PUBLIC SECTOR MANAGEMENT, A PARADIGM SHIFT: ISSUES AND APPROACHES

Professor F.C. Eze (Ph.D.)
Godfrey Okoye University Enugu

Professor W.O. Ezeodili (Ph.D.)
Department of Public Administration
Enugu State University of Science and Technology, Enugu

Professor F.O. Okpata (Ph.D.)
Alex Ekwueme University, Ndufu Alike Ikwo Ebonyi State

Abstract

As a new paradigm of public administration, New Public Management (NPM) points to the failures and inadequacies of public sector performance over time and the problems lying squarely in the nature and processes of public sector activity and traditional public administration. New public management has been developed as a handy shorthand and summary description of the way of reorganizing public sector bodies to bring their management approaches closer to business methods. Size of the government, centralized bureaucracies, inadequate mechanisms of accountability, waste and inefficiency in resource use etc., are all problems which the new public management sought to address. Though, there are few of the doctrines of NPM from the political perspective. However, few of the developing countries have become successful in public sector reform. The paper examines some literature, such as relevant books, journals, articles etc. and attempts to highlight the emergence and application of NPM as a paradigm shift.

keywords: Public sector, management, inefficiency

1. INTRODUCTION

The progress from public administration to new public management has stimulated intellectual debate among Scholars, raising probing questions. Should New Public Management (NPM) be regarded as a new paradigm? How does NPM differ from Public Administration (PA)? Do NPM and PA offer different approaches or do they complement each other? It may be argued that the existence of competing paradigms in Public Administration strengthens, instead of erodes, the future of the field. Theoretical breakthroughs may come readily when competitive approaches are allowed to coexist (Lan and Anders, 2008:162).

2. MEANING OF PARADIGM

Shikha, Vyasa-Doorgapersad (2011), explains that a paradigm is a framework used in thinking about and organizing an understanding of natural or social phenomena. All societies and the individuals within them tend to have relatively fixed assumptions about how to understand and interpret the world, but there is great variation in these assumptions from place to place, and from time to time... As sets of assumptions change overtime, this process can be referred to as a paradigmatic
shift; there emerges a new way of looking at the world (Online Dictionary of the Social Sciences 2006:1). It is important to note that the notion of a paradigm in the Social Sciences was introduced by Thomas Kuhn in his classic work titled structure of scientific revolutions (1970) that raised scholarly debate in intellectual circles. The understanding of Kuhn’s paradigms can assist Scholars to discuss the paradigms of public administration.

Interestingly, a mature science is characterized by its paradigm and as long as the so-called normal science continues, researchers work within their paradigm to solve the riddles of their discipline. According to Kuhn, when the researchers find facts that do not fit into their paradigm and which cannot be explained by it, he labels this facts “Anomalies”; he explains that in such situations, researchers begin to search for solutions outside their paradigm until new laws, definitions, orientation, hypotheses, values and exemplary solutions are found which can be used to explain the anomaly and have the power to convince fellow scientists. If this happens and the scholars in that branch of science agree on the new disciplinary system, a new paradigm is installed to serve as a research guide. Under such circumstances, a paradigm change (or shift) has occurred (Grüning, 1998:26). If a paradigm has been established within the social sciences and constant research proves that the results cannot be explained or analyzed in terms of the accepted paradigm, certain “anomalies” arise if the number of anomalies continues to increase and they remain unexplained, the old paradigm is replaced by a new one. Usually, when a new paradigm is discovered, serious scientific efforts are directed towards the development of that paradigm (Botes, 1988:121).

2.1 Paradigms of Public Administration

Henry (1975) in his article on public administration traced the evolution of the field by identifying a number of paradigms that he organized around three themes: focus or what to study, locus or where to find it, and the place of values. Others thought that organization theories lend themselves to analysis as paradigms, but rather in the incommensurable sense of Burrell and Morgan. For others still, paradigm and models are roughly equivalent (Doorgapersad, 2011:236 quoting Chevallier and Loschak (1978:90); Frederickson (1989:16); Gow and Dufour (2007:577). Discussing the existence of paradigm Botes, (1988:121) avers:

Public Administration can and should have a paradigm, and thus takes its place among the other sciences is,... two folds,... first, it will direct the efforts of scholars away from the resolution of pressing administrative problems to the study of arcane theoretical puzzles. Second, the paradigm dictates the connective taxonomies of important subjects of inquiry and faces the scholars, so as to speak to work and to drink within the ambits of paradigms.

