

## **Relationship between accountability and public trust from the view point of staffs and clients: A survey in Electric power distribution company of Shiraz in I.R.IRAN**

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**Abstract:** Regarding the Electric power distribution company of Shiraz as the sample, this survey is aimed to examine the various aspects of accountability and to define its importance relative to the public trust toward the public organizations. Accountability includes six parts: moral, financial, legal, functional, and informing accountability. Due to the results, research hypotheses (using Pearson correlation) were confirmed and it was clear that there was a meaningful relationship between accountability along with its six fold dimensions and public trust. The degree of trust was medium. In order to determine the coefficient of various dimensions of accountability, the step by step regression method was used and it was clear that there were meaningful relationships between 4 out of 6 as peats of accountability and public trust.

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### **1. Introduction**

Measurement of citizens' attitude toward the government and administrative system is regarded as the main element relative to the new public management (Shlomo Mizrahi , et al, 2010). The operationalization of democracy is based on the public accountability. Public accountability presents a picture of loyalty, dutifulness, justice, clearness, try for improvement, and moral competence of governmental managers, and its promotion makes the managers secure against the criticisms. It also displays some democratic manifestations. Governmental managers should be accountable in the fields of strategy, program (effectiveness), performance (competence and economy), planning process, allocation and legitimacy (rules obedience). Increase of level of need to accountability and information in the society improve the expectations for available services and hence Public department could be developed (Del pino, 2007). Public trust refers to when individuals expect the governmental officials provide their needs by interacting with them during which there is a kind of distrust. In other words, public trust means the expectations of all people toward the positive response from behalf of their governmental officials. In added, by public trust we mean the degree of individuals' belief toward the

public organizations which act based on their expectations. They are also truthful, have various capabilities and do suitable works (Sosuke Iwae , 2009).

From the viewpoint of managers, staffs and employers, public trust is very important because it plays a main role in the enforcement of public policies and cooperation's. Citizens affect on the enforcement of government's programs by public trust and public trust is achieved in lieu of suitable response of governmental institutions (Gordon, 2000).

### **2. Review of literature**

#### **A) Accountability**

The word "accountability" has been differently used in public management: Firstly, it refers to the political accountability idea in the democratic liberal system and secondly, it refers to the managerial accountability in governmental systems (Romzek and Ingraham, 2000).

With regard to the development of new public management by which the balance between political accountability and managerial accountability has been changed, the governance has become more complex (Anders Hanberger, 2009).

Farazmand believes that "the managers of public services are the guards of people's trust. Therefore, accountability toward the people's needs is a main issue in public organizations, because there are many aspects of activities by which many corruptions are created" (Farazmand, 2000).

The basic criterion of "public" is related to the public trust to the leader and the being responsiveness of public services toward the people.

The lack of accountability defaces the public trust toward the public services. In this regard, the public managers cannot easily attract the trust of the people. Some authors believe that the lack of accountability is the main factor related to the distrust. In their opinion, the following problems could be the reasons of distrust (Danaee et al, 2007):

existence of inefficient organizations, existence of disqualified financial organizations, personal profitability in tax departments, rights and wages.

Accountability follows these goals: 1. It is a tool used in order to control the power and prevent misuse from public authority. 2. It guarantees the correct usage of national resources follows the law and preserves the values of public services. 3. It is a suitable tool in order to improve the governance and manage the public services (Hildebrand et al, 2011).

Based on their view points (economic, sociological, psychological, etc), authors divide accountability into several parts. Sin Klier presents four types of accountability: political, professional, moral and legal accountability. He believes that public accountability is informal and political accountability refers to the direct accountability in front of groups, societies and people (Sinclair, 2003).

Professional accountability is referred to the duty of a person or an organization as a part of a professional group. Finally, personal accountability means the loyalty to the personal conscience. It refers to the final accountability formed by practicing the moral values (moral accountability) (Sinclair, 2003).

Marshal divides accountability into three categories: democratic, legal and financial accountability.

Several accountability are described as followings: organizational accountability: It is referred to the internal controls and is based on the relationship between the employer and the employee through which the managers control performance of the employees.

Legal accountability: It includes the external inspection over the performance and tries to conform the performance to the constitutional law. Legal accountability is based on rational choice theory.

There are two other kinds of accountability: professional accountability and political

accountability. The first one is internal and the second is external- The difference between them is related to the performance standard . In other words, we should mention who determines the basic performance on which the judgment is based. The standard resource of professional accountability is the personal judgment of the employee and the standard resource of political accountability is another (Marshall, 2004).

