



## PUBLIC ADMINISTRATION, DEVELOPMENT AND NEW PUBLIC MANAGEMENT: EMERGENCE AND PRINCIPLES

Dominic Shimawua

Department of Public Administration,  
Faculty of Management Science, Veritas University, Abuja  
Email: [dshimawua@gmail.com](mailto:dshimawua@gmail.com)

### ABSTRACT

New Public Management refers to a set of reforms that have come to radically redefine the nature of public sector organizations. Being inspired by a broad management ideology the reforms have brought forward ideas about 'real' organizations – i.e. having clear and unique identity, being able to plan and carry out rational decisions, and having well-defined boundaries and hierarchical structures. These ideas go hand in hand with rationales of administration of public sector organizations which can be seen both as transformative in the process of introduction of NPM and as an outcome of this process. However, there are few criticisms of the doctrines of NPM from the political perspective and few of the developing countries have become successful in public sector reform. This paper attempts to pinpoint the emergence, principles and criticisms of NPM considering its principles.

**Keywords:** Public Administration, New Public Management, Principles, Efficiency

### INTRODUCTION

Public administration in the 21st century is undergoing dramatic change, especially in advanced economies, but also in many parts of the developing world. Early academic writing sought to elucidate the emergent phenomenon of New Public Management (NPM) already becoming evident in the public policy world. The first major NPM-oriented public management reforms appeared in the early 1980s. Aspects or features of New Public Management are discussed including the difference between Public and Private sectors there are few criticisms of the doctrines of new public management, however new public management was accepted as a good standard for administrative reforms. The idea for using this method for government reform was that, if the government guided private-sector principles were are rather than rigid hierarchical bureaucracy, it would work more efficiently and finally its comparison to public administration

## Conceptual Review

In efforts towards ensuring a full grasp of the focus of this paper by interested readers, some term considered relevant to the study by conceptualized below:

### a) Public Administration

It is difficult if not impossible to define the concept of public administration in one sentence. Waldo (1967) corroborated this fact by asserting that "the immediate effect of all one sentence or one paragraph definition of public administration is a mental paralysis rather than enlightenment and stimulation". In the words of Arora (1985), "to define a subject is to fix its boundaries or if this turns out to be fuzzy, its essence and core characters can be identified". However, this has proven to be so intricate a problem that public administration is said to be suffering from a "crisis of identify". To a layman or amateur, public administration means public service or public management. Some people even refer to public administration as the activities of the executive branch of government either at the national, state or local level. The word "public" refers to people of a define territory or state. As the will of the people of a state is represented by the government, the word "public" also connotes specialized meaning i.e government. Therefore, when government carries out any act of administration, it is called "public administration". The English word "administration" has been derived from two Latin words "ad" "ministrare" meaning "to minister to" or "to serve" or "to manage". Thus, in simple parlance, administration means the "management of affairs" or looking after people. It is a management process found in all kinds of organization from household to the accomplished common goals, an administrative activity is assumed to have been involved. In other words every group activity involves administration.

**M. E. Dimock:** "Public Administration is the fulfillment or enforcement of public policy as declared by the competent authorities. It deals with the problems and powers of the organization and techniques of management involved in carrying out the laws and policies formulated by the policy-making agencies of government. Public administration is the law in action. It is the executive side of a government." In this context, we may reflect on the definition offered by F.A. Nigro and L.G. Nigro. According to them Public Administration: is co-operative group effort in a public setting; covers all three branches-executive, legislative, and judicial, and their inter-relationships; has an important role in the formulation of public policy and is thus a part of the



political process; is different in significant ways from private administration; and is closely associated with numerous private groups and individuals in providing services to the community"

### **b) New Public Management (NPM)**

The term new public management was coined by scholars from UK and Australia (Hood 1991 and Hood and Jackson 1991), who were working in the in the areas of public administration. Now, the origin of this new term was to propose a new point of view towards the organizational design in the public sector, however after a decade, the meaning of this term in discussions and debates became many. Some scholars choose to define it as the introduction of new institutional economics to public management and some used it to refer to pattern changes in policy making. The new public management which emerged in the 1980s represented an attempt to make the public sector more businesslike and to improve the efficiency of the Government borrowed ideas and management models from the private sector. It emphasized the centrality of citizens who were the recipient of the services or customers to the public sector.