Scientists of various schools of thought have emerged to discuss the relevance of paradigms in public administration. According to the classical empiricist (objective/positivist) school of thought, to determine whether public administration does have paradigmatic status, it must be determined whether universally accepted theories about public administration exist (Freyssen, 1988:162-163). In terms of the empiricist school of thought, it would appear that “Public Administration is not in a position to claim paradigmatic status in an objective sense”. Regarding the existence of paradigms in public administration in a subjective sense, it can be commented that “The generic approach is universally accepted”.

If the resemblance, of correlation and relationship between “POSDCORB (Planning, Organizing, Staffing, Directing, Coordinating, Reporting and Budgeting); POLC (Planning, Organizing, Leading and Controlling); PAFHRI ER (Policy Analysis, Financial Management, Human Resource Management, Information Management and External Relations)” are emphasized and synthesis is brought about, Cloete’s generic view or rational analytical model can constitute a paradigm, because it is intuitively logical (Freyssen, 1988:163). Cloete propagated that public administration comprises six generic administrative processes or functions namely: policy making, organizing, financing, personnel provision and utilization, determination of work procedure and control. These generic administrative processes or functions became the center piece of the subject matter and the focus of public administration education (Doorgapersad, 2011:237 quoting Maseremule and Mashigo, 2011:6). If paradigmatic status in an objective, monistic sense is more than a philosophical ideology, it would seem to be unattainable in the social sciences and therefore in public administration. If on the other hand, paradigmatic status is conceived of in a pluralistic, subjective sense and conforms to the basic characteristics of social sciences, paradigmatic status seems to be attainable (Freyssen, 1988). Either in support for or opposition to this debate, scholars mentioned herein, such as: Kuhn (1970); Henry (1975); Frederickson (1980); Botes (1988) and Doorgeapersad (2011) have
profoundly studied and analyzed the relevance of paradigms in public administration. In a book titled Action Theory for Public Administration, Micheal Harmons (1981) States thus:

The propositions of public administration constitute an outline for an action theory of public administration. The integration of its assumption, explanatory, and normative elements satisfies the criteria of paradigm status... it provides a framework within which applied theory and administrative practices may be developed and critically evaluated.

2.2 From Public Administration to New Public Management (NPM)

Public administration is the organization and management of men and materials to achieve the purpose of the government. Its central idea is the cooperative rational action. It is concerned with the implementation of public policies. The management of public’s business and the implementation of public policies thus the management of public programmes is known as public administration (Nazmul, Kabir, Ashraf and Ashaduzzaman, 2012:4). It is the view of Gerald Caiden (1982) that:

Public administration refers to the implementation of pronouncements made by recognized public authorities, the organization of enforcement machinery to ensure public conformity and relations between the public and public officials appointed to further collective interests. It includes the organization of public affairs, social purposes and collective decision making, the management of public institutions, public offices, and public property, and the administration of the public by officials, covering attitudes and behavior as well as actions.

Public administration as a process consists of the actions involved in effecting the intent or desire of a government and public policy. It is the continuously active business part of government which is concerned with carrying out the law as made by the legislative bodies (or other authoritative agents) and interpreted by courts, through the process of organization and management. Public administration denotes the work involved in the actual conduct of governmental affairs, regardless of the particular branch of government concerned.

The Following Chart Indicates the Distinction between Public Administration and New Public Management

<table>
<thead>
<tr>
<th>S/n</th>
<th>Elements</th>
<th>New Public Management</th>
<th>Traditional Public Administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Government organization</td>
<td>Break-up of traditional structures into quasi autonomous units</td>
<td>Services provided on a uniform basis operating as a single aggregated unit</td>
</tr>
<tr>
<td>2</td>
<td>Control of public organizations</td>
<td>Hands-on-professional management with clear statement of goals and performance measurement</td>
<td>Control from the headquarters through the hierarchy of unbroken supervision and checks and balances</td>
</tr>
<tr>
<td>3</td>
<td>Control of output measures</td>
<td>Stress results and output control rather than procedures</td>
<td>Control on inputs and procedures</td>
</tr>
<tr>
<td>4</td>
<td>Management practices</td>
<td>Using private sector management style</td>
<td>Standard establishment procedures throughout the service</td>
</tr>
</tbody>
</table>

