Review of Islamic Social Finance and Entrepreneurship (RISFE)
2024, 3(2), 151-168

Public entrepreneurship, municipal performance, and political capacity's moderating role in Niger state

Mohammed Ahmed[1], Mohammed-Bello Habiba Umar[2]

[1]Minna Small Tax Audit Division of the Federal Inland Revenue Service of Nigeria, Muazu Muhammad Road, Minna, Niger, State, Nigeria
[2]Department of Economics, Faculty of Management & Social Sciences, Ibrahim Badamasi Babangida University, Lapai, Niger State, Nigeria

Article Info

Article History
Received : 2024-06-03
Revised : 2024-09-01
Accepted : 2024-09-09
Published : 2024-09-10

Keywords:
Public sector entrepreneurship, Local government performance, Political capacity, Public productivity

DOI:
https://doi.org/10.20885/RISFE.vol3.iss2.art4

JELClassification:
C2, H75, L26, P17

Corresponding author:
Mohammed Ahmed
muahmad06@gmail.com

Author's email:
habimbumar@gmail.com

Paper type:
Research paper

Center for Islamic Economics Studies and Development, Faculty of Business and Economics, Islamic University of Indonesia

Abstract

Purpose – This study investigates the moderating role of political capacity (PC) in the relationship between public entrepreneurship (PE) and local government performance (LGP) in Niger State, Nigeria, using structural equation Modelling (SEM).

Methodology – This study is a quantitative research based on a sample of 1,396 employees from four local government areas in Niger State, Nigeria. A non-probability sampling method was utilized, and the data were analyzed using STATA version 17 to obtain descriptive statistics, perform a normality test, assess factor loadings, and conduct correlation and SEM analyses.

Findings – The analysis revealed that the mean values of public entrepreneurship, political capacity, and local government performance were low. The SEM analysis found that political capacity significantly moderates the relationship between public entrepreneurship and local government performance and establishes a direct relationship between public entrepreneurship, political capacity, and the performance of local governments.

Implications – This study suggests that political capacity should be considered in the administration of local governments, as it can lead to more effective management of municipalities.

Originality – No previous research has explored the relationship between political capacity, public entrepreneurship, and local government performance using SEM in the context of local government administration.

Cite this article:
Ahmed, M. & Umar, M. B. H. (2024). Public entrepreneurship, municipal performance, and political capacity's moderating role in Niger state. *Review of Islamic Social Finance and Entrepreneurship*, *3*(2), 151-168. https://doi.org/10.20885/RISFE.vol3.iss2.art4.

Introduction

Local government, as a tier of governance, is established to promote social development within communities by providing essential healthcare services, quality education, and effective waste management (Okibe & Eneasato, 2020). Despite their crucial roles, local governments face numerous challenges that hinder their effectiveness. These challenges include: i) political interference from federal or state authorities, which restricts the local government's ability to fully exercise its powers; ii) excessive bureaucracy, leading to the undervaluation of dedicated employees; and iii) inefficiencies in resource and manpower utilization (Mayne & Vigoda-Gadot, 2018).

E ISSN 2963-847X

To address these issues, countries in Europe, including Germany, implemented reforms in the 1990s, such as the Charter of Self-Government, to grant local governments greater autonomy and administrative freedom, recognizing them as the level of government closest to the people (Malalgoda et al., 2016; Savaşkan, 2021). In Nigeria, 776 local governments are expected to deliver political and administrative services to the population (Agbodike et al., 2014). Unfortunately, excessive interference from federal and state governments, along with an overburdened, unqualified, and disengaged workforce, has resulted in resource mismanagement and poor service delivery, preventing citizens from fully benefiting from local government services (Okibe & Eneasato, 2020). Despite several constitutional reforms aimed at enhancing the viability of local governments, none have focused on achieving independence (Abdullahi & Chikaji, 2017).

Public sector entrepreneurship (PSE), a component of the new public management (NPM) approach, was introduced by governments in developed countries to create new institutions or reform existing ones, thereby improving public sector productivity (Hayter, 2015). PSE seeks to foster public sector innovation, leading to a more efficient management of scarce public resources and maximizing public sector output (Tremml, 2020). The implementation of PSE in countries such as the United States, United Kingdom, and China has resulted in increased gross domestic product (GDP) and improved living standards (Naldi et al., 2020). Despite the significant benefits of PSE for economic prosperity, African countries have made minimal efforts to integrate PSE into their public sector (Veiga et al., 2020).

Investigating the determinants of local government performance is crucial for this study, as it will help to identify factors that can effectively address the challenges faced by local governments. Previous studies, such as Khairudin et al. (2023) and Olumekor (2022), have explored the influence of local government efficiency, but few have articulated these factors in the context of the expected relationships among the variables under investigation. While PSE aims to encourage public sector innovation that leads to greater efficiency in managing scarce public resources, political capacity refers to the ability of public sector leaders or local government representatives to achieve an organization's desired policy goals for their locality (Hue & Tung-Wen Sun, 2022). Political capacity also involves the extent to which public leaders mobilize and deploy resources for community improvement (Ferreira et al., 2021).

Political capacity is vital in policy formulation and implementation, and is often built through public support (Lee et al., 2021; Ngwega, 2022). Gaining support from the general public or community is crucial for building political capacity, as it enhances the acceptance of local representatives' actions and mitigates criticism (Deslatte & Swann, 2020). Political capacity is expected to serve as a moderator between PSE and local government performance, influencing the strength and direction of the relationship between these variables. It involves the engagement and resource commitment of local leaders as well as their level of connection with local citizens (Muraoka & Avellaneda, 2021).

This study is particularly focused on the effectiveness of PSE as a reform strategy for local governments in Nigeria, given the prevalent deficiencies in leadership styles and poor performance of local governments. The emphasis is on fostering creativity and innovation within local government agencies to improve service delivery and enhance the overall efficiency and effectiveness. This study aims to achieve sustainable development for local governments by examining the moderating role of political capacity in the relationship between PSE and local government performance.

Literature Review

Conceptualization of public sector entrepreneurship (PSE)

This section clarifies the integrated understanding of public sector entrepreneurship (PSE) as interpreted by various researchers. For example, Dhliwayo (2017) emphasized innovation, Smith (2014) included risk-taking and proactiveness, while Głód (2015) conceptualized PSE by incorporating innovativeness, risk-taking, proactiveness, competitive aggressiveness, and autonomy—concepts widely accepted by PSE scholars. The objective is to ensure that new ideas

are not only conceived but also implemented with the necessary actions and resource commitments to achieve PSE in public sector organizations (PSOs). The inclusion of autonomy and competitive aggressiveness is essential, as they enhance an organization's potential for success and growth while supporting self-reliant decision-making for future institutional prospects.

