

New Public Management: Concepts, Issues and Impact on UK, Australia, China and Bangladesh Public Sectors

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Abstract: *The continuous loss, corruption, inefficiency and lack of accountability in the public sector paved the way for the emergence of New Public Management (NPM). Originated in the United Kingdom, the new approach places much emphasis on private sector management style, decentralisation, bottom-up decision making, performance appraisal, accountability, privatisation, contracting out, rationalising manpower and so on. The impact of this new concept is different in various countries. NPM has a number of criticisms specially welfare-profit dichotomy, conflict with the identity of public servants, insecurity of job, job cut etc. In this article, attempts have been made to highlight the key issues of NPM including the drawbacks, its impact on a number of countries, namely the UK, Australia, China and Bangladesh in a critical manner:*

1.0 Introduction

Like the private sector, the trend towards continuous and pervasive change and increasing interdependencies is also prevalent in the public sector organisations. The latter are in a 'turbulent environment' that is characterised by increasing uncertainties. Dramatic changes in the political, economic and technological environments during the last few decades play a decisive role behind such uncertainties. Public sector organisations are in a cyclone of change (White, 2000). In response to various changes in the external environment, new policies and institutions have emerged in public sector organisations. These organisations need to expand or redirect activities according to new needs or opportunities, review or revise activities by introducing new systems, reorganising, adopting new operational methods and so on (Stewart and Kimbler, 1996). Particularly in the UK, public sector organisations are subject to cuts in government spending accompanied by the demand for enhanced efficiency and effectiveness. Entrepreneurial behaviour, shift towards greater competition and application of private sector management style (dynamism and

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emphasis on outcome) are expected from the public sector (White, 2000). A number of principles have been coined to restore dynamism and efficiency in the public sector. These principles are aimed at changing the public sector in three areas, namely a change from hierarchical to economy-based structures, from regulative to economy-based processes and from legally based to economy-based values. In seeking to achieve these goals, the public sector has employed various means such as downsizing, devolution of managerial responsibility and introducing such managerialist methods as total quality management (TQM) and reengineering. Many of these practices first emerged in the private sector with the result that the public sector has moved increasingly to resemble its private sector counterparts (Brown and Waterhouse, 2003).

2.0 New Public Management

There has been continuous debate regarding the effectiveness, efficiency and ability of the public sector to deliver quality service to the people. The mismanagement of a number of dramatic events such as 9/11, Tsunami, Hurricane Katrina by the public sector has fuelled the criticism of the efficiency of this sector and prepared the ground for an international call for action (Hagen and Liddle, 2007). Such mismanagement is **termed** as the symptoms of the broader inability of the government to challenge of the twenty-first century. Although the public sector is accountable to the citizens and other stakeholders to improve to deliver quality service (Ostroff, 2006). The gap between formulation of complex policy reform and governments' capability to implement is being widened alarmingly. The policy formulation and implementation related problems have been accumulating for at least four decades as a result of industrialised developed countries undergoing fundamental changes in the public sector (Fox, 1996). Four distinctive stages of the development of public management have been identified. The stages are: the stage of minimal state; the stage of unequal partnership between government, voluntary and private sectors; the stage of welfare state; and the stage of plural state. The NPM belongs to the fourth stage i.e. the plural state. At this stage, the efficiency of public management is determined by its ability to deliver service to the public (Osborne and McLaughlin, 2002).

According to Norton (2007), NPM is based on the following assumptions:

The private sector is more efficient than the public sector in terms of its management practices i.e. delivering its products or services with greater economy and effectiveness;

Politicians are instinctively suspicious of public sector bureaucracy, with the assumption that it follows its own agenda that can be self-serving and may conflict with the interests of civil society; Oversight of public sector agencies and bureaucracies is best undertaken from the "bottom-up" by civil society, rather from "top-down" by politicians. In this way constructive criticism and public engagement is facilitated and encouraged;

Decentralisation of decision-making processes is naturally 'more effective than centralisation which, in the hands of either a bureaucracy or political elite can be conservative, stifling of innovation, and inclined towards inertia; Individualism and autonomy of the public service providers is more capable of delivering innovative solutions than **groupism** based around a central core of bureaucratic consensus (Norton, 2007).