Nazmul et al, (2012:5) see New Public Management (NPM) as being totally different in many ways from Traditional Public Administration. Traditional public administration all over the world failed to take cognizance of some vital environmental forces inspite of its tremendous appeal. New public administration emerge in response to a number of environmental forces which governments everywhere has faced in the last twenty years (Sarker and Pathak, 2000:57). Firstly, large and expensive public sectors put pressures to cut programmes and/or increase efficiency; secondly, there have been massive technological innovations over the years particularly the development of information technology; thirdly, the globalization of economy with increasing competition has become order of the day; fourthly, it has become inevitable to liberalize the economic sector following heavy burden being imposed upon the national resources as a result of mismanagement, corruption, inefficiency in resource management, bureaucratic bungling etc. Fifty, in the competitive world the people are demanding quality goods and services such that they are now keen to compare services of all organizations (Nazmu et al, 2012 quoting Borins, 1995; Minogue Polidano And Hulme, 1998; Huges, 2003).

3. THE NEW PUBLIC MANAGEMENT

New public Management is a vision, an ideology and a bundle of particular management approaches and techniques. In the 1980s, the divers of change particularly financial pressures, pushed most western countries towards a focus on making the public sector more competitive and public administrators more responsive to citizens by offering value for money, flexibility of choice and transparency (Nazmul, et al, 2012:6). It is important to note that some scholars, practitioners and academics created the science of public administration in the 1920’s on the fundamentals of the progressive reform successes particularly the presupposition of loyal bureaucrats, honest politicians and the politics-administration dichotomy. These reformers, the new scientists of public administration built a theory of organization that they supplemented with the concept of management. These principles were: the principle of unity of command, the principle of division of work and specialization, the principle of homogeneity, the principle of accountability, the principle of span of control and the staff principle (Minogue et al, 1988). The reformers expected public managers working within organizational structures built on aforementioned principles to perform the following functions: planning, organizing, staffing, directing, coordinating, reporting and budgeting i.e. POSDCORB (Gulick, 1937).

They also advocated reorganization to streamline and consolidate organizations and to standardize administrative procedures (Lee, 1995; Henry, 1975; Arnom, 1995). After world-war II, academicians began to reassess and question the principles of classical public administration. One of such critics was Herbert Simon whose work set the tone and direction for neoclassical public administration. His dissertation titled “Administrative Behavior: A Study of Decision-Making in Administrative Organization”, contained the buzzwords of the era: behavior, decisions, and organization. Simon’s view was that the principles of administration are not scientific, but inconsistent proverbs that were drawn from common sense (Simon, 1983). He suggested founding public administration on rigorous and scientific observation and on (inductively) derived laws of human behavior. He advocated separating facts from value judgments and dividing science into pure and applied branches. Objective scientific knowledge serves to control the social environment from this perspective. A lot of scholars followed Hebert Simon’s lead, but not all. Some felt unqualified to use the new scientific standards and thus continued doing what they did before; thus the classical approach not only survived in the progressive structures of practical government but in public administration theory as well. Other scholars refused to accept the separation of facts and values because they thought this would cut off public administration from its foundation i.e. from political philosophy and the search for the public interest (Sarker, 2006).

However, the adoption of new forms of public management means the emergence of a new paradigm in the public sector and traditional public administration discredited theoretically and practically. Public management poses a direct
challenge to several of what had previously been regarded as fundamental principles of traditional public administration which are thus:

- Government should organize themselves according to the hierarchical bureaucratic principles most clearly enunciated in the classic analysis of bureaucracy by the German Sociologist Max Weber (Gruening, 2001). Although adopted by business and other institutions, these precepts were carried out far more diligently and far longer in public sector.
- One best way of working and procedures were set out in comprehensive manuals for administrators to follow. Strict adherence to these scientific management principles would provide the simple best way of operating an organization.
- Once government involved itself in a policy area, it also became the direct provider of goods and services through the bureaucracy.
- The administration would be an instrument merely to carry out instructions, while matters of policy or strategy were the preserve of the political leadership (Huges, 2003).
- The motivation of the individual public servant was assumed to be that of the public interest, in that service to the public was provided selflessly.
- Public administration was considered a special kind of activity and therefore, required a professional bureaucracy, neutral, anonymous, employed for life, with the ability to serve any political master equally.
- The tasks involved in public service were indeed administrative in the dictionary sense that is, following the instructions provided by others without personal responsibility for results. However, these seven verities have been challenged by the proponents of new public management.
- Firstly, bureaucracy is indeed powerful but does not work well in all circumstances and has some negative consequences.
- Secondly, trying to find the one best way is elusive and can lead to rigidity in operation. Flexible management systems pioneered by the private sector are being adopted by governments.
- Thirdly, delivery by bureaucracy is not the only way to provide goods and services: governments can operate indirectly through subsidies, regulation or contracts instead of always being the direct provider.
- Fourthly, political and administrative matters have in reality been intertwined for a long time, but the implications of this for management structures are only now being worked through. The public demands better mechanisms of accountability where once the bureaucracy operated separately from the society.
- Fifthly, while there may be public servants motivated by the public interest, it now seems incontrovertible that they are political players in their own right. They may also be assumed to work for their own advancement and that of their agency, instead of being pure and selfless.
- Sixthly, the case for unusual employment conditions in the public services is now much weaker, especially given the changes that have taken place in the private sector where jobs for life are rare.
- Finally, the tasks involved in the public sector are now considered more managerial, that is, requiring someone to take responsibility for the achievement of results, instead of being regarded as administrative and with public servants merely following instructions (Hughes, 2003).

The traditional model of public administration which predominated for most of the twentieth century has changed since the mid-1980’s to a flexible, market-based form of “Public Management”. This is not just a reform or minor change in management style, but a change in the role of government in society and the relationship between government and citizenry.

In the light of the foregoing, Borins, in mid-1990’s defined New Public Management as:

A normative conceptualization of public administration consisting of several inter-related components; providing high quality services that citizen’s value; increasing the autonomy of public manager; rewarding organization and individuals on the basis of whether they meet demanding performance targets; making available the human and technological resources that managers need to perform well; and appreciative of the virtues of compensation and maintaining an open minded attitude about which public purposes should be performed by the private sector, rather than a public sector.
The new model had several names initially when it emerged in most advanced countries in the 1990’s, such names as: “Managerialism”, “New Public Management”, “Market-based Public Administration”, the “Post Bureaucratic Paradigm”, or “Entrepreneurial Government” (Pollitt, 1993; Hood, 1991; Barzelay, 2001; Osborne and Gaebler, 1993). New public management is therefore seen as a body of managerial or ideological thought which is based on ideas generated in the private sector and imported into the public sector. It is a framework for organizing management procedures in the public sector with the aim of greater effectiveness and efficiency (Nazmul et al, 2012). Currently, new public management is the most dominant paradigm in the discipline of public administration. It conjures up an image enmeshed with minimal government, debureaucratization, decentralization, market orientation of public service, contracting out, privatization, performance management, etc. These features signify a marked contrast with the traditional model of administration, which embodies a dominant role of the government in the provision of services, hierarchical structure of organization, centralization and so forth. NPM is grounded in rational choice and public choice and containing elements of total quality management (TQM). NPM seeks to offer more efficient mechanism for delivering goods and services and for raising governmental performance levels (Nazmul et al, 2012 quoting Kelly, 1998).

Summary Chart of the Doctrine of New Public Management (Nazmul et al, 2012)