PSE thrives in PSOs because individuals are motivated by passion for developing public organizations and society as a whole (Dibal et al., 2020). In developed countries, people are driven to work in government by selflessness or the desire to have a positive impact on society (Jiangi & Cao, 2021). A country's economic conditions and long-standing cultural issues influence the prestige and social standing of its public officials. Public service motivation (PSM) is crucial because it addresses the intrinsic reasons people consider when choosing their place of employment (Bozeman & Su, 2015). In environments where both extrinsic and intrinsic motivations are significantly constrained or diminished, as in Nigeria, managers must recognize the importance of nurturing and supporting employees' motivation. In Nigeria, individuals often join PSOs for livelihood and job security rather than out of passion for their jobs, resulting in minimal efforts to develop or improve existing structures. This study uses PSM as one of the variables to explain PSE given the current issues of poor governance, inadequate service delivery, and the lackadaisical attitude of employees in local governments within the study area.

Classification of public sector entrepreneurs

Robert and King (1989) categorized Public Sector Entrepreneurship (PSE) into four types: i) policy entrepreneurs, ii) bureaucratic entrepreneurs, iii) executive entrepreneurs, and iv) political entrepreneurs. Policy entrepreneurs operate outside formal government positions (Najmaei & Sadeghinejad, 2016). Bureaucratic entrepreneurs are public employees who work within the government without formal leadership roles (Haque, 2020). Executive entrepreneurs are leaders in government agencies and departments that generate and implement new ideas (Anis et al., 2020). Political entrepreneurs are elected officials who introduce and execute new initiatives (McSweeney & Safai, 2020).

Policy entrepreneurs work outside formal government roles (Ali et al., 2019) and initiate and facilitate the implementation of new ideas in the public sector (Mumaraki, 2020). They are often seen as regulatory entrepreneurs who advocate for innovative regulations and represent groups not directly involved in the legislative process. Policy entrepreneurs operate within policy subsystems, highlighting their significance in policy processes (Bisong et al., 2024). These subsystems exert control over the institutional agenda in their domains and limit their participation in defining problems. Policy entrepreneurs play a pivotal role in breaking the subsystem's hold, overcoming systemic bias, reframing issues, and mobilizing public opinion through strategic advocacy (Klein et al., 2013).

Bureaucratic entrepreneurs are government employees who bring innovation to public sector organizations by generating and implementing new ideas that transform public activities (Leyden, 2016). They focus on introducing unique and context-specific changes rather than merely continuing standard procedures (Anis et al., 2020). Although they hold formal government positions, they are not in leadership roles.

Third, executive entrepreneurs are leaders of governmental agencies who develop and implement new ideas (Al-Dhaafr & Alosani, 2020). They spearhead organizations, create new programmes, and drive the implementation of changes (Anis et al., 2020). Their efforts often aim to establish or expand public organizations, thus altering the distribution of limited public resources (Mahrous et al., 2020).

The fourth category, political entrepreneurs, are elected officials who leverage opportunities to transform small investments into substantial political capital. They use their influence to promote policies that generate goodwill among key stakeholders, which is expected to secure future support (Ekundayo, 2017; Kearney & Meynhardt, 2016; Wayenberg, 2021). These leaders are recognized for developing innovative proposals and engineering their acceptance in the policy innovation process. These four classifications of PSE are essential for examining entrepreneurship across all levels of government: federal, state, and local. This study focuses on

these four types of public entrepreneurs: employees, appointees, and political officials or representatives within local governments in Niger State, Nigeria.

The concept of local government performance

Defining performance in public sector organizations is often contentious (Ab. Rahman et al., 2023). However, performance is generally understood as the degree to which an institution achieves its objectives, particularly in terms of public service users' access to public goods and services relative to the public funds mobilized and utilized (Wijaya & Solikhi, 2022). Scholars view public sector performance from two perspectives: goal achievement (behavioral) and system resources (outcome) (Lim & Kamaruddin, 2023). The goal attainment approach assesses the output enjoyed by society, while the system resource perspective evaluates performance based on the input mobilized within an environment (Saragih & Setyaningrum, 2021).

This study examines local government performance from both described perspectives—goal achievement and system resources—by measuring local government performance in terms of revenue generation expectations and the utilization of these revenues to enhance citizens' well-being.

Good governance theory (GGT)

Good Governance Theory (GGT) emphasizes key principles such as transparency, accountability, participation, the rule of law, and responsiveness in public administration (Tripathi, 2017). It is founded on the belief that governments should function in an equitable, efficient, and inclusive manner, ensuring that the needs and rights of citizens are met (Pee & Kankanhalli, 2016). In the context of local governments, good governance ensures that local authorities efficiently manage resources, make decisions that reflect the needs of the community, and remain accountable for their actions. Good governance provides an essential framework within which local governments operate, ensuring that the processes and structures necessary for decision-making, resource allocation, and service delivery are transparent, accountable, and inclusive (Han et al., 2019; Saidu et al., 2016).

Public Sector Entrepreneurship (PSE) brings dynamism to local government operations by encouraging leaders to move beyond traditional bureaucratic methods and embrace innovation, which can significantly improve service delivery and resource management. By adopting public entrepreneurship, local governments can implement new initiatives that address community needs better, thereby enhancing overall performance (Dhliwayo, 2017). According to GGT, PSE is achieved when the management of people and resources, both social and economic, is directed towards development, thereby reducing the burden on public governance and improving public performance through entrepreneurial roles (Haubrich & McLean, 2022).

Political capacity empowers local government leaders to effectively implement innovations and strategies developed through public entrepreneurship (Moon et al, 2020). This involves garnering the political support needed to drive reforms, secure resources, and manage potential conflicts. Leaders with a high political capacity can navigate the complexities of local governance, ensuring that their entrepreneurial initiatives gain community support and are successfully integrated into local government operations.

The integration of good governance, public entrepreneurship, and political capacity enhances the performance of local governments. Good governance provides the foundational framework, public entrepreneurship generates innovative solutions, and political capacity ensures that these solutions are implemented effectively. When these elements work in unison, local governments are better equipped to deliver high-quality services, manage resources efficiently, and achieve development goals (Asaduzzaman & Virtanen, 2016).

The theoretical framework of this research is formulated in Figure 1, as follows.

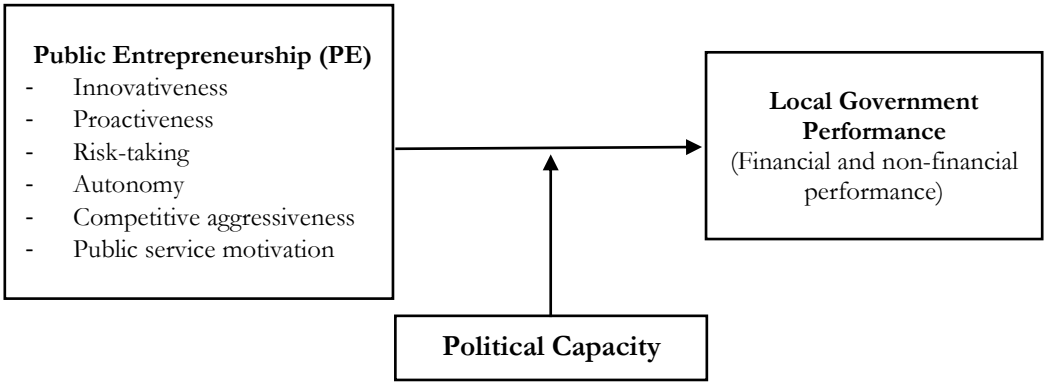

Figure 1. Authors' theoretical framework
Source: Authors' own work

Methods and Materials

Population and sample size of the study

The target population for the quantitative research approach included all staff members from four selected local government areas in Niger State: Bida, Chanchaga, Kontagora, and Suleja. According to a 2023 survey conducted by the Niger State Local Government Service Commission, these local governments employ 17,465 individuals. The population characteristics are presented in Table 1.

