The changing nature of public sector management and its implications for Managers and Professionals

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ABSTRACT

Public Sector Management (PSM) has witnessed changes over the past decades: from Traditional Public Administration to New Public Management (NPM) or managerialism and Governance. Moving from traditional administration with emphasis on career, tenure, neutrality of the public servant and a structure of hierarchical authority, to the New Public Management with emphasis on privatization and commercialization and other private sector concepts, the implementation of the notion of business and competition in managerialism intensified the idea of customer orientation in public service delivery. The introduction of some aspects of a market type mechanism signified innovating forms like contracting out, and agentification. Similarly, the movement into and the introduction of the governance concept expanded the role of Civil Society organizations or Non-Governmental organizations (NGOs), in public sector management, accountability and service delivery. It is argued that this changing nature of public sector management no doubt has implications for leadership in the public sector. Managers and professionals have to adapt to these new changes. The paper, a conceptual one, traces the changing nature of Public Sector Management and discusses the implications on managers and professionals concentrating on the assumptions of self-sufficiency of the service; direct control; accountability regimes; uniformity of the sector; legal and procedural performance as well as democracy and the role of administration in policy making and implementation.

Key Words: Accountability; Governance; Managers; New Public Management; Traditional Administration.

Introduction

The changes in public sector administration over the past several decades have been expressed primarily in terms of a contrast between New Public Management (NPM) and traditional administration. However, a third strand of development in public sector management, usually referred to as “governance” or Public Value Management has emerged. The changes imposed by New Public Management and by governance are to some extent occurring simultaneously, but combined with traditional administration have very different implications for public sector managers and professionals. Globally speaking, NPM supports that privatisation is the adequate mechanism to establish efficiency, efficacy and quality in the delivery of public services, mainly because private practices are more qualified and accurate. Walsh (1997) insists that the central characteristic of this movement is the introduction of market mechanisms to the running of public services organizations: the marketisation of the public service. The use of privatisation mechanism in the United Kingdom for instance saw the alteration in the delivery of public services through the organizational and cultural transformation of the Public Sector.

The reform purposes were to:

1. Reduce the costs of government action,
2. Reduce the number of public employees and action,
3. Change organizational public values.

The NPM formulates an unambiguous distinction between state bureaucracy and market modes of organization. The implementation of the notion of business and competition in managerialism intensifies the idea of customer orientation. This idea promotes government transparency, denying the old close bureaucracy (Maguire, 1998). The introduction of a market type mechanism signifies innovating forms like contracting out, agentification and privatisation, among others. The performance of public servants is evaluated and controlled, chiefly because the service to the public (and its quality) has become a core value in public administration. Public service users are now faced as clients or costumers. On the other hand, while in the traditional Weberian bureaucracy the responsibility of public servants is restricted to the execution of orders given by the legitimate power, public servants now have a broad spectrum of responsibility. These versions of administration focused on the career, neutrally competent civil servant working within a structure of hierarchical authority as the best means, in both normative and empirical terms, of translating policies into action (Derlien, 1999).

Although certainly challenged by developments such as human relations management, systems theory, organizational development, and other less viable fads and fashions, and although the answers provided to the difficult questions were at times excessively facile, these notions remained the bedrock of public administration. In addition to the shift toward using the ideas of the New Public Management, a crucial shift in thinking about the role of public administration in public sector management. In addition to the shift toward using the ideas of the New Public Management, a crucial shift in thinking about the role of public administration in public sector management. In addition to the shift toward using the ideas of the New Public Management, a crucial shift in thinking about the role of public administration in public sector management.
collaboration with networks of nongovernmental actors. The shift toward the governance conception for collective goal-setting has a number of implications for the role of administration. In descriptive terms the shift toward governance means that government has become more of an Enabling State than it is a hierarchical, commanding State governing through its own authority (Hall, 2002).

It is argued that this changing nature of public sector management no doubt has implications for leadership in the public sector. Managers and professionals have to adapt to these new changes. The paper, a conceptual one, traces the changing nature of Public Sector Management and discusses the implications on managers and professionals concentrating on the assumptions of self-sufficiency of the service; direct control; accountability regimes; uniformity of the sector; legal and procedural performance as well as democracy and the role of administration in policy making and implementation.

Conceptual Analysis

Traditional Public Administration:

Traditional public administration predates new public management, which in turn predates public value management. Each of the latter two paradigms has to some degree emerged as a response to the shortcomings of its antecedents. For example, new public management is to some extent a response to the administrative inefficiencies associated with traditional public administration, whereas public value management has been a response, at least in part, to the narrowly utilitarian character of new public management. Although the transition from traditional public administration through new public management to public value management has elements of the familiar thesis, antithesis, and synthesis format, the relationship between the paradigms is more confusing and complex. Previous arrangements have not given way to a finally formed new period. Indeed, many of the trappings of traditional public administration still live on, and it is new public management that can claim to be the main challenger to that approach. Institutional features of traditional public administration include the following:

- Monopoly of service provision by a government bureaucracy;
- Bureaucratic government with a strong bent on control by rules;
- Appointment and promotion on professional merit;
- Clear delineation of authority and jurisdiction;
- Stressing the distinctiveness of public administration.

