

New Public Management



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Public administration reform is global trend. Every society tries to reform its administrative system so that it is more efficient, productive, transparent and responsive to the needs of citizens. Improved performance and capacity of each public institution is critical to any political administration, which seeks to increase the performance of the government as a whole. There was always a debate whether the concepts that apply in the private sector can also be transferred to the public in full. Purpose of this paper is to identify problems facing public administration in Albania and the importance of public management reform.

1. Introduction

1.1 Definition and Context within which was shown the New Public Management.

New Public Management (NPM) is a managerial philosophy used by the governments since 1980 in attempt to modernizing public sector. New Public Management is a broad term and very complex used to describing the range of reforms of public sector in whole world since the year 1980. The New Public Management needs to emphasize efficacy in public sector and efficiency of control that the government has over it.

The main supposition in reforms of New Public Management is that the market orientation to public sector will lead to higher ratio cost/efficiency for governments, not having negative side effects on objectives and other factors.

New Public Management reflects a change in department. This is a term that is referred towards and has existed in public sector. The idea is to make the public system to function as the private sector.

The New Public Management is determined as an ideological system of thought based on ideas generated in private sector and imported to public sector.

Demonstration of New Public Management (NPM) is correlated with varied role of state and increasing demands throughout the world for better practices in governance.

New reforms of New Public Management have been impressionable, because they were globally widespread within a short time. Expectation and approval of new reforms of public administration in whole world isn't uniform. Until in the year 1980, NPM was seen as a present phenomenon in developed countries, especially in those Anglo – Saxon.

However from 1990 and later on after applications of variants, techniques and practices of NPM were observed as well as in some countries in development.

New Public Management tends clearly to adjust the problems of government such as little faith of public, failure of bureaucracy, compilation of weak programs and deficits of performance.

The New Public Management puts the stress on results, public participation and decentralization and particularly put the stress on the measurements for productivity increasing and utilization of modern techniques of technology, information, communication and governance. Beside with other theories of public management, NPM is well-orientated directly to results and efficiency through better management of public budget. NPM aims to reach the competition through application, the same as it is private sector, as well as for organizations of public sector, emphasizing economic principles and leadership.

New Public Management treats the beneficiaries of public services as customers and conversely the citizens as shareholders. There is a general consensus among the explorers that New Public Management affirms that the market and not government, is the best distributor of sources; the individuals are the best judges of their welfare, and that management techniques of private sector can be useful to improving government performance.

2. The Importance of Reforms in Public Management and its Challenges

Reforms in public management are always thought as a helper towards a final purpose, and not as a conclusion in itself or to be more precious, may say that they serve as a mean towards many conclusions. These include the reduction of excessive public expenses, improvement of public services, making more efficient of governmental operations as well as the increasing of opportunities that selected and implemented policies which will be done effective.

Whether the managerial reform will really produce inexpensive governance and more efficient with services of higher quality and effective programs as well as at the same time will intensify political control, to allow managers to make governance more transparent, then it is logical that this reform will strongly triumph. But, unfortunately the things are not so easy. There are many cases which tell that the reforms in public management have gone worst. They have backfired in the creation of promised benefits, further more in many cases they have generated negative side effects, which have make that the administrative procedures to worsen and worsen compared with earlier situation.

Other ways in the governmental performance, include political reforms (such as changes in electoral system or legislative procedures) and essential changes in most principal policies (such as policies of macro-economics, reforms in work market or important changes in social policies).

Such combination of reform for instance: New Zealand, which combines managerial reforms with changes either in macro-economic policies or in electoral system.

But, all this process is made still more difficult because it isn't kind of job that is adapted the politicians of higher classes, who are more interested for results which are reached quickly or until in future elections. The politicians' attention change from one question to another in a fast way, compared here with the term that needs to realizing great organizational changes. It has always been the reason of contradicts between the needs of politicians for "to do something to make promotion" and organization of reforms for time, devotion and continuity. "Why is necessary a reform for Public Management". It is given the response in three ways:

- The governments have to be related with societies. The aim of reform in this point of view is to make the governments more responsible towards the needs and demands of the society. Reform in Public Management has its purpose to provide better, faster, more and more services for society.
- Governments need reforms to re-establishing the absent trust towards them. They have to offer more chances for choices, democracy and transparency. For this, it is necessary to work hard in sphere of the public policies, to strengthen communication and relation with citizens.
- Reform in public management comes as result of new pressures. The external forces practice pressure towards governments to serving broad public. In progress of this idea, greater interdependence among international economies, "opening" of societies and intensification of importance of agreements and international structures, increase the complexity and dimensions of these external forces.