Using a 95% confidence level, the sample size for this study was determined using Yamane's formula (Yamane, 1973), as follows:

$$n = \frac{N}{1 + N(e)^2}$$

where n is the sample size, N is Population under study, and e is the error margin.

A purposive sampling technique was used to obtain the samples for this study. Purposive sampling is a non-probability method that allows the selection of sample members based on the researcher's knowledge or understanding of the study area (Ames et al., 2019).

Printed copies of the questionnaires were distributed to the Directors of Personnel Management (DPMs) in selected local governments. This responsibility was assigned to the DPMs because of their comprehensive knowledge of employees and working conditions within the local governments. The sample size was 1,455 from the study population, with an additional 30% of questionnaires included to account for any that might be missing or unused (Israel, 1992), as detailed in Table 1.

Table 1. Population and sample size of the study

Political Zones	Selected local governments	Total workforce	Sample size	Additional 30% to Sample size	Language and culture
Zone A	Bida	4,832	369	480	Nupe
Zone B	Chanchanga	5,984	374	486	Gwari, Hausa, and Nupe
	Suleja	3,673	360	468	Gwari
Zone C	Kontagora	2,976	352	457	Hausa
Total	4	17,465	1,455	1,891	

Sources: Authors' survey (2023)

Method of data analysis

The goals and objectives defined in this study guided the data-analysis process. Questionnaire data were initially coded in a Microsoft Excel spreadsheet and then imported into STATA version 17.0 for both descriptive and inferential analyses.

The Structural Equation Model (SEM) was employed to determine the statistically significant relationships between the mediating variable (administrative capacity), independent

variable (PSE), and dependent variable (local government performance). This approach was used to investigate the relationships between PE variables and local government performance, specifically addressing objectives three through eight of this study. Additionally, the p-value of each variable's t-statistic was used to test the significance of the analysis and either accept or reject the null hypotheses at a 95% confidence interval. The significance level was set at 5%; thus, if the p-value exceeded 5%, the null hypothesis was rejected in favor of the alternative and vice versa.

The general model used to estimate the influence of innovativeness, risk-taking, proactiveness, autonomy, competitiveness, and Public Service Motivation (PSM) on local government performance is as follows:

$$LGP_{(1\text{-}2)} = \beta_0 + \beta_1 PSE_1 \beta_1 PC_1 + \varepsilon \quad (1)$$

where LGP = Dependent Variable (local government performance), LGP_1= financial measures, LGP_2= non-financial measures, β_0 = vector of intercepts for endogenous variables, β_1 = path coefficients that measure the relationship among constructs, ε = latent stochastic term, PC_1 = political capacity, and PSE_1 = public sector entrepreneurship.

Result

Rate of response

This subsection addresses the response rate of questionnaires distributed to employees in the sampled local governments. Table 2 indicates that 1,891 questionnaires were distributed among the localities under study, with 486 distributed in Chanchanga, 480 in Bida, 468 in Suleja, and 457 in Kontagora. All the employees in these areas were included to ensure an adequate number of responses. Despite these efforts, 1,621 questionnaires were retrieved, reflecting a response rate of 85.72%. However, 225 questionnaires were deemed unsuitable.

Table 2. Rate of response

Response	Frequency
Number of questionnaires distributed	1,891
Number of questionnaires retrieved	1,621
Number of questionnaires retrieved and rejected	225
Number of questionnaires utilizable	1396
Questionnaires not retrieved	270
Rate of response	85.72%
Valid rate of response	73.82%

Source: 2023 Fieldwork

Demographic compositions of respondents

This study's demographic composition was examined for all of the following items: age, gender, level of education, working experience, employment, and marital status.

Table 3 presents descriptive statistics of the respondents' demographic characteristics. Among the 1,396 responses used for the study, male respondents comprised a significant majority, accounting for 1,017 (72.84%), whereas female respondents constituted 379 (27.15%). Employees' ages ranged from under 35 to over 50 years old. The largest age group was 36–50 years, representing 724 respondents (51.90%). This was followed by those under 35 years old, with 507 respondents (36.34%), and those over 50 years old, with 164 respondents (11.76%).

Regarding educational attainment, a considerable proportion of respondents, 645 (45.99%), had not yet completed a Higher National Diploma (HND) or bachelor's degree (BSc). Those who had completed an HND/BSc accounted for 589 respondents (42.19%), and 165 (11.82%) had postgraduate education. Examining the occupational categories, 687 respondents (49.21%) were in the directorial cadre, 245 (17.55%) were in the managerial cadre, 239 (17.12%) were in levels six and seven (other cadres), and 225 (16.12%) held political appointments. In terms of marital status, married respondents made up the highest percentage (51.86%), followed by single respondents (38.18%), and divorced respondents (9.96%).

Table 3. Respondents demographic compositions

	Items	Frequency	(%)
Gender	Male	1,017	72.85
	Female	379	27..15
Age	Under 35	507	36.34
	36 – 50	724	51.90
	Above 50	165	11.76
Educational attainment	Prior to HND/BSc	645	45.99
	HND/BSc	589	42.19
	Postgraduate	165	11.82
Working experience	Political	225	16.12
	Directorial cadre	687	49.21
	Managerial cadre	245	17.55
	Other cadre	239	17.12
Marital status	Married	724	51.86
	Single	533	38.18
	Divorce	139	9.96

Source: 2023 Fieldwork

Descriptive statistics

This section examines the mean and standard deviation of the study variables. Table 4 presents the descriptive statistical properties of the PE variables are discussed in Table 4.

Table 4. Descriptive statistics of variables

Response	Mean	Std Dev
Autonomy	1.57	0.33
Innovativeness	1.52	0.37
Risk-taking	1.53	0.25
Proactiveness	1.59	0.45
Competitive aggressiveness	1.55	0.26
Public service motivation	1.54	0.23
Political capacity	1.58	0.27
Local government performance	1.77	0.32
Public entrepreneurship	1.55	0.32

Source: 2023 Fieldwork

Table 4 shows the descriptive statistical data (mean) of the variables in this study. However, it appears that PSE (1.55) is low in the locality under investigation; political capacity appears to be (1.58), and the performance of local governments appears to have the highest mean value of 1.77 for all variables measured. The construct's lowest mean value is innovativeness, at 1.52, so the entire mean parameter lies below the construct's average. The following study's independent variables (PE variables) were examined: proactiveness (1.59), autonomy (1.57), competitive aggressiveness (1.55), public service motivation (1.54), risk-taking (1.53), and innovativeness (1.52). The mean value of proactiveness was the highest, followed by that of autonomy and competitive aggressiveness. Among the PE dimensions examined in this study, innovativeness had the lowest value.

