

ASPECTS THAT INTERVENE IN THE IMPLEMENTATION OF THE NEW PUBLIC MANAGEMENT

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Abstract

Appeared in the last decades of the last century, against the background of economic and global developments, determined by the internationalization of production and free movement of capital, the New Public Management aimed to the transition from the bureaucratic principles of hierarchical setup, to the development of new practices of management. This change had to meet the requirements of the market economy, signifying another form of approach to administration and public management. The purpose of the changes was to reform the public sector organizations, increase their competitiveness and efficiency in the use of resources and the provision of services. The present study propose a short presentation of some opinions of theorists, regarding some limits and dysfunctions, which may occur in the application of the New Public Management, different from some successes of the changes accomplished. Other issues were also addressed, such as the occurrence of reversible trends in the reform process. Given the new challenges of society and the increased demands of citizens, the phenomenon requires efforts to find the best practices of the New Public Management, which to lead to the achievement of the proposed objectives. The research methodology used was the study and processing of ideas from foreign and domestic literature.

Keywords

reform; performance; responsibility; public policies; the New Public Management; limits; trends

JEL Classification

E61; H44; H83; L38.

1. Introduction

The economic, global developments determined by the internationalization of production and the free movement of capital have generated a series of structural, institutional changes, a context in which the principles of the New Public Management are also included. (Androniceanu and Șandor, 2006).

Emerged in the last decades of the last century, the new concept proposed another form of approach of public administration and management, pursuing a change, a transition from the bureaucratic principles of hierarchical organization, towards the development of new management practices which to meet the requirements of the market economy. (Pfiffner, 2004; Promberger and Rauskala, 2003).

The reform of the New Public Management involves reducing the size of the government and its role, diminishing bureaucracy, decentralization, privatization, adopting market principles, in the delivery of public services, the emphasis on responsibility and performance. (Kalimulah, Alam, Nour, 2012).

The purpose of the changes is for the methods and techniques adopted to lead to the reform of public sector organizations, avoiding waste and achieving savings,

increasing their competitiveness and efficiency in the use of resources and the provision of services. (Pfiffner, 2004; Promberger and Rauskala, 2003).

The application of the reforms of the New Public Management creates conditions for the improvement and modernization of the public sector activity and the introduction of new systematic, methodical, managerial principles. (Amar and Berthier, 2007)

Thus, through the New Public Management, the public sector has access to the management techniques of the private sector whose mechanisms can be established as a model. (Pfiffner, 2004; Schilder, 2000)

The intensity of the introduction of the New Public Management changes was different, in some situations, the reforms being stronger (United Kingdom, New Zealand etc.) and, in others, weaker (USA, Germany, Switzerland etc.) (Mönks, 1998).

It can be considered that there is no single model of the New Public Management, a process that manifests itself differently, the width and content being determined by the conditions and particularities of the respective countries. (Androniceanu, 2007, Calogero, 2010).

2. Some opinions of theorists regarding the limits of New Public Management

In assessing the results of the adoption of the New Public Management system, different from some successes and changes, the specialists observe difficulties that may result from limits and dysfunctions that may occur in its application, supported by a series of arguments, on which reference is made below. (Amar and Berthier, 2007).

- From the perspective of the *correlation between democracy and bureaucracy*, the authors Nazmul Ahsan Kalimullah, Kabir M. Ashraf Alam, M. M. Ashaduzzaman Nour (2012) show that one of the objections to the reforms of the New Public Management refers to some deviations from the principles of democracy, respectively:
 - ✓ Democracy involves the rule of law, legal supervision of markets, exercising control over the bureaucratic system, according to legal regulations. The modern state presupposes a system of bureaucratic norms, according to Weber's principles. Thus, there is a harmony between bureaucracy and democracy, and the elimination of bureaucracy implies the creation of a new system of government.
 - ✓ The public management reforms have meant reducing the size of government without prove that the phenomenon is a consequence of democratic pressure. The novelties brought to the public sector have led to the decrease of the public responsibility, by contracting the delivery of the services through the private sector, diminishing the involvement of the government.
 - ✓ The scope of government can be diminished by reducing political responsibility, but according to Hughes (2003) it is possible that the larger area of the government action to be the consequence of some political demands, expressed democratically.
- Robinson Mark (2015), in the article *From Old Public Administration to the New Public Service. Implications for Public Sector Reform in Developing Countries*, shows that taking over some management elements from the private sector (creating executive agencies) has led to weakening democratic principles, not meeting citizens' requirements (considered an essential element of reforms in the public sector) (Minogue, Polidano and Hulme, 1998).