The most ordinary challenges towards such situation for European countries for example, improved, fast services with low cost, optimization of civic trust towards the government and management of new pressures, can be interpreted into a list of demands for actions on the side of governments and their administrations.

3. Surveillance Results

The questionnaire was compiled to observing the functioning of public administration. How much are informed its employees in relation with administration, (management), division of duties, changes in technology of information etc. The questionnaire was delivered to two institutions:

1. Municipality, Korca
2. Customs, Kapshtice

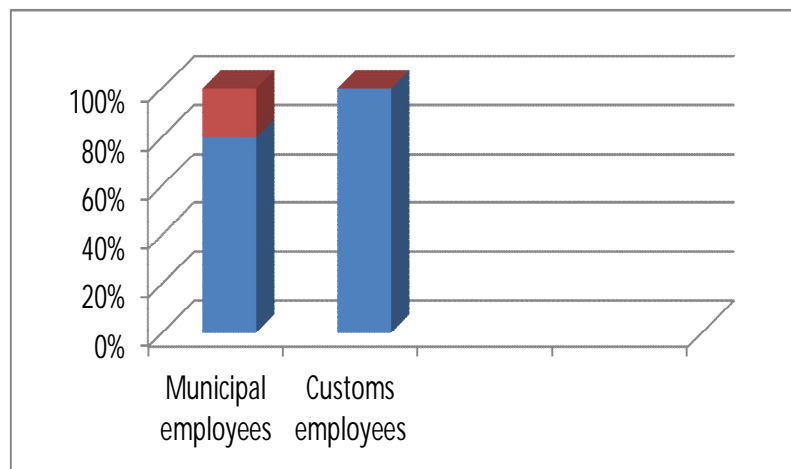


Diagram 3.1 The Percentage of Responses Regarding to form of Management, Transparency in Decision Making and Employees Training

In municipality 80% of interviewed employees were responded positively regarding to form of management in strict mode, with transparency in decision making and regarding to employees' training. The other part of employees objected.

In the Customs Institution, Kapshtice 100% of them were responded positively with reference to correct management in this institution, for the transparency that exist in their work-place, as well as the training that take the employees for changes of their work-place.

With reference to completion of duties in an ethic way and decentralization pertaining to management and administration (staff), about 80% of municipal employees were responded positively and the rest negatively.

With reference to decentralized governance, about 75% of customs' employees think that such governance will increase quality of service and customers' satisfaction, the rest are against this opinion.

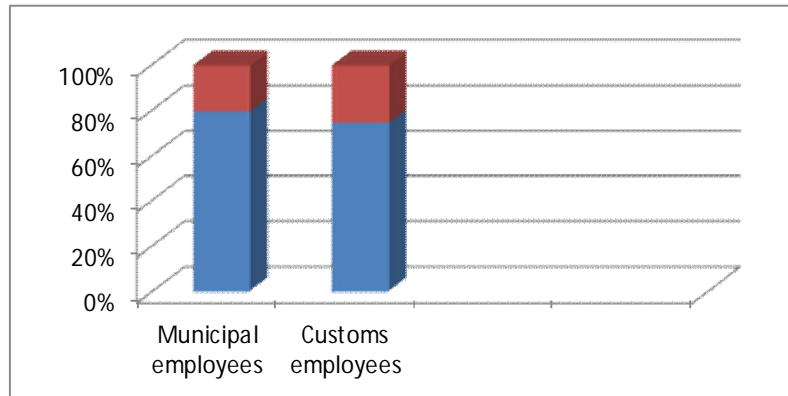


Diagram 3.2 The percentage of Responses Regarding to Completion of duties in an Ethic Way and Decentralization

