

PUBLIC ADMINISTRATION REFORM TOWARDS THE NEW PUBLIC MANAGEMENT

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Abstract: *The paper describes and analyses the recent evolution from the public management domain, highlighting the concepts, traits and principles of the new public management. The empirical part of the article is underpinned by an analysis conducted at a public institution in Brasov.*

Among the issues addressed can be highlighted:

- *the general framework of the new public management;*
- *public administration reform in Romania;*
- *the study regarding the realities of the management of a public institution in Brasov.*

The main conclusions of research have provided interesting and useful information regarding the realities and the peculiarities of the management of the local public administration from Romania.

Key words: local public institution, public administration reform, new public management, public services

JEL Classification: H75, M10

1. The new public management - the general framework

The concept of public management has been considered as a distinct field of management science. Around the 80's appeared a new phenomenon, called, the new public management. This represents a new form of management designed to manage the public sector in order to modernize and increase its efficiency by the government. Many researchers have made an contribution to the development of the concept of the new public management. Thus, Rhodes (1991, p.542) describes the new public

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management as "a focus on *management*, not policy, and on *performance* appraisal and *efficiency*; the disaggregation of public bureaucracies into agencies which deal with each other on a user-pay basis; the use of quasi-markets and contracting out to foster competition; cost-cutting; and a style of management which emphasizes, amongst other things, output targets, limited-term contracts, monetary incentives and freedom to manage". According to Christopher Hood (1991), the new public management is a paradigm shift from the traditional model of public administration to a modern one.

The basic features of the NPM ideas might be synthesized into three fundamental elements (Osborne and Gaebler, 1993, p. 277):

1. Re-definition of the boundaries between State and market through privatization and externalization.

2. Re-formulation of the macro-structure of the public sector by delegating state functions (at the lower organizational level) within the macro-structure (this phenomenon could be denominated institutional decentralization or external decentralization).

3. Re-definition of operational rules characterizing the way in which the public sector carries out its functions and achieves its goals. This third component might be considered as characterized by seven main sub-components:

- a. Toning down of the ties conditioning the public sector as compared to the private sector. This phenomenon includes the transformation of state economic bodies into limited companies and might, generally speaking, be called formal privatization;
- b. Re-structuring of activities/businesses in the public administration, so that they are operating "on a commercial basis", i.e. in a state of equilibrium between costs and revenue (corporatization);
- c. State competition (internal market); Devolution of functions and competences from the centre towards outermost units or the lowest organizational levels within every entity in the public sector (this phenomenon might be called internal decentralization);
- e. Re-definition of the administrative machinery replacing the bureaucratic model with the managerial one, shifting from the organization formally structured and law-oriented, to management and efficient breakdown of public resources, according to the new economic role of the state's functions (Matei, 2009b, p. 146). In

fact, the Government intervention in economy has to help organizations to pass successfully through negative loop of the economic cycles, supporting but not imposing (Doval, O., Doval, E., 2011, p.77).

- f. Deregulation of the functioning of economic and social systems;
- g. Re-definition of citizens' roles and rights.

According to Flynn, N. (1990), new public management has in view six points:

- The Government must improve the quality of all their services and to be entrepreneurial;
- The Government must appreciate the performances with measurable results;
- The Government must collaborate with the other key actors in order to reach their purposes;
- The Government must anticipate and solve their problems;
- The Government must improve responsibility toward the public interest;
- The Government must give common.

On the whole, the new public management is a reform model of the public sector, which refers to the managerial, organizational and structural changes. The change in the public administration must be conceived and made as a creation act oriented towards the improvement of the organizational structures and of the flexibility of the managerial acts (Dragomir, C., Panzaru, S., 2012, p. 63-72). In fact, the New Public Management encourages public administrators to act and to think as entrepreneurs of a business enterprise to improve the efficiency, effectiveness and financial stability of public institution. Reaching the fundamental objective of public management implies, from the holders of executive and administration public positions and offices, more responsibility in managing all categories of resources available to the public sector: human, information, material and financial resources.

2. Public administration reform in Romania

The objective of a public institution is to be at the service of the citizens. A competitive organizational model has to be focused on the values of transparency, effectiveness, responsibility and commitment to the public good. This values are common to efficient European models of local government.