Reliability test

Cronbach's alpha reliability test was used to estimate the reliability of this study. However, Cronbach's alpha values range from 0 to 1, and any value less than 0.5 is not suitable for variable measurements (Gliem & Gliem, 2003). Cronbach's alpha values for the current study are shown in Table 5.

Explanatory factor analysis

Explanatory Factor Analysis (EFA) was employed to determine the common variables of the constructs in this study. Consequently, EFA aids in estimating the covariances of the constructed

variables (Kahn, 2006). Furthermore, the Kaiser eigenvalue from the 1960s was used to calculate the loading factor for each variable. According to Kaiser (1960), a construct with an eigenvalue less than 1.0 is removed, whereas items with 0.3 are used in the process.

Table 5. Descriptive features of the reliability test

Measure	Number of Items	Cronbach's Alpha
Autonomy	4	0.55
Innovativeness	6	0.54
Risk-taking	5	0.56
Proactiveness	4	0.63
Competitiveness aggressiveness	4	0.60
Public service motivation	5	0.56
Political capacity	5	0.53
Local government performance (Financial and Nnon-financial performance)	8	0.58

Source: 2023 Fieldwork

Table 6. Factor loading associated with the variables of the study

Measure	Items	Mean	SD	LO	EV	KMO
Autonomy	A1	1.63	0.55	0.39	1.14	0.55
	A2	1.51	0.52	0.36		
	A3	1.59	0.54	0.36		
	A4	1.56	0.56	0.43		
Innovativeness	I1	1.52	0.53	0.45	1.38	0.65
	I2	1.55	0.54	0.43		
	I3	1.50	0.53	0.43		
	I4	1.54	0.54	0.31		
	I5	1.52	0.55	0.40		
	I6	1.57	0.53	0.35		
Risk-taking	R2	1.53	0.54	0.44	1.38	0.65
	R3	1.55	0.53	0.52		
	R4	1.52	0.52	0.47		
	R5	1.52	0.53	0.43		
Proactiveness	P1	1.56	0.53	0.58	1.45	0.68
	P2	1.53	0.54	0.54		
	P3	1.61	0.52	0.57		
	P4	1.51	0.53	0.40		
Competitiveness aggressiveness	C1	1.56	0.52	0.38	1.51	0.63
	C2	1.53	0.54	0.49		
	C3	1.57	0.52	0.35		
	C4	1.54	0.53	0.45		
Public service motivation	PS1	1.53	0.52	0.39	1.36	0.66
	PS2	1.52	0.53	0.45		
	PS3	1.51	0.54	0.37		
	PS4	1.60	0.54	0.43		
	PS5	1.53	0.53	0.33		
Political capacity	PC1	1.59	0.55	0.35	1.34	0.60
	PC2	1.57	0.56	0.44		
	PC3	1.58	0.58	0.49		
	PC4	1.59	0.57	0.45		
	PC5	1.59	0.56	0.47		
Local government performance (Financial and non-financial)	FLG1	1.77	0.62	0.32	1.04	0.56
	FLG2	1.74	0.70	0.38		
	NLG6	1.80	0.72	0.36		
	NLG7	1.77	0.64	0.31		
	NLG8	1.73	0.69	0.33		

Note: LO= Loading; EV= Eigen values; KMO= Kaiser-Meyer-Olkin
Source: 2023 Fieldwork

Table 6 shows the EFA results for the independent and dependent variables. The results showed that all autonomy items were loaded; nevertheless, items A2 and A3 had the lowest values of 0.36. As a result, the eigenvalue is 1.14, and the KMO value is 0.55, both of which are greater than the required value of 0.50. Furthermore, all the innovativeness items (I1 through I6) were loaded; I6 had the largest mean (1.57), while I3 had the lowest mean (1.50). Furthermore, the results showed that R1 for risk taking was not loaded into the construct. R2, R3, R4, and R5 were the most loaded, with R2 having the largest standard deviation (0.54), and R3 having the highest mean (1.55). Furthermore, the constructs for proactiveness all had an eigenvalue of 1.45 and a KMO value of 0.68. As a result, for all constructs for competitiveness, PSM, political capacity, and administrative capacity loaded, C3 had the highest mean (1.57), PS4 had the highest mean (1.60), and AC5 had the largest standard deviation for political capacity (0.59).

FLG3 and FLG4 for financial performance, and NLG5 for non-financial performance, did not load the local government performance construct. NLG6 had the construct's highest mean (1.80), whereas NLG8 had the lowest mean value for the construct. Table 4.6 shows that the eigenvalue and KMO value for the construct of local government performance are 1.04 and 0.56, respectively. A validity the EFA comes the study was conducted following test. This was done on two different bases: the normality test (skewness and kurtosis) and the correlation matrix.

Validity Test

Kurtosis nexus skewness was used to test the level of normality of data obtained for the purpose of this research (Tabri, 2014). West et al. (1995) recommend skewness and kurtosis values of less than 2 and less than 7, respectively; values greater than 3 (skewness) and greater than 10 (kurtosis) indicate a problem with the dataset (Kline, 2016). The dataset used for the study seemed to be normal, with kurtosis and skewness within the previously discussed thresholds. The results are presented in Table 7.

Table 7. Normality test for the study's variables

Response	Min	Max	Skewness	Kurtosis
Autonomy	1	3.67	1.06	6.39
Innovativeness	1	3	0.21	2.54
Risk-taking	1	2.5	0.67	4.18
Proactiveness	1	3	-0.08	1.85
Competitive aggressiveness	0.75	3.25	0.86	5.88
Public service motivation	1	2.8	1.16	6.31
Political capacity	1	2.8	1.13	5.16
Local government performance	1	2.8	0.18	3.12

Source: 2023 Fieldwork

Table 8. Correlation matrix for the constructed variables

	A	I	R	P	C	PS	PC	LGP
Autonomy	1.00							
Innovativeness	-0.06*	1.00						
Risk-taking	0.21**	0.08**	1.00					
Proactiveness	0.06**	0.03*	0.01**	1.00				
Competitive aggressiveness	0.12**	0.22**	0.26**	0.24**	1.00			
Public service	0.22**	0.19**	0.36**	0.17**	0.23**	1.00		
Political capacity	0.13**	0.21**	0.33**	0.11**	0.25**	0.40**	1.00	
Local government performance	0.06**	0.08**	0.16**	0.09**	0.10**	0.23**	0.21**	1.00

Note: * and ** indicate significance at 5% and 1%, respectively, while A = Autonomy, I = Innovativeness, R = Risk-taking, P = Proactiveness, C = Competitive aggressiveness, PS = Public Services Motivation, PC = Political capacity, and LGP = Local government performance.
Source: 2023 Fieldwork

This section explains the relationship between PSE and local government performance. In a correlation, the value of r ranges from -1 to 1, and a value of r of 0 indicates that there is no

correlation. Closer values of r to -1 or 1 indicate stronger negative or positive relationships (Egghe & Leydesdorff, 2009).

The findings show that all the variables are statistically significant and have a one percent positive relationship with local government performance (Table 8). The results also revealed that all are weakly related to local government performance, with PSM having the highest coefficient of correlation, r (0.23).

