring their service mix and means of deliverability in a modern fashion and design aimed at customer loyalty and satisfaction, such as the investors' centre, the first attempt at a one stop shop in Bahrain. This has to go with deployment of the existing merit system. However, this attempt insists that more attention from the Ministries of Industry and Commerce is directed to strategic planning to deal with and satisfy state investors. Restructuring and decentralising these services under a central provider was crucial.*

However, both groups of interviewees expressed their awareness about the future of Bahrain's welfare services, in that efficiency and economics would drive down costs and improve public service quality. The public sector is a subject of reform in an holistic administrative system (MP5) and MP1 highlighted the same:

> *I am very pessimist about the future of the Bahrain public service sector if the Government initiates momentous change.*

In the same view, MP5 emphasised:

> *Administrative reform for this country needs urgent and strategic movement in the era and sphere of democracy and contemporary administration style.*

MPs 6 and 7 expressed their optimism about the future of the public sector, based on recent concomitances and the dominant public management mentality and style.

Economic planning for both micro (training of fresh graduates in more vocational and experimental stream) and macro levels (the 2030 Bahrain economic vision) has become essential. The triangle of health, education, housing and employment, I believe, has to be the cornerstone of any successful strategic plan in this country. I assume we are still beyond any real plan for restructuring, decentralising and/or privatising to some extent. We have to learn the lesson from the 2020 economic plan in Malaysia. In general, some reform programmes have been consolidated into a more coordinated public service initiative in Bahrain's 2030 National Vision, which aims for service excellence and meeting the needs of the public and citizens with high quality standards and courtesy.

Today the reform of public administration is driven by the different pressures and new requirements of an ever-changing world. Perhaps one of the major challenges in this era is that making public service sector problems universal today is leading to a kind of standardisation of solutions (policy transfer with an adaption mode). The common points observed in the reform process in the light of the NPM in the countries of origin and others are more numerous than the differences. In this sense, all states are in transition today.

Administrative reform and development have a two-fold challenge for the developing countries, as they have to keep learning lessons from the experiences of others and draw some lessons that can be reconciled to suit their own circumstances (Corkery, et al., 1998). With respect to the situation and capacity of the KOB (according to the above findings) this would present an opportunity for Bahrain to develop a unique position as a pioneer of the NPM approach among the GCC countries and the Arab World.

6.6 Conclusion

Reform or change in the KOB public administration management were viewed as highly influential and driven basically by socio-economic and citizen demand factors. These mutable forces emerged among all the other factors, such as the purely economic, the political and global economics. The field notes contained numerous quotations in which the participants indicated that the administrative reform factors were customer driven (socio-economic and citizen or public demands), cost driven, current capability driven (international sources, POGAR and policy transformation), and the introduction of radical reform (the NPM approach) as a challenging target.

Piecemeal, but not comprehensive, changes are quite noticeable in Bahrain, although the NPM is only one among a number of contending strands of reform in the developing

world. Most of the MPs expressed their optimism over the future of public sector management in Bahrain in light of the NPM approach.

In conclusion, while many developing countries have taken up elements of the NPM agenda, they have not adhered to its full set of principles; this helps us to place any evidence of NPM style initiatives in its proper perspective in the Bahrain context. Moreover, the evidence gathered in this thesis also sheds light on the vexed issue of the appropriateness of NPM reforms in developing countries and the Arab world in particular.

Reform cannot be undertaken without hurting some groups, which could certainly be a cause for resistance and even lead to failure.

This chapter explored themes that emerged from the elite interviews with Ministers and MPs. Brief discussion of the public sector management and administration change drivers in Bahrain was provided, with socio-economic dimension elements and citizen/public demands emerging as the main factors driving reform in the State. Other forces, such as political and economic factors, were also shown to be influential. Next, the NPM components were highlighted. It was found that most elements expressed themselves to some degree in the Bahrain public management context. In terms of reform, it was clear to interviewees that the term implies modernisation, change events, changes and world class contemporary management. Finally, certain challenges were noted which would present an opportunity for Bahrain to implement and pioneer the NPM reform.

The next and final chapter (Chapter Seven) will continue this illustration and present the study findings and contributions.

Chapter Seven: Conclusions and Implications

Following the research stages (final chapter):

Chapter 1	The Research Overview
Chapter 2	Review of the Literature
Chapter 3	The Research Methodology
Chapter 4	Data Analysis of Ministerial and MPs "Interviews"
Chapter 5	Data Analysis of Managers' Survey "Questionnaire"
Chapter 6	The PPBS Case Study
Chapter 7	Conclusions and Implications

7.1 Introduction

The overall aim of this study was analyse the extent to which public administration in Bahrain can be aligned with the globalising trend of NPM to improve the performance levels of public sector organisations. The PPBS project is a test case for the KOB, representing a unique opportunity to apply NPM in Bahrain. Focusing on this case, the research aimed to generate greater empirical awareness and understanding of public sector reform, explore the institutional capability of Bahrain's public sector to initiate and sustain reform, and determine a model of administrative reform applicable to Bahrain.

The research questions, as mentioned earlier, involved determining the drivers for administrative change in Bahrain, how elements of NPM express themselves in public management practice and the extent to which NPM presents challenges and opportunities to Bahrain's public sector. Data were collected from a survey of public sector managers, documentary analysis, interviews with PPBS project officers and elite interviews with ministers and MPs.

A fiscal reform initiative (PPBS) in the light of NPM in Bahrain addressed a number of reform measures to modernise the Bahrain government. However, certain constraints, such as lack of commitment of political-administrative leadership, restrained the desired and planned implementation, as did lack of prerequisite preparation in the primary introduction phases. These factors, among others, were responsible for ineffective application of PPBS oriented administrative and fiscal reforms in the KOB context.

This chapter will present a summary of the key findings from the research, answering each of the research questions in turn, and highlighting implications for implementing NPM and administrative reform in the Bahrain public sector. The research contribution is identified; both the theoretical contribution and the implications for practice. The limitations of the field study are acknowledged and suggestions offered for future research.

7.2 Summary of the Key Findings and General Issues

This section highlights the key research findings in relation to the research questions and emergent issues. First, however, a brief reminder is provided of some salient demographic data on respondents, and their implications.

7.2.1 Research question one: drivers of administrative reform

Administrative reform/change drivers in the KOB context were the first issue investigated. It was found that the KOB faced both internal and external drivers and influences forcing such administrative and fiscal changes. They were a response to common pressures of public hostility to Government, a shrinking budget, and the imperatives of globalisation (Polidano, 1999, makes the same point). The political elites in Bahrain are looking to reform as a genuinely domestic priority, stemming from socio-economic, citizen and political demands in particular. Such imperatives are likely to strengthen government commitment and adherence to reforms even if it is in some senses imposed on them from outside (POGAR), yet it is still a voluntary choice.

Socio-economic factors and variables were perceived as very significant in the Bahrain context. Social factors such as demographic and geographic changes are among the top drivers of change. Socio-economic and global economic pressures including globalisation, privatisation, outsourcing, market pressures, public management, and the business environment and fiscal budget were the main themes raised during the interviews. Next came socio-demographic change: changes in the patterns of life in relation to public service quality and delivery, an increase in the level of unemployment, increased demand on welfare services and the pursuit of social security. Finally came public organisational design principles, based on the mentioned macro-economic factors.

While socio-economic factors were considered to be important, the findings also present a discourse of citizenship needs, referring to the "public" (residents in the same district or locality). By linking the notion of the public with a discourse of socio-economic factors, participants were also making a link between citizens, social priorities and the notion of democracy, whereby citizens have rights and responsibilities to exercise within the constitutional kingdom model to which Bahrain is committed.

A number of issues were raised resulted in regard to social forces. The first discourse was focused on demands for a higher standard of public services and calls for a more customer-oriented approach in dealing with people and service delivery. This was followed by a sense of the need for effective and meaningful public participation in Government policy making under the concept of good governance. Another emerging discourse was that of policy change to satisfy the public demand created by population growth. These changes included improvement in health and education standards, provision of better homes, increased life expectancy and pursuit of social needs, in addition to tackling urban poverty, and continuous improvement of public service quality to suit different customers (demographic and geographical).

Political forces also triggered reform and change. Political variables in this study include the general political climate, the decision-making process and changes in policy direction (towards a democratic era in Bahrain). As revealed by the study finding, changes in Government policy are among the major considerations and challenges for almost all elites in Bahrain in developing their ministerial strategies. Political change and the consequential influences, however, were deliberated differently by elites.

The evidence suggested political reform is dynamic, while administrative change lags behind: the level of trust and confidence between citizens and public service providers is frustrated. Thus, trust improvement would promote partnership in decision making, while feedback and continued evaluation would secure and prevent the administrative sector from such pitfalls and shortcomings. In this regard, the democratic political transition in the KOB serves as the most influential force on this country in designing development and change. It implies reform in a particular direction and is closely linked to democratisation and the prerequisite platform and promotion.

A further internal driver was the belief among the selected pilot institutions that fiscal reform (PPBS or PBS) would free central management to plan their own activities and

programmes according to actual conditions in the locality. Fortunately, most staff were trained to do this.

With regard to policy transfer lesson drawing as a driver of change, it is worth noting that the NPM literature shows that nowhere in the developing countries has the complete set of packages of the NPM model been implemented (or complete policy transferred from its origin - EU) or is it being considered for implementation. Adaptation of practice to the model has been the norm in "piecemeal efforts undertaken by different Governments in different parts of the developing world", according to 'situation and context' (Polidano, 1999: 5). Bahrain is no exception.

Lessons from NPM reforms[30] show that when there is political demand for reform it is more likely that real change will happen. Administrative reform as it is "widely agreed is a 'long-haul' and governments can lose their enthusiasm" for it (Laking and Norman, 2007: 518). Lessons extended to emphasis on implementation strategy and the mechanics of implementation, i.e., managing the reform process as a whole rather than concentrating on individual reform elements or a limited scale of a few selected Ministries that represent different sectors, as with the Bahrain experiment.

In summary this section has discussed the drivers of change and reform in the Bahrain context based on the emergent themes and related issues arising from the interviews. These have been categorised to answer the first research question and indicate the forces for administrative change, including policy learning. Socio-economic and citizen demands, among other factors, were given a high level of importance as these largely reflect a response to the Government's inability to meet and fulfil citizen needs and demands and improve the overall standard of living.

As a final note, it worth highlighting that the term "reform" was understood by all participants to stand for an approach to improving public sector efficiency and effectiveness, including service quality with better performance and an explicit desire to enhance democratic accountability, citizen and public rights, modernisation, and change and restructuring.

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[30] Cases from Africa (Nigeria, Kenya, Uganda), the Caribbean (Antigua, St Vincent and the Grenadines) and the Pacific (Fiji, Cook Island, Tonga) all referred to the problem of diminishing or lukewarm political support for change (Laking and Norman, 2007: 518).

7.2.2 Research question two: the expression of NPM elements in management practice in public sector organisations in Bahrain

Shift from traditional administration to public management is the focus of NPM approach, with an emphasis on reform in five key dimensions: organisational structure, the decision-making process, movement to 'customer driven' outputs based funding, improvement of HRM performance and finally quality management in pursuit of efficiency of public services.

The first dimension focuses on public organisation structural adjustment, including creation of single purpose agencies, decentralisation, and replacement of the tall traditional hierarchy with a flatter form of organisation structure, including the geographical stream (vertical) of public agencies (Municipal Council, municipalities and Governorates in the case of Bahrain). This goes with a strategy of reduction of governmental agencies and departments. Quasi-privatisation, outsourcing and a contracting out orientation were other elements in this dimension. These elements were found partially to exists in management practice in public sector organisations in Bahrain.

Despite the government efforts in creating many single agencies during the last five years (2005-2010) in particular, Bahrain still far to go in this area. This has to go along with a downsizing approach aiming to establish a new form of flexibility to re-organise or re-structure departments and/or ministries in the light of decentralisation. The dilemma of downsizing and right-sizing was key challenge for the KOB civil service within their modernisation agenda. Some 75 to 80 thousand employees (civil and military sectors, 40 thousand is the civil sector in 2008 – Appendix E) is the forecast volume for this sector, with consumption of almost 80% of the annual recurrent budget.

At the same time, the expansion of the ministerial organisation hierarchy is noticeable, such as Ministry of Interior, Health, MOF, etc. Many departments were created with more expansion of managerial layers. This may slowdown decentralisation and downsizing, which the study shows that Bahrain has implemented to meet cost reduction targets and improve efficiency, productivity and work processes (personnel) of government departments and ministries. A tall Ministerial structure would pull the authority and decision-making away from the front line and create more centralisation. In addition, poor performance and job-person fit have been responsible for sector

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inflation. A recent CSB report has indicated the existence of 530 redundant staff and 150 irregular cases of part-time recruitment in a blatant violation of the CSB laws (*BNA, 10 May 2010*).

Bahrain has entered a practice of public-private sector partnership arrangements in terms of quasi-privatisation and contacting-out, with its root in the state's 2030 economic vision. Privatisation and outsourcing would also result in downsizing. This might contradict political, social and unemployment pressures, since privatisation in the Bahrain context presents certain themes, such as the impacts of "staff reduction" (increased unemployment); "increase in part-time staff" (no social and job security); and "pay reductions" (lowering citizens' standard of living). However, participants found the issues of "productivity", "efficiency" and "better organisational design" and "technological advancement" to represent gains of budget reduction, as they would reduce the state budget deficit.

In this situation, the government including top management of the KOB has a clear vision and strategy for downsizing the public sector and reducing the sector's role. Service provision will be transferred to the private sector through various means. Such moves confirm the existence of an NPM orientation in this regard. Matching authority and responsibility in utilising available resources for individual Ministers, their Ministries and agencies to better outcomes for citizens is another issue that emerged in analysis of this study. However, there was no clear identification of the right capacity of Ministries or managerial authority to be subject to accountability; funds and human resources were monitored and controlled by MOF and CSB.

Moreover, duplication of responsibilities and tasks existed between ministries and governmental departments, and rules and regulations on occasion were found lacking, reflecting the inefficiency often associated with public services. During the fieldwork, a number of respondents, both ministers and MPs, referred to such issues – for example the overlapping of housing, workers and other permits responsibilities among three or more ministries and associated lack of celerity about each individual's role.

The second dimension was related to the decision making process. Private sector techniques such as corporatisation / strong organisational leadership ('Hands on' management enjoying greater visibility, accountability and discretion); strategic management (Business and corporate planning); and decision making close to/at point

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of service delivery (Managerial decentralisation) appeared to partially exist in the Bahrain context. Strategic management in terms of ministries having a mission and vision statement and business plan was strongly expressed.

Foremost among the findings in this area were issues of leadership and management style. The participatory leadership style emerged first, being viewed as a way of seeking the involvement of others in the decision-making process: assistants, subordinates, consultants, peers, superiors, teams and stakeholders. However, the level of participation varied according to the type of decision being made. Decisions regarding goals, strategy and motivation required a high degree of participation.