New Public Management is a management or development system that is utilized in companies, agencies and countries in their entirety. This system emphasis the concept that ideals used in the private sector must be successful in the public sector must be successful in the public sector. New Public Management is viewed as more efficient means of attaining the same products or service; however, citizens are viewed as customers and public servers or administrators hold the title of public managers. New Public Management tries to realign the relationship between expert managers and their political superiors making a parallel relationship between the two. NPM relies heavily on disaggregation, customer satisfaction, entrepreneurial spirit and roles of the game, proper utilization of the NPM system allows the expert manager to have a greater discretion. Public managers under the New Public Management reforms can provide a range of choices from which customer can choose, including the right to opt out of the service delivery system completely. New Public Management (NPM) is an administrative philosophy concerning organizational design in government. An administrative philosophy is a part of a framework that intended to explain the government agenda and authoritative decisions in a given place and time. Hence, the concept of administrative philosophy is a tool of political and historical

analysis. The acceptance of NPM is an event which established a climate of opinion in favor of its various doctrines. Both concepts refer to a set of doctrinal arguments despite administrative arguments suggest these arguments share similar types of justifications. Thus, in order to change in organizational design government need to incorporate a satisfying analysis of process of doctrinal change (Kalimullah and Khan, 2011).

Hood (1991) provided an influential definition of the seven core features of NPM reforms, namely, (a) "hands on" professional management, (b) explicit standards and measures of performance, (c) greater stress on output-based controls (since results now matter more than process), (d) a disaggregation of units in the public sector, (e) more competition within the public sector itself, (f) more private-sector-style management practice (including "flexible" human resource management), and (g) the pursuit of efficiency and "doing more with less." Behind these doctrines lay rising political and societal values that emphasized efficiency and productivity, more so than traditional notions of democratic accountability and due process.

**The core themes for the New Public Management were:**

- A strong focus on financial control, value for money and increasing efficiency
- A command and control mode of functioning, identifying and setting targets and continuance monitoring of performance, handing over the power to the senior management
- Introducing audits at both financial and professional levels, using transparent means to review performances, setting benchmarks, using protocols to ameliorate professional behavior
- Greater customer orientation and responsiveness and increasing the scope of roles played by non-public sector providers
- Deregulating the labor market, replacing collective agreements to individual rewards packages at senior levels combined with short term contracts
- Discouraging the self-regulatory power of the professionals and handing over the power from individuals to management
- Encouraging more entrepreneurial management than bureaucracy with high retrospective accountability requirements upwards



- Introducing new forms of corporate governance, introducing a board model of functioning and concentrating the power to the strategic core of the organization

With changing times newer aspects were included in the NPM model mentioned above as well and what the scholars term as NPM model 2 was brought in. The critical aspects of this new model were:

- Introduction of a more elaborate and evolved quasi-market system
- Creation of more fragmented or loosely contracted public sector organizations at the local level setting in a change from management of hierarchy to management of contract
- Distinguishing between the small strategic core and the large organizational periphery, market testing and contracting out the non-strategic functions
- Delaying and downsizing
- Introduction of new managerial concepts like Management by Influence, creating network for of organizations, creating strategic alliances between the organizations
- Moving away from standardized service forms to more flexible and varied service forms

Now, as more and more work was done in the areas of Human Resources and Relations and popular texts which stressed on the need of excellence, the importance of organizational culture, values, vision and the concept of Learning Organization introduced by Peter Senge (1990) influenced the new public management as well and therefore suitable changes were also suggested in the theory by the scholars.

- In a bottom up form of organization- Organizational development and learning was gaining importance. Organizational culture was seen as a glue which holds the organization together, judging the performance by results etc were the new point of views
- In the top down form of organization- Securing changes in organizational culture was cited as important, clarifying and projecting the vision and leadership from top to down was asked for, private sector emerged as a role model for the neo style public sector, training, corporate logos, communication strategies, assertive HR and all the other aspects that are characteristic jargon of private sector were encouraged to be adopted So, basically the new public management was

a radical movement to change not just the way a public sector functions but also the entire perception about it.

The New Public Management (NPM) refers to a series of novel approaches to public administration and management that emerged in a number of OECD countries in the 1980s. The NPM model arose in reaction to the limitations of the old public administration in adjusting to the demands of a competitive market economy. While cost containment was a key driver in the adoption of NPM approaches, injecting principles of competition and private sector management lay at the heart of the NPM approach. The key elements of the NPM can be summarized as follows (Osborne, 2006):

- i. An attention to lessons from private-sector management;
- ii. The growth both of hands-on “management”, in its own right and not as an offshoot of professionalism, and of “arm’s-length” organizations where policy implementation is organizationally distanced from the policymakers (as opposed to the “inter-personal” distancing of the policy/ administration split);
- iii. A focus upon entrepreneurial leadership within public service organizations;
- iv. An emphasis on input and output control and evaluation and on performance management and audit;
- v. The disaggregation of public services to their most basic units and a focus on their cost management; and
- vi. The growth of use of markets, competition and contracts for resource allocation and service delivery within public services.