Structural equation model (SEM) analyses

SEM was employed to test the statistical significance of the relationships among the variables using STATA version 17.0, standardized coefficients (*std err*), variances (*var.e*), chi-square (2), and p-values.

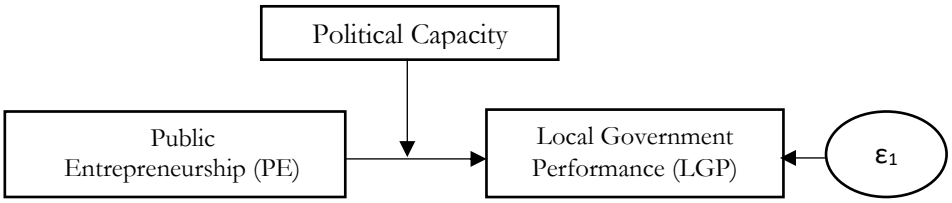

Figure 2. Pathway examining the moderating effect of PC in relation to PE and LGP
Source: Authors' own work

Figure 2 depicts the moderating effect of political capacity on the path between PE and municipal performance. This diagram demonstrates that the impact of PE on the performance of local governments is determined by the value of political capacity. That is, local government performance is influenced by the moderating impact of political capacity.

Table 9. SEM for political capacity moderating PE and LGP

Measurement	Coef.	OIM std error	Z	P>|z|	[95% conf.	interval]
Structural public entrepreneurship						
Political capacity	-.919	.008	-119.73	0.000	-.934	-.904
PEPC	.576	.003	169.44	0.000	.569	.583
_Cons	1.581	.006	268.04	0.000	1.569	1.592
Local government performance						
Public entrepreneurship	1.017	.248	4.11	0.000	.531	1.502
Political capacity	.892	.238	3.74	0.000	.425	1.359
PEPC	-.444	.146	-3.04	0.002	-.731	-.158
_Cons	-.125	.395	-0.32	0.753	-.899	.650
Var (e.PE)	.001	.000			.001	.001
Var (e.LGP)	.093	.004			.086	.100

Fit statistics	Value	Critical values	Description
Likelihood ratio			
chi2_ms(0)	0.000		model vs. Saturated
p > chi2	-	p<0.05	
chi2_bs(5)	4.640.270		baseline vs. Saturated
p > chi2	0.000	p<0.05	
Population error			
RMSEA	0.000	≤0.100	Root mean squared error of approximation
Pclose	1.000	p<0.05	Probability RMSEA <= 0.05
Baseline comparison			
CFI	1.000	≥0.50	Comparative fit index
TLI	1.000	≥0.50	Tucker–Lewis index
Size of residuals			
SRMR	0.000	<0.08	Standardized root mean squared residual

Note: PEPC= moderating relationship between political capacity
Source: 2023 Fieldwork

A review of Table 9 reveals a negative and statistically significant (-.444, p<0.002) moderating relationship between political capacity (PEPC) and local government performance. Related development revealed a direct relationship between PE, political capacity, and local government performance, revealing that PE (1.017, p<0.000) and political capacity (.892, p<0.000) have positive and statistically significant relationships with local government performance. A closer examination of political capacity and PE reveals a negative and statistically significant (-.919, p<0.000) relationship between the two. The model also performs well in terms of model fit, as evidenced by the Chi-square, RMSEA, CFI, TLI, and SRMR values. The Root mean squared error of approximation (RMSEA, p<0.05) value is adequate (less than one) and statistically significant; CFI and TLI show good fit as they tend closer to 1.0; the Chi-square (p<0.05) is positive and statistically significant; and the standardized root mean squared residual (SRMR) indicates that all the models were fitted (Byrne, 1998; Hooper *et al.*, 2008; Kline, 2005).

Discussion

This study examines the moderating role of political capacity on public entrepreneurship and the performance of local governments in Niger State. Local government performance was assessed using both financial and non-financial indicators (Fahim, 2018), while PE was measured across six dimensions: innovativeness, risk-taking, competitive aggressiveness, autonomy, proactiveness, and public service motivation (Głód, 2015). Similar to previous research by Tang *et al.* (2019) and Andrews et al. (2020), this study explores the impact of political capacity on the relationship between PE and local government performance. A detailed analysis of the study's descriptive statistics revealed that the PE (1.55), political capacity (1.58), and overall local government performance (1.77) were all low. These findings are consistent with those of Głód (2015) and Hosseini *et al.* (2020). Low levels of PE and political capacity lead to a lack of new ideas and initiatives that could transform key resources or concepts within a locality into the financial assets used to provide adequate services and goods. This deficiency contributes to low revenue generation, poor law enforcement, and the insufficient provision of public goods.

The SEM results demonstrated that political capacity moderates the effect of PE on local government performance. However, the findings revealed a negative moderating effect (-.444, p<0.002) (Deslatte & Sawnn, 2020). This negative and statistically significant relationship indicates a weak political capacity at the local government level. This study underscores the importance of strengthening the political structures within local governments to enhance their performance. Improving political capacity may lead to increased funding, more efficient resource utilization, and better provision of social amenities.

Conclusion

The findings reveal that political capacity moderates the relationship between PSE and local government performance. The SEM results on the moderating effect of political capacity indicate that political capacity significantly but negatively influences the interaction between PSE and local government performance. This suggests that certain political dynamics within the locality diminish the effectiveness of PSE in improving the performance of local governments.

PSE thrives on innovation, risk-taking, and proactive problem-solving. Therefore, when political capacity negatively impacts this relationship, it implies that political leaders or structures suppress innovation within local governments. This leads to a lack of new ideas, resistance to change, and an environment in which entrepreneurial efforts are discouraged or obstructed. Consequently, the potential benefits of public entrepreneurship, such as enhanced service delivery and operational efficiency, may not be fully realized.

Based on the findings of this study, it is recommended to strengthen political leadership's understanding of and support for PSE. Aligning political goals with entrepreneurial initiatives can help ensure that political capacity supports, rather than hinders, these efforts. Additionally, increasing public participation and transparency can help mitigate the negative effects of political

capacity by fostering greater public trust and support for entrepreneurial initiatives, thereby improving their effectiveness in enhancing the performance of local governments.

The study also acknowledges several limitations: the distribution of samples across local governments was not proportional, with only four out of the 25 local governments in Niger State selected for the study. Future research should consider using a larger sample size, with increased representation from other local governments. The variables used to examine the dependent (financial and non-financial performance) and independent (proactivity, risk-taking, autonomy, competitive aggressiveness, innovativeness, and public service motivation) variables were limited. As a result, future studies could explore additional key performance indicators (KPIs) for public-sector entities, such as the standard of living, and additional PSE constructs, such as economic facilitation and regulation and civil-political service agents, to provide more diverse outcomes. Furthermore, future researchers may consider exploring the Agency Theory (AT), Transaction Cost Theory (TCT), and System Theory (ST).