Traditional public administration provides a particular set of solutions to the challenges of governance. It draws heavily on a Weberian perception of the world. In Weber’s political thought, three institutions are seen as essential to coping with the complexity of modernity and delivering order to the governance process. They are political leadership, party, and participation. This concept of elite democracy remains a central plank in Western political thought and understanding of democracy (Saward, 2003). Parties—with tight discipline—are the key institutions for mobilizing support in a mass democracy and in organizing the practice of government by holding representatives accountable. Career politicians who owe their advances to political parties emerge, and the parties in turn become key vehicles for fighting and winning elections. Parties get out the vote and organize government. Modern democracy is unthinkable save in terms of political parties (Dalton & Wattenberg, 2000).

Bureaucracy forms the third arm for organizing the modern state. Mass citizenship leads to increased demands on the state in areas such as education and health that only can be managed by standardization of administrative responses that enable an organization to meet the welfare tasks that it generates. Moreover, modern economic systems demand the stability and predictability provided by bureaucracy. From a Weberian perspective, bureaucracy delivers organizational effectiveness through four features (Beetham, 1987). The first is the placing of officials in a defined hierarchical division of labor. The central feature of bureaucracy is the systematic division of labour whereby complex administrative problems are broken down into manageable and repetitive tasks, each the province of a particular office (Beetham, 1987). A second core feature is that officials are employed within a full-time career structure in which continuity and long-term advancement is emphasized. Third, the work of bureaucrats is conducted according to prescribed rules without arbitrariness or favouritism and preferably with a written record. Finally, officials are appointed on merit. Indeed they become experts by training for their function and in turn control access, information, and knowledge in their defined area of responsibility.

The New Public Management

The principal impetus for reform in the public sector has come from the ideas, and especially the practices of New Public Management. Like many changes in the political and social life it is difficult to assign an exact date to this change – there was no storming of the administrative Bastille. Rather, there was the growing sense during the 1970’s and into the 1980’s that something was wrong with the way in which government worked and there needed to be change. Although the ideas of New Public Management might appear on their face to be more compatible with the political right, many may date the beginning of this tide in public administration with the election of politicians such as Reagan, Thatcher and Mulroney (Savoie, 1994), or with the Labour government in New Zealand in the late 1980’s, but neither would imply too sharp a break from the past. The fundamental logic of NPM is that management in the public sector is not in any meaningful way different from management in the private sector.

Further, the public sector has not paid sufficient attention to management and to the role of the manager, having placed excessive emphasis on the role of political leaders at the head of public organizations. If managers and their organizations can be released from the control of those political leaders, and the constraints that politics places on management and operations then the system will perform better. By performing tasks better, this approach means
performing them more efficiently in an economic meaning of that term.

The adoption of the NPM paradigm for administration reform has converted the administrative State into a managerial State. However, social policy continues to be a central State vector. In the first phase, denominated proto-managerial, the core concern was to raise efficiency inside the existing public structures. It was imperative to avoid the dysfunctions of the Weberian model. In the last phase, the concept of market was strongly introduced, becoming the base for the managerial State. The State thus abandons planning and execution, transformed into a a priori or a posteriori regulator of the actors’ behaviour.

New public management presents a complex set of ideas that have evolved and developed different themes (Hood, 1995). The version most clearly embraced by the governments across the Western world rests on a critique of monopolistic forms of service provision and an argument for a wider range of service providers and a more market-oriented approach to management. Public service organizations, so the argument has it, tend to be dominated by producer interests (the bureaucrats and the various ranks of other employees). Unlike in private sector organizations, the power of the producer is not held in check by countervailing incentives and demands. As a result, public service organizations tend to be neither efficient in terms of saving public money nor responsive to consumer needs. The solution is to fragment monopolistic public service structures and develop incentives and tools to influence the way that they operate. Key reforms include the introduction of a purchaser-provider divide within organizations and the development of performance targets and incentives. The aim is to create an organizational home for the client or consumer voice within the system to challenge the power of producers. Consumers or their surrogate representatives, commissioners, would have the power to purchase the services they required and measure performance. The achievement of better performance would be aided by arms-length systems of inspection and regulation to check not only the spending of public money but also the delivery of public services against demanding targets. New public management then seeks to dismantle the bureaucratic pillar of the Weberian model of traditional public administration. Out with the large, multipurpose hierarchical bureaucracies, new public management proclaims, and in with lean, flat, autonomous organizations drawn from the public and private sectors and steered by a tight central leadership corps. The idea of a public sector ethos is rejected as simply a cover for inefficiency and empire building by bureaucrats.