**New public management (NPM) means:**

- i. A politically-conservative appeal for government to reduce bureaucracy and adopt private sector **management** practices.
- ii. A managerial regime which has had global influence in the **management** of **public** services over the past two decades with a focus upon the breaking up of large **public** sector bureaucracies, the introduction of market like relationships between service providers themselves as with as with service users, and the introduction of market-based mechanisms of incentivisation and reward, in particular for **public** professionals.
- iii. Refers to **new** mode of thinking in **public management** that includes organizational changes within the state with privatization,



- corporate **management**, decentralization, regulation and political control.
- iv. A series of beliefs and reforms that attempted to transform the **public** sector into an image of the private sector. The **NPM** was based largely on a belief that the private sector was intrinsically more efficient and superior in delivery to the **public** sector. This argument was and still is highly contested within the academic literature.
  - v. **Management** ideology with which private-sector business **management** techniques, performance **management** systems, benchmarking, autonomization) are introduced in the **public** sector.
  - vi. **Management** philosophy which focuses on the change in **management** practices of the **public** sector towards more private sector practices, with accountability focusing on results rather than processes.
  - vii. Neo-liberally oriented **public management** doctrine based on a market-oriented view stating that, instead of direct political control and hierarchies, **public** organizations should rely on indirect control—that is, market-based coordination—in the interaction between **public** organizations and their environments. It emphasizes the efficiency and effectiveness of **public** organizations, customer focus in provision of **public** services, and market-based conditioning frameworks, such as privatization, competition, and contracting out

### Differences between Public Administration and 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 conduct of public affairs, the management of the public's business and the implementation of public policies. The management of public programs is known as public administration. It is the means of translating politics into reality that citizens see every day. According to Gerald E. Caiden (1982), "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 thus the continuously active business part of government which is concerned with carrying out the law as made by legislative bodies (or other authoritative agents) and interpreted by courts, through the process of organization and management. In the broadest sense, public administration denotes the work involved in the actual conduct of governmental affairs, regardless of the particular branch of government concerned. In its narrowest sense, it denotes the operations of the administrative (executive) branch only.

The old public administration Influenced by the ideas of Max Weber, the prevailing approach to public administration for much of the 20th century drew on a model of bureaucracy based on the twin principles of hierarchy and meritocracy. It was initially introduced as part of wide-ranging bureaucratic reforms in the United Kingdom and Prussia in the late 19th century to overcome patrimonial systems of administration where patronage and favouritism dominated government decisions and public appointments. This approach had a number of distinctive features. It relied on centralized control, set rules and guidelines, separated policymaking from implementation, and employed a hierarchical organizational structure (Osborne, 2006). The watchwords were efficiency and effectiveness in the management of budgetary and human resources. Drawing on Minogue (2001), McCourt (2013) sets out the central features of this model:

- i. A separation between politics and elected politicians on the one hand and administration and appointed administrators on the other;
- ii. Administration is continuous, predictable and rule-governed; Administrators are appointed on the basis of qualifications, and are trained professionals;
- iii. There is a functional division of labour, and a hierarchy of tasks and people; Resources belong to the organization, not to the individuals who work in it;
- iv. Public servants serve public rather than private interest.
- v. This "command and control" approach to public administration was the reference point for bureaucratic systems introduced around the world under colonial rule and then after independence in most Commonwealth countries.





The main thrust of new public management was to bring academic public administration into line with a radical egalitarian agenda that was influential in US University Campuses. By contrast, the emphasis of the new public management was firmly managerial, that is, it is stressed the different that management could, and should make the quality and efficiency of public services. It focuses on public services production functions and operational issues contrasted with the focus on public accountability. That meant New Public Management (NPM) doctrines tended to be opposed egalitarian ideals of managing without managers. The figure 1 below gives a side by side comparison between traditional public administration and new public management on core aspects/characteristics.

Traditional Public Administration	New Public Management (NPM)
Services provided on a uniform basis operating as a single aggregated unit	Break-up of traditional structures into quasi-autonomous units
Control from the headquarters through the hierarchy of unbroken supervision and checks and balances	Hands-on professional management with clear statement of goals and performance measurement
Control on inputs and procedures	Stress results and output control rather than procedures
Standard established procedures throughout the service	Using private sector management style
Due process and political entitlements	Check resources demand and 'do more with less'

### The Relationship between Public Administration and New Public Management (NPM)

The paradigm shift from public administration to new public management involves a move in the basic design co-ordinates of public sector organizations that become less distinctive from the private sector and the degree of discretionary power (particularly over staff, contracts and money) enjoyed by public managers is increased, as the procedural rules emanating from the centre are relaxed. Government reworks budgets to be transparent in accounting terms, with costs attributed to outputs not inputs, and outputs measured by quantitative performance indicators. Public sector organizations should be viewed as a chain of low-trust principal/agent relationships (rather than fiduciary or trustee-beneficiary ones) and a network of contracts linking incentives to performance. Government disaggregates separable functions into quasi-contractual or quasi-market forms, particularly by introducing

purchaser/provider distinctions; open up provider roles to competition between agencies or between public agencies, firms and not-for-profit bodies; and de-concentrates provider roles to the minimum-feasible sized agency, allowing users more scope for 'exit' from one provider to another, rather than relying on 'voice' options to influence how public service provision affects them (Dunleavy and Hood, 1994).