<table>
<thead>
<tr>
<th>S/n</th>
<th>Doctrine</th>
<th>Meaning</th>
<th>Justification</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hands-on professional management of public organization.</td>
<td>Visible managers at the top of the organization, free to manage by use of discreional power.</td>
<td>Accountability requires clear assignment of responsibility, not diffusion of power.</td>
</tr>
<tr>
<td>2</td>
<td>Explicit standards and measures of performance.</td>
<td>Goals and targets defined and measurable as indicators of success.</td>
<td>Accountability means clearly stated aims, efficiency requires a hard look at objectives.</td>
</tr>
<tr>
<td>3</td>
<td>Greater emphasis on output controls.</td>
<td>Resource allocation and rewards are linked to performance.</td>
<td>Need to stress results rather than procedures.</td>
</tr>
<tr>
<td>4</td>
<td>Shift to disaggregation of units in the public sector.</td>
<td>Disaggregate public sector into corporatized units of activity, organized by-products, with developed budgets; units dealing at arms’ length with each other.</td>
<td>Make units manageable, split provision and production, use contracts or franchises inside as well as outside the public sector.</td>
</tr>
<tr>
<td>5</td>
<td>Shift towards competition in the public sector.</td>
<td>Move to term of contracts and public tendering procedures; introduction of market disciplines in public sector.</td>
<td>Rivalry via competition as the key to lower costs and better standards.</td>
</tr>
<tr>
<td>6</td>
<td>Stress on private-sector styles management practice.</td>
<td>Move away from traditional public service ethics to more flexible pay, hiring, rules, etc.</td>
<td>Need to apply proven private sector management tools in the public sector.</td>
</tr>
</tbody>
</table>
Stress on greater discipline and economy in public sector resource use.

Cutting direct costs, raising labour discipline, limiting compliance costs to business.

Need to check resource demands of the public sector, and do more with less.

From the chart, it is clear that the modern public manager should have discretion in decision making within his or her particular area of responsibility. Unlike the traditional public administrator, who operated in accordance with established rules and regulations, and who implemented the policies of government with little or no discretion and with no direct responsibility. The public manager is a much more active individual, with decision making authority over, and responsibility for the public service he or she delivers. This is called “Hands-on Professional Management”. Here, management lies at the core of public sector activity and professional managers are viewed as the key of improved public sector performance. Public management embodies the important believe that public sector organizations should increasingly be subjected to rigorous “Measures of Performance”.

Under the regime of performance measurement, public sector organizations should be committed to an ethos of continuous improvement in levels and standards of service delivery. Close to performance measurement is the need for a “focus on results rather than processes”. For long, public sector organizations failed to concern themselves with their outputs (quality of services) rather the focus was on inputs (resources). The major concern for the proactive public manager is what he/she actually achieves with the resources available (that is results). Also the new public management calls for decentralization in public sector organization. Public management has strong criticism of the bureaucratic form of organization. No wonder it advocates a disaggregation of bureaucratic units in order to form a more efficient, accountable public service. It is called “disaggregation of public sector units”. This process is more efficient because smaller units of activity are better able to establish objectives and work toward achieving them more quickly and more directly. It is more accountable because the new public management replaces the faceless bureaucrats with visible, responsible managers who are directly accountable to the public.

It is noteworthy that the argument in the public management approach is that “the market is the best allocator of resources and not the government, while the individuals are the best judges of their own welfare. As such, market disciplines are advocated for the public sector with the belief that the threat of competition and rivalry between providers fosters efficiency in service provision and choice for the customer (Nazmul et al, 2012). The view expressed on the private sector styles of management is that efficiency of public service provision is enhanced where a public sector agency conducts its affairs in accordance with business principles. This view holds that public sector should seek, as far as possible, to behave in a more business-like manner. This means that public service agencies should adopt reward structures for the employees, much like those in the private sector, encompassing such mechanisms as performance-related pay and more flexible working practices.

3.1 Application of New Public Management Approaches in Some Developing Nations

The common elements of new public management as practiced in developing countries include:

- Decentralization or decentralizing management, which involves disaggregating and downsizing of public services, are strands of NPM derived from ‘Managerialism’ (Mellon, 1993:23-31). Decentralization includes deconcentration, that is ‘the passing down of selected administrative functions to lower levels or sub-national units within government agencies or departments” (Hope, 2001:124). Countries that have adopted this includes: Ethiopia; Mali; Senegal; Botswana; Kenya and Lesotho etc. another form of decentralization is delegation. Through this process, “central governments transfer responsibility for decision making and administration of public responsibility for decision making and administration of public functions to semi-autonomous organizations not wholly controlled by the central government, but ultimately accountable to it” (World Bank, 2011:1). Examples are public corporations in Kenya, parastatals in Lesotho, autonomous hospitals in Botswana and Ghana. Also, devolution is another type of decentralization whereby “the transfer of governance responsibility for specified functions to sub-national levels either publicly or privately owned, are largely outside the direct control of the central government” (Doorgapersad, 2011:239).
Another emerging form of decentralization is privatization which implies the “transfer of operational control and responsibilities for state functions and service provision to appropriate private sector enterprises or voluntary organizations. Privatization encompasses a wide range of policies to encourage private sector participation in public service provision and to eliminate or modify the monopoly status of public enterprises” (Hope, 2011:125). Example includes Nigeria, which privatized most of her public enterprises for better efficiency, such as her PHCN (Power Holding Company of Nigeria); South Africa; Togo; Tanzania and others too numerous to mention.