Being influenced by the circumstances mentioned **above, there has** been an assumption that public sector is declining due to decentralisation, globalisation, privatisation and deregulation. But it is found that in most of the countries, the public sector was greater in size in 2000 than in **previous** decades. Therefore, the problem of this sector is increasing rather than decreasing (Hagen and Liddle, 2007).

It is informed that New Public Management (NPM) and its variants of entrepreneurial government have been in existence for more than twenty years (Horton, 2006). The roots of NPM can be found in the comprehensive public sector reform programmes undertaken by Margaret Thatcher in the UK and Reaganomics in USA in the 1980s under the auspices of Neo-liberal politico-economic thinking (Bhattacharya, 2006). Since the 1970s, the traditional 'bureaucratic model' of public administration has been criticised by the scholars for various reasons. Fiscal crises of governments, poor performance, non-

responsive bureaucracy, lack of accountability, corruption and changes of people's expectation have contributed to the emergence of NPM. The other incarnations of this model include: market based public administration, managerialism, reinventing government, entrepreneurial government, post-bureaucratic model and so on. The new model promises a leaner and better government, decentralisation, empowerment, customer satisfaction and better mechanisms of public accountability (Sarker, 2006).

3.0 Key Features

According to Hood (1991) and others, the key features of NPM are: improving human resources; Staff **involvement** in decision making; Usage of information **technology**; Explicit standards of **performance**; Removing unnecessary controls; Treating public as customer or client; and Contract **out/** privatisation.

Pollitt (2001) has suggested the following components of NPM:

More emphasis on output and outcomes rather than input and process; Introducing realistic and effective performance appraisal mechanism; Replacing large, multi-purpose and hierarchical bureaucracies by more specialised, lean, flat and autonomous organisational **forms**; Substituting hierarchical relationships by contract-like relationships; Shift towards efficiency and individualism; and Emphasis on **public-private** partnership.

It is observed that NPM focuses on a number of management practice areas including individualisation and decentralisation of human resources management particularly reward management systems. These changes are often mentioned as New Pay and they are designed to increase productivity and motivate staff. New Pay is designed to link rewards to organisational strategy and objectives and to shift from standardisation to flexibility, from centralisation to decentralisation, and pay related to grade to performance related pay. Although a study on the implementation of performance related pay in six European countries reveals that governments have not achieved significant progress to introduce private pay practices (Horton, 2006).

Public-private partnerships are considered as one of the tools for management to achieve effective outcomes. These partnerships are characterised by the use of shared authority and responsibility, shared liabilities and risks, joint investment, shared **reward/mutual** benefit (Tambulasi, 2007).

The advocates of NPM have identified the following strengths of this new model: NPM enables organisations produce more transparent budgets from an accounting perspective, with performance indicators for outputs and attributing costs to outputs; organisations engage themselves in principal-agent relationships consisting of networked contracts tied to efficient performance; public service functions become disaggregated and decentralised into quasi-market **and/or** quasi-contractual arrangements; foster public-private competition through the roles of provider and purchaser; and minimise the size of the provider agency, facilitating greater exit and entry in the provision of public services for maintaining an effective market for these services (Budd, 2007).

4.0 Preconditions for successful implementation of NPM

A number of preconditions are required to make NPM a success. There should be a reasonable level of economic development. Experience shows that employee redundancy is a common by-product of most of the administrative reform programmes. The economy should be strong enough to absorb the shock caused by massive unemployment (Sarker, 2006).