Party politics is tolerated as part of the new public management vision, but its key function is reduced to providing the leaders to guide the system. Indeed it is held that these top politicians should, to a considerable degree, be separated from their party and other political colleagues and connections to exercise good judgment. A common way of achieving that objective is to emphasize the value of a separate political executive in governance arrangements. politicians are not seen as having an exclusive role as the conveyor belts of public opinion, as the Weberian model implied, as customer surveys and focus groups would provide more of that input in processes run directly by administrators. Politicians remain important as interpreters of public opinion, but in addition, their role is to set tough targets and make tough choices over budgets. Above all, they should leave the business of administration to the managers.

Table 1. Public Choice Versus Managerialism

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<tr>
<th>Public Choice</th>
<th>Managerialism</th>
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<tr>
<td>Executive Structures based on Politics</td>
<td>Management Structures based on the Expansion of Capacities</td>
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<td>Centralisation of Authority in the Figure of the Politician</td>
<td>Decentralisation oriented by the Instrumentalization of Managements</td>
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<td>Strategic Corporative Management</td>
<td>Administrative Deregulation and Minimization of Central Organs Role</td>
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<td>Increase of control with permanent staff costs, combined with the expansion of confidence posts and reduction of the hierarchical levels. The objective is to provide the bureaucratic subordination to the political directives of the elected government.</td>
<td>“Edge” Strengthening through authority delegation, eased by the agency process that sustains the proximity of resources, products, clients and results for managers.</td>
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Governance or Public Value: An Emerging Management Paradigm

Steering toward public value is an emerging new management paradigm. In contrast to traditional public administration and new public management, it does not seek to confine politics but rather sees it as central to the management challenge. Its origins can in part be traced through the work of practitioner-oriented management writers concerned with getting officials to work more effectively with politicians and to develop a sense of a distinctive non business dimension to weigh in on which public services should be run (Goss, 2001; Moore, 1995; Ranson & Stewart, 1989; Smith, 2003).

For the advocates of public value management, there is a strong sense that the public realm is different from that of the commercial sector, which is something shared with the traditional public administration perspective. Governing is not the same as shopping or more broadly buying and selling goods in a market economy. As a result, some of the prescriptions of new public management drawn from private sector experience may not be appropriate. Above all, in the public value model, politics is not confined to some specific space, and this characteristic makes for a considerable contrast with the other two paradigms. Traditional public administration and new public management seek to confine politics to the role of initial input into the system of
This shift in emphasis has occurred both in the real world of government and in the academic literature concerning the collective management of societies. It has been easy to overemphasize this transformation in the style of achieving collective goals within contemporary political systems, and to assume that "governance without government" is a real possibility (Rhodes, 1997). Despite the importance of networks and connections of government organizations with organizations in the civil society (O'Toole, 2000; Kickert et al 1999), a central role for government remains in establishing goals for society and in monitoring the implementation of programs.

Over the past several decades a number of cooperative instruments for delivering public programmes have become standard components in the repertoire of government action when confronting policy problems, especially in social, health and urban policy (Salamon, 2002). Governments now use contracts, partnerships, coproduction and co-finance, and other more creative arrangements to find the means of delivering policies.

Implications of the Paradigms on Management of the Public Sector

We shall examine these implications based on the following assumptions: self-sufficiency of the service; direct control; accountability regimes; uniformity of the sector; legal and procedural performance as well as democracy and the role of administration in policy making and implementation.

Self –Sufficiency of the Service:
This characteristic of the traditional system assumed that if government is to do anything it will organize and equip itself in order to make and implement the programme; stated differently, government is a self-sufficient actor that can act autonomously the economy and society. The New Public Management has a somewhat ambiguous conception of the autonomy and self-sufficiency of public sector organizations. On the one hand, the admonition to "steer, not row" can be taken as a rejection of a major role for government organizations per se in the actual provision of public services, in favor of a more indirect, enabling role (Osborne and Gaebler, 1991).

In that view government should become a contractor for, or perhaps sponsor of, organizations that actually provide services, rather than the direct provider of those services (Fortin and Van Hassel, 2000; Cooper, 2003), and hence the public sector should become more closely allied with the private sector. In the New Public Management the two sectors become mutually dependent, given that the private contractors may depend upon government for their existence, and the public sector is dependent upon the private for the capacity to perform its essential tasks. On the other hand, advocates of the New Public Management argue that public sector organizations that remain as direct service providers should be highly autonomous from their political sponsors, and should be expected to act more like entrepreneurial firms than conventional public sector organizations. These organizations – often referred to now as "agencies" – stand in a variety of formal relationships with ministries and their ministers (Bouckaert and Peters, 2001). Some versions of devolving authority, such as the Next Steps agencies created in the United Kingdom, are more tied to the minister and the ministry than might be expected in a model premised on organizational autonomy (Talbot, 1996).

That is, however, perhaps the most minimalist version of devolving authority, and most reforms of this nature have been granting their agencies a good deal of latitude in making implementation, personnel and even policy decisions (Bouckaert, et al 2002). Although seemingly contradictory, these answers from the New Public Management to the question of organizational autonomy do have one fundamental premise in common. That premise is that the previous approach to organizing the public sector, in which the principal building block was the ministerial department exercising substantial control over policy and administration, is not the best way of approaching the issue. The question then becomes under what conditions and to what degree the service provision of government should be devolved, and if they are devolved what are the most efficient means of doing so while maintaining some degree of public sector involvement with, if not actual control over, the service.