Authors contribution:

Conceptualization: Mohammed Ahmed
Data curation: Mohammed Ahmed
Formal analysis: Mohammed Ahmed
Investigation: Mohammed-Bello Habiba Umar
Methodology: Mohammed-Bello Habiba Umar
Project administration: Mohammed-Bello Habiba Umar
Supervision: Mohammed Ahmed
Validation: Mohammed-Bello Habiba Umar
Visualization: Mohammed Ahmed
Writing – original draft: Mohammed Ahmed
Writing – review & editing: Mohammed Ahmed

References

Ab. Rahman, F. A., Mohd Suki, N., Mohd Yusof, M. I., & Yusof, R. (2023). Residents' trust in local government councils in an emerging nation: effect of political efficacy, good governance and performance. *Transforming Government: People, Process and Policy, 17*(1), 39-53. https://doi.org/10.1108/TG-02-2022-0015

Abdullahi, M., & Chikaji, A. (2017). Local government and development: challenges and way forward. *Maiduguri Journal of Arts and Social Sciences, 14*(1), 1-20. https://www.researchgate.net/publication/332864877_LOCAL_GOVERNMENT_AND_DEVELOPMENT_CHALLENGES_AND_WAY_FORWARD

Agbodike, F. C., Igbokwe-Ibeto, C. J., & Nkah, B. C. (2014). Local government administration and the challenges of sustainable development in Nigeria. *Review of Public Administration and Management, 3*(6), 95 105. https://platform.almanhal.com/Files/Articles/91744 .

Al-Dhaafr, H. S., & Alosani, M. S. (2020) Impact of total quality management, organizational excellence and entrepreneurial orientation on organizational performance: empirical evidence from the public sector in UAE. *Benchmarking: An International Journal, 7*(9), 2497-2519. https://doi.org/10.1108/BIJ-02-2020-0082

Ali, A., Irfan, S., & Salman, Y. (2019). An analysis of entrepreneurial perspective of public sector: A systematic literature review from 1990 to 2016. *Business & Economic Review, 11*(3), 113-142. https://dx.doi.org/10.22547/BER/11.3.5

Ames, H., Glenton, C., & Lewin, S. (2019). Purposive sampling in a qualitative evidence synthesis: A worked example from a synthesis on parental perceptions of vaccination communication. *BMC medical research methodology, 19*(1), 1 9. https://doi.org/10.1186/s12874-019-0665-4

Andrews, R., Ferry, L., Skelcher, C., & Wegorowski, P. (2020). Corporatization in the public sector: explaining the growth of local government companies. *Public Administration Review, 80*(3), 482-493. https://doi.org/10.1111/puar.13052

Anis, S. N. M., Khan, A., Rasli, A., Hashim, N. H., Arshad, A. S. M. Handayani, W. (2020). Entrepreneurial orientation from the perspective of Malaysian public sector employees. *Journal of critical review 7*(12). 2392 – 2398. http://dx.doi.org/10.31838/jcr.07.12.241

Asaduzzaman, M., & Virtanen, P. (2016). Governance Theories and Models, in: Farazmand, A. (Ed.), *Global encyclopedia of public administration, public policy, and governance.* Springer Nature. https://doi.org/10.1007/978-3-319-31816-5_2612-1

Bisong, D. B., Bassey, E. A., Paulinus, A. E., Ogar, F. I., Njoku, R. A., Gabriel, O. O., & Azu, S. A. (2024). The impact e-governance on internally generated revenue in cross river state. International *Journal of Comparative Studies in International Relations and Development. 10*(1), 1-20. http://doi.org/10.48028/iiprds/ijcsird.v10.i1.13

Bozeman, B., & Su, X. (2015). Public service motivation concepts and theory: A critique. *Public Administration Review, 75*(5), 700-710. https://doi.org/10.1111/puar.12248

Byrne, C. (1998). Iterative algorithms for deblurring and deconvolution with constraints. *Inverse Problems, 14*(6), 1455–1467. https://10.1088/0266-5611/14/6/006

Deslatte, A., & Swann, W. L. (2020). Elucidating the linkages between entrepreneurial orientation and local government sustainability performance. *The American Review of Public Administration, 50*(1), 92-109. http://dx.doi.org/10.1108/JEPP-03-2016-0010

Dhliwayo, S. (2017). Defining public-sector entrepreneurship: A conceptual operational construct. *The International Journal of Entrepreneurship and Innovation, 18*(3), 153-163. https://doi.org/10.1177/1465750317709708

Dibal, N., Uthman, H., & Abdullahi, B. M. (2020). Impact of state joint local government account (SJLGA) on the capacity of some selected Local government councils in borno state to execute capital projects. *KIU Interdisciplinary Journal of Humanities and Social Sciences, 1*(1), 117-133. https://kijhus.kiu.ac.ug/assets/articles/1588463954_impact-of-state-joint-local-government-account-sjlga-on-the-capacity-of-some-selected-local-government-councils-in-borno-state-to-execute-capital-projects.pdf

Egghe, L., & Leydesdorff, L. (2009). The relation between Pearson's correlation coefficient r and Salton's cosine measure. *Journal of the American Society for Information Science and Technology, 60(*5), 1027-1036. https://doi.org/10.1002/asi.21009

Ekundayo, W. J. (2017). Good governance theory and the quest for good governance in Nigeria. *International Journal of Humanities and Social Science, 7(*5), 154-161. https://www.ijhssnet.com/journals/Vol_7_No_5_May_2017/21.pdf

Fahim, M. G. A. (2018). The impact of entrepreneurship on performance in public sector organizations with application to the Egyptian electricity holding company. *Arab Journal of Administration, 38*(2), 227 – 256. https://doi.org/10.21608/aja.2018.17407

Ferreira, D. C., Caldas, P., & Marques, R. C. (2021). Ageing as a determinant of local government performance: myth or reality? the Portuguese experience. *Local Government Studies, 47*(3), 475-497. https://doi.org/10.1080/03003930.2021.1904397

Gliem, J. A., & Gliem, R. R. (2003). *Calculating, interpreting, and reporting Cronbach's alpha reliability coefficient for Likert-type scales*. Paper presented at the 2003 Midwest Research to Practice Conference in Adult, Continuing, and Community Education, Columbus, OH, 82-88. https://scholarworks.indianapolis.iu.edu/server/api/core/bitstreams/976cec6a-914f-4e49-84b2-f658d5b26ff9/content

Głód, G. (2015). *Measurement of public entrepreneurship in the Polish health sector*. In Managing intellectual capital and innovation for sustainable and inclusive society: Proceedings of the MakeLearn and TIIM Joint International Conference (pp. 665-673). Bari, Italy. http://www.toknowpress.net/ISBN/978-961-6914-13-0/papers/ML15-130.pdf

Han, H., Ko, K., & Cho, S. Y. (2019). Does the longer tenure of local government heads affect the performance of local governments? *The Korean case. Asian Journal of Political Science, 27*(1), 127-144. https://doi.org/10.1080/02185377.2019.1598451

Haque, M. S. (2020). Entrepreneurship-driven public management reforms in Southeast Asia: Critical implications for public accountability. *Public Administration Development, 40*(4) 220-231. https://doi.org/10.1002/pad.1889

