



## GOVERNANCE QUALITY, CORRUPTION, AND PUBLIC SERVICE DELIVERY OUTCOMES

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### Abstract

Governance quality and corruption remain central concerns in public administration and development policy, particularly in emerging economies where institutional weaknesses often undermine public service performance. Effective governance structures are expected to enhance transparency, accountability, and efficiency, thereby improving public service delivery outcomes in sectors such as health, education, and municipal services. Conversely, corruption distorts resource allocation, reduces institutional trust, and weakens service provision. This study investigates the structural relationships among governance quality, perceived corruption, and public service delivery outcomes using an empirical model grounded in Institutional Theory and Principal Agent Theory. A quantitative research design was adopted, and data were collected from 410 citizens and public sector employees through a structured questionnaire. Governance quality was measured through indicators of accountability, rule of law, transparency, and regulatory effectiveness. Corruption was assessed through perceptions of bribery, misuse of public office, and favoritism. Public service delivery outcomes were evaluated through accessibility, quality, timeliness, and citizen satisfaction. Data were analyzed using Partial Least Squares Structural Equation Modeling with. Reliability and validity were established through Cronbach alpha, composite reliability, and average variance extracted. Structural results indicate that governance quality significantly reduces corruption and directly improves public service delivery outcomes. Corruption negatively affects service delivery and partially mediates the relationship between governance quality and service outcomes. The model explains 62 percent of the variance in public service delivery outcomes. The findings contribute to governance literature by providing empirical evidence of the mechanisms linking institutional quality to citizen centered service performance. Policy implications highlight the importance of strengthening transparency and accountability frameworks to minimize corruption and enhance service delivery effectiveness.

**Keywords:** Governance Quality, Corruption, Public Service Delivery, Institutional Theory, Accountability

### Introduction

Governance quality represents the effectiveness of institutions, policies, and administrative processes in managing public resources and delivering services to citizens. High quality governance is characterized by transparency, accountability, rule of law, and regulatory effectiveness. These elements foster institutional trust and ensure equitable allocation of resources. In contrast, weak governance structures create opportunities for corruption, inefficiency, and poor public service outcomes.



Public service delivery constitutes a fundamental function of the state. Governments are responsible for providing essential services including healthcare, education, sanitation, infrastructure, and security. The quality and accessibility of these services significantly influence social welfare and economic development. However, in many developing and transitional economies, citizens experience service delays, inadequate infrastructure, and limited accountability mechanisms.

Corruption is widely recognized as a major obstacle to effective governance and public service delivery. It involves the misuse of public office for private gain and manifests in bribery, nepotism, and embezzlement. According to Principal Agent Theory, corruption arises when agents entrusted with public authority exploit information asymmetry and weak monitoring systems. Such practices divert resources away from intended beneficiaries and undermine public trust.

Institutional Theory suggests that strong formal institutions reduce uncertainty and promote predictable administrative behavior. Transparent regulations and effective oversight mechanisms limit discretionary power and reduce opportunities for corrupt behavior. Empirical research indicates that governance indicators such as rule of law and control of corruption are strongly associated with improved development outcomes.

Despite extensive macro level analyses using secondary governance indices, fewer studies examine micro level perceptions of governance and service delivery within specific organizational settings. Moreover, limited research employs structural equation modeling to analyze the mediating role of corruption in linking governance quality to service outcomes. This study addresses these gaps by empirically examining governance quality, corruption, and public service delivery outcomes using Smart-PLS structural modeling. The research aims to provide evidence-based insights for policymakers seeking to strengthen institutional frameworks and improve citizen satisfaction. By understanding the structural pathways among governance quality, corruption, and service outcomes, the study contributes to both theoretical advancement and practical reform strategies.

### **Literature Review**

Governance quality is commonly conceptualized through dimensions such as accountability, transparency, rule of law, regulatory quality, and government effectiveness. According to Kaufmann et al., governance quality reflects the traditions and institutions by which authority is exercised in a country. High governance quality ensures fair implementation of policies and protection of public interests. Institutional Theory posits that robust institutional frameworks constrain opportunistic behavior and promote normative compliance. When regulatory systems are transparent and predictable, public officials are less likely to engage in corrupt practices. Empirical studies show that governance indicators significantly correlate with improved health and education outcomes.

