

## Public Management: between the Traditional and New Model

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### *Abstract*

*The evolution of public administration involves, like any "live organism", change and development. Along the years there has been felt the need of transition from the traditional model of public administration, known as bureaucratic and over-regulated, to another one much up to date with the contemporary needs of the beneficiaries. This new approach is called the new public management and the present paper presents a theoretical description of what is the new public management, how it is perceived from the specialist's point of view and why it was influenced by the private sector. The conclusion drawn from this study is that even though the new public management was applied in developed countries and should be taken into consideration in emerging countries, as a reform of the public administration, this new model has its lacks due to which its application didn't always lead to the pointed results.*

**Keywords:** *traditional management, new public management, public policies, private sector*

**JEL classification:** M1, O1

### **Introduction**

Being under the influence of factors, which are most of the time quasi-uncontrollable and being founded on rather differentiated economic-juridical basis, the public sector has been situated, along the years, in the theoreticians' center of attention. In this sense, Ranson and Stewart affirm that "the challenge of the new era is to discover the moral and political principles that correspond with the transformations suffered by the public sector" (Ranson & Stewart, 1998).

This challenge is more significant, given by the fact that the line between the public and private sector is neither clear, nor permanent (Flynn, 2007).

Public management represents a complex discipline, which refers to a disciplinary field wider than that of the enterprises. The two domains have in common the administration sciences: management of organizations, the dynamic of complex systems, the management of technology and innovation. Moreover, the public management goes beyond these disciplines, by integrating approaches of understanding the society's evolution (Keramidas & Rochet, 2005)

### **1. The concept of public management**

The emergence of public management is characterized by the development of the new methods of command and relations with the administration of public organizations. Putting into practice public policies relies on the development of a collective approach, respectively, on the formulation of the actors' entirety of a certain sector of intervention, of certain proposals of improvement of the public services' quality (Paulet-Puccini).

The numerous and relatively variable definitions of the public management concept result first of all from the complexity of the public sphere, which is subject to a double causality: on one side, the public sphere deals with the multiplicity of theories and institutional partners and on the other hand, we assist at the increasing need of public services for some beneficiaries with different horizons. As a result, the multiplication of the occupations specific to the public sector and also the transparency of the dialogue between the public actors, can meet these requirements only with the condition of an appropriate legislative context.

The problem of the public sector complexity cannot be evoked without underlining the political influence, respectively the vulnerability of the national political systems (Bishop, Connors & Sampford, 2003).

Another factor of the complexity of the public sector results in the necessity of acting in a restrictive financial context.

A radiography of the speeches and representations regarding public management reveals on one side a question mark under the legitimacy itself of the public management, and, on the other side, the multiple and varied attempts of conceptualization. For example, some specialists, especially those from the management of enterprises sphere, consider that public management is not a separate discipline mainly because both public and private organizations must undertake comparable adaptation measures.

On the other hand, placing public management in the center of an entirety of contradictions which have to be integrated both structurally and functionally and also the actuality of the phrase "endless public needs vs. limited resources", lead to the formulation of flexible appreciations regarding the public management's specificity. However, this placement in an optic, prevalingly administrative, narrows the theoretic field and, implicitly, the operational field of public management.

Other specialists over-argue that the specificity of public management through its function itself, which is seen as “its capacity of giving off the essential, to offer the public the possibility of decision in full awareness” (Quignon, 2006).

Finally, a third category of studies does not clearly affirm the existence of a specificity of public management. Thus, a study made by Meyer and Rowan (1977) mentions the fact that the public management represents an “institutional myth”, in the sense that it refers to the fracture from the rigorous image that the public organizations tend to project over the adopting of the structures/systems perceived as being legitimate, on one side, and their transposition into practice on the other side (Mizruchi & Fein).

The stake of the public management does not consist in the administration of all the public spheres but in the efficient and effective use of the specific management instruments and techniques. The attempt of controlling and owning everything is not only expensive but also illusory.

