Understanding Adoption, Implementation and Outcomes of New Public Management Reforms in Developing Countries: A Case Study of Botswana

Kaelo Molefhe

BA (Public Administration and Political Science)
University of Botswana

Master of Human Resource Management
Monash University (Australia)

Newcastle Business School
Faculty of Business and Law
University of Newcastle (Australia)

Thesis submitted for:

Doctor of Philosophy (PhD)

2011
Statement of Originality

This thesis contains no material which has been accepted for the award of any other degree or diploma in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text. I give consent to this copy of my thesis, when deposited in the University Library, being made available for loan and photocopying subject to the provisions of the Copyright Act 1968.

Signed  ......................................................
Kaelo Molefhe  August 2011
Abstract

New Public Management (NPM) reforms came to prominence in the 1980s in developed countries introducing market principles in the running of the public sector organisations. In the specific case of developing countries, the drive towards such reforms emerged towards the late 1980s/early 1990s, often under coercion from external actors, as prescription to many of the problems afflicting their bureaucracies and the economy in general. This thesis investigates application of such reforms in developing countries. It does so by looking at the adoption, implementation and outcomes of NPM-type of reforms within one developing country; namely, Botswana. The specific reform measures considered in this study are Work Improvement Teams (WITs) and Performance Management System (PMS).

Since the early 1990s into the 2000s, the Botswana government grappled with issues of low productivity and performance within its public services that threatened specifically the capacity for effective public sector management and broadly the post-independence impressive socio-economic gains of the country and, thus, proved a strong imperative towards public sector reforms. Consequently, various reform efforts, including NPM ones, were applied across the public service to improve its efficiency and effectiveness. Among the NPM ones WITs and PMS were introduced.

Two government departments namely, DPSM and CTO were investigated using a case study research methodology to better understand application of WITs and PMS. The study findings indicated that both reform measures were adopted voluntarily by the government of Botswana through DPSM. However, in other ministries and departments across the public service including CTO, the adoption of the schemes was imposed. Regarding implementation of both schemes, structures and process were put in place to guide their success. Various challenges, however, were also identified. For instance, in the case of WITs in both study organisations lack of support for the scheme at senior levels was identified. For PMS, the scheme failed to attract support especially among industrial class employees in DPSM. Despite few systematic evaluation efforts
undertaken, empirical evidence for both PMS and WITs pointed towards improved performance in the two study organisations.
Acknowledgements

I would like to acknowledge and thank the people who have provided guidance, assistance and support over the duration of this thesis.

To my principal supervisor, Professor Mark Bray, I would like to express my sincere gratitude for providing the motivation, confidence and academic direction necessary to bring this project to completion. He was always ready to read (and reread) my drafts at short notice and would provide valuable feedback to help me minimize the stress associated with a project of this magnitude. Professor Mark guided this work and encouraged my independent thinking and, for that, I say thank you so much.

I am also highly indebted to Dr. Johanna Macneil for her encouragement, guidance and support. Her insights helped me to frame my research questions and to shape the thesis. She never failed to share with me insights arising from her research expertise in organisational studies, and from her experience in helping others to undertake research projects.

Of course, without the participation of the interviewees and other individuals this research would have been impossible, and I am appreciative of all those individuals and government officers who gave me their time willingly and freely to answer my questions thoughtfully and constructively. They generously provided internal policy documents and other materials for my scrutiny.

To my colleagues at the University of Newcastle, thank you for offering me support at crucial times. I also wish to acknowledge and thank the University of Botswana – my employers – for sponsoring me to come and do this research.

I dedicate this thesis to my family. My Wife Oneh and son Atang Molefhe your constant support and love inspired me and made the journey worthwhile despite my absence from home. They paid the price for living without me for such a long time. Mr. Selebogo, the insightful discussions we had proved valuable.
Last, this is for my mother Setshego Molefhe – she believed in the value of education.
# Table of Contents

**CHAPTER 1** ........................................................................................................... 1

1.1 **Introduction** ........................................................................................................ 2

1.2 **The Topic, Its Importance and the Motivation behind the Study** ...................... 3

1.3 **The Contribution of the Thesis** ........................................................................ 8

1.4 **Methodology** ........................................................................................................ 10

1.5 **Structure of the Thesis** ..................................................................................... 11

1.6 **Conclusion** .......................................................................................................... 13

**CHAPTER 2** ........................................................................................................... 15

2.1 **Introduction** ........................................................................................................ 16

2.2 **NPM Model: definitional issues** ........................................................................ 17

2.3 **NPM in the Developed Economies** .................................................................... 22

2.3.2 **Adoption of NPM** .......................................................................................... 25

2.3.3 **Implementation of NPM** ................................................................................. 31

2.3.4 **Success of NPM** ............................................................................................. 34