Next, the democratic leadership style was reflected in concerns for a stronger voice for citizens in decision making, in terms of discussion, teams, contribution, motivation and encouragement. The term "joint decision-making" was widely used by respondents. This style is also known by various other terms: consultation, empowerment, democratic leadership, Management By Objectives (MBO) and power-sharing. The democratic leadership style was expressed as desirable, although it would lead to a slowing of the decision-making process, loss of opportunities, or hazards avoided too late. This style was thought to be a prerequisite for the new era of democracy in Bahrain.

Despite these indications, nevertheless the autocratic leadership style, the "classical" (procedural-laden, as it depends heavily on procedure and rules to enforce compliance with performance targets) appeared still to be prevalent in the Government of Bahrain. Such autocratic decision makers seek to make as many decisions as possible, using authority and control, retaining responsibility rather than making use of full delegation and consultation, and are less concerned with investing in their own leadership development and motivation. Moreover, findings revealed a tendency to be in favour of a centralised, hierarchical, bureaucratic orientation of leadership. It can be seen that different leadership styles are needed for different situations; leaders need to know when they should put a particular leadership approach into practice.

However, public management leadership in the Bahrain context was in some respects difficulty to identify clearly; a Minister, Under-secretary or Assistant Under-secretary within MOF and/or the line Ministries would steer the reform project, as many of them were elected based on their managerial position. This no doubt affected the project

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ownership, commitment and implementation. This was found in general to be a shortcoming, as there was no clear vision of the desired change and a lack of top level involvement, which were drawbacks to change in management processes and culture. Moreover, in relation to reform champions, no Minister or Under-secretary in the research investigation was identified as a champion for the reform; indeed, many directors did not rally around or participate in the reform endeavour. These findings highlight the importance of elite behaviour and its impact on the political process in Bahrain, and help to explain the very cautious and slow rate of reform and NPM adoption.

Next, corporate management tends to exist partially reflected in the present government's approach to the creation of single-purpose units and agencies. Moreover, the majority of ministries showed that they are managed strategically and had mission statements, vision and business plans which were displayed on their premises and on the website. Also, the results were confirmed that decision making has been delegated downwards, close to the point of service delivery on the front line (56% of respondents agreed on this). This can be observed in new governmental agencies such as the Labour Market Regulatory Authority (LMRA) and others. In this regard, a flatter structure hierarchy should enable services to be more responsive to users.

Another issue under the decision-making dimension was policy transfer. In various budgetary reforms, developed countries, faced with a similar situation, have sought to overcome the deficiencies of the line-item budgeting system, which is a "resource-based budget" system, by introducing new techniques such as PPBS, which are basically "results or performance budgets". Demand for transparency, efficiency, effectiveness, appropriateness and economy of Government programmes and activities cannot be met by budgetary systems purely focused on the expenditures; hence the MOF in considering state fiscal reform acknowledged from the early stages the key concepts of the PPBS in general terms, and made choices accordingly and promised a systemic approach to fiscal transformation.

The PPBS, as an essential part of the contemporary reform strategy, embraces the whole gamut of expenditure management by the line Ministries in Bahrain and is not simply meant to be a change in the pattern of budgeting. Implementation of the PPBS impacted the way in which Ministries function to achieve their established goals and objectives. In view of its comprehensive nature, such a reform required significant effort and input,

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including the extensive training of staff in the Finance Ministry as well as in the line Ministries involved in the pilot sessions.

Findings highlighted the process of decision making in the State Cabinet, whereby every Minister is requested to report his opinion and the plans of his Ministry to the Cabinet at a formal weekly meeting, where discussion and direction normally take place to approve those policies and forward them to support committees for the necessary action and regulation. A democratic process is followed for the approval of certain issues, while the Chair combines and considers ministerial views for the final decision. Under the existing situation of the KOB Governmental administration, the Ministries are responsible for formulating their policies, services and means of delivery.

An unclear demarcation line between policy decisions and operational decisions, is however, was found to be an important issue facing public services in Bahrain today. This confusion is complicated by the centralised tendency in administration, which causes delay in decision making. The other important aspect that may be noted here is that the discourse on decision making is confined to the dominant bureaucratic structure within the Government. In this regard, MPs expressed that they are limited actors as there is no indication in the rules of business regarding the role of MPs in decision making, particularly at various administrative levels, without violating the separation of power policy.

In the KOB practice it was found that, on the one hand the decision making is pushed closer to the front line and on the other the top management or managers call (or pull) it back to a centralised position close to them. The push and pull looping and instability was a common source of conflict in relation to budgeting and decentralisation.

There were concerns about lack of decision-making participation and power distance was pointed out as being problematic. In the Arab World generally, power distance is very high, scoring 80 on Hofstede's Power Distance Index[31]. In the present research, it was evident that the front line staff in public service lack authority as this is vested with those of higher rank. Service delivery is subject to long bureaucratic procedures and there is differentiation between service demanders, as class divisions within society are accepted in Bahraini and Arab culture.

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[31] Hofstede (Available: http://www.clearlycultural.com/geert-hofstede-cultural-dimensions/power-distance-index/ and http://www.geert-hofstede.com/).

And finally, fiscal and administrative reforms require a top-down approach as the objectives need to have authority and meaning if they are to be followed by the organisation as a whole to accomplish of economic and social demands. No sign of this approach was observed at managerial level in this study.

The third dimension of the findings was related to budgetary process factors, which revolved basically around performance orientation, performance measures, creation of a cost-centre rather than line-item expenditure structure, incentives to retain saving and surplus at the budget year(s) end as a part of motivation strategy to encourage managers to make efficient use of resources, shifting to accrual base accounting, top-down budgeting, using the budget for planning and control, performance evaluation through independent auditing bodies, bulk budgeting for greater flexibility within budgetary parameters, avoidance of central procurement and finally identifying the PPBS employment in the Bahrain context.

It was observed that number of elements of this dimension exists. Among them several elements were generally found to exist only partially and to a low degree, particularly performance measurement, cost-centre creation, use of cost rather than expenditure, ending annuality, use of output measures and volume targets in budgets, cost-saving incentive. In contrast, other budgetary factors: use of budgets for planning / control, resources accounting, greater evaluation through audit, bulk budgeting, and purchasing deregulation were more in evidence in Bahrain.

Nothing remarkable was found with regard to the reward system, which in this study appeared as one of the key success factors that have to be attached to administrative or fiscal reform projects or any forthcoming reform project such as PBS. This in fact reflects the absence of the ministries' flexibility to manage their resources freely within programme limits: let the manager manage, while in other ministries, benefits can accrue as a result of the right to retain budgetary savings from increased efficiency, in order to finance the reward system and new programmes that would not otherwise be possible. Common (2009) concluded the same.

A programme accounting structure (as a technical factor) was found to be another constraint facing Bahrain's transfer to a programme and performance budgeting approach. The current government accounting structure is developed based on the Civil Service structure, which reflects a hierarchical bureaucratic style on a directorate level

(department and specialisation), while the PPBS is based on programmes and sub-programmes.

A project orientation requires a link between target and resources (budget), starting with targets. Experience shows that the Ministries were not sufficiently prepared to understand the notion of this approach, as they were used to following the line-item budgeting system based on budget spending over activities, with no link between target and resources. Ministries in Bahrain still appeared to face difficulties in restructuring their organisation roles and services in terms of a project orientation, yet it may begin to be employed in the 2011-2012 state budgets (*Al-Ayam,* 19 May 2010).

In the Bahraini context, the PPBS was designed to promote good government practice in performance achievement by focusing on a long-term horizon (longitudinal) planned outputs and outcomes, intended to enable the Government to maximise the "returns" on public expenditure and progressively reduce and ultimately eliminate the fiscal deficit.

Therefore, the PPBS in Bahrain was used as a tool to alleviate the burden on Government and help to move towards a programme and performance logic. In this regard, it was observed that certain steps were taken. Foremost was legislative support; a new 2002 State Budget Law was issued to replace the 1995 Budget Law. This represents what Hilton and Joyce (2007: 250) call "the rule of law".

Despite success in some arrears, however, some shortcomings emerged in relation to consultancy outcomes, and contribution; such as their limited experience in contributing to successful implementation. FMIS rejected the idea of employing parallel budgeting structures, as the pilot phase was not guaranteed to continue to full implementation and this would present a difficulty in resetting the Government's budget accounting structure. The programme-based accounting structure and national strategy, which were both prerequisite elements for the reforms, displayed shortcomings. In this regard, effective communication is needed in training sessions to provide deeper explanation and clarity of reform principles, the benefits of the change, the system under implementation and the members' relative roles and responsibilities. Evidence from Bahrain's experiments show certain limitations in this regard. The findings indicate that the pre-planning of change requires advance preparation to inculcate general awareness in the prior stages of implementation, and insufficient preparation was done, despite a number of training efforts.

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Comparing the former PPBS and the PBS approach, it was indicated that the PBS programme has a collaborating frame. This strategic funding approach is deferred, as it relates to the 2030 National Vision. PBS in the Bahrain context is part of a strategic movement in the light of this vision and the planned reforms. Strategic budgeting is expected to reduce the state budget deficit or at least rationalise state spending.

It was observed that the EDB is rolling out the national strategy and ensuring that the economic platform is on the ground, as it is engaged in national strategies. Hence the financial side of the strategy has to be developed and controlled by the Government and MOF. Cooperation is quite strong between EDB and MOF as the 2011-2012 budget goes in the same direction, including prioritisation of initiatives as supportive advances to implement the PBS with full hands-on support and top-level strategic commitments. However, tension between what is affordable in aggregate and demand in terms of funding for sector policies, programmes and projects were quite visible in Bahrain practice.

In favour of the research findings, recently the Cabinet directed all ministries to apply the principle of strategic funding (PBS) as a step in developing the process of preparing the State budget, and increasing productivity of the public sector by reducing the size and cost of the governmental body in order to improve efficiency and effectiveness of performance. They called for a focus on the principle of self-censorship, removing duplication of services provided by the public sector, the introduction of the principle of rationalisation of expenditure policy in general in all stages of budget preparation and implementation of project-based budgeting. Priority is to be given to vital sectors such as infrastructure, housing, education, and health care, to achieve the objectives and aspirations of the KOB *(Al-Watan,* 12 April 2010*; Al-Wasat,* 6 March 2010).

HRM factors represent the fourth dimension of NPM elements. This dimension include performance related pay reflecting market conditions, performance contract and appraisal, change in the public sector reward structure and merit pay and personnel deregulation to allow 'hiring and recruitment flexibility'.

In general, this was the dimension found least in existence in Bahrain's public sector, although certain improvements have occurred. Change in reward structure, appraisal based on performance, and personnel deregulation were partially expressed, while

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performance related/merit pay and performance contracts were little practised in Bahrain ministries.

However, recently the Cabinet Affairs Ministry "CSB" signed an agreement with the Singapore Cooperation Enterprise (SCE)[32] to upgrade the Civil Service standards, mainly with the reform of its legal frameworks in a way that ensures more flexible and positive laws and regulations that are in line with the future aspirations of Bahrain's Vision 2030 *(Al-Ayam,* 18 May 2010; *BNA,* 10 May 2010*)*[33].

The reforms are an implementation of the directives of the EDB, on the need to speed the adoption of regulations and bylaws that would increase Bahrain's pace of economic development, contribute to a favourable investment environment and improve Bahrain's international indicator rankings. This includes modernizing and developing the Bahraini civil service in order to ensure greater flexibility and wider scope of responsibility and accountability in the management of the workforce in government agencies. The agreement highlighted the importance of basing the modernization project on best management practices in the field, particularly those followed in countries with advanced HR capabilities, such as Singapore, Hong Kong, Australia, New Zealand and Canada. Thus, this supports the study finding on policy transfer direction and lessons learned.

The agreement has numerous benefits that will contribute to eliminating bureaucracy and giving greater flexibility and would eventually ease decision-making by government agencies and strengthen the role of HR departments by giving them a wider range of powers and responsibilities. The development of legal frameworks in line with the best practices applied in developed countries will allow Bahrain to assert itself as a leader in this area.

This development is consistent with the study findings concerning the need for modernisation in civil service sector rules and procedures within the state administrative reform agenda. Moreover, it confirms that the KOB approach to policy transfer was largely of EU origin.

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[32] Singapore Cooperation Enterprise (SCE) is an agency has formed to respond effectively to the many foreign requests to tap into Singapore's development experience and share Singapore's lessons and experiences with others.

[33] Researcher's translation (partial)

Another emergent finding related to HRM concepts was that the piloting and implementation experiment to install PPBS would help in building a performance-oriented culture that will sustain the full implementation and diffusion of the PPBS, PBS and/or any performance approach.

The issue of lack of confidence and trust between citizens and public sector authorities, with unfairness in service delivery or employment from the view of equal opportunities and person-job fit, particularly at the decision-making level, was raised as another finding. The concept of "person-job fit" refers to the process of matching potential candidates to specific roles and responsibilities within the public sector organisation. It determines the fit between an individual's abilities and the demands of a particular job or position (Kristof, 1996).

The lack of trust and confidence was traced specifically in MOF and in the pilot Ministries in general, as they felt themselves to be acting under coercion rather than through choice and ownership. In his study of the transfer of the New Zealand experiment to Mongolia, Rose identified the same "difficulty in imposing financial discipline" (2003: 15). A limitation on involvement at the implementation stage within the MOF represents an absent voice and lack of hands-on involvement and reform direction.

Finally, the elements of a Quality Management orientation represent the fifth dimension of NPM. These focused on programme review (systematic analysis of costs and benefits of individual programmes), consumerist mechanisms (e.g. Bahrain's Citizens' Charter), and greater transparency with the public as monitors of services. These elements were found to be only weakly expressed in the Bahrain context. Quality management (deprofessionalisation), Public Relations and marketing (establishing a market identity for public organisations), and integrated service delivery (including one stop shops') and case management, were even less apparent, particularly the approach to one-stop-shops. This provides evidence of poor performance in service quality and delivery.

In this context, it was observed that the KOB has experienced a customer orientation approach with the notion of the citizenship role and rights in the notion of market type reforms based on the service user as a customer as indicated by Flynn (1995), while Bahrain is starting to shift to an agencies' organisation structure.

However, in this regard, performance indicators presented shortcomings. They were built on surveys to set targets. This shows the gap between the existing situation and the targeted future, and statistics apparently become vital in certain services such as education and health. In addition, no performance model was traceable in Bahrain practice toward fiscal change.

7.2.3 Research question three: challenges and opportunities for Bahrain's public sector in implementation of the NPM paradigm

Today the reform of public administration is driven by the different pressures and new requirements of an ever-changing world. Perhaps one of the major challenges in this era is that making public service sector problems universal today is leading to a kind of standardisation of solutions (policy transfer with an adaptation mode). The common points observed in the reform process in the light of the NPM in the countries of origin and others are more numerous than the differences. In this sense, all states are in transition today.

Administrative reform and development have a two-fold challenge for the developing countries, as they have to keep learning lessons from the experiences of others and draw some lessons that can be reconciled to suit their own circumstances (Corkery, et al., 1998). With respect to the situation and capacity of the KOB (according to the above findings) this would present an opportunity for Bahrain to develop a unique position as a pioneer of the NPM approach among the GCC and the Middle East (Arab) countries.