By political accountability, the managers respond to the wills of political authorities, interested parties and other political positions. In other words, political accountability is referred to the control of main shareholders of the organizations over the managers' performance (Campbell, 1993).

Each kind emphasized on special behavioral values and expectations. The following table presents the kinds of accountability systems based on the behavioral values and expectations:

Table1. Kinds of accountability systems based on the values and behavioral expectation (Romgek, 2000)

Kind of accountability	Value	behavioral expectation
Organizational	Productivity and efficiency	obeying the organizational orders
Legal	Law enforcement	Obeying the orders out of the organization
Professional	Specialty knowledge	Respecting the justice and specialty knowledge of persons
Political	accountability	making a response to the organization's managers

**B) Public Trust**

Several aspects of public trust have been examined. These aspects include: between personal trust, trust toward the professionals, inter-organizational trust, between organizational trust, trust to the politicians and trust in the society (Ari and IkolaNorrbacka, 2009). Trust has become a main issue for the leaders, researchers and governmental officials because it has been regarded as a key element of governmental systems. Although trust is a main issue in our society, it is decreasing in all over the world (PAN SUK , 2010).

Having trust in the public organizations is a multi-dimension and complex category (Ari and IkolaNorrbacka, 2009).

At all, trust refers to some beliefs which persons want to present them to others by an unpredicted way (March and Olsen,1989).

It could be said that trust is a kind of expectation toward the positive results which are

achieved based on the expected activity (Danaee Fard and Anvary Rostamy,2007).

Public trust is referred to the public expectation from the achievement of positive response relative to their needs from public officials (Christopher et al, 2008).

Denhart believes that issues such as in correct justice, incapability, losses, heavy taxes and defeats could not damage the government, but it could be damaged when the people believe that the governmental managers and rulers think about their benefits (Denhart, 2002).

Distrust is formed when the suspicion is appeared and it could be generalized because of inattention toward some expectations (Zuker, 1998).

Table 2. Attitudes, causes of distrust, citizen's reaction and the way of improvement of trust to government

		causes of distrust	citizen's 'reaction	solutions
1	Commercial management	performance	Refraining from public services/ complaining against the way of receiving public services/ loyalty to the public services	improvement of services quality
2	public management	work volume	refraining from public services/ complaining against the way of receiving public services/ loyalty to the public services	expectations management
3	sociology	Distrust culture	refraining from public services/ complaining against the way of receiving public services/ loyalty to the public services	Social capital, social trust, identification
4	economy	Rational choice philosophy management cover	cooperation and contrast	cooperation and collaboration
5	Islamic view point		Collaborating with the government officials and managers	the relationship between employer and people

Reviewing the literature, it could be said that "public accountability" is a suitable variable which covers the fivefold solutions (moral, legal, financial, functional and democratic) (Sims, 2001).

### 3. Research hypotheses

#### Main hypothesis

There is a meaningful relationship between the various aspects of managers' and employee' accountability and public trust.

#### Secondary hypotheses

There is a meaningful relationship between the moral accountability of the managers and employees of a company and public trust.

There is a meaningful relationship between the legal accountability of the managers and the employees of a company and public trust.

There is a meaningful relationship between the financial accountability of the managers and the employees of a company and public trust.

There is a meaningful relationship between the functional accountability of the managers and the employees of a company and public trust.

There is a meaningful relationship between the democratic accountability of the managers and the employees of a company and public trust.

There is a meaningful relationship between the company's informing and public trust.

#### Research Question

How do the employees of a company grade the aspects of accountability?

### 4. Method and Material

Accountability is regarded as the independent variable whose aspects and criteria are as following:

Moral accountability: 1. Optimized referring to achieve, 2. Fulfilling the promises, 3. To treat others respectfully, 4. Not to receive the graft, 5. To obligate, Moral and Islamic obligations, 6. Being available of the managers and the employees, 7. The lack of unnecessary formalities.

Legal accountability: 1. correct enforcement of law, 2. Manifestation of new regulations, 3. Lack of law regarding the issues of citizens.

Financial accountability: 1. announcing the annual budget to the citizens, 2. presenting the information related to the financial savings of organization, 3. being equitable of standard services.

Functional accountability: 1. guiding the citizens in order to solve their problems, 2. presenting the defined services suitably, 3. being proportionate of the employees number to the organization's need.