Public administration in the governance model is anything but autonomous from society. One of the defining features of the governance approach is that government utilizes organizations in the private sector as part of the service-delivery strategy for public programmes. In a range of policy areas, but perhaps particularly in social services, public programmes are delivered by private organizations or through some form of partnership or collaboration with networks of nongovernmental actors. Instead of relying on the autonomous capacity of government itself, governance approaches to the tasks of the public sector assume that programmes can be delivered better by linkages with the private sector. For example, social services may be delivered better if the clients have some involvement in the shaping of the programs, as well as even greater involvement in the delivery of the programmes. In this case "better" has both empirical and normative dimensions. Empirically the assumption in governance is that governments can deliver services more efficiently and effectively if the structure of delivery involves private sector actors. At a minimum this may mean that the public sector is able to leverage private sector actors that use volunteers and other lower cost service delivery personnel. Normatively, the private sector organizations that may be involved in delivering services have a great deal of legitimacy with the recipients of the services and they may be closely linked with those clients. While that linkage may present problems of accountability it may also provide greater legitimacy for the "public" actions, especially in services to disadvantaged segments of the population who have rather problematic
experiences with government and may find less bureaucratized means of delivery more acceptable.

What may be as important as changes in the actual structure of the delivery of public services may be in any one case is that the system of governance is bargained and contestable. Traditional styles of administration, and to some extent the New Public Management, have pre-determined action ensemble for reaching public goals. In an era of governance each decision must to some degree be discussed and negotiated. While this may appear open and democratic there is the potential for a "Faustian bargain" in which the seeming openness actually represents cooptation, the continued dominance of the public sector institutions, and some loss of autonomy for the private sector organizations.

Direct control:

As well as being self-sufficient in relation to society, government under traditional public administration is also internally structured by authority and hierarchy, so that the individuals at the top of organizational pyramids were assumed capable of exercising control within their own organizations. The notion of control over employees contained in the New Public Management is not all that different from that contained in the traditional form of public administration. In both approaches there is a sense that managers and higher level officials should exercise control over public employees within their organizations. The difference between the two approaches to public administration is the source of the control. In the traditional model the control is based in law and rules, while in the New Public Management the control is largely through financial incentives and building organizational cultures, and is generally less concerned with legal principles than with performing certain tasks efficiently and effectively.

If anything, managers in the New Public Management have taken for themselves greater control over rank and file employees in government than is present in traditional public administration. Civil service systems provide for some control over the behaviour of employees but they also provide substantial protection for employees, especially employees who may have disagreements with the political persuasion of the government of the day. By eliminating those protections personnel policies in New Public Manager provide managers with much greater latitude for hiring and firing, and therefore also greater possibilities for politicization, or at least personalization, of the public sector work force. That is, if managers are appointed from outside on performance contracts they will want to ensure that things in the organization are done their way, even if there is no particular partisan bias in the selection of personnel or programmes.

While both the traditional approach to public administration and the New Public Management contain rather negative preconceptions about public employees, except perhaps those at the upper echelons of organizations, in the traditional model there was a perceived need to use authority to control the autonomy and discretion of employees. In the New Public Management managers are empowered but this is perhaps at the expense of other public employees. Further, the use of the various means of control over behaviour contained within NPM tends to deny autonomy for lower echelon employees. The governance approach to the public sector, on the other hand, tends to contain more positive, trusting assumptions about the public sector employees. In the governance perspective, in addition to the emphasis on the involvement of private sector actors and the relationships necessary to deliver services, there is an assumption that the lower echelons of the public sector should be empowered to make more of their own decisions, as should the clients of the organizations.

Accountability regimes:

In this conception of government under traditional public administration, accountability was to flow upward, with career officials answering to their political "masters" and those ministers answering to legislatures. This mode of accountability was to be the principal form of connection of administration with the political system, and with the surrounding social system. The accountability model inherent in New Public Management is substantially less political than that of the traditional public administration model for government (Barberis, 1998). Although NPM does emphasize in theory the need for clear political direction of policy, the exaltation of managers as the central figures in this model makes accountability more internalized and professional, rather than the product of political controls exerted from external institutions. Likewise, the instruments associated with NPM, e.g. performance contracting can be utilized to provide somewhat formalized standards that the managers must meet as a mechanism for accountability. To the extent that there are hierarchical controls over managers involved in NPM those controls operate between ministers and their executives, with the legislature often being kept at some distance from any significant management issues. As the New Public Management has developed during the past several decades, accountability has become increasingly focused on performance and quantifiable indicators of the outputs of government. This shifts the focus of accountability from political institutions to more managerialist mechanisms. In many ways this form of accountability constitutes an improvement over the conventional mechanisms that focus on exceptions and obvious mistakes that can embarrass a government. The emphasis on performance by governments emphasizes more the average level of performance by the organizations and what is actually being produced for the public. This performance approach to accountability, however, still requires some political mechanism for enforcement.