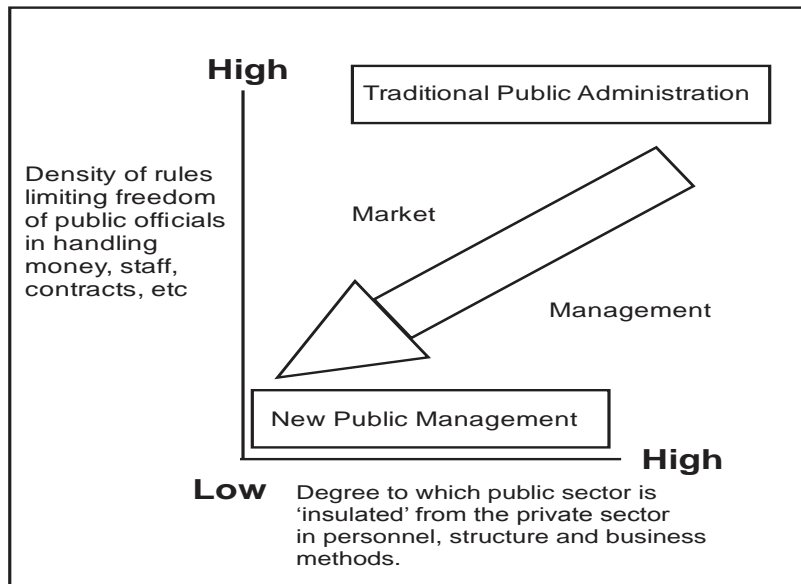


Figure 2: From Public Administration to New Public Management (Dunleavy and Hood, 1994)

New Public Management (NPM) is 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 in spite of its tremendous appeal. Accordingly, NPM emerged in response to a number of environmental forces which governments everywhere have faced in the last twenty years (Sarker and Pathak 2000). First, large and expensive public sectors put pressures to cut programs and/or increase efficiency. Second, there have been massive technological innovations over the years, particularly, the development of information technology. Third, the globalization of economy with increasing competition has become order of the day. Fourth, it has become inevitable to liberalize the economic sector following heavy burden being imposed upon the national exchequer as a result of mismanagement, corruption, inefficiency in resource management, bureaucratic bungling etc. More importantly, increasing efficiency in resource management is also expected as economic recession and competition simply demand it. Fifth, in



the competitive world, the people are demanding quality goods and services. They are now keen to compare services of all organizations (Borins, 1995; Minogue et al. 1998; Hughes, 2003).

### Principles and Tools of New Public Management (NPM)

In *The New Public Management: Toolkit or paradigmatic change* published in 1999 by Mönks, there are four principles of the new public management:

1) Improving the performance and effectiveness of the administration (the taxpayer must get value for money): this principle is focused on efficiency. You have to achieve the objectives, but be as economical as possible. Mönks insists on performance. There are two mechanisms suggested in the Mönks text:

- To put on the market ": introduction of as many market mechanisms as possible (comparison of quality and costs, competitive tendering) and subcontracting to private operators. We're going to break the state monopoly and put the service on the market. At equal or comparable quality, it is the cheapest that must win the public contract. We are moving away from the annuity system, which would be a consequence of the state monopoly to enter a system of competitive tendering, which very often is not at all transparent. However, quality is very difficult to judge that the price. The risk of this system is to favour the "best market" offers and therefore the difficulty is to evaluate the choice. ;
- Management by objectives ": service contracts specify the objectives and leave the choice of means to be decided on independently. The budget envelopes are part of a logic of results, namely that the budget envelope must be sufficient to achieve the objectives or else it raises the poor quality of work and asks the administration to be a good money manager. Timeframes are used to define when the objectives should be achieved. Performance indicators specifying the quantity and quality of services. But there is a risk of working for indicators, i. e. people in the field focus on performance indicators and less on other aspects of their work.