If in certain, more technical, domains any action obligatory leads to a rational, even mathematical result, in the public sphere a lot of energy can be consumed without a visible result. In other words the delicate alchemy that must be put in action in the public sphere, leads to quasi-incertitude of the result (Quignon, 2006).

This phenomenon is amplified by the faulty/ ambiguous formulation of the scopes of a program or governmental initiative and also by the fact that the actors involved have different scopes, perceptions and strategies (Ferlie, Lynn & Pollitt, 2007)

In our opinion, public management can be defined through a three dimensional approach. The first dimension consists in the efficient and effective use of all categories of resources, with the scope of putting into practice the public policies. The second dimension refers at the increase of the public policies performances and their adaptability to the beneficiaries’ needs. The third dimension consists in creating a reflection and action space of the public actors in order to allow their engagement in starting to build the consensus. Public management needs to be transformed in a commitment of change and of maintaining equilibrium of change.

## **2. The new public management versus public management- an evolutionary approach**

Out of the numerous researches related to public management, only two have succeeded in imposing paradigms, by influencing public administration in many countries. The first theory consists in the bureaucratic system of Max Weber, which represents the traditional system of public management. The second theory is that of the new public management which has been developed at the end of the 70’s and which has imposed in most of the OECD countries.

The traditional system of public management is based on a set of fundamental characteristics, such as:

- administration is an instrument of the executive power;
- the rules are objective, known by the public and edited in such a manner that they formulate a clear legal framework;
- jobs' depersonalization: the advantages of occupying a certain position are related to the job itself and not to the person that has the respective job;
- the functionaries' behavior is standardized by respecting the rules, this being an important manner of assuring discipline;

The functionaries do not own technical or financial means of administration, so they have to take into consideration the resources.

The new public management, considered as an assembly of techniques and methods undertook from the public sector, has met an accentuated development. The specific reforms of the new public management have made the transition from the traditional public administration to the present public management.

The new public management is defined as "a vision, an ideology or a set of approaches and managerial techniques mostly specific to the public sector" (Pollitt, 1994).

The new public management is seen, like Hood (1991) affirms, as a corpus of managerial thinking or as a system of thinking based on ideas generated in the private sector and imported in the public one (Ferlie, Pettigrew, Ashburner & Fitzgerald, 1996).

The new public management assures the transition from the traditional public administration to public management (Lane).

Clark and Newman (1997) underline, in the paper "The managerial status" the fact that the new public management "pushes" the state towards managerialism.

The traditional model of organizing and delivering the public services, based on the principles of the bureaucratic hierarchy, planning, centralization and direct control has been replaced by a management of the public services based on the market rules and called the new public management. (Stewart & Walsh, 1992)

The looking over the specific literature suggests that the new public management is not seen as a homogeneous entity but more like being made of different elements, which subsequently have become trends within the managerial reforms of the OECD countries. The components and the characteristics of the new public management can be included into two groups (Pollitt & Summa). A first group of ideas relies upon the management improvement and organizational restructuring. The second group underlines the role of markets and competition.

Still, these two approaches are not precisely delimited into practice. The new public management can rather be seen as a process of transition from an extreme, mostly managerialist (characterized by decentralization and by practicing a professional management) to another extreme, based mostly on marketization and competition.

The managerialists emphasize the transition from the bureaucratic paradigm (hierarchy and control) to post-bureaucratic paradigm (innovation and support) (Dixon, Kouzmin & Korac-Kakabase, 1998).

The promoters of the new public management argue the idea that the line between the management of the public sector and that of the private sector will fade away, because the good managerial practices will be taken over by the public sector as well. Moreover, this concept has benefited of an efficient marketing within both the governmental agencies and The World Bank (Turner & Hulme, 1997).

The key elements of the new public management include different forms of decentralized management within the public services (for example, creating an autonomous agency) and the increased interest for performance and client orientation.