It is observed adopting Karl **Marx**, that as feudalism had to give way to capitalism before socialism could take root, likewise a **well-**organised bureaucracy is needed before managerialism can be imposed and public managers exercise authority (Sozen and Shaw, 2002). The basic administrative processes should be in order in the administrative system. Such an arrangement can work as the foundation of the new market oriented system. It means that the classical Weberian bureaucratic model should be in practice that ensures an efficient and control oriented system. In this model, managers learn the necessary skills to manage on their own, building trust between the top hierarchy and line managers and confidence

between citizens and government. Managers are also encouraged to internalise a public ethic of proper behaviour i.e. public service ethos. After the fulfillment of these basic preconditions, regulations are thereby relaxed by the highest authority, consequently line managers are empowered with the discretion to operate their-own programmes (Schick, 1998).

The capacity of the state is a vital precondition for successful implementation of NPM (Hughes, 1998). It implies a condition where the state machinery is capable enough to undertake and implement reform measures decisively. The various elements of state capacity include institutional, technical, administrative and 'political factors (Grindle; 1996). Institutional capacity is the capability of a country for upholding the government's authority, formulating and implementing laws and holding public servants accountable under the jurisdiction of these laws. Technical capacity is ensured with employing personnel equipped with necessary skills to key decision making bodies. Such an arrangement can serve the clients/stakeholders in a more effective manner (Wallis and Dollery, 2001). Administrative capacity is the ability of the government to undertake basic administrative functions and provide basic human services (Sarker, 2006). This factor plays a vital role to determine the success of various governmental interventions such as privatisation, corporatisation and contracting out. The inefficiency of the government in discharging minimal functions such as provision of public goods and services, economic infrastructure, maintaining law and order makes it unable to successfully implement grand programmes like privatisation, corporatisation and contracting out (Wallis and Dollery, 2001). Political capacity is the government's expertise in mediating conflict, responding to the demands of the citizens, allowing for representation of interests, providing ample opportunities for effective participation at all political levels. It also enables government to maintain stability in the political arena (Grindle, 1996).

5.0 Global Impact of NPM

NPM has been termed as a new global paradigm emerging in contemporary public administration. Some commentators even argue that NPM is a world-wide phenomenon, moving swiftly from one country to another, manifesting a kind of global demonstration effect. It is an "irresistible force" rapidly spreading across Europe, leading to the "internationalisation of public management". Almost in every government with developed political systems and highly institutionalised administrations there is a new emphasis on the organisational designs for public management (Sozen and Shaw, 2002).

5.1 United Kingdom

Literature reveals that the UK is the place of birth of NPM. The country has served as a major point of reference for public sector reform within Europe. From the mid 1970s, a number of factors such as intensified competition, processes of globalisation and technological change served to undermine the effectiveness of Fordist modes of state regulation particularly in the UK. The rising costs of social welfare were also an important factor. These costs rose at the same time as demands for public services resulted in a fiscal crisis of the state and political demands for reform (Lucio, 2007). Although the stability and cohesiveness of the reforms in the UK has been questioned but the cult of the private sector, the cult of the entrepreneurial and the political belief in managerialism are factors that are virtually the bridge hood between the post-1979 Thatcher Conservative Governments and the post-1997 Blair Labour Governments (Bach, 1999). There is a range of imperatives for change varying from the market-led to the politically directed and the technologically facilitated. Three main aspects of organisational change in the public sector have been identified. These are: a departure from vertical integration, the move to fragment and decentralise the management of public services, and the trend towards more flexible service delivery and employment (Kirkpatrick, 2006). Lucio (2007) has identified the following basic ingredients of NPM in the UK:

Privatisation policy was introduced. The policy challenges industrial relations by providing a new, co-ordinated employer, who is sometimes co-ordinated at a transnational level. New attitudes may emerge in relation to trade unions and collective forms of representation and bargaining. Consequently, market pressures are more clearly articulated vis-A-vis the workforce.

There is a decentralisation of the organisation. There are increasing attempts to divisionalise organisational processes and to develop a greater emphasis on cost centres and financially accountable units. This decentralisation might involve no more than a formal separation and re-organisation of units, or the subcontracting of these to the external business environment.