2.4 **NPM in Developing Economies** .......................................................................... 40

2.4.1 **Adoption of NPM** .......................................................................................... 40

2.4.2 **Implementation of NPM** ................................................................................. 52

2.4.3 **Assessment of results** ..................................................................................... 56

2.5 **Conclusion** ......................................................................................................... 63

**CHAPTER 3** .......................................................................................................... 65

3.1 **Introduction** ........................................................................................................ 66

3.2 **Methodological Approach** ................................................................................. 66

3.2.1 **Rationale for choice of approach** .................................................................... 69

3.3 **Research Design** ................................................................................................. 70

3.3.1 **Experimental design** ....................................................................................... 71

3.3.2 **Survey design** .................................................................................................. 72

3.3.3 **Case study design** ............................................................................................. 74

3.3.4 **Suggested research design** .............................................................................. 77

3.3.5 **The Unit of Analysis and Selection of Cases** ................................................. 80

3.3.5.1 **Directorate of Public Service Management (DPSM)** .................................. 84

3.3.5.2 **Central Transport Organisation (CTO)** ....................................................... 88

3.4 **Data Gathering Methods** .................................................................................... 90

3.4.1 **Interviews** ....................................................................................................... 91

3.4.2 **Documentation** ................................................................................................. 93

3.5 **Data Analysis** ..................................................................................................... 95

3.6 **Ethics and Quality in Research** .......................................................................... 98

3.6.1 **Reflexivity** ....................................................................................................... 98

3.6.2 **Triangulation** .................................................................................................. 99

3.6.3 **Ethical considerations** ..................................................................................... 100

3.7 **Conclusion** ......................................................................................................... 100

**CHAPTER 4** .......................................................................................................... 102

4.1 **Introduction** ........................................................................................................ 103
4.2 The British Colonial Legacy (1885 – 1966) ................................................................. 106
4.2.1 Summary ................................................................................................................. 112
4.3 Post-Independence Developments (1966 – 1980s) ...................................................... 113
4.3.1 Mineral-led Development ......................................................................................... 117
4.3.2 Role of the State in Development ............................................................................ 120
4.3.3 Summary .................................................................................................................. 122
4.4 Contemporary Botswana Development and Public Sector Reforms (1990s – 2000s) .... 123
4.4.1 Slowing Economic Growth, ‘Unbalanced Development’ and the Public Sector 123
4.4.2 Emerging Problems in the Public Sector ................................................................. 127
4.4.3 An Overview of Public Sector Reforms ................................................................. 130
4.5 Conclusion .................................................................................................................... 139

CHAPTER 5 .......................................................................................................................... 141
5.1 Introduction .................................................................................................................... 142
5.2 Botswana Public Service: An African Model? .............................................................. 143
5.2.1 Independence transition and institutional legacies ................................................. 143
5.2.2 The central administrative arm: Its character ........................................................ 148
5.2.4 Summary .................................................................................................................. 151
5.3 Policy-Making Process in the Public Service ............................................................... 151
5.3.1 Broader Policy Framework: NDPs and Vision 2016 ................................................. 152
5.3.2 Institutional Policy Framework: MFDP and DPSM .................................................. 157
5.3.3 Other Stakeholders in the Policy Development Process ........................................ 162
5.3.4 Summary .................................................................................................................. 168
5.4 The Adoption of NPM Reforms: 1993 – 2008 ............................................................... 168
5.4.2 Adoption of WITs ................................................................................................. 176
5.4.3 Adoption of PMS ................................................................................................. 179
5.5 Conclusion ..................................................................................................................... 181

CHAPTER 6 .......................................................................................................................... 182
6.1 Introduction .................................................................................................................... 183
6.2 Implementation of Work Improvement Teams (WITs) ................................................ 184
6.2.1 General implementation framework ......................................................................... 184
6.2.2 Implementation of WITs in CTO .............................................................................. 190
6.2.3 Implementation of WITs in DPSM .......................................................................... 200
6.2.4 Summary .................................................................................................................. 205
6.3.2 Evaluation of WITs in CTO ..................................................................................... 208
6.3.3 Evaluation of WITs in DPSM .................................................................................. 214
6.3.4 Summary .................................................................................................................. 219
6.4 Conclusion ..................................................................................................................... 220
7.1 Introduction .................................................................................................................... 222
7.2 Implementation of Performance Management System (PMS) .................................... 223
7.2.1 General implementation framework ......................................................................... 224
7.2.1.1 Link with National Goals .................................................................................... 225
7.2.1.2 Phased Implementation ....................................................................................... 232
7.2.1.3 The Roles of New Stakeholders ........................................................................ 235
7.2.2 Implementation of PMS in CTO ............................................................................. 238
7.2.3 Implementation of PMS in DPSM .......................................................................... 243
7.2.4 Summary .................................................................................................................. 249
7.3 Evaluation of PMS ......................................................................................................... 250
7.3.1 Evaluation of PMS in CTO ...................................................................................... 254
7.3.2 Evaluation of PMS in DPSM ................................................................. 260
7.3.3 Summary ......................................................................................... 265
7.4 CONCLUSION .................................................................................... 266