The logic of using performance measurement as the instrument for accountability is more that of the private sector – a bottom line of sorts – rather than that of the public sector. This bottom line can be both subjective – the views of the customers of the programmes – and more objective indicators of success. The perspective, in turn, may substitute relatively technical judgments of managers and central assessors of organizations for the political judgment that has resided at the center of public sector decision making. As noted above, accountability is transformed when
there is a shift toward a governance approach to the public sector. The greater use of the private sector as the mechanism for delivering public programmes at once weakens and broadens the imposition of accountability for those programmes. The most noticeable consequence of adopting the governance perspective is that the linkage between state organizations and the actions performed in their name is weakened, and there are fewer levers available to political leaders to exercise the control that is assumed in democratic theory.

Contracts may be capable of specifying some of the conditions necessary for the non-governmental actors to meet in order to conform to the demands of legislation and other standards, but contracts tend to be relatively blunt instruments for accountability (Peters, 2001; Greve, 1999). At the same time that the conventional mechanisms of accountability have been weakened they also have been broadened to include means such the contracting mentioned above. The accountability regimen also involves the same organizations and clients in the private sector that are responsible for delivering the services. Thus, the greater openness to the society makes accountability less of an internal governmental operation and more of a collaboration between the various set of actors. As noted, contracts, partnership agreements and the like are a part of this arrangement, but some of it also must be based on mutual trust and respect. Further, there may a greater need for the involvement of the courts in ensuring that standards of fairness are maintained in the implementation of programmes. To some extent the governance approach is compatible with the elaboration of public management that has been designed to increase, or at least alter, accountability. The most important of these changes has been the implementation of performance management. The fundamental nature of accountability then shifts from an emphasis on process and political control to one of performance and demonstrable actions. This shift in the nature of accountability means, in turn, that there are clearer standards by which the judge the outcomes of government arrangements, and terminate or modify them as needed. In the governance context, the availability of performance management as the mechanism for enhancing accountability assumes that the interactions between state and society can be placed into this. Further, accountability tends to become defined more in terms of the average performance of an organization rather than in terms of potentially isolated and exceptional. The accountability system under governance also is increasingly be supplemented by attempts to politicize the public service, and the interactions with society. With both governance and the New Public Management the political components of government – ministers – and the central bureaucracy lose some or most of the instruments of hierarchical control. These instruments were important for their capacity to control the implementation of policy, but are equally important for creating a chain linking accountability.

Uniformity of Public Services:

Under traditional public administration, government was supposed to treat all citizens equally and to provide the same benefits and deprivations to all similarly situated people. This was seem as a fundamental conception of fairness, but by producing formal equality the doctrine may have produced inequities. Walsh and Stewart (1999), describe this principle of the traditional system as "standardized establishment procedures", a charming British phrase meaning that personnel in the public sector were to be governed through a formalized civil service for recruitment, pay, grading, and other aspects of internal management.

The New Public Management has a much less clearly developed concern about uniformity than did the traditional model of managing within government. Indeed, to the extent that NPM involves an ethos of "serving the customer", it also involves an ethos of differentiation rather than universalism in the relationships with the public. Public sector customers are assumed to desire different products in education, health and many other sectors of public services, and it is argued that they should be given the opportunity to choose among those products, if that can be arranged within the bounds of public law. This shift in assumptions about good public administration has obvious implications for policy, with the adoption of instruments such as vouchers (Steuerle, 2000) as a means of permitting greater consumer choice of services.

As noted above, one of the most obvious changes in public management associated with the New Public Management is the elimination of standardization and uniformity within the public sector itself, in perhaps an even more extreme way than has been true for the services provided to the public. The logic for producing change within the public sector is that the conventional civil service systems, through their standards of equal treatment and reward, did not adequately motivate public employees, if indeed they did not actually demotivate those employees. The assumption of the advocates of NPM is that standardized treatment of civil servants means that high performers would be rewarded in the same way as would poor performers, so there was no reason for anyone in government to work hard. If, on the other hand, individuals in the public sector were evaluated and rewarded differentially they could be expected to perform at the top of their abilities. Inside and outside government, the drive from NPM is toward differentiation and difference, rather than uniformity.

The New Public Management moved the public sector away from an assumption of uniformity in public services. The NPM approach to greater diversity in services is based on the market and the assumption that "consumers" or "customers" of public services should be able to make more of their own decisions about the services they want to consume. The changes in politics and government since that time, however, have made these ideas about change all the more germane. In the first place, the reforms in public administration associated with New Public Management have tended to devalue, or more commonly to ignore, the constitutional position and legal position of the civil service system. The career civil service has been denigrated in favour of a model of generic management, a view within which civil servants are not partners in the management of the State but rather are impediments to the efficient
Contemporary political events also have produced a disjuncture between the reality of administration and conventional formal statements about the role of the civil service in many countries. In particular, the termination of the socialist systems in the Central and East European countries resulted in a clear distinction between the inherited system of administration and the assumed role for administration in democratic political systems (Coombs and Verheijen, 1998). Democratic transformations in Asia and Latin America have produced other marked disparities between the reality and the stated principles of administration (Burns and Bowornwathana, 2001).