The development of a more market-oriented approach and a more decentralised pattern of organisation resulted in a greater emphasis on performance management and measurement within the public sector and its employment relations. This is facilitated by the use of new forms of information technology and more elaborate forms of financial accounting. This development links remuneration and activity more closely that challenges external reference points within bargaining processes.

The development of performance measurement results in an increasing importance of the role of customer interests. The invoking of an external interest in the form of the customer may align itself to employer interests and performance targets. A new age of the customer has underpinned employment relations in the public sector, a greater degree of litigation from public service customers is also noticeable. It is argued that privatisation of aspects of the public sector has led to Taylorist-style employment mechanisms being implemented in the British National health Service.

The developments mentioned above, have underpinned the use of labour in a more "flexible" and "individualised" manner. The culture of lifetime employment is facing increasing challenges. Temporary contracting and agency work is increasing within public services.

'Distant transformational leadership' possessing characteristics such as

inspirational, heroic and charismatic is being replaced by 'nearby transformational leadership with characteristics like sociable, open and considerate to others, and sense of humour in the public sector. The latter is considered as one of the by-products of NPM. In fact this approach has been innovated by and applied in the public sector of the United Kingdom. Moreover 'nearby transformational leadership is gaining more popularity in the UK private sector in course of time (Alban-Metcafe and Alimo-Metcafe, **2007**).

The system of centralised politicised controls accompanied by the according of new freedoms to public sector service deliverers has been one of the paradoxical impacts of this model. The increase of the extent of the regulated state and at the same time the largely unaffected government regulation is the most profound paradox of NPM. Consequently, governments perceive their main functions as comprising the design and oversight of adherence to rules applicable to the panoply of bureaucracies involved in the delivery of public services and the same time reserving the very flexibility and discretion envisioned under NPM to them (Osborne and **Plastrik, 1997**). It is argued that UK took the centralised target approach to public service management further than any other in recent times. The hierarchical power structure has been reinforced rather than decentralised with the introduction of NPM. The executive presiding at the pinnacle, setting rules and targets by which bureaucracies are to be assessed has also been established with this new model. It is also noticed that UK public sector management has participated in "gaming in targetworld": complying with the centralised performance-settingssystem introduced by the New Labour Government upon its election in **1997** at the expense of positive change in the delivery of services (Hood, **2006**). The approach is illustrative of the old US New-Deal progressive ideology of positive government representing "top-down positive government progressivism" in a NPM environment which seemingly emphasises "bottom-up market oriented populism" and wider public accountability on the part of the providers of public services (Hummel, **1989**). It is also observed that overemphasis on procedural effectiveness and procedural standards can result in unintended and

negative consequences (Leeuw, 1996). The findings of research works reveal that the implementation of NPM reforms was less about improving process to achieve greater "effectiveness" and more about aggressive per capita cost-cutting in the provision of public goods in the United Kingdom and Australia (Brunetto and Farr-Wharton, 2008).

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5.2 Australia

In Australia, many of the reforms within local government have paved the way for the National Competition Policy (1993 onwards) with a changed face. The reform programmes aimed to make public sector organisations adopt private sector tools for improving organisational efficiency and the effectiveness of outcomes such as productivity and service delivery to the client. Moreover, the reform aimed to change the focus of activities from inputs (such as resources) towards producing measurable outputs (e.g. the implementation of zoning laws, garbage delivery) with an objective to achieve the goals and objectives (outcomes) of the organisation - such as high quality customer **service delivery**. **Therefore, the adoption of NPM was supposed to improve the quality of organisational communication and management processes so as to achieve improved outcomes such as improved quality of customer service delivery (Brunetto and Farr-Wharton, 2007).**

The local governments' approaches to achieving these changes to public sector practices include changes to tendering procedures, contracting out of many functions and the introduction of financial reforms and management and appraisal practices. These changes were expected to have a positive impact on the workplace culture and values (Murray and Dollery, 2005). In the management of human resources, the approach aims to: identify all tasks and processes undertaken in the public sector; develop performance indicators to measure performance; and assess achievement of those goals by measuring performance against stated objectives (Brunetto and Farr-Wharton, 2005). However, the direction and pace of change has been at the discretion of each entity. A section of local government

organisations have implemented radical quality initiatives and benchmarking (Watson, 2003), the majority has followed incremental route to reform, which is much slower than the former (Jones and Gross, 1996).