The fiscal reform "PBS", however, attempted in Ministries or activities, is very complicated in nature; this represents a challenge to success for Bahrain in the fiscal reform agenda and alignment with contemporary public management trends. The study acknowledged a strong desire coming from within the organisation (as apparently was the case with MOH, where the management and employees demanded it). This will sustain the reform throughout the implementation phases.

Introduction of deep changes, revolution of public management, by adopting new management style and techniques without reducing services delivery from qualitative and quantitative alongside with continues improvement will be another challenge for public management practitioners in the KOB.

Finally, Singapore, Malaysia, and New Zealand, Canada, Australia were the main policy transfer models, while POGAR provided an outstanding opportunity for the KOB to move towards successful implementation of governance and the NPM approach. However, the study confirms that the KOB has not received positive support from POGAR-UNDP or any other international institution, and no internal or external review has been recorded of this experiment.

7.2.4 General issues

A variety of general issues emerged, in particular, absence of institutional organisation, as the fiscal reform project was undermined in MOF due to limited commitment, and limitation on deployment of the programme accounting structure. CSB resisted, so FMIS accordingly found it difficult to move forward with this project. Moreover, ministerial changes in certain ministries, such as the Health Minister, led to abandonment of the project.

A key issue to emerge from the findings was the importance of top management commitment to administrative and fiscal reform. In the Bahrain experience, a number of NPM oriented reforms were initiated, but the commitment of the political-administrative leadership was too limited, despite Government release of a Cabinet order making changes in the Budget Law as prerequisite actions. In addition, reform projects require certain mechanisms to align the Government efforts and resources to fulfilling the assigned master plan and ministerial targets. In the case of Bahrain's fiscal reform project, PPBS, was too difficult when no strategic plan and national vision had yet been diffused (the 2030 Vision was formulated later).

The findings also show not enough understanding of performance management (in both fiscal and administrative streams) developed to meet the Ministries' goals and objectives in an effective and efficient manner. The focus is on Ministry level, departments, programmes, activities, and processes that produce governmental products and services. Hood (1991: 5) refers to the "need to check resource demands of public sector and do more with less".

Next, in the case of Bahrain, with fixed and limited resources for Government spending, choices have to be carefully made, or the most important (on the priority agenda) objectives may not receive adequate priority. This would lead to a sustainable balance between resources and policies as a reflection of policy disciplines.

Moreover, the scope of the fiscal reform project seems to be huge, while the piloting sessions represent too limited and small a scope to enable results to be generalised across Ministries and the Government. Moreover, base-line information and data appeared to be in short supply. Experience shows that the fiscal reform piloting ministries utilised huge amounts of time and effort in accumulating a massive volume of data "manually", in order to determine the current situation of activity-level targets and indicators.

This study suggests that the NPM model can be used as an instrument, model, basis, framework or platform for administrative reform. Meanwhile, it is acknowledged that this type of change is slow (particularly in the GCC), evolutionary and processual. The administrative context does not allow for sudden, disjointed or discontinuous change of the kind demanded by NPM. Past experience has shown that even relatively modest changes took a long time to implement, due to lengthy bureaucratic procedures and lack of accountability, as respondents indicated. In the UK, for example, the reforms of the late 1990s were established in a relatively short time frame and were complete by the second Labour election in 2001 (4 years).

An additional observation is that reform implementation centres have been noticeable in many countries, while this was not the case of Bahrain practice. Elsewhere the Centre has been developed and established as an independent unit to implement, monitor and control the reform programme, whilst the functions of the Centre in Bahrain are represented by MOF, the Prime Minister's office and the CSB. In addition, the Centre should gain partners to address the challenge of eliminating the structural budget deficit (Rahmadan, 2009).

Also highlighted in this study was the impact of cultural factors as a major determinant of work attitudes and the potential for administrative reform. International trends, such as NPM and PPBS in this study, are largely Anglo-American or Western inventions and underpinned by Western cultural values. This study shows that the role of management culture has not been clearly identified in the few available references for this reform study, but it might contribute to resistance to change within the government. Change in culture has to be imposed in public organisations, as preparation has to be undertaken at on early stage; this was omitted in Bahrain, as it was assumed that the adoption of PPBS would be open to choice by Ministries and directorates.

Cultural dimensions play a strong role in public sector organisations, shaping their work environment and including the production of services in the work place and the pattern of the work flow. Certain cultural phenomena such as *Wasta*, together with nepotism and cronyism were important findings. *Wasta* is a very common word in Arabic culture, but in this study it was found to be perceived differently from the general meaning. *Wasta* here reflected unequal opportunity among citizens to be provided with services of the same quality and the same treatment. Furthermore, *Wasta*, nepotism and cronyism were said to have a strong influence on public employment and recruitment in the Bahrain context, as is the case in other Arab World countries. This might lead to low productivity and performance, unequal opportunities and neglect of gender rights.

The results also supported the idea that organisational effectiveness is directly linked to the environment (organisational and management culture) within which the administrative systems function, and revealed that social norms in Bahrain provide fertile ground for favouritism and nepotism, including Wasta particularly in public service provision and delivery. Many elites extended their discussion of ineffectiveness and corruption to include recruitment and promotion for senior public posts (some said in public service recruitment as a whole). This issue is a matter of ongoing debate in Bahrain. A similar phenomenon has been observed in comparison was the case in recruitment and selection for a senior post in the public sector in Oman (Al-Ghailani, 2005).

On the other hand, *Wasta* is a significant tool used to access public services for many things, including information and research, as this study was able to do.

Resistance to change was an obvious factor that was strongly in evidence in this study. The experiment within the KOB context shows that resistance to change came from the top managerial level, which spared limited commitment and support, while the normal practice in policy transfer is for resistance to come from staff as "the result of a history of changes that have been more cosmetic than real" (MOP, 2004: 8). Although the line-item budgeting covers the input side without outputs and outcomes, the attempt to change to PPBS met resistance, mainly by related financial and accounting specialists who normally engage in preparing and cascading Ministries' budgets. Some of these are in leadership and management posts such as Under-secretaries and Directors. This type of resistance is to be expected, as reformulating the state budget on a programme base has its difficulties and is a longitudinal effort, while some people might lose power and

benefits. Dilution of staff morale and depression were the consequences of the suspension of the project; moving people away from that to sharing in the coming PBS attempt would be an additional challenge.

7.3 Study Contribution

What does this research tell us about the implications of the field study and its theoretical contributions? What are the practical implications of this research in terms of implementation of the NPM paradigm in the Kingdom Of Bahrain, including policy transfer for improving public management through administrative and fiscal reforms which represent opportunity in public office? Finally, what implications does this research have for future studies in public management and state's movement toward the era of NPM?

The key findings of the research have important implications for both theory and practice of NPM. Its insights into policy transfer and antecedents of public administrative reform and consequences can help practitioners and theoreticians in various area of management.

7.3.1 The Methodological Contribution of the Field Study

The triangulation of survey, case study and interview methods of data collection, along with the analysis of secondary, documentary resource data, adds much to the findings reliability and more understanding of the nature of the complexity of the phenomenon under investigation. Elite interviews with Ministers and MPs provided rich and useful information and explanations in addition at the data collected from the case study and questionnaire conducted at managerial level. This has strengthened the reliability of the analysis and findings.

The researcher was an insider (a Bahraini national with long-standing tenure of service in the public sector), and this was of great assistance in the research, as it afforded a level of access to government elites which is rarely available.

Although a variety of research has discussed elite theory and methodology, it does not give much insight into the Bahrain and GCC context. This research discussed how the researcher employed elite methodology which provided rich interpretivist outcomes.

7.3.2 The Theoretical Implications of the Thesis

This study identified a gap in the literature on the public management in the Middle East as an under researched area. By filling the gap it makes a contribution to the body of research which exist on management and organisations in the Middle East generally, and most especially within the Bahraini public sector.

In order to do this, the study investigated three key areas; the principles and practices of policy transfer, exploring the context of policy transfer (change) and its drivers and drawing lessons. This was followed by a discussion of public management in the Middle East. It located the origins of the practice of policy transfer and change and tracked the diffusion of administrative reform in the light of NPM in the Middle Eastern countries' practice in general and in Bahrain in particular.

The outcomes of this study make some useful contribution to theorising about New Public Management components. The research builds upon and extends the existing NPM and public management reform theory including policy transfer, considering the consequent implications for implementation of this approach, as it is one of the few studies or might be the first of its kind in Bahrain and the GCC states.

Secondly, the wide empirical research explores and tests the existing and contemporary public management 'NPM' theory in the context of policy transfer outside the place of origin. This represents an important contribution to the field that will inform future studies.

Although there is a massive extensive literature on the public management change in general and on the determinants of administrative and fiscal reform as part of NPM in particular, there have been relatively few empirical investigations in the GCC and the Middle East (Arab) studies. The study adds a huge amount of rich detail to knowledge about how that works in practice and how the NPM has been adopted and talked about and experienced by people within different parts of the public sector in Bahrain. Thus this study stands as a remarkable research-base for further studies.

The most important contributions to the field are empirical developments and frameworks. The study developed a model to explore elite and management thinking about organisational structure and leadership that has the greatest potential for impact in the public management field in Bahrain.

The NPM adopted model is another contribution of this research. The original model (with 34 elements) from Dunleavy (1994); Peters (1996); Common (2001); Peters and Pierre (2002); Bouckaert and Peters (2002); Pollitt and Bouckaert (2004) and Friberg et al. (2006) was adapted and developed to be applicable to the Bahrain context and conceptual framework (culture, business, trade and political environment, democratisation, organisation, etc.). On that basis, three characteristics of the model were removed from the original version, for the reasons indicated:

a) Element (11) in the budgetary process dimension "creates internal market": the limited size and scope of public services in Bahrain would prevent implementation of this element of reform in the light of privatisation and outsourcing.

b) Element (18) in the budgetary process dimension "trading funds": this phenomenon is rarely noticed in Bahrain or other GCC countries.

c) Element (28) in HRM dimension "weakens trade union power": this would not be applicable to Bahrain, where the public sector is not affiliated to the General Federation of Bahrain Trades Union (labour).

In addition, as the PPBS approach has been diffused and been the focus of performance oriented administrative and fiscal reform in the light of NPM in many countries (Western in particular), and has been practised in Bahrain since 2002, PPBS was added (element 18 in the adapted model).

This modification is significant since no adaptation has been made to the original formulation by Dunleavy (1994). Common (2001) tested the original model in South East Asian countries (Hong Kong, Malaysia and Singapore) - out of the original context. However this research tested and applied the model after adaptation in Bahrain as one of the Arab World and Middle East countries (different from the original and South Asian regions, although some of them have similar economic resources and socio-economic variables, i.e. Singapore and Bahrain). Factors such as "creates internal market" may also be applicable in UAE and Oman, and perhaps the Kingdom of Saudi Arabia where the country size and scope of public services is large enough to accommodate implementation of this element of reform. Having said that, Kuwait, Qatar and Bahrain have common and similar features that may warrant wider application of this modified model, in terms of socio-economic environment, limited scope and size of the public sector.

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An important point to note is that much public management scholarship is not empirical as it relies upon academic readings of policy documents or books about public management. Thus debate has been policy focused. This study has gone beyond such research by talking to ministers, civil servants and parliamentarians, as well as a range of different people in the front line so to speak of leading and managing or organising within the Bahrain public sector, about how they constructs NPM, how it is working, what they are trying to achieve, what limitations they face and what they are frustrated by. This affords better knowledge and builds up the holistic awareness of public sector management in Bahrain.

The rich empirical data it contains is a remarkable contribution made by this study, because of the level of access achieved. This is a study which is not just empirical in nature but yet a study which been accomplished through gaining access to an elite group of decision makers who are very hard to access. Other researchers might not be able to gain the same level of access.

And the theoretical contribution is the new insight this study provides into the phenomenon of resistance to change discussion of resistance to change in public management literature focuses on non managerial level staff, while this study revealed that top management presents a strong pull and resists implementation of certain reforms, such as the PPBS agenda in Bahrain.

The case study of PPBS of public finance and budgetary experience also is the first case study appears in comprehensive form to document the said experience, in drawing on unpublished project documents and the perspectives of the involvement officials.

This study contributes to the existing body of knowledge and creates increased awareness about administrative reform and its relevance to the KOB. It represents the first empirical research on the NPM, principles and elements in Bahrain, and indeed among the GCC countries, as acknowledged by the Bahrain Studies and Research Centre.

In providing a review of the extant literature and public sector management in Bahrain, drawing up them and identifying the gaps, this study makes a contribution for future scholars, because of the rare study in this discipline.

Finally, an important contribution of the study is to affirm the continued viability and validity of the NPM model as a time when, in the West it may appear to be superseded by the emergent governance and Neo-Weberian paradigms. In Bahrain, as in many developing countries, elements of NPM are being implemented, although the approach has not been adopted in its entirety. For the time being, it seems that NPM still offers these governments useful ideas and benchmarks which can guide current practice and future aspiration, on their journey towards a more transparent, accountable, flexible and effective way of serving their citizens.

7.3.3 Managerial Implications: leadership, policy, making policy, and practice

As no previous attempt has been made to assess the existence of NPM elements in the public sector in Bahrain, or to explore the notion of administrative reform in the light of NPM, this study is the first to appear of this category. It offers better understanding of this approach out of the original context. this will assist the state decision and policy makers to provide more commitment to the administrative reform agenda, which is significant since the second attempt of PBS (administrative and fiscal reform) is approaching implementation in the near future in Bahrain.

The study findings offer the Bahrain government institutions, leadership, decision makers, political elites, public management and practitioners the opportunity for better understanding and implementation of NPM on a gradual basis.

The research also contributes in the field of organisational and public management development, since strategies of reform and change require committed antecedents and consequences. It needs a committed leadership about all, to initiate reform and remedy the bureaucracy's resistance to change and link commitment with a development approach.

A reform strategy has to pay enough attention to the agents of change, who are the champions of reform, who is going to recognise the need for reform, and who will design, monitor and implement the reform. EDB, political elites and certain ministries or governmental agencies found that they have enough capacity to initiate them. Adaptation to the democratic era within the modernisation agenda in addition to the factors for change, socio-economic and citizen demands in particular were responses to the question of why initiate reform. Good governance in turn represents a movement to

satisfy these demands by better performance, reformulating the government organisational structure and rationalising the decision process, with the aim of limiting the state budget deficit at the end (this answers the "what purpose?" question). Anticipated reforms, will benefit the individual and than the system as a whole, compensate for the costs of the effort involved, and remove the constraints faced in sustaining reforms. Legislation, administrative restructuring, changes in procedures, and the skills available including Bahrain's capacity to carry forward the desired reforms, correspond so the "how?" question.

Lessons have been drawn from Bahrain practice. Among them is that the PPBS model as an example of NPM and policy transfer presents difficulty in implementation when taken out of cultural, political and organisational context. This includes jurisdiction as well as sustaining cross-national policy differences. Bahrain's case showed that National Strategic Planning was the key element missing in this experiment. This attempt found limited commitment, although the pilot Ministries showed high levels of confidence and competence as they expended every effort for success. This shows that resistance came from the management level, not from the employee side. It is advised that the EDB and government should pay attention to this issue, and assure the development of the Strategic Planning in national and ministerial levels alike.