In more analytical and theoretical terms governance also implies that rather than clear and widely accepted answers to most questions in government existing and being operational within the political system, many of the issues of structure and process are open and subject to negotiation, bargaining and creative forms of institutional design. The answers of how to approach any particular policy delivery question are no longer programmed, with the assumption that government and its civil service will deliver the service (Walsh and Stewart, 1992). As noted above the selection of instruments for achieving public purposes now extends beyond simply those involving government itself and includes a range of cooperative arrangements, and these may be selected by bargaining with the affected actors rather than by fiat within government.

Adopting the governance approach for service delivery also implies strongly that uniformity of public services is valued less than in the traditional model. Even if there is a common legal framework for policy, depending upon private sector organizations as principal elements within the delivery system will likely be associated with different versions of that policy being implemented in different setting. The shift toward governance as model for public administration has several important implications for civil service systems. One implication is that the concept of a permanent, hierarchically-organized civil service is significantly less viable than in the past. Like governance itself as a concept, the personnel systems of government will require increased flexibility, and greater openness to a range of career and management arrangements, than has been true of traditional formalized personnel systems. By using contracting and allied devices to involve personnel in government that openness can be obtained, albeit again at some cost. These instruments for personnel management will, in turn, create greater equality among participants in the public sector. Although contracting given its (at least partial) economic basis might be expected to be more compatible with New Public Management, the capacity to manage short term and specialized relationships of individuals and government appears to make it also suitable as an instrument within the governance framework. As with multi-level governance the openness of governance arrangements and the involvement of actors from civil society appear to be important democratic transformations of what had been perceived as rigid bureaucratic arrangements for administering public policies. The central issue in all of this shifting of roles and responsibilities, however, appears to be the capacity to retain the public nature of the public sector (Wright, 2000). For personnel management the increasing adoption of both governance and New Public Management concepts means that the civil service is valued less in the delivery of services or in the overall management of the State.

Legal and procedural performance:

An important additional characteristic of traditional public administration is that the performance of public organizations was to be judged primarily on legal and accounting grounds, rather than on the basis of the actual performance of tasks and the outcomes for citizens. That may appear to be a bit of an overstatement, given the existence of a significant evaluation industry (public and private) in most industrialized countries, including evaluators within government itself (Rist, 1990). Still, we could argue that evaluation was to a great extent an addition to the fundamental assessment process that was more legal and mechanistic, and which tended to give easier yes or no answers to questions about the appropriate behavior of public organizations. This formalistic conception of performance is important for ensuring the Weberian standard of treating the public sine irae ac studio, but it provided little benefit for the public beyond that legal standard.

This shortcoming of the formal model of performance is especially evident when this concept is married with that of the uniformity of public services. We will point out below that the concept of democratic government inherent in the traditional view of governing is "top down", and that the concept of interacting with the public appears similar. In this view the public are largely to be treated as the loyal subjects of government, rather than as active clients, consumers, or even citizens of the State.

Constrained Democracy:

In addition to the performance criterion, the dominant view of governing reflected in the Walsh and Stewart (1999) formulation, and the prevailing wisdom of much of the period before significant reform of the public sector, was that democracy and politics were most appropriately representative democracy, and it occurred in the hallowed halls of legislatures and political executives such as presidents and prime ministers. In the context attempts at more direct involvement of the public with decisions were not considered necessary or appropriate. Associated with that conception of democracy was a general top-down conception of governing, with the public being relevant for the process only at the time of elections.

The possibility of interest group democracy was also somewhat constrained in this traditional view of public administration, meaning that the prevailing practice was to involve a limited number of social actors in the policy process – at both the formulation and the implementation stages. This selectivity of access for social actors is to some extent a reflection of the top-down conception of governing mentioned above, and the associated assumption that government was capable of making its own decisions about
policy and administration. Social actors may have been partners in government, but they were almost inevitably junior partners and partners whose participation could be curtailed rather easily. It must be emphasized that although the traditional conception of administration relied on a limited and representative conception of democracy, it did have a clear sense of the political in public administration. The career personnel system was meant to be depoliticized and neutrally competent, but there was the strong sense that all administration activity was animated by political actors and by political values. In this conception of governing there was a clear sense that government was to be driven by politics and by the need to develop make policies that reflected the political composition of government.

Thus, the traditional system of government was to some extent a paradoxical mixture of political dominance and depoliticization. Further, in this version of governing the depoliticized public service often could be very powerful politicians, not in a partisan sense but more in the sense of defending and promoting the interests of the organizations for which they worked. The governance approach to public administration has a much broader conception of democracy than does either of the other approaches to public administration. While (in most versions at least) still accepting that the State does have ultimate authority over policy because of its democratic legitimacy, the governance approach also accepts other forms and loci for public participation.