5.3 China

China has a socialist form of government and with a strong public sector. But a significant level of influence of NPM is found in the public sector. For example, in the workforce of, performance has replaced the traditional criterion i.e. seniority as the determinant factor for people resourcing (Glover and Trivedi, 2007; quoted in Beardwell and Claydon, 2007). Moreover, the recruitment and selection practices are being more influenced by economic and market concerns than political bureaucracy and political affiliation that results in increasing number of job-cut in both public and private sectors (Zhu and Dowling, 2002). During 1998-2001 and 2002-2005, the number of employee redundancy in the public sector is 25 million and 14 million respectively (Glover and Trivedi; quoted in Beardwell and Claydon, 2007).

There has been a question that whether the movement of China to a socialist market economic system also embraced ideas synonymous with new public management and public service modernisation, within which citizen participation is a core element. The messages are mixed because the role of the state has not declined with the expansion of the market economy as expected (Knox and Qun, 2007). It is argued that there is a continued preferential treatment for the state-owned sector accompanied by a continued bias against the private sector, and "an administrative structure that resembles that of the pre-reform era". This would not suggest a comprehensive public sector reform programme and consequently the ideas of citizen participation in a public service oriented government may owe little (if anything) to public management reforms in developed economies (Saich, 2004). In fact, China has remained reluctant to Western trends in administrative reforms to a large extent (Knox and Qun, 2007).

It is observed that China provides a favourable context for the social acceptance of a paternalistic public bureaucracy. Both the culture and the political system emphasise unified leadership and authority, mutual dependence, moral incentives and conformity of thought. There is cultural discontinuity between values prevailing in society and those imported from outside i.e. New Public Management or Good Governance. China has remained remarkably true to its own cultural and historical origins. Therefore, external reforms have been difficult to introduce in the public sector and the paternalistic and often discretionary role of bureaucracy in its relations with the public has undergone little change (Dwivedi, 2003).

5.4 New Public Management and Bangladesh

It is observed that NPM posses different forms and characteristics in various countries. The civil service has become highly decentralised, marketised and even contractualised where there has been a high commitment to neo-liberal reforms. Moreover, in many countries, implementation of the reform programmes often goes beyond the conventional conceptions of NPM (Halligan, 2006).

It is argued that the traditional bureaucratic model have failed in the developing countries with the roots of its failure in the colonial legacy. The colonial rulers to administer their colonies used bureaucracy. Even after independence, there had been no major changes. In countries like Bangladesh, most of the prevailing laws were introduced by the colonial regime 50 to 100 years ago. The bureaucrats of such countries claim with pride that they practice the British system. Unfortunately they fail to realise that the age old laws and systems need to be modified. After decolonisation, many lower level officials became senior officers without being equipped for the new role. Therefore, the bureaucracy was large and important without institutional support to work effectively (Hughes, 1998).

It is observed that the recommendations made by the Public Administration Reform Commission-PARC (constituted in 1997 and submitted report in 2000) partially resemble the overtones of NPM. The major recommendations include: improving service delivery;

determining missions and functions; introducing performance monitoring and result oriented performance appraisal; delegation of power to subordinate and field offices; merit based recruitment, selection and promotion; separation of judiciary from the executive; market based pay and salary structure; privatisation and contracting out; reducing wastage; appointment of Ombudsmen; introducing citizen's charter; setting up of an independent commission combating corruption; enhancing users' fees in respect of utilities and service; turning public sector hospitals into limited companies; stopping irrational system loss etc. (Khan, 2006).