The reforms specific to the new public management have been determined by a complex of economic, social, political and technological factors. A common characteristic of the countries that have chosen this path consists in the experience of the economic and financial crisis, which have question marked the efficiency of the public management and which have pointed out the necessity to decrease the costs of the public services. In the case of the emerging countries, the reforms of the new public management have been accomplished in the context of the programs of cultural adjustment, mainly as a consequence of external pressure.

From a study of OECD resulted that the methods and techniques specific to the new public management have been used to bring changes in the public services management from the countries that have an economic and social environment relatively unstable. These practices and techniques have been generically named the new public management or the new managerialism (Ferlie, Pettigrew, Ashburner & Fitzgerald, 1996).

The components of the new public management have evolved along the years. Still, "the main characteristic of the new public management consists in the attempt of introducing within the public services, which are not yet private, the motivation in accordance with the performances and the disciplines specific to the market". (Moore, Stewart & Haddock, 1994)

The specialists consider that there are benefits regarding the efficiency and effectiveness of the results from the exposing the specific activities of the public sector to the market pressures and from the markets' use in such a manner that it serves the public objectives (Metcalf & Richards, 1990). The same specialists argue that the governments can undertake managerial techniques and practices specific to the private sector, despite the contextual differences.

Some researchers argued about the fact that there are convergent trends (Kickert & Jorgensen, 1995) or "the reforms' release" (Hulligan) or a "globalization" (Flynn, 1997) of the public sector management, through the fact that an increasing number of states in Africa, Asia and Latin America have undertook elements of the new public management.

The specialized literature in the reforming domain of the public sector in the developed countries underline the causal link between the economic, social, politic, technologic and administrative, changes on one side, and the fast and radical changes of the management systems specific to the public administration on the other side (Kettles, 1997).

A common feature of the countries that adopted the new public management consists in the problem they confronted regarding the payment balance, the public expenses volume, and the cost of delivering public services. (Mascarenhas,1993) the fiscal crisis from the United Kingdom lead, for example, at the solicitation, in 1970, of a financial reform from the part of the International Monetary Fund. (Caiden, 1991)

The specialized literature argues also the fact that the development and availability of the information technology represents a fundamental condition of insurance for the instruments and structures necessary for the implementation of the managerial reform in the public sector. For example, the performance of informational systems is the base for the application of the management decentralization principle, through the creation of executive agencies. (Greer, 1994)

The implementation of the new public management has been quickened by the growing number of agents/actors of change consultants in international management, accountant experts and international financial institutions, which contributed directly to the “import” increase from the private sector in the public one of new managerial techniques. (Greer, 1994)

### **3. The limitations of the new management**

On the other side there must be taken into consideration the limitations of the new public management. Some specialists argue about the lack of efficiency of the new public management. From a study regarding the competition in the public sector in six developed countries resulted the fact that “the presumption, according to which the application of policies with exclusively short term effects would lead to the performance increase in the public sector, was only partly demonstrated”.(Baltey, 1996)

Other critiques believe that by insisting too much on reducing the costs could lead to the application of policies with exclusive short-term effects, undermining in this manner the state’s capacity of having a long-term perspective in domains such as education, health and environment.

The experience of the developed countries suggests that the transition to the new public management was not a linear process but an unequal and contested one. Some authors add a question mark even to its “universal” and “evangelical” manner of approach (Clarke & Newman, 1997).

Present within all the administrative reforms from the developed countries (Bezes, 2005), starting with the 80’s, the new public management promised a revolution in the administration and control of the public services (Boin, James &

Lodge, 2006). Actually, the application of the principles of this theoretic and philosophic current has bowelled the traditional methods, settling a definite control through the economic and market's logic called "the market's invisible hand" this type of control has actually proven to be a diffuse control.

### Conclusions

As a conclusion, it can be affirmed that despite the methods' and processes' sophistication and rationalization, the new public management has not always lead to the pointed results. Even so, its similar approach with that of the private sector, based on performances, efficiency and effectiveness make it a model that can be adapted in order to reform the public administration system.

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