The preoccupation for the administration reform in Romania was not simple. The transfer of competences from central level to communes, towns and counties, and implicitly, the creation of new forms of organization and coordination of national and local policies represent the major step undergone by Romania in the decentralization of power, authority and decision (Matei, 2009, p. 22). This process assumed a huge volume of work, learning the new managerial practices, methods and laws, the improvement of the organizational structures and the flexibility of the managerial acts.

Romania has, like other European Union member states, the separation of powers vertically and horizontally. Within the administration, the executive is divided vertically in the central bodies of state and the local public administration institutions. Currently, Romania has three clearly defined legal plans, as follows (Jordan, N., 2001, pp. 12-18):

- Plan of the *central state administration*, with the following bodies:
 - a) Supreme bodies of public administration: President of Romania, Government of Romania.
 - b) Central specialized bodies: ministries and other bodies subordinated to the Government, autonomous authorities.
- Plan of the *state administration in the territory*, consisting of: prefects; advisory committees; decentralized services of ministries and of other central bodies in the administrative units.
- Plan of the *autonomous local public administration* consisting of: local councils; mayors; county councils; public services under the authority of local and county councils.

In Romania, territorial administrative decentralization is based on a community of “public interests” of the citizens belonging to a territorial-administrative unit, “recognizing the local community and the right to solve its problems’ and technical and financial decentralization of the public services, namely transferring the services from the “center” to local communities, aimed to meet social needs.” (Matei, L., 2009, p. 13). In 2006, a new Law on Decentralization has been adopted. Its positive impact is given, mainly, by the clarification with regard to local revenue resources for the fulfillment of new local tasks, the classification of territorial-administrative units depending on their administrative capacity, the clear delimitation between central, county and local authorities’ competences and its stipulation that the transfer of competences shall be made simultaneously with the transfer of financial resources and instruments, and the new competences shall be exercised only after the necessary financial resources

have been given to county and local public authorities (Cepiku, D., Mititelu, C., 2010 pp. 55-78).

The European integration has determined for Romania the improving the performance of the public management. The reform of public administration had the aim of delivering better services through the adoption of new management techniques. The fundamental objective of public management within the public administration structures in Romania is to increase the quality of the public services and the satisfaction of the interests of the citizens. On the whole, the principles on which the public management in Romania carries out its functions are (Androniceanu, A., 2003):

- ✓ *The principle of unitary leadership*, materialized in the fact that all decision – makers know the contents of the public management fundamental concepts, having the same perception reflected in a common, unified, clear vision upon the public sector, upon each field and each distinct organizational entity separately.
- ✓ *The principle of autonomous leadership*, reflected in particularizing the content of public management within the structures of public administrations, depending on the areas to which it applies and on the diversity of the general and specific community interests identified.
- ✓ *The principle of continuous improvement*, materialized in a permanently dynamic approach of the public management system, depending on the changes occurred in public administration, but also in the system of specific and general public interests.
- ✓ *The principle of effective management* is to achieve, through management processes and relations within the public sector, the effective management of all categories of resources drawn and intended for the achievement of the objectives predicted by local public administrations, so that they can meet an essential and necessary concordance between the economic and social performances achieved by the holders of executive and administration public positions and offices and the cost with which they are offered.
- ✓ *The principle of legality* in the activity of local public administrations consists in sizing, structuring and combining the managerial processes and relations, the legislative provisions being regarded as a legal basis to consider and not as an purpose in itself.

The characteristics of public management in Romania must be approached in their interdependence, starting from the assumption that what

determines the content of the public management is exactly the synergistic effect resulting from their optimal combination (Androniceanu, A., 2003).

- ❖ *The integrating, synthesis character* of public management arises from the wide area of delimiting the scope from the activity for the public sector.
- ❖ *The political character* of public management is determined by the influence which political representatives, integrated into the organizational structure of public institutions have on the content of the management and executive processes.
- ❖ *The complex character* of public management can be explained by taking into account several aspects and appears, undoubtedly, as a corollary of the previous characteristics.
- ❖ *The diversity character* of public management is a direct consequence of the large number of areas in the public sector, for which the same general governing laws and principles which application is strongly influenced by their specificity are defined.