2) Adopting a more flexible organisation of work means moving from the rigid pyramid model to a more flexible model that leaves more room for the people in the field who are civil servants in public administration:

- Separating roles and responsibilities between policies that set objectives and the public administration responsible for implementation: the policy sets very broad objectives, the senior public administration will translate

them into more precise objectives on which operational effectiveness depends; give more operational responsibilities to local actors who must nevertheless be accountable for their results: there is the development of monitoring tools. These are tools that make it possible to have a much more precise vision of the work, but which requires a lot of time. These tools make it possible to benchmark and compare individuals among themselves. Indicators provide information on ways of working and indicators provide information on results. This makes it possible to identify best practices. There is a risk of imposing working methods, rules and procedures such as in the bureaucratic model. There would be some kind of backtracking;

- Abolish hierarchical levels: the idea is to have a more flexible work organisation which is not the bureaucratic pyramid with a hierarchical view of work and without initiative. With the new public management, individuals must take initiatives, be creative, develop new ways of working and for this reason we will give priority to teamwork with pre-established specifications. They must be accountable and answerable for a number of objectives. There is operational autonomy, which can sometimes be presented as an instrumentalised autonomy. It is about understanding, learning and innovation on the ground. Very often, in new public management, if the teams are horizontal, it works less well, which is why we tend to introduce team managers.
- Individualization of contracts and working conditions: we will individualize the objectives in order to improve the quality of work. The way in which this will work is that the person's mission, i. e. his or her objectives, will be set out in a specification or agreement of objectives, and at the end of the year an evaluation will take place of these objectives, which may have financial consequences. This means that rewarding employees means penalizing others. In other words, since budget availability is decided in advance, there is no budgetary possibility to finance on merit. The post office insisted on the impossibility of implementing the merit pay system. The idea of individualizing contracts can be counterproductive to teamwork. To earn more wages, you have to be more deserving than others who work in the same team. There may be perverse effects that can be observed because of this.
- For subsidized institutions, performance-based renewable benefits contract: all institutions that receive state funding, like the worker, will have to prove their effectiveness if they wish their funding to be renewed.



It means putting institutions at risk through service contracts. Generally, the amount of funding provided is reduced. There is the same leverage as for individuals, i. e. it is by putting institutions in financial precariousness that we will encourage them to achieve the results they expect.

3) Customer orientation and quality of services: users of the public administration are no longer beneficiaries or taxpayers becoming clients of the public administration, it will be necessary to take into account their point of view. There is also an orientation towards the quality of services. What defines quality work in the field of public administration? The notion of "quality" in public administration is a complex one. There are three tools:

- Market and satisfaction survey: customers will be asked to evaluate the quality of services, with the aim of improving the quality of the services provided. Everything will depend on the quality of satisfaction surveys. Satisfaction surveys give managers a lot of room for manoeuvre. The client can be used as a disciplinary tool to discipline public administration. It is possible to interpret customer dissatisfaction in an instrumental way. Quality is interpreted as customer satisfaction.
- Quality circles for continuous improvement of services: there are places in the institutions where quality can be discussed and debated, which can be used by everyone to improve the quality of services. A possible perverse effect is to know what their impact is. One of the perverse effects is to use quality circles as a tool for expressing frustration.

4) Citizen orientation: this is a very theoretical model that is rarely encountered in reality. The idea is to say that citizens should become co-producers of public services, not only because they have been asked to do so in a market or satisfaction survey, but also because they are involved and express themselves on the way in which the service is designed and delivered. The administration will involve the citizen. We are moving towards more participatory decision-making where citizens are co-producers of public services. It would be in the interest of a citizen-oriented approach if, when defining the quality of services, it were no longer the body that would decide, but rather the entirety of the persons concerned who would decide what the provision of public administration should be.

## A Review of Literature on the NPM's Possible Effects

The lively debate about the possible advantages and criticisms of NPM reforms will now be reviewed.

### Possible Advantages of NPM Reforms

Firstly, NPM reforms seek to produce better value for money in the provision of public services, accurately reflecting a shift toward a changed political climate characterized by increased electoral tax aversion and suspicion of "big government." Clearly, the search for greater operational efficiency is apparent in many NPM reforms. At a mundane level, public agencies were given annual efficiency savings targets to meet within tighter budget rounds. The contracting out of services could in principle reduce the high social and add-on costs in the core public-sector labor market, for example, public-sector pension costs (although Hood & Dixon, 2015, suggested that badly handled outsourcing may have increased costs). The greater employment of contract-based workers rather than permanent labor is indicative of a more flexible public-sector labor market, which might drive down wage levels.

Secondly, NPM reforms seek to create more pressure for higher public agency performance. In particular, they address the "tail" of poor public services providers that had previously held a monopoly over their jurisdictions and had not faced contestability. There are a range of sanctions available within NPM reforms, from the "naming and shaming" of failing agencies in visible league tables to being fined by regulators to replacing the whole top management team in turnaround exercises and, in extreme cases, the loss of jurisdiction to an alternative provider and agency closure.