The next lesson came from elites, who indicated that reform or change should be driven by the practical nature of problems and the country's circumstances, instead of cultural and ideological domains including international pressure, although global assistance and consultancy are vital. To them, the elite interviewees, administrative reform is not a quick-fix and ready-made solution to the public sector problems, it is a complex longitudinal development approach. The NPM reform in this sense has costs (economic and organisational structure changes) and these might to be subject to increase in the short to medium term.

In reform projects such as NPM a foremost lesson concerns reform and developments consultancy. The study highlighted the need for help to countries and government to explore problems' difficulty and complexity, resulting in solutions that make sense in the country's circumstances.

The case study highlighted the PPBS "fit" with the rationalistic, managerialist approach of NPM. It highlighted the implementation difficulties associated with NPM when taken

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out of "context" (cultural, political, organisational, etc.). The PPBS is a case study of the problematic implementation of an NPM-type reform out of context. It is a tool that is composed of many parts, which must be learned, appreciated and applied if it is to be used effectively. The experiment with the PPBS approach to public management and fiscal reforms in the KOB context provides lessons from which the GCC countries in particular, the rest of the Arab World and perhaps others may benefit.

This research has studied the New Public Management 'NPM' approach and principles to identify, explore and highlight key factors and dimensions for successful policy transfer, implementation, development and future efficient and effective public sector management in the Kingdom of Bahrain. It is hoped that the adapted model explored and tested through interviews with participants will provide a framework which can be used as a model and starting point for future implementation and development in administrative reform of Bahrain, and a choice for other GCC and Middle Eastern (Arab) countries. The opportunity to use the current experience and emergent issues from this research to change and restructure the public services (production and delivery) as part of the political elites' and government agenda can provide the way for the future of state and leadership development alike.

An interesting finding to emerge from the interviews was that under the current structure, the CSB acts as an obstacle to decentralisation. Since the CSB is set at ministry level, it ties ministers and MPs to a set of bureaucratic rules and denies them flexibility and discretion. It would seen, therefore, that there would be merit in adopting respondents' suggestion of making the CSB an independent regulatory body, leaving the ministries with autonomy to respond to changing needs and circumstances, including the implementation of decentralisation and other reforms.

Finally, elites in Bahrain preferred the idea of gradual implementation in a group of ministries or agencies, to improve the government experience and reduce resistance, as well as overcoming some of the limitations and pitfalls.

7.4 Limitations of the Field Study

Any research has limitations, and in this study they relate to the time horizon, sampling strategy and linguistic issues.

As regards time-horizon, this study was cross-sectional, providing a snapshot at a particular pointing time, and a historical perspective which depended on participants' memories (albeit supplemented with documentary evidence). A longitudinal study would provide an opportunity to follow up the reform process and observe its outcomes' in sufficient and published data was available from CSB about public servant categories, and no list of all names was available, from which a random selection could be made. To overcome this limitation, non-probability sampling was adopted based on the availability of subjects (convenience sample), where the researcher took advantage of an accessible situation which happened to fit the research circumstance and purpose. Meanwhile, all participants who met the sampling criteria from the agreed ministries were invited to participate, yet the decision to return the questionnaire was the participant's choice through the ministries' HR department collection point. Thus, although the questionnaire survey targeted all those thought to be at managerial and administrative level, the representativeness of the sample cannot be guaranteed. Specifically, the study population was distributed among 18 ministries (Appendix C-7), yet only eight ministries agreed to cooperate and contribute. Similarly, the PPBS case study was not based on probability sampling where each case is known and is equal for all cases (all have a specific non-zero chance of being included).

In this context it was noticed that such a survey has to have official acceptance from the top layer of management, sometimes minister's or ministry undersecretary's approval, as they consider the information to be confidential. Although the research was accomplished with quite large samples and good response rates, i.e. 358 out of 691 potential managerial level respondents in the questionnaire, a higher proportion had been hoped for.

The elite interviews and case study fieldwork posed difficulties of access that limited the scope of the report; it is possible that inclusion of other respondents might have raised other experience and opinions. This research study involved interviewing high-profile people (ministers and MPs) in depth about government policies, and so faced certain limitations on what could be asked. Gaining access to those at the top was an expected limitation. Both Ministers and MPs imposed limits on access on the ground of their busy time and roles. Moreover, they represented a specific viewpoint, that of the reform drivers. Inclusion of other stakeholders such as Political parties, social groups and societies would add a remarkable contribution to this research. Moreover, including

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lower managerial, administrative and clerical staff in the public sector in Bahrain would have provided a wider perspective.

A further limitation of the research sample is that the majority of respondents for all methods used (survey questionnaire, interviews in the PPBS case study, and elite interviews) represented a male dominated view (reflecting the gender distribution in public managerial levels 80% to 20%) and the female perspective was less evident.

Even though the research questionnaire, both English and Arabic versions, was proofread by professional PhD scholars linguistic issues present limitations in the sense that some terms, particularly financial and accounting terms, may have posed difficulties for some respondents, although the interviews provided more explanation to minimize this problem.

Moreover, the researcher's translation of participant interview transcripts would stand one of the study limitations, as translation may not closely match the meaning of professional terms. Translation is always a potential source of difficulty, due to differences in structure, style and idiom between languages.

Although the researcher is an insider with a long track record in the public sector, which has been of great assistance in his research, in some other respects an insider position could still present another limitation. On the one hand, the researcher's insider status afforded him an unusual level of access, and provided a degree of common understanding between himself and the interviewees. On the other hand, there was a tendency sometimes for interviewees to avoid giving detailed explanations, assuming that the researcher knew 'the truth' and some persistence and encouragement was necessary to elicit their own perception. The researcher also had to guard against bias, constantly reminding himself that his own experience and assumptions were only are perspective on a complex social context.

A further difficulty was that the interviewees rejected the idea of using tape recording. This required the researcher to write notes while at the same time controlling the interview and keeping probing and questioning. This in fact affected the quantity and, perhaps, quality of interview notes.

This study was conducted in the Bahrain context but application to other GCC countries would provide a broader picture. The study depends greatly on international scholarly

references, official data provided by government agencies and large organizations in the private sector in Bahrain. The lack of sufficient literature on NPM and administrative reforms as one of the newer topics introduced in the GCC region is a major limitation. This consequently led to some difficulties in obtaining accurate information and related references, including those on management and policy theory.

7.5 Suggestions for Future Research

The findings from this empirical research; semi-structured interview with political elite and survey questionnaire with managerial level including semi-structured open-ended question interview in purposive public official (in descriptive ain of PPBS project, fiscal reform) show several factors that steer the drivers for administrative change in Bahrain (including policy learning). The NPM elements were focused on, in order to determine their expression in management practice in public sector organisations in Bahrain. Moreover, it is hoped that this research will be followed up by centres for Scientific Research in Management Science, such as the Bahrain Centre for Studies and Research, the Bahrain Centre for Strategic and International Studies and Energy and other GCC centres, including governmental organizations.

The researcher hopes that this study will encourage more research in the GCC and the Arab World, aiming to diffuse awareness and understanding of the notion of NPM-oriented policy transfer, to remedy public sector shortcomings and move to a new governance era. Thus, several topics worthy of future research can be recommended.

A comparative study in the GCC countries would provide a helpful basis for assessing the similarities and differences in aspects of the decision making process, public sector organisational culture, decentralisation, HRM and TQM.

The approach of performance and outcome orientation in both administrative and fiscal reform agenda is another suggestion for future research.

Further research on this subject matter could take advantage of the interpretivist paradigm –inductive approach and qualitative methods (e.g. focus group and interviews with different managerial levels or other groups), to generate different perspectives and results, adding to the knowledge stock in Bahrain.

Finally, assessment of how public management reforms and various types of management instruments support the need for better human resource development in Bahrain would be a suggested idea for future research.

7.6 Final conclusion

This research provided an investigation of the NPM approach evolution in the context of Bahrain, the combination of change drivers, and the probable limitations of NPM deployment and implementation out of its origin.

The literature has indicated the introduction of this approach in many EU countries and others in the developing world, indicating pursuit of a global trend of state management modernisation and following the advanced market economies' tendency. Lessons drawn from NPM implementation practices suggest potential benefits, particularly in administrative cost saving, with privatisation and contracting out common features. On the other hand, policy transfer literature has also admitted constraints in applying NPM elements in certain countries as a consequence of country and government capacity, including the public management and administration systems. Institutional and public organisation structure centralisation in addition to other problems may represent more constraints on implementation of NPM application.

The drivers of change in Bahrain apparently show that the context or conditions for introducing NPM-type reforms in developing countries may be different from those of developed ones, and they have not yet adhered to its full set of principles. This helps us to place any evidence of NPM style initiatives in its proper perspective in the Bahrain context. Both developed and developing countries seem to follow a common framework and blueprint instead of based on a process and conditional approach (Larbi, 1999).

Testing of the adopted model revealed the existence and partial existence of many NPM elements in Bahrain, particularly structural reform factors (decentralisation) and the changes in decision-making process (introducing private sector management techniques). The change in the budgetary process and quality management process partially existed, while elements of change in the HRM processes were least in evidence. Thus, this reflects a movement toward international reform characterised by NPM which may take root in the administrative system of the GCC countries.

Certain reforms have failed to solve many of the perennial problems of the public sector although reform has generally been perceived as a step in the right direction and has produced favourable outcomes in several areas. The Malaysian experience, as one example, shows that the objective of achieving excellence in public service remains illusory, and shows a wide gap between theory and practice.

Comprehensive reforms and the striving for quick results often fail to take into consideration the actual existing management and institutional capacities.. In consequence, short range changes may affect the public service administrative system and harm political stability, especially democracy is recent choice, as in the case of Bahrain.

In terms of implementation of public management reforms in light of NPM principles and practices, countries have different capacity and institutional conditions, which require extra attention. The focus should be on how to implement, rather than what to implement.

Prerequisite introduction, awareness and appropriate arrangements for implementation, have to be in focus in the pre stages of administrative reform. This normally is the role of external agencies, as they design the reform packages, resulting in a lack of local ownership and commitment to reform, as the Bahrain experience showed.

Moreover, reform needs to be general, as too many specific objectives become confusing and lose their motivating impact. It cannot be undertaken without hurting some groups, which could certainly be a cause for resistance and even lead to failure. Gradual implementation would be helpful as it needs to be sensitive to operational reality.

Finally, "the NPM approach may not be a panacea for the problems of public sector management, a careful and selective adaptation of some elements to fit the country selected sector may be beneficial" (Larbi, 1999: 36). The limits to the managerialist reforms of NPM in KOB are brought into sharp relief, yet their appeal to elite decision makers remains undimmed. Choosing the right 'fit' with public institutions, cultures and localised policy issues is demonstrably much more difficult.

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Appendices

Appendix (A-1)

Section New Public Management Model Elements: Reform and Meaning

This questionnaire is designed to elucidate your views on public sector reform in the Kingdom of Bahrain over the last _Six_ years, *"considering the period from December 2002".*

No.	Questions	Reform	Meaning
		Structure	*Organisational Decentralisation*
1	To what extent do you feel that the government is encouraging your department/ministry/agency to restructure into self-managed units?	**Creation of single purpose agencies**	**Separate policy from execution (horizontal decentralisation)**
2	In your view, is your department/ministry/agency more flexible in terms of organisation?	**New form of organisation**	**Flattening hierarchy**
3	To what extent has service delivery in your organisation been decentralised?	**Territorial / geographical decentralisation**	**Vertical decentralisation**
4	Have you experienced any attempt to reduce the size and scope of your particular department/ministry/agency?	**Reduce number of departments / agencies**	**Streamline organisational structure**
5	To what extent are you encouraged to enter into partnership arrangements with the private/voluntary sector for service delivery?	**Quasi-privatisation**	**Blurring public/private divide – 'flexibility to explore alternative to public provision'**
6	Are you expected to enter into contracts or outsourcing arrangements with the private/voluntary sector for service delivery?	**Contracting out (market testing)**	**Create and manage competitive environment**

No.	Questions	1	2
		Process	***Introduce private sector management techniques***
7	In your view, does your organisation encourage the development of leadership and corporate management?	**Corporatisation / strong organisational leadership**	**'Hands on' management enjoying greater visibility, accountability and discretion**
8	Are you expected to manage strategically? (For instance, does your organisation have a mission statement, business plan etc?)	**Strategic management**	**Business and corporate planning**
9	To what extent do you think your department/ministry/agency has had control over decision-making pushed down to the front line?	**Decision make close to/at point of service delivery**	**Managerial decentralisation**
		Budgetary Process	
10	How is your organisation's performance measured?	**Performance measurement**	**Stress on and use of outputs (or outcomes)**
11	Is your organisation encouraged to develop cost centres?	**Cost-centre creation**	**Devolved budgeting**
12	To what extent is budgeting in your department based on cost rather than expenditure?	**Use of cost rather than expenditure**	**Focus on actual cost rather than volume budgeting**
13	To what extent are you free to retain any financial surplus or underspends at the end of the financial year?	**Ending annuality**	**Freedom to retain savings**
14	To what extent are you aware of your budget being used for planning and control purposes by government?	**Use of budgets for planning / control**	**'Top-down' budgeting**
15	To what extent are output measures and volume targets used in budgets?	**Use of output measures and volume targets in budgets**	**More detailed budgetary scrutiny against targets**
16	Are you rewarded for the efficient use of resources?	**Cost-saving incentive**	**To encourage managers to make efficient use of resources**

No.	Questions	1	2
17	To what extent does your organisation make use of accrual accounting?	**Resources accounting**	**Accrual accounting**
18	**Has PPBS "Performance, Programming and Budgeting Systems" been fully implemented in your organisation?**	**Performance approach and Programme budgeting 'Fiscal Reform'**	**Shift from line-item form to Programme-based**
19	Is your organisation audited by an independent body?	**Greater evaluation through audit**	**Establishment of independent auditing bodies**
20	To what extent are you able to negotiate with the Ministry of Finance over how money is spent in your organisation?	**Bulk budgeting**	**Greater flexibility within budgetary parameters**
21	To what extent are you able to buy goods and services on the open market?	**Purchasing deregulation**	**Avoid central procurement agencies**
		Human Resource Management	
22	To what extent is staff pay determined by a grading system/performance?	**Change reward structure**	**Pay to reflect 'market' condition**
23	Does your organisation make use of performance /merit-related pay?	**Performance related/merit pay**	**Pay to reflect performance**
24	Are you encouraged to put members of staff on performance contracts?	**Performance contract**	**Tenure determined by performance**
25	Are you encouraged to appraise members of staff on a performance basis?	**Appraisal based on performance**	**Monitoring by performance**
26	To what extent is Personnel/Human Resources in your organisation becoming more flexible?	**Personnel deregulation**	**Covers the elimination of a range of civil service controls**
27	Has quality management been implemented in your organisation?	**Quality management**	**Deprofessionalisation**
28	Is any of the programmes (or services) implemented (or delivered) by your organisation subject to periodical systematic review?	**Programme review**	**Systematic analysis of costs and benefits of individual programmes**
29	Does your organisation consult with its users or clients over service delivery?	**Consumerist mechanisms**	**e.g. Citizen's Charters**

No.	Questions	1	2
30	To what extent does your organisation market its services?	**PR and marketing**	**Establish market identity for public organisations**
31	Does your organisation contribute to service delivery through 'one stop shops'?	**Integrated service delivery**	**Includes' one stop shops' and case management**
32	To what extent is your organisation monitored by the public in terms of performance and expenditure?	**Foster greater transparency**	**Public as monitors of services.**

<u>Appendix (A-2)</u>

Sample letter to the Managers inviting them to participate in the research Questionnaire.