- There are *opinions* that question some elements of the conceptual sphere, such as:
 - ✓ Robinson Mark (2015) questions - *considering the concept as a distinct paradigm*, appreciating that it is the result of different approaches that have common elements (Osborne, 2006).
 - ✓ According to Wegrich (2009), the impact of the New Public Management on efficiency, effectiveness and responsibility is not concretely defined, because the concept is not outlined by a group of concrete ideas.
 - ✓ Dwivedi and Gow, (1999) draw attention to *the non-neutrality* of the new public administration, respectively, its ideological character, of neoliberal origins. The image of the citizen is replaced by the figure of the client.
 - ✓ Other authors accuse *the hybrid character* of management methods in the public administration, taking into account the precepts of bureaucracy and the New Public Administration. In this perspective, the model of the neo-Weberian state adopted in Europe, in the 2000's, is perceived, which expresses new models of thinking about the role of the public sector (Bouri, 2016).
- Amar Anne; Berthier Ludovic (2007) points out that some of the basic principles of the New Public Management raise some debatable aspects:
 - ✓ Although the statute of the public office (employment, remuneration, promotion, etc.) is considered rigid, an obstacle in the pertinent management of human resources, in the case of the private sector, can be found a number of constraints, too. In the case of large companies, for certain positions, the collective agreements may be more rigid beside the status of the public office; thus, the autonomy of personnel administration is possible, especially, for small enterprises.
 - ✓ Also, in the case of the public sector, there is manifested a certain flexibility, taking into account the large number of work contracts that it manages and on which it has a consistent margin for manoeuvre
 - ✓ The status of the public position motivates the employees through its provisions (remuneration, good working conditions, promotions etc.) and is, also, perfectible on many aspects such as, for example, the mobility and the transition from one public position to another.
 - ✓ Certain public sector policies, especially, those that have a social dimension, are considered with more interest in the public sector than in the private one.

3. Observations on some dysfunctions

The analysts have expressed their views on some of the dysfunctions of the new model of reform.

- Referring to the *ideological character* of the New Public Management, Pollit (1990) formulates some criticisms, considering that the New Public Management model is ideologizing, the probability of some similarities between the public sector and the private one, not having well-founded arguments. The role of the public sector is to provide public services to citizens (and not to customers), which cannot always be concretely defined, through performance indicators and specific objectives.

- According to McKinney and Howard (1998), “The public management cannot be just a simple economic way of maximizing customer satisfaction” because, in the public sector:
 - ✓ clear objectives and performance indicators cannot be set, the market mechanisms cannot be taken over in any of the situations, the operation criterion cannot have only the profit benchmark. The public sector has multiple responsibilities, among which, an equitable redistribution of resources, conformation to constitutional values;
 - ✓ the substantive features of the public sector, continuity at work place, observance of procedures, remuneration corresponding to the position occupied in the hierarchy, fidelity, attachment to the system were deformed and altered; systems that rely solely on the argument of performance and incentives can have the reverse of losing the values of teamwork, of collective responsibility, of individualism;
- For the private sector, the evaluation of the activity is of particular importance, without offering the possibility to improve the policies. Differently, in the case of the public sector, the evaluation presents difficulties, due to the multiple objectives pursued and the actors, so, setting the level of performance of a public policy or a civil service is a delicate issue; (Amar and Berthier, 2007)
- *Other* authors have criticized the effects caused by *fragmentation* that have led to the provision of services through several agencies and to the decrease of coherence of decisions at governmental level (Denhardt and Denhardt, 2000; Christensen and Lægreid, 2007b).
- The creation of autonomous agencies (which took over governmental operations) and the transfer to potential suppliers, of some governmental activities, as well as the measure of staff reduction in state agencies, did not lead, in times of crisis, to positive effects, as (Androniceanu, 2007):
 - ✓ no salary savings were achieved due to the granting of compensation, at a high level, to those who were fired;
 - ✓ the reduction of the number of employees meant, also, a decrease in the quality of services; the poor management of retraining and professional reconversion programs has meant great difficulties for those laid off, these increasing the number of the unemployed (Larbi, 1995). The situation was due to insufficient concern about the size of human resources, development of technical capacities or initiatives concerning the measures of increasing productivity. (Androniceanu, 2007).

4. Other elements

In the paper *Le Nouveau Management Public: Avantages et Limites The New Public Management: Advantages and Limits*, Anne Amar and Ludovic Berthier (2007) points out also other elements, susceptible to comments, that accompany the New Public Management.

The adoption of the New Public Management encountered a series of oppositions, individual or collective, first of all, of the civil servants, who perceived it in a negative manner, due to the risks it presented, from several perspectives (Amar and Berthier, 2007):

- a more or less favorable evolution of the remuneration and guarantees they benefited;

- the uncertainty of the protection of the workplace, the uncertainty of a fair treatment.

These two challenges addressed for civil servants are directly related to the risk of arbitrariness in the evaluation of the activity.

- taking care of the increase of the work rhythm, of the decrease of the staff;
- fear of losing some of the independence in the activity.