Thirdly, NPM reforms foster greater choice and give a greater voice to the users of public services, who are now construed as customers (more than as citizens). These reforms may reflect wider societal values that have become less deferential and more consumerist. For example, U.K. undergraduate students now pay higher tuition fees than previously. In return, universities have been compelled by the sectoral regulator (the Higher Education Funding Council for England) to implement mechanisms to increased voice to students (such as student experience surveys) and to publish key performance information on their websites (e.g., number of contact hours, external examiners' reports) to inform student choice.



Fourth, and as already noted, NPM reforms are often seen as a policy instrument that can promote good governance and increased transparency in developing countries, where there may be inherited problems with extensive government and high levels of corruption that make simple donations of aid ineffective. Such NPM reforms may be instantiated within a newly founded and specially constructed agency outside government that can be staffed by a carefully selected “modernizing elite.” The Higher Education Commission in Pakistan, for instance, has been supported by the World Bank and has an important role in attempting to upgrade the country’s large higher education sector. A counterargument is that arguably the elaborate contracting processes associated with NPM reforms reopen the door to corruption.

### **New Public Management Criticisms**

While ideas about NPM have spread internationally and many countries have introduced reforms associated with it, a number of criticisms have been leveled at it. Before examining these criticisms it is important to emphasize that NPM is not a definitive set of measures. Some observers believe that it is best to perceive NPM as a menu from which choices can be made (Manning, 2001; Turner, 2002).

The first criticism of NPM involves a paradox of centralization through decentralization. To illustrate the point, Kaboolian (1998), Khademian (1998) and Maor (1999) pointed out that giving public managers more authority to manage programs may result in concentrating decisions making in them. Thus, NPM may lead to centralized decision making by public managers, rather than encouraging decentralization in public organizations as it claims. The second criticism concerns applying private sector management techniques to the public sector. While NPM has encouraged the use of private sector management techniques, there may be risk associated with adopting some private sector practices (Flynn, 2002). Many academic commentators such as Pollitt (1990) and Armstrong (1998) argued that most areas of public service and administration have distinct political, ethical, constitutional and social dimensions and these factors make the public sector different from the private sector. A complementary view is provided by Savoie (2002) and Singh (2003), who argues that NPM is basically flawed because private sector management practices are rarely adopted into government operations.

For them, NPM is inappropriate for the public sector as it has more complex objectives, more intricate accountabilities and a more turbulent political environment than the private sector. Moreover, the relationship between public sector managers and political leaders is of a different order to any relationships in the private sector. In support of the above mentioned argument, Painter (1997) contended that there is danger in using private business models in the public sector because of the contextual differences. Additionally, Cheung and Lee (1995) noted that NPM ideas have limitations in terms of using private techniques for the public sector. They argue that in the public sector there is not the same degree of freedom as there is in the private sector. They provide an example of Hong Kong where private companies lay off staff in times of recession and restructuring while in the public sector, the government gives careful consideration to staff morale issues (Cheung and Lee, 1995). Thirdly, general criticism of NPM involves ethical issues. It is argued by Hughes (2003) that perhaps the new managerialism [NPM] offers greater transparency so that unethical or corrupt behaviour can be detected more easily; the greater stress on measurable performance may impose its own kind of behavioural standard. Perhaps managers can be inculcated with the ethical standards in the old model (Common, 1998).

Even though NPM provides transparency for the public sector, it can nonetheless lead to corrupt practices (Barberis, 1998). Doig (1997) argued along the same line that in rich countries, NPM can undermine ethical standards and lead to corruption. To illustrate the point, Minogue (2001a) also noted that increased managerial autonomy has brought blurred accountability and higher risk for public managers to become corrupt, while Ormond and Loffler (2006) contended that increased freedom of management within public sector organisations allows more opportunities for unethical behaviour. Another ethical issue about NPM involves contracts. Hughes (2003) pointed out those contracts are supposed to offer improvement in accountability; however, contracts with government are often kept secret for reasons such as commercial research. Thus, there is no transparency in terms of practice.





## Eight Specific Criticisms of NPM in Developing Countries (Nigeria) can be identified in this Study

Firstly, Polidano (1999) argued that the NPM does not suit **developing countries** since governments in these countries may lack the necessary expertise and have unreliable information systems. Polidano (2001) and Caiden and Sundaram (2004) noted along the same line that **developing countries** have lacked the resources and managerial capacity to adopt rather sophisticated NPM reforms, although countries like India have supported the reorientation of government role and menu of options for providing various functions and services, often extending beyond the original vision of NPM. Thus, it can be said that a state's capacity is a precondition for successful implementation of NPM in **developing countries** (McCourt, 2001; Monteiro, 2002; Bale and Dale, 1998). Secondly, while the NPM principle of decentralization has diffused from rich countries into **developing countries**, governments in **developing countries** often retain centralized decision making. Leading public managers still have authority to make all decision within their organization. This centralized decision making can generate its own pressure for arbitrary action and corruption (World Bank, 1997). A supporting view is provided by Polidano and Hulme (2001) who claims that public management in **developing countries** is afflicted by corruption and nepotism and that such practices may hinder NPM implementation. NPM may not be useful for public sectors in developing countries that have been greatly affected by corruption (Bale and Dale, 1998).