Date:

Dear Manager
The Ministery of
The Kingdom of Bahrain

I am pleased to enclose for your attention questionnaire which is designed to clarify your views on the subject of Administrative Reform in the public sector in the Kingdom of Bahrain (in the past six years - since December 2002), as part of a research academic PhD. from the University of Hull in Britain.

The University of Hull has given this research special attention. Moreover, I would like to assure you that all information will be treated with all the academic copyright laws as well as in strict confidentiality.

Sincerely yours,

Faisal Mohammed Ali

Mobile: 36311163

Fax   : 17 413311

e-mail : faisalmabh@yahoo.com

Appendix (A-3)

التاريخ:

الأفاضل الأخوة المسئولين بالدولة في مملكة البحرين المحترمين

تحية واحتراما وبعد،

يسرني أن أتقدم لكم بداية بعظيم الامتنان وخالص الشكر لاهتمامكم بالمساهمة الفعالة في البحوث والدراسات لما لها من أهمية.

ويسعدني أن أرفق لعنايتكم هذه الاستبانة والتي صممت لاستيضاح وجهات نظركم المتعلقة بموضوع الإصلاح الإداري في القطاع العام في مملكة البحرين (وذلك خلال الست سنوات الماضية – أي منذ ديسمبر 2002)، كجزء من بحثي الأكاديمي لنيل درجة الدكتوراه من جامعة هال ببريطانيا.

هذا وسوف تكون كافة المعلومات والبيانات موضع سرية تامة ولن تستخدم لغير أغراض البحث نفسه ووفقا للقوانين والأعراف الأكاديمية.

وتفضلوا بقبول فائق الشكر والاحترام،

مقدمه مخلصكم
فيصل محمد علي

هاتف: 36311163
فاكس: 17 413311
بريد الكتروني: faisalmabh@yahoo.com
أو   faisalmabh@hotmail.com

Appendix (A-4)

Questionnaire Survey

Section A: About yourself

*Please tick the appropriate box and remember to answer **all** questions*

1. What is your managerial level?

1	Under Secretary	
2	Assistant Under Secretary	
3	Director	
4	Advisor	
5	Assistant Manager	
6	Chief / Head	
7	Other (Please specify) ……………………………	

2. Gender

1	Male	
2	Female	

3. Age

1	20 – 30 years	
2	31 - 40	
3	41 – 50	
4	51 and above	

4. Educational level

1	Doctorate	
2	Master	
3	Higher Diploma	
4	Bachelor	
5	Diploma	
6	Secondary School	
7	Other (Please specify) ……………………………	

5. Specialisation

1	Management	
2	Finance / Accounting	
3	Administration / Human Resources	
4	Engineering / Medicine	
5	Other (Please specify) ……………………………	

More:………...………………………………………………………………

6. Years of your service in public / private sector:

		years
1	Public Sector	
2	Private Sector	
	Total	

Section B: This questionnaire is designed to elucidate your views on public sector reform in the Kingdom of Bahrain (KoB) over the last *Six* years, *"considering the period from December 2002".*

Please, <u>tick one box only</u> for each item below

Key: 1= Strongly Disagree/Very Low   2= Disagree/Low
            3= Undecided/Neutral   4= Agree/High
            5= Strongly Agree/Very High

Please answer <u>***ALL***</u> questions. Only complete questionnaires will be valid to the research.

No.	Questions	Strongly Disagree / Very Low (1)	Disagree / Low (2)	Undecided /Neutral (3)	Agree / High (4)	Strongly Agree / Very High (5)
1	To what extent do you feel that the government is encouraging your department/ministry/agency to restructure into self-managed units?					
2	In your view, is your department/ministry/agency more flexible in terms of organisation?					
3	To what extent has service delivery in your organisation been decentralised?					
4	Have you experienced any attempt to reduce the size and scope of your particular department/ministry/agency?					
5	To what extent are you encouraged to enter into partnership arrangements with the private/voluntary sector for service delivery?					
6	Are you expected to enter into contracts or outsourcing arrangements with the private/voluntary sector for service delivery?					
7	In your view, does your organisation encourage the development of leadership and corporate management?					
8	Are you expected to manage strategically? (For instance, does your organisation have a mission statement, business plan etc?)					
9	To what extent do you think your department/ministry/agency has had control over decision-making pushed down to the front line?					
10	How is your organisation's performance measured?					

No.	Questions	1	2	3	4	5
11	Is your organisation encouraged to develop cost centres?					
12	To what extent is budgeting in your department based on cost rather than expenditure?					
13	To what extent are you free to retain any financial surplus or underspends at the end of the financial year?					
14	To what extent are you aware of your budget being used for planning and control purposes by government?					
15	To what extent are output measures and volume targets used in budgets?					
16	Are you rewarded for the efficient use of resources?					
17	To what extent does your organisation make use of accrual accounting?					
18	Has PPBS "Performance, Programming and Budgeting Systems" been fully implemented in your organisation?					
19	Is your organisation audited by an independent body?					
20	To what extent are you able to negotiate with the Ministry of Finance over how money is spent in your organisation?					
21	To what extent are you able to buy goods and services on the open market?					
22	To what extent is staff pay determined by a grading system/performance?					
23	Does your organisation make use of performance /merit-related pay?					
24	Are you encouraged to put members of staff on performance contracts?					
25	Are you encouraged to appraise members of staff on a performance basis?					
26	To what extent is Personnel/Human Resources in your organisation becoming more flexible?					
27	Has quality management been implemented in your organisation?					
28	Is any of the programmes (or services) implemented (or delivered) by your organisation subject to periodical systematic review?					
29	Does your organisation consult with its users or clients over service delivery?					

No.	Questions	1	2	3	4	5
30	To what extent does your organisation market its services?					
31	Does your organisation contribute to service delivery through 'one stop shops'?					
32	To what extent is your organisation monitored by the public in terms of performance and expenditure?					

Thank you for sparing your valued time to complete this questionnaire.

Your responses and contributions are highly appreciated and will be valuable to this study.

القسم الأول: البيانات الشخصية: الرجاء التأشير في مربع الإجابة ،

1) **المستوى الإداري الذي تشغلونه؟**

	وكيل وزارة	1
	وكيل وزارة مساعد	2
	مدير إدارة	3
	مستشار	4
	مساعد مدير	5
	رئيس قسم	6
	رئيس مجموعة	7
	أخرى (الرجاء ذكر ذلك)	8

2) **الجنس؟**

	ذكر	1
	أنثى	2

3) **المستوى الأكاديمي ؟**

	دكتوراه	1
	ماجستير فلسفة	2
	ماجستير	3
	دبلوم عالي	4
	بكالوريوس / ليسانس	5
	دبلوما	6
	الثانوية العامة	7
	أخرى (الرجاء ذكر ذلك)	8

4) **التخصص ؟**

	الإدارة العامة	1
	المالية	2
	المحاسبة	3
	الشئون الإدارية	4
	الموارد البشرية	5
	الهندسة	6
	الطب وما الى ذلك	7
	أخرى (الرجاء ذكر ذلك)	8

5) **الرجاء كتابة عدد سنوات الخبرة العملية لكم في العمل بالقطاعين العام والخاص:**
سنة

	سنوات العمل بالقطاع العام	1
	سنوات العمل بالقطاع الخاص	2
	المجموع	

القسم الثاني:

محتويات نموذجِ الإدارةِ الحكوميةِ الحديثة، التطوير والإصلاح الإداري (حالة مملكة البحرين).

ملاحظات عامة:

1) يقصد بالمنظمة أو المؤسسة أو الهيئة (في هذه الاستبانة): تلك الوحدات أو الهيئات الإدارية الحكومية بما فيها من إدارات أو وزارات على المستوى الحكومي الكلي.

2) الرجاءَ الإجابة على كلِّ الأسئلة وذلك لأغراض نموذج البحث والدراسة والتي تتطلب الإجابة الكاملة على أسئلة هذه الاستبانة.

3) للإجابة على هذه الأسئلة يجب الأخذ بالاعتبار الفترة الزمنية الممتدة منذ ديسمبر 2002م.

الرجاء التأشير في مربع واحد فقط وفقا للتصنيف التالي:
أ)   أعارض بشدة / متدني جدا
ب)   أعارض / متدني
ج)   لا اعرف/محايد
د)   أوافق / عالي
ه)   أوافق بشدة / عالي جدا

رقم السؤال	البيان	أعارض بشدة / متدني جدا	أعارض/متدني	لا اعرف/محايد	أوافق / عالي	أوافق بشدة / عالي جدا
		1	2	3	4	5
1	إلى أيِّ مَدى تَشْعرُ بأنَّ الحكومة تُشجّعُ قسمَكِ أو إدارتك / وزارتك / الوكالة أو المؤسسة الحكومية التي تعمل بها لإعادة هيكلتها إلى نمط الوحداتِ التي تسير نفسها إداريا بشكل ذاتي؟					
2	في رأيك، هَلْ القسم / الوزارة / الوكالة أو المؤسسة التي فيها تَعْمُلُ أكثرَ مرونة من الناحية التنظيمية؟					
3	إلى أيِّ مَدى يتم تسليم وتقديم الخدمات في منظمتِكَ أو وزارتك بشكل لا مركزي؟					
4	هَلْ قمتم بأي تجربة أو محاولة لتَخفيضِ حجمٍ ومجالِ عملِ قسمِ معيناً/ وزارة / وكالة أو مؤسسة أو حدة إدارية ما؟					
5	الى أيِّ مَدى تقوم الحكومة بتُشجّيعُكم للدُخُول في ترتيباتِ الشراكةِ مع القطاع الخاصِّ / القطاع الطوعي لتسليمِ وتقديم الخدمات؟					
6	إلى أيِّ مَدى تقوم الحكومة بتُشجّيعُكم للدُخُول في ترتيباتِ إبرام عقودِ التخصيص أو الامتياز مع القطاع الخاصِّ / القطاع الطوعي لتسليمِ وتقديم الخدمات؟					
7	في رأيك، هَلْ وزارتك أو منظمتكَ تُشجّعُكم على تطويرَ القيادةِ والعمل بنموذج إدارة قطاع الأعمال والشركات؟					
8	هَلْ تتوقع أن تدير أعمالكم ومهامكم بشكل إستراتيجي؟ (على سبيل المثال: هَلْ إدارتك / وزارتك أو منظمتكَ لديها مهمّةِ ورسالة واضحة، خطة عمل..... الخ؟)					
9	إلى أيِّ مَدى تعتقد بان قسمَكَ / وزارتك / الوكالة أو المؤسسة التي تعمل بها كَانَت لديها السيطرةُ على اتخاذ القراراتِ التي تقوم بضغطها إلى أسفل السلم الإداري والخطِّ الأمامي للموظفين؟					

					هل يتم قياس الأداء بإدارتكم / وزارتكم أو المنظمة / المؤسسة التي تعملون بها.	10
					إلى أيِّ مَدى تقوم وزارتكم أو المنظمة / المؤسسة التي تعملون بها على تشجيعكم بتُطوّرُ مراكزَ الكلفةِ لأعمالكم ونشاطاتكم؟	11
					إلى أيِّ مَدى يتم وَضْع موازنة قسمِكم / وزارتكم أو مؤسستكم بالاستناد على الكلفةِ بدلاً مِنْ الإنفاق؟	12
					إلى أيِّ مَدى من الحرية يمكنكم الاحتفاظ بأيّ فائض مالي أو تقتير غير منصرف في نهاية السنة الماليةِ؟	13
					إلى أيِّ مَدى تدرك بأنّ موازنتَك يجب أن تستخدم وتصرف على التخطيط والرقابة والسيطرةِ لما اعتمد وخطط له من قبل الحكومةِ؟	14
					إلى أيِّ مَدى يتم استخدام مقاييس الناتج والأحجام المستهدفة في موازنات إدارتكم / وزارتكم أو مؤسستكم؟	15
					إلى أيِّ مَدى تتم مكافئتكم مقابل الاستخدام الأمثل والكفؤ للموارد المتاحةِ؟	16
					إلى أيِّ مَدى تستخدم وزارتك أو منظمتكَ نظام الاستحقاق المحاسبي (أو الأساس النقدي)؟	17
					هل تم التطبيق الكامل لأنظمة ميزانية البرامج والأداء بوزارتكم أو مؤسستكم؟	18
					هَلْ يتم تدقيق وزارتك، مؤسستك أو منظمتكَ عن طريق هيئة مستقلّةٍ؟	19
					إلى أيِّ مَدى يمكن التَفَاوُض مع وزارة الماليةِ بالنسبة لموازنة الإنفاق والصرف الخاص بوزارتكم أو منظمتِكِم؟	20
					إلى أيِّ مَدى أنتم قادرون على تدبر أعمالكم ونشاطاتكم في نظام السوق المفتوح؟	21
					إلى أيِّ مَدى يتم تحديد الدفع وفق أساس نظام الدرجات؟	22
					إلى أي مدي تستخدم وزارتكم / منظمتكَم معيار الأداء المرتبط باستحقاق الدفع والمكافأة على أساس التميز والجدارةِ؟	23
					هَلْ تُشجّعُ لوَضْع الموظّفين على نظام عقود الأداءِ؟	24
					هَلْ تُشجّعُ على تَقدير الموظّفين المستند والمؤسس على الأداءِ؟	25
					إلى أيِّ مَدى ترون بان شؤون الموظفون / وإدارة الموارد البشرية في وزارتكم أو منظمتِكِم يمكن أن تكون أكثرَ مرونة؟	26
					إلى أي مدى تم تطبيق إدارة الجودة في وزارتكم أو منظمتِكِم؟	27
					هَلْ تخضع البرامج أو الخدمات أو المنتجات التي تقدمها وزارتكم أو منظمتِكَم للمراجعةِ المنتظمةِ والدورية؟	28
					إلى أيِّ مَدى تقوم وزارتكم أو منظمتكم باستشارة جمهور زبائنها ومستخدميها بالنسبة لخدماتها وطرق توصيلها وتطويرها؟	29
					إلى أيِّ مَدى تقوم وزارتكم أو منظمتكم بتُسوّقُ خدماتَها؟	30
					إلى أيِّ مَدى تقوم وزارتكم أو منظمتكَم بالمساهمة في تقديم وتوصيل خدماتها عن طريق محطة التسوق الواحدة؟	31
					إلى أيِّ مَدى تتوفر المراقبة على وزارتكم أو منظمتِكِم من ناحية نشر بيانات أدائِها وإنفاقِها؟	32

Appendix (A-6)

Summary of Questionnaire Results

Structure / Scale	S. Agree/ Agree	Neutral	S. Disagree / Disagree	Total %	Result Statuse
Q1	39	15	46	100	No
Q2	46	16	39	100	Yes
Q3	34	23	43	100	No
Q4	42	23	35	100	Yes
Q5	42	25	33	100	Yes
Q6	41	26	33	100	Yes