As already indicated governance involves private sector organizations and actors as crucial elements of service delivery and permits the actors involved to have some say over the manner in which the services are delivered, if not necessarily in the actual content of the services to be delivered. Governance is premised upon a concept of steering society, and that steering can be at a distance. The important normative question that follows from that premise about the substantial involvement of private sector actors in the delivery of services is how much deviation from policy norms established in legislation is acceptable, given the democratic mandate held by the formulators of the policies. While involving private sector organizations as components of a governance strategy has the virtue of providing an alternative form of participation, there is the clear potential for modifying the legislation produced by formal institutions. There is an extensive literature on "regulatory creep" as implementing bureaucracies impose their own views on policy, and analogous deviations may be expected from involving nongovernmental actors. To some degree deviations are expected, and even applauded, in this approach but we must then question the degree of variation expected and accepted. In some ways, therefore, the managerialism of the New Public Management maintains more of the public nature of governing than does the seemingly more democratic governance perspective.

**Limited Policy Role of Administration:**

Following from the top-down conception of governing in the traditional approach was perhaps most pronounced in the role of administrative organizations in making policy. Whether verbalized directly or not, the traditional conception of governing had embedded within it the all too familiar Wilsonian dichotomy between politics and administration. That is, there was a sense in this model of governing that bureaucrats were to be ciphers when public policy was concerned, leaving that task to politicians. In this view the bureaucrats and their organizations were at most to be the source of objective advice and information for the "real" policy makers in government. This was perhaps good democratic theory, stressing the role of elections in the selection of policy (Rose, 1974), but there was also some degree of unreality, given the control of information by bureaucracies and the role of senior officials in giving policy advice (Plowden, 1982). The limited policy role for the bureaucracy, and the associated insulation from direct public accountability for policy choices, was a "bargain" that had been struck implicitly or explicitly between the civil service and politicians over the role of the bureaucracy (Schaffer, 1973; Hood, 2001). That bargain provided some benefits for both sides involved, with the politicians receiving honest advice and loyalty from their civil servants while the civil servants received protection from public exposure for their involvement in policy. Further, this bargain enabled the participants to cooperate in order to govern, and thus reinforced the essentially top down version of democracy inherent in the traditional approach. Again, however, the formal statements of the primacy of politics often disguised a substantial capacity for administrators to promote particular policies as they advised ministers and dealt with client organizations.

The New Public Management also has implications, if somewhat ambiguous ones, for the policy role of public administrators. On the one hand the NPM emphasizes the old chestnut of the dichotomy between policy and administration that has been deeply embedded in public administration, at least in the United States and to some extent in the other Anglo-American countries (Halligan, 2002). Agencies and other autonomous organizations as the common structural changes in the public sector associated with the NPM have tended to institutionalize the dichotomy between policy and administration (Smith, 1999). The autonomous organizations are designed to be instruments for implementation and to follow the directions of their political masters.

On the other hand, the importance of the mantra of "let the managers manage" within this school of thought has emphasized the professional autonomy of these actors at the apex of organizations, and implies a substantial policy as well as administrative role for managers. This central role for managers is to some extent being constrained as the newer forms of accountability that focus on targets and strategic planning come into play. Even with that, however, the selection of the mechanisms for reaching the targets of public programmes may have policy and political implications, just as would the initial selection of the goals of the programmes. Policy instruments are not politically neutral (Peters, 2001), and the selection of one "tool" over another will affect the acceptability of the programmes, the range of political forces that will affect the program, as well
as the distributional consequences of the program in addition to the mere efficiency of administration.

We have noted that in the traditional model of administration the public bureaucracy is assumed to have a limited role in making policy. In New Public Management, on the other hand, the bureaucracy, and especially its senior managers, is expected to be a major player in shaping programs. The governance approach falls between those two extremes, although the tendency is to assume that it should have greater autonomy than in the traditional administrative model. The autonomy that the bureaucracy receives in the governance approach, however, is more in the way in which it manages its relationships with the civil society, so that the management of networks becomes a crucial means of shaping policy. In the governance approach the policy role of the bureaucracy therefore is somewhat ambiguous. On the one hand there are not the hymns of praise for the manager that are part of New Public Management, and the notion of steering implies a crucial role for democratic political institutions in shaping the direction of governing. On the other hand, the involvement of the civil society, and the role of bureaucracy as the principal interface between the public and private sectors, place the bureaucracy in a central position for defining the implementation of policy and therefore for defining the meaning of the programs as they are experienced by citizens. Thus, the bureaucracy is important for monitoring implementation, using tools such as the contracts and partnerships through which it is linked to the private sector as the mechanism for enforcing accountability.