Thirdly, it is claimed by various scholars such as Batley and Larbi (2004) that NPM is based on applying market principles into public policy and management. However, Hughes (2003) argued that developing country governments often have only little experience in the operation of markets. Basic infrastructure of management in **developing countries** is also not developed enough to support market-oriented reforms (Sarker, 2006). Moreover, there are various factors which are required before the market can be effective. Hughes (2003) pointed out that markets are ineffective without the rule of law, for example, to ensure compliance with contracts. Yet it could be argued that many people in the developing world are natural traders with a history of commerce lasting for many centuries and that these instincts were

stifled during the period of command economies. But, until capital markets develop or domestic entrepreneurs arise, a market economy may mean greater domination by foreigners and foreign corporations.

Fourthly, Hughes (2003) argued that it is difficult for the government in **developing countries** to move to contractual arrangements for the delivery of service because the necessary laws and the enforcement of contract are not well established. If informal norms have long deviated significantly from formal ones (with regard to personnel practices, for example), simply introducing new formal rules will not change much. Where specialized skills are in short supply, performance contracts and other output based contracts for complex services may absorb a large share of scarce bureaucratic capacity to specify and enforce them (World Bank, 1997). It seems difficult for developing countries to move away from the bureaucratic system. Hughes (2003) pointed out that this old model of organization allows favoritism and patronage.

Fifthly, as mentioned earlier, an aspect of NPM that useful for one developing country might not be useful for other **developing countries**. Turner and Hulme (1997) have explained this when writing about efforts to impose standardized reform package in the 1990s. They pointed out that whatever the reasons-naivety, historical and environmental blindness, or ideology a powerful international lobby is promoting a 'one size fits all' approach to public sector reform in spite of the evidence accumulated from organizational and management theory and from empirical study that the outcomes of planned changes in organizations are conditioned by many contingent factors, especially those in the organization's environment. In some contexts, the NPM may yield its promised benefits, but in others the possibility of it contributing to reduced performance and even political instability must be recognized. Therefore, Bowornwathana (1995) claimed that when **developing countries** borrow an NPM technique from rich countries, they must understand the details of the borrowing, consider if it is appropriate to circumstances in their countries and make decision accordingly.

Sixthly, another explanation for the inappropriateness of NPM involves public expectations of government in **developing**



**countries.** Manning (2001) indicated that public expectations of government in those countries are different from those found in Organizations for Economic Corporation and Development (OECD) countries. He contends that 'public expectations of service quality from government in many **developing countries** are justifiably low, with the consequences that citizens are unlikely to feel that complaints are worth the effort' (Manning, 2001). It is difficult for **developing countries** to succeed in implementing NPM unless citizens in **developing countries** are motivated to complain about their local service.

Seventhly, Schick (1998) criticized the introduction of performance-based mechanisms of accountability by pointing to the existence of a sharp dichotomy between the formal and informal rules of the game in developing countries and the predominance of the informal realm which is non-bureaucratic. He argues that the rules which actually guide people's behavior may be different from those which are written down. Therefore, contractual mechanisms of accountability may have little impact since they are in the formal realm.

Finally, the NPM commitment to privatization may be difficult to manage in **developing countries** because those countries may not have the administrative capacity to undertake this complex task successfully (Haque, 2005; World Bank, 1995). Moreover, there are circumstances in which privatization will inevitably mean foreign ownership or ownership by one particular ethnic group which may cause a risk of societal cohesion (Hughes, 2003).

## CONCLUSION

Public administration in the 21st century is undergoing dramatic change, especially in advanced economies, but also in many parts of the developing world. Although the origin of New Public Management came from western countries, it expanded to a variety of countries in the 1990s. New Public Management was accepted as a good standard for administrative reforms. The idea for using this method for government reform was that, if the government guided private-sector principles were are rather than rigid hierarchical bureaucracy, it would work more efficiently it promotes shift from bureaucratic administration to business-like professional management. New Public Management was cited as the solution for

management ills in various countries and organizations. Therefore, New Public Management is recommended in Nigeria's departments and agencies for policy making, efficiency and effectiveness.