Corruption undermines institutional legitimacy and public trust. Transparency International defines corruption as abuse of entrusted power for private gain. Corruption reduces efficiency by increasing transaction costs and misallocating resources. Studies demonstrate that corruption negatively affects economic growth and service quality. For example, bribery in public procurement inflates costs and reduces infrastructure quality. Public service delivery outcomes refer to the effectiveness, accessibility, equity, and responsiveness of public services. Citizen satisfaction often serves as an outcome indicator of service performance. Research indicates that governance reforms emphasizing decentralization and accountability improve service outcomes. However, the presence of corruption weakens reform effectiveness.

Principal Agent Theory explains corruption as a result of weak monitoring and misaligned incentives between public officials and citizens. Strengthening oversight mechanisms reduces corruption risks. Recent empirical research suggests that digital governance initiatives enhance transparency and reduce opportunities for bribery. Although prior studies establish relationships between governance and corruption, comprehensive structural models testing mediation effects remain limited. This study proposes that governance quality directly improves service outcomes and indirectly influences them through reducing corruption.

### Conceptual Model and Theoretical Framework

The proposed framework includes the following hypotheses

- Governance Quality positively influences Public Service Delivery Outcomes
- Governance Quality negatively influences Corruption
- Corruption negatively influences Public Service Delivery Outcomes
- Corruption mediates the relationship between Governance Quality and Public Service Delivery Outcomes

The framework integrates Institutional Theory and Principal Agent Theory to explain how institutional strength reduces opportunistic behavior and enhances service performance.

### Methodology

A quantitative cross sectional survey design was used. Data were collected from 410 respondents including citizens and public sector employees. Measurement items were adapted from established governance and public administration literature. All constructs were measured using five-point Likert scales. Governance quality was assessed through transparency, accountability, and rule of law indicators. Corruption was measured through perceived bribery and favoritism items. Public service delivery outcomes were assessed through accessibility, timeliness, and citizen satisfaction.

Data analysis was conducted using SmartPLS 4. Reliability was assessed through Cronbach alpha and composite reliability. Convergent validity was tested using average variance extracted. Structural relationships were evaluated through bootstrapping with 5000 resamples to determine path coefficients and significance levels.

### Analysis and Results

**Table 1 Measurement Model Assessment**

Construct	Cronbach Alpha	Composite Reliability	AVE
Governance Quality	0.91	0.94	0.72
Corruption	0.89	0.92	0.68
Public Service Delivery	0.90	0.93	0.70

### Interpretation

The measurement model demonstrates strong reliability and validity. Cronbach alpha values exceed 0.80, confirming internal consistency. Composite reliability values above 0.90 indicate high construct reliability. Average variance extracted values exceed 0.50, demonstrating convergent validity. Discriminant validity was established using HTMT ratios below threshold levels. The results confirm that constructs are measured accurately and are suitable for structural analysis.

**Table 2 Structural Model Results**

Hypothesis	Path Coefficient	t Value	p Value	Result
Governance Quality → Corruption	-0.63	12.84	0.000	Supported
Governance Quality → Service Delivery	0.48	9.12	0.000	Supported
Corruption → Service Delivery	-0.39	7.45	0.000	Supported

R square Corruption 0.40

R square Service Delivery 0.62

### Interpretation

The structural model reveals significant relationships among constructs. Governance quality negatively influences corruption, indicating that strong institutional mechanisms reduce unethical practices. Governance quality also directly improves service delivery outcomes. Corruption negatively affects service performance, confirming its detrimental impact. The model explains 62 percent of variance in service delivery outcomes, demonstrating substantial predictive power. Mediation analysis indicates that corruption partially mediates the relationship between governance quality and service delivery, highlighting both direct and indirect institutional effects.

### Conclusion

This study provides empirical evidence that governance quality significantly enhances public service delivery and reduces corruption. Strong institutional frameworks promote transparency and accountability, leading to improved citizen satisfaction. Corruption undermines service outcomes and partially mediates governance effects. The findings support Institutional Theory and Principal Agent Theory by demonstrating how institutional strength constrains opportunistic behavior and enhances administrative performance. Policymakers should prioritize governance reforms to strengthen accountability systems and reduce corruption risks.

### Future Recommendations

Future research should adopt longitudinal designs to examine governance reforms over time. Comparative cross-country studies may provide broader generalizability. Integration of digital governance variables could further enrich understanding. Governments should invest in transparency mechanisms, citizen feedback systems, and anti-corruption training to enhance service delivery effectiveness.

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