Process / Scale	S. Agree/ Agree	Neutral	S. Disagree / Disagree	Total %	Result Statues
Q7	42	16	42	100	No
Q8	56	18	25	100	Yes
Q9	42	19	39	100	Yes

Budgetary / Scale	S. Agree/ Agree	Neutral	S. Disagree / Disagree	Total %	Result Statues
Q10	34	25	41	100	No
Q11	35	27	38	100	No
Q12	33	27	40	100	No
Q13	21	30	49	100	No
Q14	44	25	31	100	Yes
Q15	31	24	45	100	No
Q16	28	21	52	100	No
Q17	36	30	34	100	Yes
Q18	24	29	47	100	No
Q19	67	16	17	100	Yes
Q20	44	29	27	100	Yes
Q21	44	23	33	100	Yes

HRM (Personnel) / Scale	S. Agree/ Agree	Neutral	S. Disagree / Disagree	Total %	Result Statuse
Q22	42	18	40	100	Yes
Q23	32	20	48	100	No
Q24	24	25	51	100	No
Q25	43	14	43	100	Yes
Q26	41	16	43	100	Yes

Quality / Scale	S. Agree/ Agree	Neutral	S. Disagree / Disagree	Total %	Result Statuse
Q27	36	19	45	100	No
Q28	45	21	35	100	Yes
Q29	41	21	39	100	Yes
Q30	37	22	41	100	No
Q31	25	26	49	100	No
Q32	37	27	37	100	Yes

Appendix (A-7)

An Example of statistical data (Research Questionnaire Survey)
The effect of the independed factors on the four factors and its total

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.
administration levels	d1	3.297	6	.549	.763	.600
	d2	9.732	6	1.622	1.480	.184
	d3	2.718	6	.453	.783	.584
	d4	8.285	6	1.381	1.708	.118
	total	3.203	6	.534	.921	.480
Gender	d1	1.345	1	1.345	1.867	.173
	d2	2.639	1	2.639	2.408	.122
	d3	3.676	1	3.676	6.357	.012
	d4	2.499	1	2.499	3.092	.080
	total	2.656	1	2.656	4.582	.033
Age	d1	1.247	3	.416	.577	.630
	d2	2.316	3	.772	.704	.550
	d3	5.411	3	1.804	3.119	.026
	d4	6.433	3	2.144	2.653	.049
	total	3.652	3	1.217	2.100	.100
Qualifications	d1	6.436	5	1.287	1.787	.115
	d2	12.070	5	2.414	2.203	.054
	d3	6.825	5	1.365	2.361	.040
	d4	16.026	5	3.205	3.965	.002
	total	9.823	5	1.965	3.389	.005
Specializations	d1	5.289	4	1.322	1.836	.122
	d2	10.238	4	2.560	2.336	.055
	d3	7.603	4	1.901	3.287	.012
	d4	8.873	4	2.218	2.744	.028
	total	7.106	4	1.777	3.065	.017

Table above shows the following results:
o "Administration levels" has no significant effect on the four factors and its total.

o "Gender" has significant effects on budget factor and total at level of 0.05.

o "Age" has significant effects on "budget" factor and "human resource" factor at level of 0.05.

o "Qualifications" has significant effects on "budget" factor and "human resource", and the total factor at levels of 0.05 and 0.01.

o "Specializations" has significant effects on "budget" factor and "human resource", and the total factor at levels of 0.05 and 0.01.

o Managerial level crosstabulation with Q18: Changes in the Budgetary Process: Implementation of Performance and Program Budgeting System (PPBS)

Scale	1 Under Secretary	2 Assistant Under Secretary	3 Director	4 Advisor	5 Assistant Manager	6 Chief / Head	7 Other	Total
1 Strongly Disagree/Very Low	2	10	30	6	9	50	2	109
	.6%	2.8%	8.4%	1.7%	2.5%	14.0%	.6%	30.4%
2 Disagree/Low	0	0	10	1	8	38	1	58
	.0%	.0%	2.8%	.3%	2.2%	10.6%	.3%	16.2%
3 Neutral	3	2	16	7	4	69	3	104
	.8%	.6%	4.5%	2.0%	1.1%	19.3%	.8%	29.1%
4 Agree/High	0	5	7	1	3	41	1	58
	.0%	1.4%	2.0%	.3%	.8%	11.5%	.3%	16.2%
5 Strongly Agree/Very High	1	2	4	1	4	16	1	29
	.3%	.6%	1.1%	.3%	1.1%	4.5%	.3%	8.1%
Total	6	19	67	16	28	214	8	**358**
	1.7%	5.3%	18.7%	4.5%	7.8%	59.8%	2.2%	**100.0%**

Appendix (A-8)

Questionnaire Survey: website version

Note: questions redeveloped based on the respondent's feedback

OK

Section A: About yourself

Please tick the appropriate box and remember to answer all questions

1. What is your managerial level?	Other (Please specify) specialist
2. Gender	Male
3. Age	41 – 50 years
4. Qualifications	Doctorate
5. Specialisation	Other (Please specify)
More:	
6. Years of your service in public / private sector:	
* Public Sector	22 years
* Private Sector	1 years

Section B: This questionnaire is designed to elucidate your views on public sector reform in the Kingdom of Bahrain over the last _four_ years, "*considering the period from December 2002*".

Please, tick one box only for each item below

Key: 1= Strongly Disagree/Very Low   2= Disagree/Low
       3= Undecided/Neutral   4= Agree/High
       5= Strongly Agree/Very High

Please answer _ALL_ questions. Only completed questionnaires will be valid to the research.

No.	Questions	1	2	3	4	5
1	The government is encouraging your department/ministry/agency to restructure into self-managed units.					Strongly Agree/Very High
2	Your department/ministry/agency is more flexible in terms of re-organisation.				Agree/High	
3	The service delivery in your organisation has been decentralized.					Strongly Agree/Very High
4	You have experienced attempts to reduce the size and scope of your particular department/ministry/agency.	Strongly Disagree/Very Low				
5	You are encouraged to enter into partnership arrangements with private/voluntary sector for service delivery.				Agree/High	
6	You organisation is keen to enter into contracts or outsourcing arrangements with the private/voluntary sector for service delivery.				Agree/High	
7	Your organisation is encouraging the development of leadership and corporate management.					Strongly Agree/Very High

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8	You are expected to manage strategically; (For instance, your organisation has a mission statement, business plan etc).	Strongly Agree/Very High
9	Your department/ministry/agency has had control over decision-making pushed down to the front line.	Agree/High
10	Your organisation is adopting effective performance evaluation measures.	Strongly Agree/Very High
11	Your organisation is encouraged to develop cost centres	Agree/High
12	Budgeting in your department is based on cost rather than expenditure	Agree/High
13	You are free to retain any financial surplus or underspends at the end of the financial year	Disagree/Low
14	Awareness of your budget being used for planning and control purposes by government.	Agree/High
15	Your organisation is adopting output measures and volume targets in budgets.	Agree/High
16	You organisation is implementing rewarded for efficient use of resources.	Disagree/Low
17	Organisation makes use of accrual accounting.	Agree/High
18	Performance, Programming and Budgeting Systems "PPBS" is fully implemented in your organisation.	Disagree/Low
19	Your organisation is audited by an independent body.	Strongly Agree/Very High
20	You are able to freely negotiate with the Ministry of Finance over how money is spent in your organisation.	Agree/High
21	You are able to buy goods and services on the open market.	Agree/High
22	Staff pay in your organisation is determined by a grading system/performance.	Agree/High
23	Your organisation is making use of performance/merit-related pay.	Undecided/Neutral
24	You are encouraged to put members of staff on performance contracts.	Strongly Disagree/Very Low
25	You are encouraged to appraise members of staff on a performance basis.	Agree/High
26	Personnel/Human Resources in your organisation are flexible.	Disagree/Low
27	Quality management concept is being implemented in your organisation.	Agree/High
28	Programmes (or services) implemented (or delivered) by your organisation are subjected to periodical systematic review.	Agree/High
29	Your organisation consults with its users or clients over service delivery.	Agree/High
30	Your organisation markets its services effectively.	Disagree/Low
31	Your organisation contributes to service delivery through 'one stop shops'.	Disagree/Low
32	Your organisation is monitored by the public in terms of performance and expenditure.	Agree/High

OK

Performance, Programmes Budgeting-based System (PPBS)
Project Official semi-structured open-ended Interview, set of Questions

1) According to your responsibilities within the pilot and implementation team of the PPBS in the public sector of the KOB, how would describe the attempt in the ground within the project applied stages, technical and implementation?

2) How the attempts stopped and how do you look at the experience of alternative (PBS) in the light of previous experience in comparison?

3) In your opinion, what are the lessons learned from this experience including obstacles and shortcomings?

4) Any other matters or observations you consider and like to contribute on this regards.

لعنايتكم برجاء الإجابة على الأسئلة التالية وشرح التجربة وفقا لمسئولياتكم في مراحل تنفيذ مشروع تطبيق ميزانية الأداء والبرامج في مملكة البحرين:

1) وفقا لمسئولياتكم ضمن فريق تطبيق نظام ميزانية الأداء والبرامج بالقطاع العام بمملكة البحرين كيف تصفون ما مررتم به في هذه التجربة بمراحلها التنظيمية والتطبيقية؟

2) كيف توقفت التجربة وكيف تنظرون للتجربة البديلة في ضوء معايشتكم للتجربة السابقة بالمقارنة؟

3) برأيكم ما هي الدروس المستخلصة من هذه التجربة بما فيها العوائق والنواقص؟

4) أية أمور وملاحظات أخرى تودون بيانها.

Appendix (C-1)

Semi-Structured Interview, open-ended Protocol
used for Elite Interviews and PPBS Officials

Practical Procedures for Interviewing

- ☐ Minister
- ☐ Member of Parliament
- ☐ PPBS Project Officer

Interview No.	Date:
Interviewee's Name:	Titles:
Location:	
Time: Start	Finish:

1. Introduction

Thank you for allowing me talk to you. This academic research would not be possible without your valuable participation. It will understanding of the implications of New Public Management (NPM) Administrative Reform in the Kingdom of Bahrain, and the Performance and Programme-based Budgeting System (PPBS). Your contribution can build and assist the state practices in this regard.

2. Aim of this Study

The overall aim of this study is to analyse the extent to which public administration in Bahrain can be aligned with the globalising trend of NPM to improve the performance levels of public sector organisations. The introduction of PPBS is employed as a case study around which this issue can be addressed. The PPBS project is a test case for the KOB, representing a unique opportunity to apply NPM in Bahrain.

3. Status of this research

This study is academic research conducted to fulfil the requirements of the PhD degree. Any concerns about ethical conduct should be addressed to the Business School in the University of Hull, UK, Rebecca Conyers; Research Programmes, Business School, HU6 7RX, phone: 01482 463598, Fax: 01482 463773, e-mail: Rebecca.conyers@hull.ac.uk. Or Dr. Kevin Orr, Director, the Centre for Management and Organisational Learning, The Business School, University of Hull. Phone: 00 44 (0)1482 463083, e-mail: k.orr@hull.ac.uk.

4. Ethical concerns of this research

- ü All the data collected in the interview is confidential and anonymous. For the safety and confidentiality, your name will not be revealed without your permission.
- ü Undisguised information about participants in this research will not be made public in any way.

5. Notes

- o Would you mind if I tape the interview as this will help the data analysis.
- o If you wish, I would be happy to provide you with a summary of the results.

6. Prior to Interview

1. Identify interviewees and essential background information about them.
2. Design a set of interview questions tailored to the interviewee, choosing from among the questions attached in this protocol.
3. Arrange date and time of interview, explain aims of project
4. Send interview questions ahead (Appendices C-4, C-5 and D-3) of interview with covering letter asking for any documents, data and resources that may be helpful to be identified where possible prior to interview including contact details.
5. Request permission for taping interview
6. Inform interviewee that a transcript will be provided for clarification and amendments
7. Check tape recorder in advance, as well as pen and writing pad.
8. Things to be carried for interview: Extra copies of interview set of questions, content details and business card.

7. During Interview

1. At interview, provide background information on the project
2. Re-confirm permission to record, confidentiality and transcript to be provided.
3. Check tape recorder and conduct voice test.
4. Throughout interview take notes.
5. At end of interview ask for consent form to be signed.
6. Identify any action to be followed up by Changing faces team.
7. Request permission to follow up issues by telephone/face to face/e-mail

8. After Interview

1. Write up contextual interview notes.
2. Complete face sheet information and enter into database.
3. Identify action points.
4. Transcribe the recorded tapes.
5. Check and edit transcripts.
6. Write letter of thanks to interviewee and ask for confirmation of promised materials - any extra information needed.
7. Send transcript to interviewee and ask to confirm/amend accordingly. Request any additional information at this point.
8. Arrange to follow up with telephone/face or e-mail to face meeting where necessary.
9. Enter factual content information from interview into database (key people. Moments, dates and events).
10. Save transcript and notes on-line in WORD file while they are fresh.

Idea from: http://www.lancs.ac.uk/fss/projects/edres/changingfaces/protocol/practical.htm

Appendix (C-2)

Sample letter to the Minister's inviting them to participate in the research.

Date:

H.E.
The Minister of
The Kingdom of Bahrain

Your Excellency,

It gives me great pleasure to convey to you my sincere appreciation and gratitude for your continued support and special attention to research studies and development in the Kingdom of Bahrain.

I am honored to be one of those researchers who request some of your valuable time to learn from your expertise and vision as related to my Doctorate Degree research studies from the University of Hull in the United Kingdom. My research is focused on the subject of "New Public Management; Administration Reform in the Kingdom of Bahrain". The study I wish to complete is considered among the few research studies ever done not only in Bahrain but in the Gulf region as well.

The University of Hull has given this research special attention. Moreover, I would like to assure you that all information will be treated with all the academic copyright laws as well as in strict confidentiality.

Your Excellency, my sincere thanks for giving me an opportunity to further enrich my thesis.

I convey to you my deep and ever most respect.

Sincerely yours,

Faisal Mohammed Ali

Mobile: 36311163
Fax   : 17 413311
e-mail : faisalmabh@yahoo.com

Appendix (C-3)

Sample letter in Arabic to the Minister's inviting them to participate in the research.

التاريخ:

صاحب المعالي / السعادة
الموقر
وزير   – مملكة البحرين

تحية واحتراما وبعد،

يسرني ويشرفني أن أتقدم لسعادتكم بعظيم الامتنان وخالص الشكر لما تولونه من دعم واهتمام خاص بالبحوث والدراسات لما فيه خير وصالح هذا الوطن.

ويشرفني أن أكون احد هؤلاء الباحثين لأطلب مقابلة سعادتكم ولمدة محدودة للاستئناس بتوجيهاتكم ورؤاكم المتعلقة بموضوع بحثي لنيل درجة الدكتوراه من جامعة هال ببريطانيا "الإدارة الحكومية الحديثة: الإصلاح الإداري في مملكة البحرين"، والتي تعتبر أحدى الدراسات النادرة التي قدمت في البحرين بل على مستوى دول مجلس التعاون الخليجي.