Informing: presenting the information related to the performance, policies and programs to the citizens, 2. presenting the information related to the changes of regulations.

Democratic accountability: 1. Citizens participation in decision-makings, 2. Citizens participation in selecting the managers.

Public trust has been regarded as a dependant variable. The measurement of public trust degree includes the following aspects:

Considering the values, norms and expectations of the citizens.

Counter cooperation of the citizens and the Electric power distribution company of Shiraz.

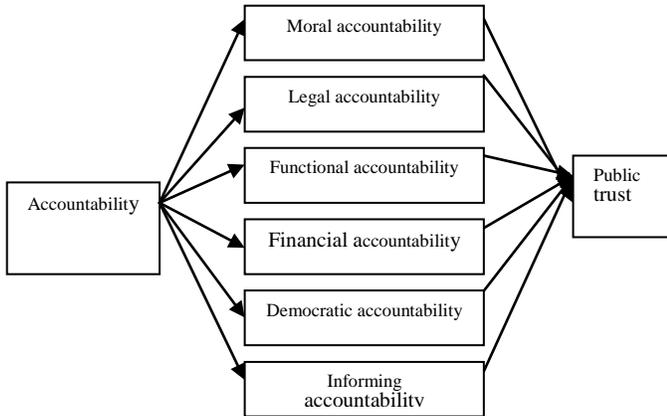
Considering the public welfare and the interests of the citizens.

Making trust to the control of Electric Power Company from behalf of the competent authorities.

**Research's Meaningful Model**

The conceptual model of the research related to the examination of the relationship between the aspects of accountability and the determination of their influence on the public trust is as following:

Fig 1. Research's conceptual model



The questionnaire used in the survey in order to examine the accountability is the standard questionnaire of van de Valz (2004) and the questionnaire used in order to examine the public trust is belonged to Yamagochi & Yamagochi (1994). In order to determine the stability of the questionnaires, Kronbakh Alpha was used. The stability of the questionnaires was up to 0.9 and it revealed that the questionnaires' stability was suitable.

The population included 255 clients of the Shiraz's Electric Power Company in 2010, sep. The pre-test method was used in order to calculate the sample volume. This method had two advantages: first, in order to determine the real sample volume, and second, in order to determine the permanency and reliability of the questionnaire. Due to the pre-test, 20 questionnaires were distributed among the population and then they were gathered in order to calculate the final number by use of "se" and the calculated variance. Equation1:

$$n = Z^2_{\alpha/2} \times \sigma^2 / se^2 = 146 \cong 150$$

After gathering the questionnaires,  $S_e$  and  $\sigma^2$  were estimated %3 and 0.184, respectively, by replacing the above numbers, n=146. Based on the Morgan's Table, the number is correct. Therefore, the population has been regarded 150 clients in this survey who received the questionnaires randomly. i.e., one out of four persons received the questionnaire randomly.

The population included 43 managers and employees of the Electric power distribution company of Shiraz. The Pearson's correlation coefficient was used in order to test the hypotheses and the AHP method was used in order to determine the importance degree of accountability and its related criterions. The regression step by step test was also used to achieve the final formula of the research.

**Main hypothesis**

There is meaningful relationship between the various aspects of the managers' and employees' accountability of Shiraz's Electric Power Company and public trust.

Table 3: Pearson's correlation coefficient

Correlation coefficient	Meaningfulness	Sample	Error level
0.715	0.001	150	%5

Based on the table above, it is concluded that there is a meaningful relationship between the various aspects of the managers, and employees' accountability and the public trust.

**Secondary hypotheses**

There is a meaningful relationship between the moral accountability of the managers and employees and the public trust.

There is a meaningful relationship between the legal accountability of the managers and employees and public trust.

There is a meaningful relationship between the financial accountability of the managers and employees and the public trust.

There is a meaningful relationship between the functional accountability of the managers and employees and the public trust.

There is a meaningful relationship between the democratic accountability of the managers and employees and the public trust.

There is a meaningful relationship between the informing accountability of the managers and employees and the public trust.