CHAPTER 8 .................................................................................................. 268
8.1 INTRODUCTION .................................................................................. 269
8.2 SUMMARY OF THE KEY FINDINGS .................................................. 270
  8.2.1 Adoption ....................................................................................... 270
  8.2.2 Implementation ............................................................................ 273
  8.2.3 Evaluation ..................................................................................... 278
8.3 THE THEORETICAL CONTRIBUTIONS OF THE STUDY ................. 280
  8.3.1 Limited focus on developing countries ....................................... 281
  8.3.2 The Holistic Analysis of NPM reforms ....................................... 284
  8.3.3 The Importance of Context ......................................................... 285
  8.3.4 Future Research Areas ................................................................. 286

REFERENCES .............................................................................................. 288

APPENDIX A - INTERVIEW QUESTIONS .................................................. 327
APPENDIX B: LIST OF INTERVIEWEES ................................................... 329
Tables and Figures

Tables
Table 2. 1: Pressure for reform by country group .......................................................... 52
Table 2. 2: Relative size and remuneration of civil servants (1995) .................................. 60
Table 3. 1: Relevant situations for determining the appropriate type of research design .... 78
Table 3. 2: DPSM’s Number of employees by category of employment ............................. 87
Table 3. 3: CTO’s Number of employees by category of employment ............................... 89
Table 4. 1: GDP growth 1966 – 1989 ............................................................................. 115
Table 4. 2: Diamond Contribution, 1976 -1989 (In percent of GDP) .............................. 119
Table 4. 3: Sectoral Performance, 1991-2000 (In percentage of GDP) ......................... 124
Table 4. 4: Botswana public sector employment (1990-1998) (In thousands) ............... 127
Table 5. 1: State Governance Indicators, Average Global Percentile: 1996 – 2005 .......... 150
Table 7. 1: Chronology of PMS implementation and evaluation ................................. 228

Figures
Figure 2. 1: Local demand and supply in the NPM reform agenda .................................. 30
Figure 5. 1: NDP 9 Strategy Map .................................................................................. 155
Figure 6. 1: WITs implementation framework ............................................................... 185
Figure 7. 1: PMS implementation framework ............................................................... 226
# Abbreviations and Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED</td>
<td>Academy for Educational Development</td>
</tr>
<tr>
<td>BDP</td>
<td>Botswana Democratic Party</td>
</tr>
<tr>
<td>BIAC</td>
<td>Botswana Institute of Accountancy and Commerce</td>
</tr>
<tr>
<td>BIDPA</td>
<td>Botswana Institute for Development Policy Analysis</td>
</tr>
<tr>
<td>BNPC</td>
<td>Botswana National Productivity Centre</td>
</tr>
<tr>
<td>CTO</td>
<td>Central Transport Organisation</td>
</tr>
<tr>
<td>CSR</td>
<td>Civil Service reforms</td>
</tr>
<tr>
<td>DCEC</td>
<td>Directorate on Corruption and Economic Crime</td>
</tr>
<tr>
<td>DPIC</td>
<td>Departmental Productivity Improvement Committee</td>
</tr>
<tr>
<td>DPSM</td>
<td>Directorate of Public Sector Management</td>
</tr>
<tr>
<td>ECC</td>
<td>Economic Committee of Cabinet</td>
</tr>
<tr>
<td>HLCC</td>
<td>High Level Consultative Council</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>KPI</td>
<td>Key Performance Indicators</td>
</tr>
<tr>
<td>MFDP</td>
<td>Ministry of Finance and Development Planning</td>
</tr>
<tr>
<td>MINI PIC-FORCE</td>
<td>Ministerial Productivity Improvement for the Civil Service</td>
</tr>
<tr>
<td>NDP</td>
<td>National Development Plan</td>
</tr>
<tr>
<td>NPM</td>
<td>New Public Management</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>PIC-FORCE</td>
<td>Productivity Improvement Committee for the Civil Service</td>
</tr>
<tr>
<td>PMS</td>
<td>Performance Management System</td>
</tr>
<tr>
<td>PSRU</td>
<td>Public Service Reforms Unit</td>
</tr>
<tr>
<td>SADC</td>
<td>Southern African Development Community</td>
</tr>
<tr>
<td>TGLP</td>
<td>Tribal Grazing Land Policy</td>
</tr>
<tr>
<td>WITs</td>
<td>Work Improvement Teams</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
</tr>
</tbody>
</table>