ويلاقي هذا البحث اهتماما خاصا من قبل الجامعة ومشرف البحث الذي قدم للبحرين لتوجيه الدراسة التطبيقية وإغناء البحث والمشروع. هذا وسوف تكون كافة المعلومات والبيانات موضع سرية تامة ولن تستخدم لغير أغراض البحث نفسه ووفقا للقوانين والأعراف الأكاديمية.

امتناني وجزيل شكري لإتاحة سعادتكم الكريم هذه الفرصة لنا.
وتفضلوا بقبول فائق الشكر والاحترام،

مقدمه مخلصكم

فيصل محمد علي

هاتف: 36311163 ، فاكس: 17 413311
بريد الكتروني: faisalmabh@yahoo.com

Date:

Semi Structured Interview Questions
Ministerial Level

1. What are your roles / responsibilities?

2. How long have you been a minister/under Secretary? (What did you do before?)

3. From your experience what is the process of decision making about policy in public sector management? *(How is policy make)*

4. What do you understand by the word <u>REFORM</u> in the context of public administration?

   (word: Change, Restructuring, Modernisation, …..etc)

5. As a minister/under Secretary, where do you think the need for reform stems from? (Socio-economic political system, change events).

6. What is your strategy for change? (overall and within your own jurisdiction)

7. Lesson from abroad / international community / consultants?

8. Based on the services that are delivered by your Ministry, what do you consider to be the key areas that are in need of change? And Why?

9. If change is necessary, how will you implement it, and how implementation be achieved?

10. How will any changes be evaluated? (for departmental audit public consultation etc.)

11. How do you see the future of public administration in Bahrain in **ten** years time?

Semi Structured Interview Questions: Ministerial Level (in Arabic language)

مقابلة شخصية مع أصحاب المعالى والسعادة الوزراء

1) ما هي المهام والمســئوليات المناطة بمعاليكم / سعادتكم ؟

2) منذ متى توليتم الحقيبة الوزارية الحالية، وماذا كانت وظيفتكم قبل ذلك ؟

3) من خبرتكم الشخصية ما هي الطريقة المتبعة في اتخاذ القرارات المتعلقة بالسياسات الإدارية في القطاع العام ؟

4) ما هو تعريفكم ومفهومكم لكلمة (إصلاح) في سياق الإدارة العامة (تغير، إعادة الهيكلة، التحديث) ؟

5) من خبرة معاليكم / سعادتكم كوزير من أين تنبثق الحاجة إلى الإصلاح باعتقادكم ؟

6) ما هي إستراتجيتكم للتغير (بشكل عام أو ضمن حدود صلاحياتكم) ؟

7) ما هو الدرس أو النموذج الذي تتبنونه للتغير الإداري (والمستقى من الخارج، المنظمات العالمية وبيوت الاستشارة .... الخ) ؟

8) استنادا إلى الخدمات التي تقدمها وزارتكم الموقرة، ما هي في اعتقادكم الجوانب والمفاتيح الأساسية التي هي بحاجة إلى التغيير ؟ ولماذا ؟

9) إذا كان التغير ضروريا، كيف ستقومون بتطبيقية؟ وكيف سيتم تحقيق ذلك ؟

10) كيف سيتم تقييم هذا التغير ؟ (من خلال التدقيق على الإدارات والوحدات الإدارية، الاستشارات الحكومية .... الخ).

11) كيف تنظرون إلى مستقبل الإدارة الحكومية في مملكة البحرين في عشر سنوات من الآن؟

Date:

Semi Structured Interview
Ministerial Level

12. What are your roles / responsibilities?

13. How long have you been a minister / under secretary? *(What did you do before?)*

14. From your experience what is the process of decision making about policy in public sector management?

   (How is policy make)

   Prompt: Are there any overseas influences?

15. What do you understand by the word <u>REFORM</u> in the context of public administration? *(Word: Change, Restructuring, Modernisation, …..etc).*

5. As a Minister / Under Secretary, where do you think the need for reform stems from? *(Socio-economic political system, change events).*

   Prompt: What are the main variables (fiscal changes, Business environment, problems in executive …etc?)

6. What is your strategy for change? *(overall and within your own jurisdiction*

   Prompt: Who strategy is it: yours, ministers, part of a government-wide strategy (organisational), etc?

7. Lesson from abroad / international community / consultants?

8. Based on the services that are delivered by your Ministry, what do you consider to be the key areas that are in need of change? And Why?

9. If change is necessary, how will you implement it, and how implementation be achieved?

   Prompt: by ministers, civil servants, other groups?

10. How will the reform be evaluated? *(for departmental audit public consultation etc.)*

    Prompt: *What will the Feedback Mechanisms?*

    *How will you know if the reform is a **success**?*

    Who will judge?

11. How do you see the future of public administration in Bahrain in **ten** years time?

    Prompt: *any problems do you foresee?*

Appendix (C-7)

List of Ministries and Government Agencies in Bahrain (Civil Service)

A) Ministries (under scope of sample)

1. Ministry of Cabinet Affairs
2. Ministry of Justice and Islamic Affairs
3. Ministry of Foreign
4. Ministry of Foreign affairs
5. Ministry of Bahrain Defence Force
6. Ministry of Interior
7. Ministry of Municipalities and Agriculture Affairs
8. Ministry of Shura Council and Representatives Council Affairs
   a. Consultative Council
   b. Council of Representatives
9. Ministry of Finance
10. Ministry of Works
11. Ministry of Housing
12. Ministry of Culture and Information
13. Ministry of Industry and Commerce
14. Ministry of Education
15. Ministry of Labour
16. Ministry of Health
17. Ministry of Social Development
18. Ministry of Transportation (Civil Aviation Affairs)

19. State Minister
20. State Minister

B) Government Organizations

1. Tender board
2. Electricity & Water Authority
3. General Organization of Sea Ports
4. Central Informatics Organization
5. General Organization for Youth and Sports *(rolled by minister level)*
6. Bahrain Centre for Research and Studies *(rolled by minister level)*
7. Central Bank of Bahrain *(rolled by minister level)*

8. Civil services Bureau
9. Social Insurance Organization
10. Legal Affairs department
11. Survey and Land Registration Bureau
12. National Oil AND Gas Authority *(rolled by minister level)*
13. Royal Charity Organization
14. Public Commission For The Protection Marine Resources, Environment and Wildlife
15. Bahrain Economic Development Board
16. Labour Market Regulation Authority
17. Labour Fund
18. Supreme Council For Women *(rolled by minister level)*
19. Constitutional Court *(rolled by minister level)*
20. Telecommunications Regulatory Authority
21. E-Government Authority
22. Institute of Public Administration
23. Quality Issuance Authority
24. Others.

Source: Civil Service Bureau.

Appendix C-8

Semi Structured Interview: Ministerial Level (Sample of Draft Transcript)

Q1. What are your roles / responsibilities?

1 To oversee all functions and activities of Ministry of ------- services in Bahrain, ---------------- in addition to supervising the public -------- rules and regulation
2 Implementing the roles and procedures to manage the --
3 As a minister for --------------- my primary role is to manage the 'commercial' side of the ----------, and to ------------- policy actions to the ------------. As part of the high-level management team it is also my responsibility to contribute to strategy and policy making over all the Ministry responsibilities.

On a day to day basis I must keep in touch with my management team to ensure that issues are escalated and dealt with in a timely fashion, and above all that we at all times meet or exceed our customer expectations. There will always be issues, and where such issues are unable to be resolved at the lower tier of the management structure, these are then my responsibility to bring to a satisfactory conclusion.

At the strategic level, we keep continuously in touch with social and economic changes taking place within the country in order to ensure that our regulations, laws, and policies are in keeping with economic requirements of the country. The Ministry of ---------, fiercely protects the legitimacy of Bahrain as an international business and financial centre by ensuring an orderly market place, where investors, consumers and businessmen are equally protected. My responsibility here is to interpret market signals into policy dynamics in order that, as regulator and promoter of commerce in Bahrain, we are constantly in harmony with both the changing market requirements and provide support and encouragement for the organic development of new businesses and expansion of existing enterprises.

Q2.   How long have you been a minister? (What did you do before?)

1 Since 2002, and minister of ------- in 2005, where I was an ----------- for very long time
2 Since 2005 while I was undersecretary for this ministry for 4 years, than I become minister.
2 I have been minister for approximately 12 years, previously I was ------------ for the government.

Q3. From your experience what is the process of decision making about policy in public sector management? (How is policy make)

1 Every minister is requested to raise his opinion and plan of his ministry to the state cabinet, which normally dissection and direction take place to approve that polices and forward to the legal committee for the necessary action and regulation.
In addition, from my point of view, I found the decision making process is normally approved through democrat process in the ministerial cabinet, while it implementation is goes doctorate mode in action. The managerial level (middle management) is in low performance and efficiency in administrating the state rules and services with it need a real reform.
Moreover, we needs a real shift in public management paradigm to cope with H M the king modernization approach and project to develop certain strategies to modernize the state public sector management, which I found it has been forward to some specialist bodies for study and action.
Hence the ministerial role is identified and clear for all ministers, the political decisions related to every ministry is the minister responsibility, while the administrative and implementation decisions should goes by delegation to the managerial level and downward.

2 It depend on every minister, he can decide on and take the decisions related to his rules and ministry, where other may have their own team to help and depending on that team. Some prefer to go for more study of the phenomenon he faced.

I normally depend on my team, and everybody has he contribution and rule in implementation and getting the necessary feedback from the customer and stockholder. This will encourage the employees and motivate them, shaping their skills and performance.

3 Actually in respect to public policy in Bahrain we have entered an era of change moving from a statist regime, where policy was basically determined on the basis of the Government 'knowing best', to a market led policy, in which the Government seeks to regulate and support, but where the private sector becomes the economic engine. I would respond to this question then on the basis of current rather previous experience.

The Government, at the higher political level, has a vision, and that vision must, of necessity, and by definition, reflect the aspirations of the people, which simply put relates to providing a better standard of living through full employment. That better standard of living relates to accessibility to food, shelter, education, health, utility services, freedom and security and other personal growth aspiration of individuals. Government seeks to satisfy the aspiration of citizens by listening to people's representatives, interpreting these requirements, whether they be economic or social in nature, into policies, programmes, actions and initiatives, which cater to those requirements.

Government Ministries have 'their ears to the ground', and feed market intelligence into their policy initiatives. Changes made to regulations and laws are initiated by a concern to address a problem, and these changes are then the subject of debate, either at the public level, or at least between involved and interested parties. Invariably decisions only policy changes are not taken in isolation, and the best solutions are sought by a process of consultation and research. Most often examples are used from other relevant countries both within and outside the region, and often with the assistance of consultants.

Normally the process of policy making is based on obtaining the latest information related to the issue, alternative solutions are addressed in order to find the most appropriate solution providing the most cost/benefit to the greatest number of those affected.

The Government is in a position to look into the future, knowing better the international political landscape, and takes a long view and attempts to define policy based on an expectation of the future. In doing this individual Ministries are joined-up through the medium of the Cabinet, which then defines policy which is itself subject to being evaluated by the democratic process. In Bahrain, like any country, policy is shaped to a very large extent by public demand, economic issues(in our case oil is a strong factor) and security considerations.

Q4. What do you understand by the word REFORM in the context of public administration? (Word: Change, Restructuring, Modernisation, …..etc).

1 Reform to me is means a continues scientific development approach, it is not random or ad-hoc fixing; it goes through real changes in public administration, restructuring, modernization, democratization the public sector and moving a head by governance

2 Reform to me is means change, restructuring, modernization, adopt and policy shift, having a mutual relationship with customer, client and stockholder and other groups. Transparency and accountability is norm in the sense of reform

3 What I understand by the word reform is Change, with the implication being that it is 'change' to meet an underlying policy requirement and will effect some fundamental aspects of public administration, not simply for the sake of change. Change in this context may incorporate a change

to a single factor or to a number of factors, which address public administration. A reform to the political process, would indirectly have the potential of effect all aspects of public administration.

Reform in public administration is a change to the way the Government agencies manage the affairs of Government, making agencies responsible for their actions and in a time and cost bound framework. There is an underlying presumption that the public administration works on behalf of the public for the public, and is accountable to the public. Such accountability manifests itself in the emergence of public targets, appeal processes, independent enquiries, access to information and transparency

Q5. As a Minister, where do you think the need for reform stems from? (Socio-economic political system, change events).

1 The need for reform stems from when we can see that the bureaucracy in public sector administration start to eroded where they slow the decision required to the public sector roles and services. On the other hand, we have to rationalize the decision and immediate stop to those irrationalized.

M2: For sure reform stems from socio-economic and political system, and I believe that the business environment, problems in executive in Bahrain and fiscal are the main variables and challenges facing our government today.

2 The need for reform stems from our needs to fulfill people needs and requirement, safeguarding and get them their right as stated by law and constitution. Developing systems to judge on time and cooperation with other institutions.

3 Bahrain is faced with a growing population and a dwindling resource, whilst at the same time is having to cope with limitations of land and water and attempt to stimulate investment in non-oil based activities. The growing globalization of Bahrain has opened new vistas to peoples' expectation, on the back of access to information, the open economy, influx of expatriates, security concerns, and political aspirations. The Government is no longer the economic driver, it is the private sector, and a private sector which demands better services, better job opportunities and opportunities for the next generation, and it is form this situation that the demand for reform stems. Bahrain has adopted certain policies out of necessity, and to a large extent had little control over such policy options – we could not and cannot, as a small island country with little in the way of natural reserves, exist as an island and provide for a young and growing population. Other countries, such as Singapore, have achieved the economic miracle based on free and open markets, Bahrain really has no option but to adopt similar open market policies, and in doing so must also then accept that reform is necessary in order to ensure that this policy option is successful in delivering the desired results. Having gone down this road, then certain other reforms become mandatory

Q6. What is your strategy for change? (overall and within your own jurisdiction)

1 Our strategy for change started by developing and acquisition of human resources, as the mien of development.

Our strategy is of course part of the government strategy and today EDB shared strategy, which is as well wide organizational strategy of the total government. However, my strategy as minister would consist from the same in different level of management in my ministry.

2 My strategy for change focusing on building independency and trust on court and justice, this would require restructuring of the court hierarchy and developing certain policies which insist in human rights and take the role of spreading the knowledge base to citizen and customers.

3 My strategy is simple, listen, learn, consult, change, and in that order.

The listening process involves all the senses, it involves understanding what is going on in world, what changes are being made in other countries and political blocks, and how such changes could work to impact on Bahrain, and by implication what actions should be taken to either take advantage or limit the effects of such changes. It involves listening to what is happening within Bahrain, in other Ministries' policies, such as in respect to labor, and conditioning areas over which I am involved to support such other changes.

We learn from the examples of other countries undergoing similar circumstances, and where appropriate engage with consultants to interpret such experiences into an action for Bahrain. Policy changes require an impact assessment, and also requires that the public be involved in the process so that there are no surprises or unexpected results from a policy change.

Q7. Lesson from abroad / international community / consultants?

1 For every country or ministry his module to follow that to be tally with their resources, vision and a global strategy of the state.