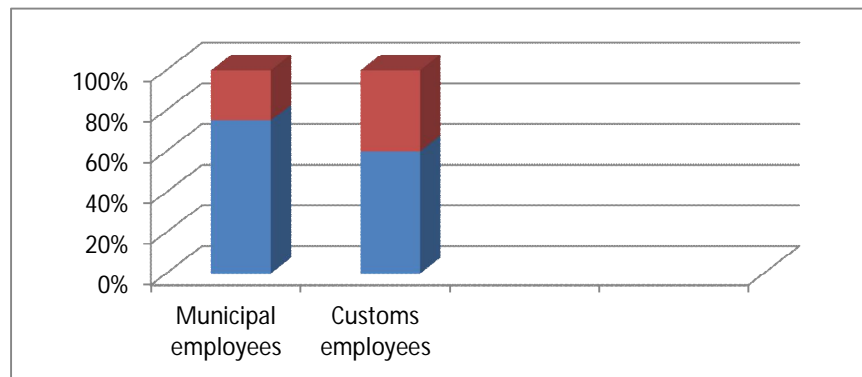


Diagram 3.3 The Percentage of Responses Regarding to Payment Scheme

With reference to payment scheme 75% of the municipality employees were responded positively, so that salary is related with good performance; in the institution it is applied stimulation and payment scheme and that the preferment is realized based on the performance. 25% of the employees weren't agreed with this opinion.

About 60% of the interviewed persons in the municipality think that their contribution in work brings not only good performance, but as well as preferment and different payments. 40% of the interviewed persons were responded negatively.

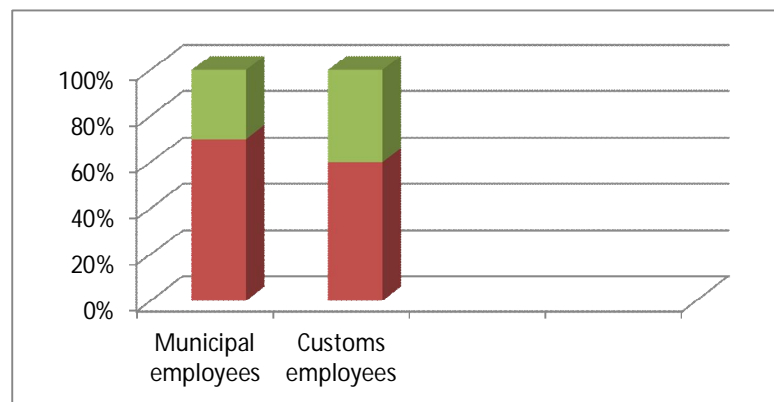


Diagram 3.4 The percentage of responses regarding to technological change

From interviewed employees in customs, about 70% of them were responded pro (in favor) regarding to technological change. With reference to intake of on-line system, the majority of them were agreed. They thought that this system would help not only the information of employees in a faster way, but also the cost reduction of public administration.

Whiles that in the customs institution of Kapshtice, about 60% of them were responded positively regarding to intake of new technologic system, application of on-line system and reduction of administrative cost if this system is applied. The rest, thus 40% were responded negatively.

4. Conclusions and Recommendations

The sector of public administration has been the multi-criticized object throughout the world. Everywhere, the reason is the same – taxpayers want to see efficiently and free, the functioning of executive power. This volition of Albanian citizen is as clear as bureaucratic style of work which is inherited, the traces of which are deeply implanted in society.

In summary, we will list some conclusions and recommendations, for which think that have to be in consideration in the process of performance raise (qualification) in management and administration of civil service.

Recommendations provide an idea for further steps that have to follow in framework of efficiency improvement in electronic communication and electronic services that Municipality may offer to citizens, which are:

- The Municipality has to practice communication with citizens through its web page, informing them for different issues through daily information. This will bring the result on the creation of culture of electronic communication between municipality and citizens as well as citizens' information for a new form for information and services intake.
- The Municipality Administration (Staff) has to be supplied with all, within a short term with electronic system of interaction citizens – municipal administration (staff) in all instances, thus their comprehensiveness in electronic system.
- The Municipality Administration (Staff) has to intensify the speed of electronic communication, in an independent way using internet connection from companies which provide installation speed, taking to consideration that the majority have an average speed of ADSL internet line.
- The Municipality Administration (Staff) has to undertake technical necessary measurements in order to assure that internet to work all the time, because interruptions cause barriers in the course of work or after it.
- Still, needs supplementary training for electronic services which will be offered by the Municipality Administration (Staff), because such services are followed from frequent changes which are qualitatively improved, because the technology always is in progress.
- Utilization of electronic services have to make possible by the specialists of municipal administration in order to correct defects which are related with network access of all correspondences with citizens as well as the refresh of web site with important informative data.
- Parallel to present progress in the direction of electronic governance are observed a series of problems and needs for further improvements.
- Intensification of realization and knowledge in all of levels of municipal administration on the importance of utilization regarding with information technology in the process of electronic governance for better local governance.
- Improvement of infrastructure of information technology for municipal administration (staff).
- Determination of standards on purpose increasing of work efficacy and operational cost reduction.
- Increase of capacities, human resources and information technology.

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