Haubrich, D., & McLean, I. (2022). Evaluating the performance of local government: A comparison of the assessment in England, Scotland and Wales. *Policy Studies, 43*(1), 125-125. https://doi.org/10.1080/01442870601009939

Hayter, C. S. (2015). Public or private entrepreneurship? Revisiting motivations and definitions of success among academic entrepreneurs. *The Journal of Technology Transfer, 40*(6), 1003-1015. https://doi.org/10.1007/s10961-015-9426-7

Hooper, D., Coughlan, J., & Mullen, M. (2008, September). *Evaluating model fit: a synthesis of the structural equation modelling literature*. In 7th European Conference on research methodology for business and management studies (pp. 195-200). https://arrow.tudublin.ie/cgi/viewcontent.cgi?article=1046&context=buschmancon

Hosseini, N. M., Pourkiani, M., Bigzadeh Abbasi, F., & Kamali, M. J. (2020). The role of internal and external organizations in the development of governmental entrepreneurship (A case study of the Melli Bank of Iran). *Public Policy in Administration, 11*(38), 37-58. https://sid.ir/paper/969992/en

Israel, G.D. (1992) *Determining Sample Size*. University of Florida Cooperative Extension Service, Institute of Food and Agriculture Sciences, EDIS, Florida.

Jiang, H., & Cao, Y. (2021). An empirical study of entrepreneurship education and teaching in Colleges and Universities under the concept of sustainable development. In *E3S Web of Conferences* (Vol. 251, p. 02084). EDP Sciences. https://www.e3s-conferences.org/articles/e3sconf/abs/2021/27/e3sconf_ictees2021_02084/e3sconf_ictees2021_02084.html

Kahn, J. H. (2006). Factor analysis in counseling psychology research, training, and practice: Principles, advances, and applications. *The counseling psychologist, 34*(5), 684-718. https://doi.org/10.1177/0011000006286347

Kaiser, H. F. (1960). The application of electronic computers to factor analysis. *Educational and psychological measurement, 20*(1), 141-151. https://doi.org/10.1177/001316446002000116

Kearney, C., & Meynhardt, T. (2016). Directing corporate entrepreneurship strategy in public sector to public value, components and outcomes. *International Public Management Journal, 19(*4), 534 – 572. https://doi.org/10.1080/10967494.2016.1160013

Khairudin, K., Rahmawati, R., Winarna, J., & Gantyowati, E. (2023). Does corruption have a bad impact on local government performance. *Ilomata International Journal of Social Science, 4*(1), 18-29. https://doi.org/10.52728/ijss.v4i1.671

Klein, P. G., Mahoney, J. T., McGahan, A. M., & Pitelis, C. N. (2013). Capabilities and strategic entrepreneurship in public organizations. *Strategic Entrepreneurship Journal, 7*(1), 70-91. https://doi.org/10.1002/sej.1147

Kline, R. B. (2016). *Principles and practice of structural equation modelling* (4th ed.). London: The Guilford Press.

Kline, T. J. (2005). *Psychological testing: A practical approach to design and evaluation.* Sage publications.

Lee, B. J., Kim, T. W., Suh, J., & Yap, O. F. (2021). Local government performance and democratic consolidation: Explaining ordinance proposal in Busan metropolitan council. *Asia & the Pacific Policy Studies, 8*(1), 15-41. https://doi.org/10.1002/app5.319

Leyden, D. P. (2016). Public-sector entrepreneurship and the creation of a sustainable innovative economy. *Small business economics, 46*(4), 553-564. https://doi.org/10.1007/s11187-016-9706-0

Lim, S. B., & Kamaruddin, K. A. (2023). Violated factors in building citizen-centric e-government websites: insights from the performance of the federal, state and local governments websites in Malaysia. *Journal of Systems and Information Technology, 25*(1), 109-132. https://doi.org/10.1108/JSIT-12-2021-0262

Mahrous, A., Genedy, M. A., & Kalliny, M. (2020). The impact of characteristics of intra-organizational environment on entrepreneurial marketing intensity and performance in Egypt. *Journal of Entrepreneurship in Emerging Economies, 12*(5), 621-642. https://doi.org/10.1108/JEEE-08-2019-0115

Malalgoda, C., Amaratunga, D., & Haigh, R. (2016). Overcoming challenges faced by local governments in creating a resilient built environment in cities. *Disaster Prevention and Management: An International Journal, 25*(5), 628 648. https://doi.org/10.1108/DPM-11-2015-0260

Mayne, Q., & Vigoda-Gadot, E. (2018). Symposium on the politics of local public-sector reform: a global perspective on local government reinvigoration. *International Public Management Journal, 21*(3), 341-345. https://doi.org/10.1080/10967494.2018.1433938

McSweeney, M., & Safai, P. (2020). Innovating Canadian sport policy: Towards new public management and public entrepreneurship? *International Journal of Sport Policy and Politics, 12*(3), 405-421. https://doi.org/10.1080/19406940.2020.1775678

Moon, M. J., Khaltar, O., & Lee, J. (2020). Public entrepreneurship and organizational performance in Asia: Do entrepreneurial leadership, ethical climate and confucian values matter in Korea and China. *Australian Journal of Public Administration, 79* (3), 1 – 21. https://doi.org/10.1111/1467-8500.12426

Mumaraki, R. N. (2020). *Influence of corporate entrepreneurship on performance of healthcare units in Nairobi City County, Kenya* [Doctoral dissertation, Jomo Kenyatta University of Agriculture and Technology]. Jomo Kenyatta University of Agriculture and Technology Repository. http://ir.jkuat.ac.ke/handle/123456789/5270

Muraoka, T., & Avellaneda, C. N. (2021). Do the networks of inter-municipal cooperation enhance local government performance?. *Local Government Studies, 47*(4), 616-636. https://doi.org/10.1080/03003930.2020.1869545

Najmaei, A., & Sadeghinejad, Z. (2016). Toward a theory of business models and business modeling in public entrepreneurship. *New Perspectives on Research, Policy & Practice in Public Entrepreneurship, 6,* 77-102. https://doi.org/10.1108/S2040-724620160000006004

Naldi, L., Larsson, J. P., & Westlund, H. (2020). Policy entrepreneurship and entrepreneurial orientation in vulnerable Swedish municipalities. *Entrepreneurship & Regional Development, 32*(8), 473-491. https://doi.org/10.1080/08985626.2020.1798557

Ngwega, E. (2022). Heads of departments' managerial skills and performance of local government departments: Evidence from seventeen selected local government authorities in Tanzania. *Asian Journal of Economics and Business Management, 1(*3), 209 – 217. https://doi.org/10.53402/ajebm.v1i3.202

Okibe, H. B., & Eneasato, B. O. (2020). Problems of local government in Nigeria and dilemma of exit strategies. *Esut Journal of Social Sciences, 5*(2), 122 – 144. https://www.esutjss.com/index.php/ESUTJSS/article/view/47

Olumekor, M. (2022). Public sector entrepreneurship: scientific mapping and research Agenda. *Organizacija, 55*(4), 259-271. https://doi.org/10.2478/orga-2022-0017