No doubt, we have to learn from the experience of other countries, especially those very close to our country vision and resources and others, such as countries from south Asia. Malaysian and Singapore are one of our targeted modules. But we have to consist on our unique module; we can copy past other countries history and movements.

2 As an Islamic state we rolled by Shareat and the holy Quran. In addition different laws and constitution are our main resources in our field.

Having to said that, we believe on updating our knowledge in term of restructuring our organization to meet the customer needs, benefiting from other countries in our field of responsibilities.

3 There is no point at all in re-inventing the wheel, and whilst I so not believe that most initiatives can be handled by a simple cut and paste techniques, I equally believe that there are important lessons to be learned from abroad, particularly from countries with similar population and resource dynamics as Bahrain. The experience of other countries provides us with the opportunity of gaining from their successes and at the same time avoiding their failures.

On occasions, in particular when handling a technical issue, or where the initiative would benefit from having an independent party involvement , consultants can be a useful tool. There is a danger however, on relying too heavily on consultants and using them as a proxy for decision taking. Consultants may best be used to bring analysis of similar situations and an objective view to the table, but the ultimate ownership of any policy decision must come from the client, who understands what is to be achieved, and is able to listen to what the consultants have to say, learn from the consultation, and then take reasoned decisions

Q8. Based on the services that are delivered by your Ministry, what do you consider being the key areas that are in need of change? And Why?

1 Every change is a result of the approach of development and its implementation, and that can be achieved through coordination and a big hand of the external and specialized body in the ministry roles and field of work or services. We need to realized on benefiting from the consultant bodies in international wised approach, together we can move forward to those changes.

2 Consider on restructuring both the ministry and services, and redesign delegation and authorization system to down level of supervision and services delivery level in light of flatter structure, downsizing and privatization (looking for services efficiency and effectiveness.

3 The key area for change, in my view, is improving delivery and performance of shorting the case in judgment, beside consisting the trust on justice in this country.
And that because all the social and economic activities and development or shift by time are base on justice rules.

On the other hand, all governmental changes and development are required to have certain roles and procedure to mange and to be farness in due and delivery
Within our particular area of responsibility, the key areas that require change are concerned with service delivery, and changes to be made in our underlying laws and regulations to support the move to a private sector driven economic engine.

Customers for the Ministry services demand transparency, predictability, accountability and convenience. Transparency is being dealt with by ensuring that policies, procedures, regulations and systems are published both on the Ministry web site, available in hardcopy in the shape of a reference brochure, as well as by providing a call centre. We are providing predictability in the shape of a parameterized bespoke system which eliminates much of the human intervention in the service delivery process, and this predictability is supported by a Public Target initiative which is aimed at providing customers with a maximum time frame in which their applications will be finalized. Accountability is tackled by enabling customers to track their applications and identify exactly who is responsible for any delays. The convenience aspect has been dealt with by delivering the services over multiple channels, and by locating a one-stop-shop, the Bahrain Investors centre in an area convenient for access and parking.

I provide the commercial registration as an example of the changes required to be made to systems and to the way in which we interact with the public at large. To the same or lesser degree, the same changes are also required in other areas under my responsibility.
To a very large extent these changes have either already been made, or are in the process of being made. For example, a new Company Law has been drafted and is being reviewed by Parliament, a corporate governance code, with the objective of assisting companies to be more productive is in process, and a number of initiatives to improve the performance of the Intellectual property, consumer protection and standards areas have been initiated, but all of these changes can be describe generically as being an improvement in customer service, and in creating a new framework to support the privet sector in becoming more competitive and in identifying new business opportunities.

Q9. If change is necessary, how will you implement it, and how implementation be achieved?

1 Changes must be driven and coach by ministers themselves, and by civil servant in related to cooperation and feedback from society and other groups.
Implementation will goes through employees ownership on the project of changing approach by their believes, at that point the change will be possible for implantation which can be achieved by democratic management, coordination and share vision, team work, transparency and accountability and so on. By have clear strategy and informed time plans.

2 It should be driven by me as the minister of this ministry.
Implementation will goes with my team of rulers and judges in cooperation with the lower society and other society group and civilian organizations.
3 Sure I will depend on my selected team and qualified consultant from abroad whom they are specialist in our field.

Implementation would be done through phases and plan agreed with government, beneficiaries and ownership.

Q10.   How will the reform be evaluated? (for departmental audit public consultation etc.)
1 Evaluation can be measured by how much extent of success in service quality and delivery, and customer satisfactions.

How will you know if the reform is success?
Feedback from customs and users is the main measurement to success.

Who will judge: Judgment will be public and parliament and other local and foreign specialist agencies in the fields related and international agencies.
This can be done by consultation bodies, ministry department audit and vocational agencies and other in the related field.
Feedback mechanisms would be through different means and ways, by research, consultancy survey, website feedback questionnaire, open meeting and others.

2 Right decisions and judgment, time take in court, implementation of decision judged and taken, and other criteria on the field.
Feedback is the source of measurement and the county, society, related group and international agencies are the judgment on success.
Feedback from different ways.

3 As I have already mentioned in answers to other questions, changes are demand led, and occasioned by a need to correct a situation, or to enhance the ability of the private sector to compete. Each change undergoes a public debate and is subject to an impact assessment. The normal procedure is for a public consultation based on a position paper, a white paper would then be released, a high level committee appointed of interested parties from both private and public sector, would assess the responses and draft a policy document, on which the private sector would respond prior to finalizing the initiative. In the case of a change to a law this would then enter the democratic process.

Having implemented the change, the Ministry then assesses the impact of its policies on a regular basis, and these are reported to management for action if required. The Ministry date stamps all of its regulations and rules, so that each in its turn is subject to a regular assessment to determine relevance.

Q11.   How do you see the future of public administration in Bahrain in ten years time?

1 I believe it will be good once we go through ambition government plans in light of Public management modernization approach.
Any problem do you foresee: I can see that Bahrain will face many problems in relation to population growth and citizen employment, where the main problems are counting in future would be the role of government in welfare: Education, health and housing. Unless the government of Bahrain found other vision and strategy to fulfill the needs and international success in dealing with these matters

2 Democracy in Bahrain will be mush stronger, parties and government agencies and ministries will be much in performance and experience which will result in more transparency and accountability and our justice become stronger in shaping the kingdom and society. I believe as population is growing Bahrain should produce more in services, and this would purser on heath, education and

housing services where the land is shrank and limited to use for those services. However, reclamation of sea surround is another issue of problematic.

3 I believe that we will see a growing number of services being either privatized or contracted out, and the emergence of private sector authorities under some sort of government mandate to replace some of the current responsibilities assigned to Ministries.

I expect to see Ministries being held more accountable to the public for their actions, and the as a result to see an improvement in all aspects of government provided services. Government Ministries will work more closely together, and I would expect to see a downsizing of government over time. The emergence of Bahrain Inc. is I believe in the not too distant future, a joined-up, wired up and smart administration, promoting a knowledge based economy.

Appendix (D-1)

Sample letter to the Members of Parliament inviting them to participate in the research

Date:

H.E.
The Member of Parliament
The Kingdom of Bahrain

Your Excellency,

It gives me great pleasure to convey to you my sincere appreciation and gratitude for your continued support and special attention to research studies and development in the Kingdom of Bahrain.

I am honored to be one of those researchers who request some of your valuable time to learn from your expertise and vision as related to my Doctorate Degree research studies from the University of Hull in the United Kingdom. My research is focused on the subject of "New Public Management; Administration Reform in the Kingdom of Bahrain". The study I wish to complete is considered among the few research studies ever done not only in Bahrain but in the Gulf region as well.

The University of Hull has given this research special attention. Moreover, I would like to assure you that all information will be treated with all the academic copyright laws as well as in strict confidentiality.

Your Excellency, my sincere thanks for giving me an opportunity to further enrich my thesis.

I convey to you my deep and ever most respect.

Sincerely yours,

Faisal Mohammed Ali

Mobile: 36311163
Fax   : 17 413311
e-mail : faisalmabh@yahoo.com

Sample letter to the Members of Parliament inviting them to participate in the research

التاريخ:

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سعادة النائب المحترم
مجلس النواب – مملكة البحرين

تحية واحتراما وبعد،

يسرني ويشرفني أن أتقدم لسعادتكم بعظيم الامتنان وخالص الشكر لما تولونه سعادتكم من دعم واهتمام خاص بالبحوث والدراسات لما فيه خير وصالح هذا الوطن.

ويشرفني أن أكون احد هؤلاء الباحثين لأتشرف بمقابلة سعادتكم ولمدة محدودة للاستئناس بتوجيهاتكم ورؤاكم المتعلقة بموضوع بحثي لنيل درجة الدكتوراه من جامعة هال ببريطانيا "الإدارة الحكومية الحديثة: الإصلاح الإداري في مملكة البحرين"، والتي تعتبر أحدى الدراسات القليلة التي تهني بهذا الجانب في مملكة البحرين وعلى مستوى دول مجلس التعاون الخليجي.

ويلاقي هذا البحث اهتماما خاصا من قبل الجامعة ومشرف البحث الذي قدم لاكثر من مرة للبحرين لتوجيه الدراسة التطبيقية وإغناء البحث والمشروع. هذا وسوف تكون كافة المعلومات والبيانات موضع سرية تامة ولن تستخدم لغير أغراض البحث نفسه ووفقا للقوانين والأعراف الأكاديمية.

امتناني وجزيل شكري لإتاحة سعادتكم هذه الفرصة لنا.
وتفضلوا بقبول فائق الشكر والاحترام،

مقدمه مخلصكم
فيصل محمد علي

هاتف: 36311163
فاكس: 413311 17
بريد الكتروني: faisalmabh@yahoo.com

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Date:

Semi-structured Interview Questions
(in English and Arabic)

Parliament Member

1. Please describe your roles and responsibilities; what constituency do you represent?

الرجاء التكرم بتوضيح مهام ودور سعادتكم، وما هي الدائرة الانتخابية التي تمثلونها ؟

2. What do you consider to be the most important issues facing public services in Bahrain today? (What are your constituents telling you?)

برأي سعادتكم، ما هي الأمور الهامة التي تعتقدون أنها تواجه الخدمات العامة في البحرين اليوم ؟

(وما هو رأي من تمثلونهم في ذلك) ؟

3. What are the main reasons for satisfaction/dissatisfaction with public services?

ما هي الأسباب الرئيسية للرضا أو عدم الرضا بالنسبة للخدمات العامة؟

4. What powers do you have to bring issues to the attention of relevant government ministries and departments? (do you have a good relationship with certain government departments/officials)

ما مدى تأثيركم لتوضيح و إيصال الأمور والآراء للجهات الحكومية والهيئات المختصة (هل لديكم علاقة جيدة / طيبة مع الوزارات والجهات الحكومية والرسمية) ؟

5. Do you think the Bahraini government can learn lessons from abroad? (If so where? International community (POGAR/UNDP - the Programme on Governance in the Arab Region

هل تعتقدون انه بإمكان الحكومة بمملكة البحرين الاستفادة من تجارب الدول الأخرى؟

(إذا كان بالإيجاب: أي التجارب والدول مثلا وماذا عن المجتمع الدولي / برنامج الأمم المتحدة للإنماء "برنامج التحديث والإصلاح الإداري في الدول العربية") ؟

6. To what extent do you think the public should be involved in discussions over public sector reform?

إلى أي مدى تعتقدون سعادتكم، بان المواطن شريكا في المناقشات وتبادل الرأي بالنسبة للأمور المتعلقة بعملية الإصلاح الإداري في القطاع العام؟

7. Do you think that the feedback mechanisms about public services are adequate?

هل تعتقدون بان آلية التقييم والتغذية الراجعة عن أداء القطاع العام مناسبة؟

8. How are public services evaluated? (Are these methods adequate?)

كيف يتم تقييم الخدمات العامة ؟ وهل طريقة التقييم المتبعة حاليا مناسبة برأي سعادتكم؟

9. In your opinion, is the public sector in need of reform? Why, in which areas?

برأي سعادتكم الشخصي، هل تعتقدون أن القطاع العام بحاجة إلى إصلاح؟

ولماذا ؟ وفي أي القطاعات والأعمال والخدمات ترتأون ذلك ؟

10. What will Bahraini public services look like in ten years time?

كيف ترون سعادتكم قطاع الخدمات العامة في مملكة البحرين بعد عشر سنوات من الآن ؟

Appendix (E)

Number of Civil Servants for the Period from 2004 to 2008

(Excluding the military and civil servants in the Ministry of Defence, Ministry of Interior, National Security and National Guard)

Year	Total	Bahraini	Non Bahraini	Male	Female
2004	36,460	32,850	3,610	21,170	15,290
2005	37,560	33,840	3,720	21,500	16,060
2006	38,510	34,480	4,030	21,820	16,690
2007	37,780	33,630	4,150	20,830	16,950
2008	40,190	35,180	5,010	22,000	18,190

Source: Civil Service Bureau, online: http://www.csb.gov.bh/csb/wcms/ar/home/statistics/Stats1-080916.html. [Accessed: 6 June 2010].

Date:

Semi-Structured Interview "Politician"

1. What do you consider to be the most important issues facing public services in Bahrain today?

    برأيكم ما هي القضايا او الامور الأهم التي تواجه الخدمات العامة في البحرين اليوم؟

2. What are the main reasons for satisfaction/dissatisfaction with public services?

    ما هي الاسباب الرئيسية للرضا او عدم الرضا بالنسبة للخدمات العامة؟

3. How you evaluate your society relationship with the relevant government? (Do you have a good relationship with certain government officials)?

    كيف تقييم العلاقة بين جمعيتك والجهات الحكومية ذات العلاقة؟ (هل لديكم علاقات جيدة مع البعض من الجهات الرسمية)؟

4. What is your opinion about the Programme on Governance in the Arab Region (POGAR/UNDP), and do you think Bahrain government can learn lessons from or from International community

    ما هو رايكم في البرنامج الانمائي للامم المتحدة؟ (برنامج الحكم الرشيد في الدول العربية)؟ وهل يمكن لحكومة البحرين ان تستفيد من ذلك او من تجارب الدول الاخرى؟

5. To what extent do you think the citizen should be involved in discussions over public sector administrative reform?

    الى اي مدى تعتقدون بان المواطن يجب ان يكون شريك في المناقشات وابداء الراي فيما يتعلق بالاصلاح الاداري بالقطاع العام ؟

6. Do you think that the current feedback mechanisms about public services quality and delivery are adequate?

هل تعتقد بان آليه التغذية الراجعة المتبعة حاليا في البحرين لتقييم الخدمات العامة من ناحية التقديم والنوعية هي مناسبة ؟

7. How are public services evaluated? (Are these methods adequate?)

كيف يتم تقييم الخدمات العامة؟ وهل طرق التقييم المتبعة مناسبة؟

8. In your opinion, is the public sector in need of reform? Why, in which areas?

برايكم، هل القطاع العام بحاجة الى اصلاح؟ ولماذا؟ وفي اي القطاعات والخدمات ترتأون ذلك؟

9. Base on current situation, what will Bahraini public services look like in ten years time?

بناء على الوضع الحالي ، كيف ترون الخدمات العامة في البحرين بعد عشر سنوات من الآن؟