Again, the governance approach which appears open and democratic may pose some important questions about the effective meaning of democracy. The involvement of groups and other actors from civil society must be managed by the bureaucracy if these interactions are to contribute to achieving public purposes, and this managerial function points to some of the problems indwelling in the more extreme versions of network theory in governance. The self-organizing capacity of networks appears overstated and there must be some means of providing direction and common purpose to these networks if effective action is to be produced. In a democratic regime the functions of goal-setting and accountability inherently fall with government and with its agents (often the public bureaucracy).

Dilemmas Associated with the Public Sector Management Paradigms

Each narrative of management rests on a particular understanding of human motivation and resolves the challenges of efficiency, accountability, and equity in its own way. A dilemma recognizes a perceived contradiction in the narrative; it is a source of creative tension born out of the experience of practice or as a result of more abstract reflection that can lead to developments in patterns of thought (Bever & Rhodes, 2003). In the context of public decision making in democracies, all forms of management are in creative tension with inputs from the world of politics or democracy. In both traditional public administration and new public management, the trade-off between democracy and management is perceived to have the potential to go wrong and create significant problems. For traditional public administration, the dilemma is captured by a perceived danger that politicians on the outside of bureaucracy could not exercise any real control. But equally there is a concern that too much political interference would undermine the capacity of bureaucracy to deliver. The dilemma for traditional public administration is how to keep management and democracy apart and in their right place. The solution and the route to balance argue for the establishment of constitutions and conventions that prescribe the roles of politicians and managers and that can be appealed to by both sides in times of strife.

For new public management, a key dilemma is whether it leaves any meaningful sphere for politics. Politicians set the broad targets of the system, but those are usually negotiated with managers. The system can appear to lose responsiveness to politics as managers pursue their targets rather than the changing and fluid aspirations of the political system (Stoker, 1999). With the involvement of arms-length providers, the immediate political control of traditional public administration through overhead democracy gives way to a more attenuated set of exchanges through contracts, performance review reports, and inspection regimes. The system from the viewpoint of the politician can appear much more difficult to steer (Kettl, 1993). Citizens themselves may feel reduced to mere consumers, not allowed to question the objectives of service delivery but only encouraged to comment on their quality. As a result, new public management rests on a trade-off that places efficiency—the achievement of a supposed value for money in public services—as the overwhelming objective. Management is king, and politics is sidelined. The dominance of management is extended further by the undermining of the role of professional capacity and expertise in the system. The only hope would appear to be that imaginative and assertive politicians are alert to these problems and take the necessary remedial action to rebalance the system.

The public value management paradigm as part of a wider networked governance argues that legitimate democracy and effective management are partners. Politics and management go hand in hand. One must involve many stakeholders to make good decisions and to get a grip on delivery and implementation. The public value paradigm places its faith in a system of dialogue and exchange associated with networked governance. It is through the construction, modification, correction, and adaptability of that system that democracy and management are reconciled and delivered. The dilemma for public value management arises from the expectation embedded within it for managers to manage democracy. Such management can push politicians and citizens onto the margins. Legitimate democracy is often too demanding and unpredictable to be subject to the full disciplines of management. Moreover, management cannot be entirely democratized, or if it is it runs the risk of becoming a deformed management - all talk and no action. Partnerships that only are talking shops rather than foci for effective intervention are of limited value. Vigilance and regular critical review by all the partners in...
the system is central to ensuring that the promise of both stakeholder democracy and management is delivered.

Public value management does offer a new paradigm and a different narrative of reform. Its strength lies in its redefinition of how to meet the challenges of efficiency, accountability, and equity and in its ability to point to a motivational force that does not rely on rules or incentives to drive public service reform. It rests on a fuller and rounder vision of humanity than does either traditional public administration or new public management. People are, it suggests, motivated by their involvement in networks and partnerships, that is, their relationships with others formed in the context of mutual respect and shared learning.

Conclusion

Public sector administration and management has experienced a great deal of pressure for change during the past several decades. These changes have been discussed primarily from the perspective of the New Public Management, but the concepts here described as "governance" as the mechanisms for public service delivery also have had a substantial effect on administration and leadership within the public sector. The governance or public value paradigm requires thinking about administrative systems from the perspective not just of managing programmes and making policy choices within government itself, but also from the perspective of managing interactions with private sector actors, as well as with the clients of the programs. Rather than assuming that government is the principal actor, and that public managers are the principal actors in the delivery of services, this is a much broader perspective on the options available for delivering services.

The ideas of New Public Management and governance are sometimes conflated by observers who note the extent of change within the public sector and assume that all the reforms are part of a common dynamic of change. Although the changes may have some beneficial aspects they may also have some injurious aspects, and those may be exaggerated when their interactions are not understood. There are a number of important challenges for managers and professionals arising from these shifts in the mechanisms and style of delivering public services, accountability and control of discretion appear central to the changes that are being observed. The approaches to change contain strong challenges to ministerial accountability, and at the same time they both provide alternative means of addressing that crucial value in governing. These alternative means for enforcing accountability depend less upon the top down version of governing inherent in the traditional model. The emerging means of ensuring accountability depend more on the professionalism of the personnel involved, or on the political mobilization of forces external to government, or on more mechanistic instruments.

References