## REFERENCES

- A. Nigro (1970): *Modern Public Administration*; New York
- Armstrong, A., 1998. A comparative analysis: New public management-the way ahead. *Aust. J. Public Admin*
- Bale, M. and T. Dale, 1998. Public sector reform in New Zealand and its relevance to developing countries. *World Bank Res. Observer*,
- Barberis, P., 1998. The new public management and a new accountability. *Public Admin*, 76
- Batley, R. and G. Larbi, 2004. *The Changing Role of Government: The Reform of Public Services in Developing Countries*. Palgrave Macmillan, New York.
- Caiden, G.E. and P. Sundaram, 2004. The specificity of public service reform. *Public Admin. Develop.*
- Caiden, Gerald E. 1982. *Public Administration*. California: Palisades Publishers.
- Cheung, A. and J.C.Y. Lee, 1995. *Public Sector Reform in Hong Kong: Key Concepts, Progress-To-Date and Future Directions*. Chinese University Press, Hong Kong.
- Christensen, T. and P. Laegreid, 1998. Administrative reform policy: The case of Norway. *Int. Rev. Admin.*
- Christensen, T. and P. Laegreid, 2001. New public management: The effect of contractualism and devolution on political control. *Public Manage. Rev.*, 3:
- Common, R., 1998. The New Public Management and Policy Transfer: The Role of International Organisations. In: *Beyond the New Public Management*, Minogue, M., C. Polidano and D. Hulme (Eds.). Edward Elgar Publishing, Netherlands MA.
- Doig, A., 1997. The privatisation of the property services agency: Risk and vulnerability in contract-related fraud and corruption. *Public Policy Admin.*,
- Dunleavy, P. and Hood, C.C. 1994. *From Old Public Administration to New Public Management, Public Money and Management*,
- Flynn, N., 2002. Explaining New Public Management: The Importance of Context. In: *New Public Management: Current Trends and Future*



- Prospects, McLaughlin, K., S.O. Osborne and E. Ferlie (Eds.). Routledge, London.
- Haque, S., 2005. Reforming public administration in Southeast Asia: Trends and impacts. *Public Org. Rev.*
- Hood, C. (1991). A public management for all seasons? *Public Administration*, 69(1), 3–19. Find this resource:
- Hood, C., & Dixon, R. (2013). A model of cost cutting in government in government? The great management revolution in UK central government reconsidered. *Public Administration*, 91(1), 114–134. Find this resource:
- Hood, C., & Dixon, R. (2015). *A government that worked better and cost less?* Oxford: Oxford University Press. Find this resource
- Hughes, O.E., 2003. *Public Management and Administration*. Palgrave Macmillan, New York.
- Manning, N., 2001. The legacy of the new public management in developing countries. *Inter. Rev. Admin. Sci.*,
- McCourt, W., 2001. Moving the Public Management Debate Forward: A Contingency Approach. In: *The Internationalization of Public Management: Reinventing the Third World State*, McCourt, W. and M. Minogue (Eds.). Edward Elgar Publishing, Northampton, MA.
- Minogue, M. (2001) *The Internationalization of New Public Management*. In *The Internationalization of Public Management: Reinventing the Third World State*, W McCourt and M. Minogue, eds. Cheltenham: Edwin Elgar, pp. 1-19.
- Osborne, S. P. (2006). *The New Public Governance?* *Public Management Review*, vol. 8, No. 3, pp. 377-388. Available from [spp.xmu.edu.cn/wp-content/uploads/.../the-New-PublicGovernance.pdf](http://spp.xmu.edu.cn/wp-content/uploads/.../the-New-PublicGovernance.pdf).
- Painter, M., 1997. *Public Management: Fad or Fallacy*. In: *Managerialism: The Great Debate*, Considine, M. and M. Painter (Eds.). Melbourne University Press, Carlton South, VIC.
- Polidano, C., 2001. Why civil service reforms fail. *Public Manage. Rev.*, 3: 345-361.
- Pollitt, C., 1990. *Managerialism and the Public Services: The Anglo-American Experience*. Basil Blackwell, Cambridge, MA.
- Public administration. (2010) In *Encyclopedia Britannica*. Retrieved August 18, 2010, from [Encyclopedia Britannica Online](http://www.britannica.com).

- Sarker, A.E., 2006. *New public management in developing countries: An analysis of success and failure with particular reference to Singapore and Bangladesh*. *Inter. J. Public Sector Manage.*
- The article "New Public Management Model" Written By "Prachi Juneja" and Reviewed By Management Study Guide Content Team.
- Turner, M. and D. Hulme, 1997. *Governance, Administration and Development: Making the State Work*. Kumarian Press, West Hartford, CT.
- Turner, M., 2002. *Choosing items from the menu: New public management in South East Asia*. *Int. J. Public Admin.*
- World Bank, 1995. *Bureaucrats in Business: The Economics and Politics of Government Ownership*. Oxford University Press, New York.
- World Bank, 1997. *World Development Report 1997*. World Bank, Washington, DC.