Table 4. The results of secondary hypotheses test by use of Pearson's correlation coefficient

	Correlation coefficient	Level of Meaningfulness	N	Error level
Hypothesis1	0.860	0.000	150	0.05
Hypothesis2	0.844	0.002	150	0.05
Hypothesis3	0.691	0.000	150	0.05
Hypothesis4	0.682	0.000	150	0.05
Hypothesis5	0.614	0.005	150	0.05
Hypothesis6	0.696	0.000	150	0.05

Based on the table above, it could be concluded that there is a meaningful relationship between the aspect of accountability variable and public trust. On the other hand, by use of regression step by step test in order to examine the effect of accountability on public trust, the final equation is as following:

Public trust = 5.38 + 0.622 (moral accountability) + 0.566 (Legal accountability) + 0.483 (functional accountability) + 0.380 (informing accountability)

Where,  $R^2=0.637$  and it shows that 63 percent of changes related to the public trust could be predicted by moral, legal, functional and informing accountability.

Therefore, it could be said that the importance of aspects is respectively as following:

Moral accountability, legal accountability, functional accountability and informing accountability.

#### Research Question

Based on their importance, how the aspects of accountability are classified from the viewpoint of the employees?

The following tables show the matrixes related to the criterions based on the results of the survey. Because the calculated criterion for all of them is below 0.1, it could be said that the parallel comparisons of the group prosper the suitable compatibility.

Table 5. Final matrix relative to the various aspects of accountability

Criteria	weight
Moral accountability	0.201
Legal accountability	0.171
Functional accountability	0.169
Informing accountability	0.159
Financial accountability	0.152
Democratic accountability	0.149

Table 6. Final matrix relative to the various aspects of moral accountability

Criteria	weight
Lack of partisanship and corruptibility	0.162
Obligation in human and Islamic values	0.150
Lack of needless formalities	0.148
To behave politely with citizens	0.142
Being available of the managers and employees	0.138
To practice what is said	0.129
To seek the services	0.129

Table 7. Final matrix relative to the various aspects of legal accountability

Criterion	weight
Informing the new laws	0.493
Correct fulfillment of legislation	0.311
Lack legal gap related to the citizens' issues	0.196

Table 8. Final matrix relative to the various aspects of financial accountability

Criterion	weight
Being upright of the rate of presenting standard services	0.430
Presenting the annual budget to the citizens	0.332
Presenting the information about the financial savings of the organization	0.238

Table 9. Final matrix relative to the various aspects of functional accountability

Criterion	weight
Presenting defined services suitably	0.384
Guiding citizens in order to solve the problems	0.331
Being proportionate of employees' number to the needed number	0.285

Table 10. Final matrix relative to the various criterions of democratic accountability

Criterion	weight
Participation of citizens in decision-makings	0.605
Participation of citizens in manager-selecting	0.385

Table 11. Final matrix relative to the various criterions of informing accountability

Criterion	weight
Informing relative to the change of obligations	0.524
Presenting information related to the performance, policies and programs	0.476

The results of AHP technique, step by step regression of rating and determination of criterion of each kind of accountability toward the public trust are completely adapted to each other and there is a meaningful relationship between them. Therefore, this survey is highly reliable.

#### Conclusion

Emphasizing the main hypothesis of the research it could be said that there is a meaningful and positive relationship between the accountability of managers and employee of electric company of Shiraz and public trust.

Emphasizing the secondary hypothesis (hypothesis 2-6), it could be said that there is a meaningful relation between the various aspects of accountability (moral accountability, legal accountability, functional accountability, informing accountability, financial accountability and democratic accountability) of employees and public trust.

In short, the improvement of organizations public trust could be expected by the promotion of various aspects of accountability.

Public trust is estimated 2.72 in rang 0-5.

In order to promote the accountability, the electric distribution company of shiraz should try to improve public trust by promoting the criterions of accountability.

Based their importance, the criterions of accountability are classified as follows by use of the results of hierarchical analysis and stepwise regression:

1. Moral accountability, 2. Legal accountability, 3. Functional accountability, 4. Informing accountability, 5. Financial accountability, 6. Democratic accountability

Due to the results of stepwise regression, 63% of the changes related to the public trust variable could be predicted by moral, legal, functional and informing accountability.

The results of AHP technique related to the classification of accountability and the determination of them, there is a meaningful relationship between all kinds of accountability and the public trust. And the results of AHP technique and step by step regression of rating are completely adapted to each other.

## 5. Discussion

Due to the results, moral responsibility is regarded as the main one and affects on the public trust of the public organizations. Following suggestions are presented in order to promote the moral accountability:

To fight partisanship and croupy of the managers and employees.

To have commitment in human and Islamic values and to collect moral principles in order to presents the values of company.