A number of recommendations including separation of judiciary from the executive, privatising and contracting out public enterprises, establishment of independent Anti-Corruption Commission, reducing number of ministries have been implemented. Although significant changes in the economy, efficiency and effectiveness in managing public affairs in line with the spirit of NPM is hardly found in last decade as recommended by PARC (Obaidullah, 2006). The vast majority of the recommendations are yet to be implemented.

However, despite its strong appeal, the Bangladeshi version of the NPM package remains largely unimplemented because of numerous factors. A number of isolated steps such as contracting out some public services and privatisation of public enterprises are under way. Repeated attempts to corporatise a few state entities became unsuccessful because of trade unions' pressure (Bangladesh Observer, 2005). After independence the Bangladesh Government embraced state-led development strategies and major industrial and commercial bodies were nationalised. During the period 1976-1992 about 500 state-owned enterprises (SOEs) had been de-nationalised because of the change in the political superstructure. Since the creation by the Government of the Privatisation Commission in March 1993 as the special agency to implement the programme of divestiture of SOEs, to date 33 SOEs have the final approval for de-nationalisation. Moreover, decisions for partial de-investment from public limited companies have been taken (Privatisation Commission, 2005).

It is expressed that the public administration lacks solid institutional frameworks, rule of law, effective control mechanism, check and balance and accountability (Sobhan, 2004). Some of the major obstacles for NPM include corruption, over politicisation of administration, factional rift among bureaucrats, bureaucratic bungling, flouting basic civil service rules, lack of proper training among the civil servants, massive corruption, distribution of patronage, and inability and ineffectiveness in rule application (Uddin, 2005; Sarker, 2006). Therefore, it is very difficult to ensure the implementation of NPM focused reform programmes in a country like Bangladesh.

6.0 Drawbacks of NPM

Despite having much promise and success in countries like the UK and New Zealand, New Public Management has been criticised from different quarters. Public sector is treated as homogenous. The diversity of this sector in terms of tasks, values and relationships is often ignored. There is concern regarding the structure and accountability of the administration. Growing anxieties about public accountability have made the much publicised British and New Zealand models much controversial. NPM has been promulgated as the 'universal panacea' for public sector and civil society throughout the world. Although the applicability of this model in developed countries is in doubt because of the non-fulfilment of various pre conditions. Weak civil society and inertia in the social and cultural arena are the obstacles to make NPM a success (Sarker, 2006).

Hughes (1998) has made a number of criticisms of NPM. Firstly, the economic basis of managerialism has given rise to controversy. Because in reality every man do not behave rationally, every bureaucrat do not maximise his/her own advantage. Secondly, this model tends to eliminate the differences between the public and private sectors. By ignoring inputs and overemphasizing outputs, the various input related steps such as determining strategy and setting objectives; devising programmes to meet objectives; setting structure and funding by programme; measuring programme; and evaluating

performance are overlooked. Thirdly, picking people for particular jobs, rewarding them according to their performance and measuring what they did and so on are significantly influenced by 'Scientific Management' of Frederic Taylor. This is contrary to the wisdoms of the human relations school. Fourthly, there is more possibility of intervention from the political leaders.