Pee, L. G., & Kankanhalli, A. (2016). Interactions among factors influencing knowledge management in public-sector organizations: A resource-based view. *Government Information Quarterly, 33*(1), 188-199. https://doi.org/10.1016/j.giq.2015.06.002

Robert, N., & King, P. (1989). Public entrepreneurship: A typology. Naval Postgraduate School Monterey California. https://apps.dtic.mil/sti/pdfs/ADA215634.pdf

Saidu, A. A., Din, B., & Kling, Z. (2016). Empirical evidence on good governance in public tertiary institutions of Nigeria: The effects on entrepreneurship and performance. *International Journal of Management Research & Review, 6*(2), 241-255. https://repo.uum.edu.my/id/eprint/21839/

Saragih, H.A. & Setyaningrum, D. (2021). Can re-election strengthen the relationship between local government spending and financial performance? Barnett, W.A. and Sergi, B.S. (Ed.) *Recent Developments in Asian Economics International Symposia in Economic Theory and Econometrics (International Symposia in Economic Theory and Econometrics, Vol. 28),* Emerald Publishing Limited, Leeds, pp. 69-82. https://doi.org/10.1108/S1571-038620210000028005

Savaşkan, O. (2021). Political dynamics of local government reform in a development context: The case of Turkey. *Environment and Planning C: Politics and Space, 39*(1), 204–225. https://doi.org/10.1177/2399654420943903

Smith, E. (2014) Entrepreneurship at the local government level: Stimulating and restraining forces in the Swedish waste management industry. *Public Management Review, 16*(5), 708-732. https://doi.org/10.1080/14719037.2012.743580

Tabri, R. V. (2014). Testing for normality in linear regression models using regression and scale equivariant estimators. *Economics Letters, 122*(2), 192-196. https://ideas.repec.org/a/eee/ecolet/v122y2014i2p192-196.html

Tang, N., Cheng, L., & Cai, C. (2019). Making collective policy entrepreneurship work: the case of China's post-disaster reconstruction. *Journal of Asian Public Policy, 13*(1), 60-78. https://doi.org/10.1080/17516234.2019.1701388

Tremml, T. (2020). Barriers to entrepreneurship in public enterprises: boards contributing to inertia. *Public Management Review*, 1–26. https://doi.org/10.1080/14719037.2020.1775279

Tripathi, R. (2017). Good governance: origin, importance and development in India. *International Journal of Development Research, 7*(11), 16968-16970. https://www.journalijdr.com/sites/default/files/issue-pdf/11084.pdf

Veiga, P. M., Teixeira, S. J., Figueiredo, R., & Fernandes, C. I. (2020). Entrepreneurship, innovation and competitiveness: A public institution love triangle. *Socio-Economic Planning* Sciences, 72, 100863. https://doi.org/10.1016/j.seps.2020.100863

Wayenberg, E. (2021). *Strategic policy planning at the local level: a flemish performance starring regional government. in the future of local self-government*, Springer. https://doi.org/10.1007/978-3-030-56059-1_16

West, F. G., Finch, J. F., & Curran, P. J. (1995). *Structural equation models with non-normal variables, in Structural equation modeling: Concept, issues, and applications*, Sage Publications.

Wijaya, R., & Solikhi, A. (2022). Factors that affect the local government financial performance (study on district/city governments in Jambi province). *International Journal of Academic Research in Accounting Finance and Management Sciences, 1*(2), 433-448. http://dx.doi.org/10.6007/IJARAFMS/v12-i2/13357

Yamane, T. (1973). *Statistics: An introduction analysis.* Harper & Row.

Appendix

Measure	Items	Statement
		Section B
Autonomy	A1	I have enough autonomy in my job without continual supervision.
	A2	Our local government allows me to be creative and try different methods to do my job
	A3	Employees in our local government are encouraged to manage their own work and have flexibility to resolve problems.
	A4	Employees in our local government are allowed to make decisions without going through elaborate justification and approval procedures.
Innovativeness	I1	Our local government cares about accelerating the generation, dissemination, and application of innovative and challengeable ideas
	I2	Our local government is prompt in introducing new or developing existing products and services.
	I3	opening new projects or markets for more revenue
	I4	I rarely have to use the same work methods or steps to complete my major tasks from day to day.
	I5	Our local government is widely held to believe that innovation is a must for the future of business.
	I6	Our local government prioritizes continuous improvement in service delivery/processes.
Risk-taking	R1	Our local government has a high propensity to take the risk associated with uncertainty, in order to maintain its respond to customers' needs.
	R2	Our local government always encourages employees to take calculated risks by studying the feasibility of new ideas, to increase its capacity to innovate.
	R3	Our local government usually encourages employees to take responsibility for their actions by taking into account possible losses while exploiting advantage of market opportunities, as the investment risk here is in public resources.
	R4	Out leaders strive to maximize the value of opportunities without regard for existing models, structures, or resources.
	R5	The term "risk-taker" is viewed positively by employees in our municipality.
Proactiveness	P1	Our local government cares about creating and utilizing revenue opportunities – within the political and economic considerations.
	P2	In order to take advantage of revenue opportunities, our local government has a very high tendency towards anticipating social needs or problems
	P3	Our local government often selects the opportunities to be exploited depending on achieving the balance between how valuable they are and how well they fit to public resources.
	P4	Our municipal government is always looking for new ways to improve services.
Competitive	C1	In dealing with other participants our local government typically adopts a harmonious posture.
	C2	Our local government effectively assumes an aggressive posture to combat trends that may threaten it survival.
	C3	Our local government knows when it is in danger of acting overly aggressive; this could lead to erosion of our reputation by our service providers.
	C4	When dealing with other participants, our local government usually takes a peaceful stance.
Public service	PS1	I unselfishly contribute to my community
	PS2	I consider public service my civic duty
	PS3	It is difficult for me to become engrossed in what is going on in my community.
	PS4	I would rather see public officials do what is best for the entire community, even if it means jeopardizing my own interests.
	PS5	Meaningful public service is very important to me
		Section C

Measure	Items	Statement
Political capacity Business community Employee unions Local news media State government General public		On a scale from 1 = "not an obstacle" to 5 = "substantial obstacle," please rate how the extent to which this individual(s) or groups impede or facilitate the implementation of your projects
		Section D
Local government performance _Financial performance	FLG1	Our local government continuously looks for expansion and growth by introducing new products and services
	FLG2	There is an increased demand for our local government products and services, which reflects on the revenue.
	FLG3	Our local government usually tries to use resources in new ways to maximize productivity and efficiency, and to provide services as at when due
	FLG4	Our local government achieves relatively high revenues in relation to the ways it uses available resources.
Local government performance _non-financial performance	NLG1	Employees tend to be highly committed to the local government, which reflects on their efficiency, effectiveness and behaviors (personal attitudes).
	NLG2	There are relatively high levels of job satisfaction and loyalty between the local government employees, which reflects on their performance.
	NLG3	The local government always cares about generating social benefits, through finding ways to solve critical social problems and providing high-quality services to citizens.
	NLG4	In general, your local government is people -oriented, and provides better services, which reflects on their satisfaction