
UNIT 2 DISTINCTIVENESS OF PUBLIC SYSTEMS MANAGEMENT

Structure

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2.0 LEARNING OUTCOME

After going through this Unit, you should be able to:

- Comprehend the basic principles of traditional public administration model and its limitations
- Examine the changing character of public service
- Highlight the differences between bureaucratic system and public systems management; and
- Appreciate the importance of public systems management

2.1 INTRODUCTION

In the discipline of public administration, the issue of governance has emerged as one of the key areas of discussion in recent times. This is because of the increasing reliance on the market in the delivery of public services. It has also resulted in reforming administrative institutions specifically bureaucracy and enhancing the role of non-government organisations in the delivery of public services. The World Development Report 1999/2000 also advocated the ideology of pragmatism and the complementary roles of government, market and civil society in development. As a result, public services are being ‘managed’ rather than ‘administered’. Administration lays emphasis more on internal structural dynamics and rules and regulations than on the achievement of results, which is considered most important in ‘management’. In practice, the roles and functions of ‘management’ differ from ‘administration’.

The new system of public service management is result-focused. The transition from the old to the new style of providing services has altered the role of the government emphasising collaboration and enablement rather than hierarchy and control. The new system is referred to variously as “new governance”, “third-party government”, “government by proxy” and “indirect government”. Public systems management, hence, is acquiring a distinctive character. In this Unit, an attempt has been made to discuss the reactions to traditional public administration model and emphasise the

distinctiveness of public systems management, superseding the traditional bureaucratic model.

2.2 TRADITIONAL PUBLIC ADMINISTRATION MODEL

The theoretical principles of traditional public administrative model have been influenced by Woodrow Wilson, Max Weber and Taylor's Scientific Management thought and organisation theory. According to Mohit Bhattacharya (2001), this model has the following basic principles governing the structure of administration:

- a) The tasks of public institutions are to be in the hands of the administrators. Politics and administration are two different kinds of activities and their functionaries are different. Administration gets initiated after the initial push emanates from politics.
- b) Administration is based on written documents.
- c) The tasks are organised on a continuous, rule-governed basis.
- d) The rules that regulate work may be technical or legal.
- e) The tasks are divided into functionally distinct parts, each furnished with requisite authority and sanctions.
- f) Offices and tasks are arranged hierarchically; the rights of control and compliance being specified. There is preference for centralisation.
- g) The resources of the organisation are quite distinct from those of the members as private individuals.
- h) The office functionaries cannot appropriate their office for private aims.
- i) In performing the assigned tasks, the public employees are to accept their vocational role to fulfill their obligations with a sense of duty; and
- j) The guiding philosophy in the management of public sector is that of public interest.

This model places emphasis on structures, work division, power differentiation, centralisation and public-private distinction. The whole model is mechanistic, rigid and impersonal. The basis for this model is Weberian bureaucratic theory. The Weberian paradigm has dominated public administration since its inception despite varied criticisms against it. Bureaucratic hierarchy and centralisation of authority has long been a subject of criticism in organisational literature. In the present context of rapid social change and in development activities, traditional model has become dysfunctional in the delivery of efficient public services. This analytical framework has been criticised by public policy and public management perspectives. The public policy perspective concentrates on the policy process (a constant stream of actions and activities) rather than on formal institutions. This approach has the intention of emphasising:

- The political context in which public administration operates
- The organisational and personal networks involved in the formulation and delivery of policies
- The success, failure and desirability of actual policies, linking implementation mechanisms to results; and

- The central concept of the 'State', essential to an understanding of the relationship between the administrative and political systems and between politics, economy and society.

The public management perspective has been shaped by neo-classical economic principles. It has critically questioned the size, roles and structures of public sector, including those in the developing countries (Minogue, 1998).

Under the changed circumstances, the traditional model of public administration based on sheltered bureaucracy is no longer viable to provide efficient public services. There are various options available for the delivery of public goods and services. In the changed environment, governments operate indirectly as "enablers" rather than direct providers of public services allowing the market and non-government agencies to operate directly in a wide range of social activities. Governments have been adopting contracting out and privatisation methods to provide public services. In the opinion of Osborne and Gaebler (1992), "a government chained to the treadmill of revenue collection and service delivery is too busy administering to have the time to govern". The basic traditional norms of public service values such as neutrality, impartiality, accountability, responsiveness and equality are being replaced by pro-market values like competitiveness, efficiency, quality, productivity and profitability in the functioning of public systems.