It is argued that NPM has caused a deconstruction of public organisations and left the employees searching for their organisational identity. This is destroying social attributes of public organisations and weakening the belongingness of the public servants to their organisations (Milward, 1996). Moreover, it is observed that the introduction of NPM has led to a fundamental weakening of the role of public sector officials as the increasing customer satisfaction metaphor ignores the representation and stewardship roles that are intrinsic to both public servants and public. The success of this model in removing bureaucratic mindset and injecting entrepreneurial spirit inside the public sector is also questioned (Fountain, 2001). In countries like Switzerland and Canada, new values of productivity, efficiency, risk taking, independence and accountability have been perceived to be conflicting with traditional Weberian values of procedural correctness, equal treatment, risk avoidance and strict adherence to rules and regulations (Horton, 2006). On the other hand research report reveals that the stability of organisational identity is emphasized by NPM. Although a number of previous research works were mainly concerned with the transformational characteristics of organisational identity accompanied by this new model. The transformations are outlined as transformations from one stable organisational identity to another. Two actor-groups were found constructed organisational identities with origins in their history and cognitive frames, but also (and importantly) identities that were an effect of the present reform situation, for example the perceived behaviour and ideological positions of others. If the situation had been different, other organisational identities would have been constructed. NPM reform thus produces organisational identity rather than reproduces or changes identity (Skålén, 2004).

Measuring performance is considered an integral part of NPM. But in reality, it is difficult to measure the effectiveness of employees within the public sector because there are hardly any appropriate tools for measuring the quality of the goods/services delivered by the public sector (Worthington and Dollery, 2002). The origin of the public sector service-profit chain (Davis, 2006) can be found in the private sector service-profit chain model, based on customer loyalty being a function of profit, which in turn, is based on the productivity of employees servicing the customers (Brunetto and Farr-Wharton, 2008). Therefore, there is reason to believe that profit motive may have a negative impact on the ethos of public servants to serve people.

The literature on public sector reforms reminds us that modernisation is context dependent - there is no global blueprint. From that context, advocates of new public management have been criticised for some of its disagreeable consequences. It is expressed that managerialism does not offer a "magic bullet" or toolkit for the problems in the public sector. In fact the evidence of superior efficiency claimed by NPM advocates has been questioned in recent years on the grounds that even if efficiency is achieved, equity might suffer (Larbi, 2006). It is argued that Government leaders who propose implementation of NPM through cutting budgets and emphasizing the improvement of the performance of civil servants while at the same time emphasizing privatisation and elimination of social programmes actually lack credibility. Moreover, it is not justified to blame civil servants for being "resistant" to change if the change means more work, lower salaries, less recognition and no more job security (Noordhoek and Saner, 2005).

It is observed that NPM represents only a short-term managerial fad and fashion-setters such as professional associations, the specialised media, and management consultants are fanning it. It is also believed that it will soon disappear with the emergence of new models (Sozen and Shaw, 2002). Others argue that NPM will itself change and reform to fit in with the requirements of public administration (Kickert, 1997).

In short, NPM cannot claim global success or a panacea for administrative reform in transitional countries (Knox and Qun, 2007).

7.0 Conclusion

There is no debate that the traditional Weberian model of bureaucracy is no longer enough to meet the challenges of the 21st century. In most of the countries, the service quality of the public sector is far from satisfactory. Of course there are a few exceptions. New Public Management emerged with the aim to enable the public sector serving people in a more effective manner. But there is hardly any room to assume that a marketised system of service delivery and employment regulation is emerging in an unproblematic manner (Lucio, 2007). Unlike natural sciences, NPM has a number of limitations. Some of those include insecurity of job, fragmentation, profit-service/welfare dichotomy etc. The success of the implementation of this new model varies from country to country.

Therefore, there is a need for a radical overhaul of NPM, on the basis of a constructive mix between aspects of the process and traditional administration, leading to a new model of New Public Administration (Noordhoek and Saner, 2005).

When Zhou-en-lai was once asked about the consequences of the French Revolution, he remarked that it was too soon to tell. Thus, caution is perhaps fitting in this case too because NPM is in its third decade only. Although it can be hoped that 170 years will not be needed before definitive judgments can be made about the outcome of this model (Levy, 2004).

Finally, it may be said that the ingredients of NPM are not divine verses but a set of guidelines aimed to ensure a positive change in the service delivery of the public sector. Countries will accept/reject this concept according to their socio-cultural and political needs. The prime emphasis should be over all national development by improving the performance of the public sector.

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