- Contracting out is an alternative term for “outsourcing” which means “contracting, sub-contracting or externalizing” non-core activities to free up cash, personnel, time and facilities for activities (Business Directory.com, 2010:1). Examples are the clinical services in Zimbabwe and health services in Liberia (Doorgapersad, 2011).
- Performance Contracting: this is an instrument to reform state-owned enterprises. A performance contract is defined as a written or negotiated agreement between government or its representative agency and the management of public enterprises and other autonomous units directly delivering public services. It can also be a contract between government and private managers of state assets, wherein quantifiable targets are explicitly specified for a given period and performance is measured against targets at the end of the period. For instance, in Kenya, government has embarked upon training 2,500 civil servants to work under performance contracts (Ndanyi, 2011:1).
- Corporatization: this is an emerging trend that according to Doorgapersad, (2011) quoting Polidano, (1999:6) involves:

Converting Civil Service Departments into free-standing Agencies or Enterprises either as part of the Civil Service or completely outside of it; this is perhaps the best known element of Civil Service reform in U.K and New Zealand which are two pioneer of the new public management.

Some African countries, such as South Africa, Ghana and Tanzania are experimenting with the above models of agencies and enterprises.

3.2 Bias Against New Public Management

- The criticisms of the public management reforms particularly those of the new public management is that they are against the precepts of democracy. It is argued by some that democracy requires bureaucracy. Democracy requires the rule of law, the legally sanctioned regulation of markets, the preservation of equity, and competent bureaucracies subject to control by statute and by judicial institutions. Bureaucracy and democracy go together and to move away from bureaucracy is to wish to set up a new system of government altogether.
- The public sector reforms may reduce political accountability. If the manager is to be more accountable, then the politician is axiomatically to be less accountable and public accountability may be reduced through contracting or other ways in which a function is delivered by the private sector, so there is no longer government involvement. It could be argued that outcomes are not evenly distributed, that equity considerations are of little concern in the reform process.
- The public management reforms have generally aimed at reducing the size of government, but there is no real evidence that this was in response to democratic pressure. There was some minor political impact resulting from the so-called tax revolts in the 1970s and 1980s, but it was not substantial and quite short-lived. It is an established case that government grew in response to what the citizenry wanted. To the extent that public management reformers reduce government regardless of public opinion, they could be seen to be behaving in an undemocratic way. For instance, there was no popular movement against public enterprise. There was rather, theoretical argument derived from neo-classical economics and from this the widespread privatization of public enterprises followed in many places against public opinion.
- Finally, it could be argued that several of the major changes would, if carried out fully and religiously improve the functioning of the democracy. However, the OECD argues that “the public management reforms are not responsible for any problem of democratic deficit rather they are part of the solution”.

4. CONCLUSION

At a contextual level, the paradigm shift from the traditional public administration to new public management must be pursed to improve the public administration challenges on the developing nations, particularly African Continent. The underdeveloped nations are struggling with poverty, unemployment, all complemented by economic meltdown. The continent needs regional integration and cooperation to bring market-based reforms in the public sector. This could be
possible through establishment of micro, small and medium enterprises. These are new public management approaches that support a paradigm shift. This paradigm shift would put forward a different relationship between governments, the public service and the public. We have observed notable changes in most developing nations, public sector and these reforms are unprecedented. These changes are: changes in the ways that public services operate, changes to the scope of governmental activity, changes to time-honored processes of accountability, and changes to the academic study of the public sector. It may be said that the process of managerial reform is not yet complete, but its effect is still on, until it is widely embraced.

5. REFERENCES