The traditional model of the public management is replaced with new public management, based on the effectiveness, the responsibility and commitment face to the public good. It is more than evident that the change inside the institutions of the public administration cannot be achieved without a systematic process of preparation and adjustment of the public administration to the social, economical, political and cultural environment. The interest for the continuous improvement, concern for employees and the responsibility towards the citizen, reduction of bureaucracy, a moral conduct and honesty, reflect, in essence, a new model of public management.

Based on the aspects highlighted above, we have achieved a empirical research that analyzing the realities and the peculiarities of the management of a public institution in Brasov. The study has implications in the managerial sector of the local public administration institutions and supports the adoption of good practice for development of the quality public services. In the next paragraphs we present shortly a part of the results of the research.

3. The study regarding the realities of the management of a public institution in Brasov

Purpose and the Methodology

The purpose of this study was to analyze the realities of of the management of a public institution in Brasov. The sample for the study was limited to 35 civil servants. The sample was statistically relevant and

unbiased. All respondents work in the real practice and experiencing on a daily basis with different problems. Both primary data and secondary data were used in the study. Primary data was collected from the field survey by using a questionnaire. The questions were addressed and formulated online, as not to induce subjective responses. Were targeted more several aspects. Of these, our analysis focuses on the following elements: a) the style of management; b) the qualities of a good public manager c) the ethical values of public administration.

Data analysis and interpretation

1. Options related to the style of management

The performances of public institutions in Romania are a direct reflection of the style of management. Adopting standards of good practice for quality public services requires changes in the management style, the fund of values and behaviours of the managers. The results of the questionnaire show that 78% of the respondents consider the style of management is democratic consultative, an expression of the modern public management. Only 14% consider that subordinates have complete freedom of decision and action (the superiors adopt the so-called “laissez-faire” style). 8% of subjects perceived the style of management as an authoritarian management (figure no.1).

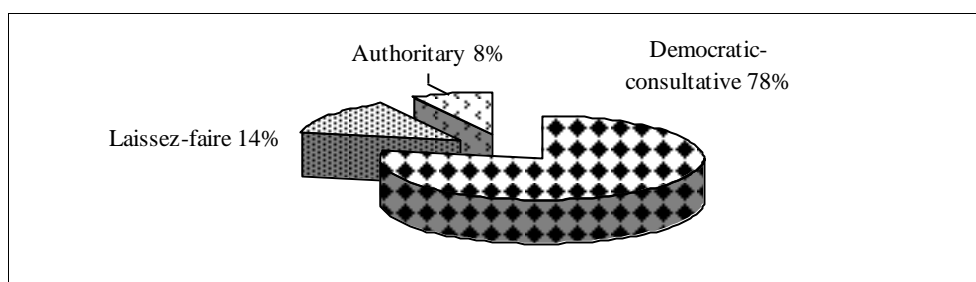


Figure no.1. Options related to the style of management

2. Options related to the qualities of a good public manager

Within the framework of the research, the questioned subjects have pointed out as relevant for a good manager of the public institution the following qualities: competence and professionalism; ability to quickly adapt to changes; responsibility for public welfare; correctness and honesty. 40% of respondents considered that professionalism and competence are the main qualities of a successful manager. Next came, in the order of their importance, the segment of those for whom the manager's responsibility for public welfare is an essential quality (26%). A third aspect mentioned is the correctness and honesty, which are considered the significant qualities for an efficient manager (20%). 14% of respondents considered that ability to quickly adapt to changes is a significant quality of a good manager (figure no.2).

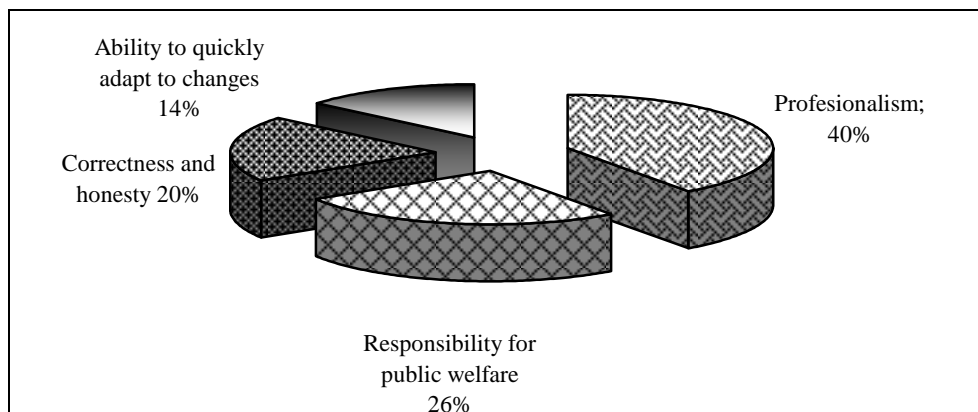


Figure no.2. Options related to the qualities of a good public manager

The dates show that the managers have the necessary qualities to achieve an efficient management within the local public institution, thereby enhancing the quality of the public services offered to the community.