To omit unnecessary formalities and to respect the clients.

To behave with the citizens correctly.

To make the weekly sessions possible for the managers and employees in order to solve the problems of the citizens.

To fulfill the promises and declare them.

To design a mechanism for the clients in order to facilitate services.

To design short periods of public management in order to make the managers and employees familiar with the public organization philosophy.

To prepare some strategies in order to prevent corruption.

Due to the results, legal accountability is regarded as the second factor and the following strategies are suggested in order to promote it:

To enforce the laws of governmental organizations correctly.

To inform the laws timely (e.g. by use of web site).

To solve the legal problems of the citizens and not to bias toward some persons.

To use management procedures instead of political one in the public organizations. In other words, public organizations should not be affected by the political changes of the country.

To train the laws by media and to take into consideration some regulations in order to make the citizens familiar with them.

Regarding the problems related to the complication of rules, the available rules should be reviewed.

Due to results, functional accountability was regarded as the third accountability in order to have trust in governmental organizations and the following are suggested in order to promote it :

Functional accountability is focused on the measurement of programs performance and it shows what measures should be taken in lieu of consumed public resources. First, the functional criterions of governmental organizations should be correctly collected in order to measure the organizational performance. The comprehensive performance assessment can be based on the balanced score card model. Due to the model, governmental organizations collect some criterions and evaluate them.

Regarding the importance of soft criterions along with the hard ones , the soft criterions should be collected based on the satisfaction , legitimacy and confidence undoubtedly , citizens would not assist the governmental organizations unless the hard criterions be suitable and the citizens are not satisfied .

To present defined services of the organization suitably.

Being proportionate of the number of employees to the needed number.

Based on the results of the survey, informing accountability is regarded as the forth accountability related to the public trust. The followings are recommended in order to promote the informing accountability.

To present information relative to the services correctly.

To present information relative to the performance, policies and organizational programs correctly.

To inform citizens from the changes relative to the regulations.

Due to results, financial accountability is regarded as the fifth accountability relative to the public trust. The following are suggested in order to promote it:

It is suggested that the balanced scorecard model should be collected related to the increase of financial accountability. In fact the clearance can clarify all financial issues of public organizations for the employees and the managers know when clarify them.

Governmental organizations can evaluate the financial clearance from the viewpoint of employees and citizens by designing the self – assessment instrument.

Designing a questionnaire on financial transparency could be regarded as a way by which the managers can notice his/her mistake.

Governmental organizations should collect accounting instruments by which the real expenses of the organizations could be shown.

To review and design the exact systems of internal control.

To present the annual financial budgets of the organizations to the citizens.

To present information related to the financial savings of the organizations to the citizens.

Democratic accountability is referred to the decisions of organizations based on the democratic principles. It causes the managers improve their decisions suitably. In order to improve the democratic accountability, of public organizations, the following suggestions are recommended:

To clarify the rules related to the partnership of the citizens during the selection of the managers in Islamic deliberation assembly. Based on the rules, citizens play a main role in selecting the managers.

Interference of citizens in decision makings which affect on their lives. Meanwhile, the degree of citizen's partnerships in decision making could be determined.

In results, the citizen's obligations toward the cooperation could be more importance.

To collect the citizens partnership in the management of public organizations.

Enforcement of public trust; public trust is the main variables of the research. All of suggestions related to the promotion of accountability level were aimed to improve the public trust. Moreover, the following are recommended in order to improve the public trust:

Various systems of governmental organizations should be optimized. Only the experienced human forces are not suitable to improve the performance of public organizations. These forces should be placed in the suitable systems including: budget systems, personal systems, supply systems, Financial management systems and information systems. These systems could prevent the effectiveness of governmental managers.

The public perception of the people toward the organizations should be increased.

Improvement of work methods of the organizations is not only suitable. People should know what the governmental organizations do and how their works affect on their life.

Miss conception toward the government, public organizations and political systems should be removed. Based on this, there is no intimate relationship between most of people and the government.

Finally, the responsibilities of citizenship should be described for the citizens. They should perceive the necessity of taking part in political process. They should also know that the mutual relationship could be more important. Therefore, people accept the government and know that they could affect on the government and feel that there is meaningful relationship between them.

Government should pay attention to the profits of all citizens.

- Also governmental managers should be hew toward their promises, show their earnestness by open communication, create open dialog with people, amplify public trust as a community belief, be accessible for all, say truth to people, respect them and treat them with justice.

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