There is a distinction between the manifestations, in the political sphere, whose interests develops in the short term, in the electoral rhythm, and the reforms of the New Public Management, which requires a long time, for implementation and setting. (Amar and Berthier, 2007)

- Thus, the individual must redefine his role and position in the process of achievement and delivery public services. The resistance to the introduction of reforms is found in the cultural, political and social representations of the various actors regarding the perspectives of the public sector. (Amar and Berthier, 2007)
- The flow of autonomy obtained by the public agencies, on the expense of the adoption of reforms can mean an increase in uncertainties, stress, with unfavorable effects in the achievement of objectives. (Amar & Berthier, 2007).
- It was observed that the organizational changes did not, always, lead to increasing performance (Dunsire et al, 1988), and the participatory management did not manifest itself, constantly.
- There was a delay in adopting the methods of the New Public Management, by incomplete delegation of competencies or delays in the implementation of reforms. (Amar and Berthier, 2007)
- The transition from the Weberian administrative system to the New Public Management system carries out phasing, progressively, without including, at the same time, all services. Thus, within the same organization can manifest several ways of management, what can lead to situations of mistrust, misunderstanding, as well as procrastination from civil servants, which can have effects on the results of the organization. (Amar and Berthier, 2007)
- Taking over of the principles of the New Public Management is not manifested, homogeneously, on all the activities of the public sector. There are areas where the incorporation of the methods of the New Public Management is done without encountering resistance, such as those in which the competition occurs, but also sectors whose characteristics make it difficult their cognition, such as the fields of education, culture. (Amar and Berthier, 2007)
- In the case of the United Kingdom, a pioneer in adopting the methods of the New Public Management, there were situations in which it was not possible the manifestation of an increase in the effectiveness of services, due to officials who had lost some advantages (Keraudren, 1993).

5. Some reversible trends in the reform process

Dunleavy et. al. (2006) draw attention to a slowdown regarding the introduction of reforms, as well as the emergence of trends that these become reversible; situation generated by the difficulties appeared in the implementation of the policies, in favour of the citizens, in a coherent form.

The reversible nature of some processes could be manifested by:

- ✓ *Re-absorption* by the public sector, of some activities taken over by the private sector, based on contracts;
- ✓ *Re-unification* of fragmented agencies, which would encourage the promotion of coherent policies.

The fragmentation technique implemented by the New Public Management can have as an effect, the difficulty of adopting some coherent policies, the doubling of some hierarchies. This is the case for three railway regulatory agencies, in United Kingdom, covering fragmented areas of the railway sector: safety; infrastructure investments, licensing of transport companies.

The efficiency caused by the New Public Management (by disaggregation and fragmentation) results from cost savings and increased competitiveness, but, also, it attracted the possibility of creating artificial public services, the emergence of some bureaucracies in business, with fields of activity and functions that do not always correspond to the real needs of the society, in the respective area of activity.

The use of new informational means, in the exercise of governance, favors the unification of agencies in the approach to public services.

It is noted that some authors consider it useful follow-up the reforms of the New Public Management, and others are oriented towards the return to the traditional form of public administration:

- There are opinions which consider that by the complete implementation of the reforms, through the New Public Management, the quality of the functioning of democracy would increase. This implies increasing transparency, the quality of services, the involvement of politicians, but also the possibility for public administration reform to lead, in some countries, to the expansion of democracy (Hughes, 2003).
- Pollit and Bouckaert (2004) argue the need to *return to the principles* regarding the central role of the state and the representative democracy. For this end, these propose to increase the qualification of employees and the performances of public administration. (Bouri, 2016).

6. Conclusions

The event of the emergence of the New Public Management presents a special significance for the practice of public administration in the last twenty years, both in the industrially developed countries and in the developing ones (Calogero, 2010). In the context of structural, institutional changes and exchanges of experience practiced in the field of political governance, the options of national governments were oriented towards the adoption or taking over of the best practices of international models (Androniceanu and Șandor, 2006).

Characteristic of the new concept (New Public Management) is the interaction of reform procedures which aims at reducing the size of the government and its role, removing bureaucracy, decentralization, privatization, adopting market principles in public service delivery, emphasis on responsibility and performance (Kalimullah, Alam, Nour, 2012).

These principles oppose the characteristics of traditional administration, regarding the conditions of employment and promotion, their indeterminate nature, excessive bureaucracy, traditional form of accountability, unfavorable elements to achieve performance (Hughes, 2003).

Regarding the adoption of the principles of the new concept, the specialists make observations concerning some successes of the achieved changes, but also the difficulties that may result from the limits and dysfunctions that may occur in the implementation. (Amar & Berthier, 2007)

Beside the new challenges of society and the increased demands of citizens, addressed to the New Public Management, the phenomenon requires efforts to find the best practices, as well as the adoption of methods and tools leading to the fulfilment of the proposed objectives. (Amar & Berthier, 2007)

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