3. Employees' attitudes toward the ethical values of public administration

The observation of the professional ethics standards is believed to be an obligation of every civic servant. At the institutional level, there are ethical issues that can affect the institution's reputation and may generate a loss of citizen trust. Conflicts of interests arise if public officials have access

to information and opportunities that could be used to advance their personal and business interests (Cobarzan, B., Hamlin, R., 2005, pp. 28-37). The results have shown, in essence, that the values and principles of the civil servants are oriented towards a moral conduct and honesty. The majority of the subjects place ethics within the set of values of the organizational culture (87%).

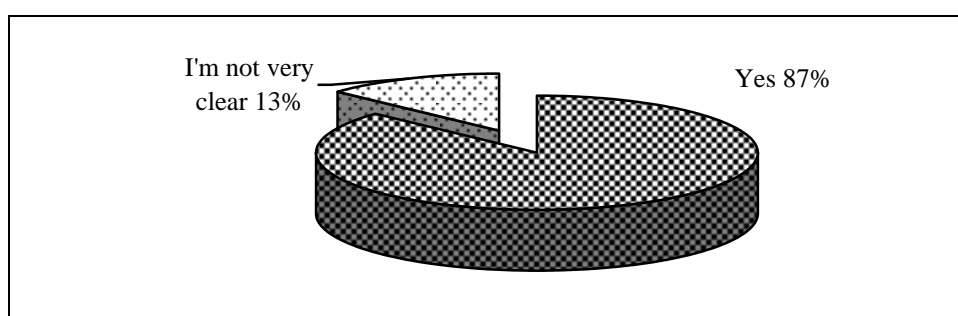


Figure no.3. Significance of the ethical values

4. Conclusions

The study has implications in the managerial sector of the local public administration institutions and supports the adoption of good practice for development of the quality public services.

The research reveals that the shift from bureaucracy to the new public management in Romania requires still time and resources. In spite of reform efforts, the red tape still restrain the activity of the local public institutions. On the whole, our society tries to respond better to the needs of the citizens and in this way, the public sector fights to diminish the bureaucracy and wants to promote real and representative values of new public management. Through an efficient management, the public institution can become a modern organization, adapted to environmental changes, with good results in the development of the local community and the satisfaction of the interests of citizens. It should be noted that most of the respondents agreed that the managers in the public administration have the necessary qualities to achieve an efficient management and the organizational relations at the

level of the local public administrations are regulated and are carried out in optimal conditions. Also, in public institutions must be promoted ethical and moral values. The recorded data indicate that the values and principles of the civil servants are oriented towards a moral conduct and honesty. It is necessary to creating a guide for ethical behavior for both public employees and for public sector managers.

On the whole, the results of the research have led us to a series of recommendations. These recommendations are aimed at:

- creating an organizational framework propitious for the implementation of the best management practices in public sector;
- developing the professional competence and skills of the managers and civil servants and enhancing the quality of the public services provided to the citizens
- enhancing transparency in decision-making and in public spending;
- creating a climate of confidence and openness towards citizens;
- correctly informing citizens about actions regarding the interests of the community;
- a better external promotion of the image of the institution.

In conclusion, the reform in the Romanian public administration has provided a series of changes at local level, but the impact of the new public management in local administration is still limited. There are still many useless bureaucracy that reduces the efficiency of the public institutions activity. Adoption of the new public management principles and values has to be preceded by a new mentality in the Romanian public administration for to making the transition from bureaucracy to the new public management. In fact, it is necessary a more independence of local authorities, which gives local communities the right of jurisdiction over public affairs that are of local importance. It is necessary for public administrations to continue the reform, so that they can successfully face all challenges. The adoption of the NPM principles in public institutions from Romania depend to the quality of the managerial process that will raise efficiency and transparency in decision-making and will offer better access to public services.

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