2.3 CHANGING NATURE OF PUBLIC SERVICE

In the 1980s, new right thinkers and public choice theorists have criticised the pre eminence of the State and government in the delivery of public services. The concepts of welfare state and public interest were challenged. They advocated a greater role for the market and lesser role for the State and government. Concepts such as efficacy of State v/s market, increasing managerial orientation in governmental activities, and promotion of privatisation as a panacea for several socio-economic problems gained popularity in public administration theory. The future is projected in terms of a smaller role for government, an enlarged role for the market and the non-government organisations and more public-private partnerships in the delivery of public services. This trend of thought is best evident in the remark of the United States Comptroller General David Walker "the government is on a 'burning platform' and the status quo way of doing business is unacceptable". This perception that the old ways are no longer up to the new tasks has prompted new actors using new instruments of civic action to emerge to meet citizen needs. The transformation from command to market-oriented orientation in governance has been a global phenomenon. To make public systems more productive and competitive and, at the same time, receptive to global pressures in a resource-scarce world, there have been many reforms recipes such as de-bureaucratisation, downsizing, disinvestment, marketisation, liberalisation and privatisation. These have brought discernible changes in the structure, strategies and spirit of the public systems. Bringing about improvement in the quality of services being provided, maintaining efficiency and curbing public expenditure are the key guiding factors in the reform process. These reform measures are the result of a broad realisation that the rigid bureaucratic system has proved inefficient and ineffective in delivering public services to the satisfaction of citizens. Today, empowering citizens and making them active participants in public service delivery and management is an important feature of public systems management.

Today's 'governance' environment is characterised by complex techno-economic changes. This fast paced change poses new challenges for public service management. Important among many vital external changes are corporate globalism,

cybertechnology, changing values and management philosophies that have greatly affected the delivery and management of the public services. Likewise, changes in the internal environment such as increased sector mobility, privatisation and devolution require rethinking of public services management. The dynamic changes in the external and internal environments impel the need for professional managers who possess technical, ethical and leadership competencies to meet the complex governance challenges of the twenty first century. Each of these competencies is needed in all sectors viz., government agencies, non-profit organisations and private sector. The work place of today's public service professional is in constant flux causing, on the one hand apprehensions and uncertainty, and on the other providing opportunities and challenges. Leicht and Fennel (2001), identify six key characteristics of today's work place viz., (a) flatter organisational hierarchies; (b) more temporary working; (c) wide use of subcontracting and outsourcing; (d) massive downsizing of permanent workers; (e) a post-union bargaining environment; and (f) virtual organisations. These changes certainly affect the way public servants work.

The blurring of boundaries between government, private and non-profit sectors has given public service a broader meaning. Now, public service no longer refers exclusively to tasks performed by government, it involves working with NGOs and private sector as well. Public service is considered "the people establishment" that delivers services to citizens, promotes collective interests and accepts resulting obligations.

The defining characteristics of the old public service are a product of industrial era government. Those who comprised the old public service were government employees carrying out functions in centralised, hierarchical bureaucracies according to routine standard operating procedures. Their discretion was limited by their position in the vertical chain of command and they were accountable to their superiors. Elected officials set public policy, defined the public interest, and monitored program management. Authority flowed from the top to bottom, services were provided directly to citizens, control or regulation was government centered, staff roles were clear and skills were specialised. Civil service protection was granted to permanent employees whose pay and benefits came directly from government.

The new public service has a different set of characteristics more suitable to a post-industrial, service-based economy. Today vertical hierarchy is giving way to horizontal networks, bureaucracies are diminishing and shared leadership structures are emerging. The public interest is identified and pursued as a collaborative process based on dialogue with relevant stakeholders. The discretion of empowered administrative officials is present but limited and they remain accountable to the citizens through elected political leaders and administrative oversight. Employee job boundaries are flexible and skill sets are versatile. The transition from the old to the new style of providing public services has altered the role of the public sector, emphasising collaboration and enablement rather than hierarchy and control. The managerial challenges in the light of these changes are substantial, but they are both similar and different from those of earlier periods. Many of the dominant values from earlier era, which include, efficiency, economy, fairness, and performance continue to be important together with renewed emphasis on values associated with citizenship, public interest, ethics, transparency and broad democratic values of accountability, equity, and responsiveness.

The transition from command and control decision-making based on hierarchical authority structures to indirect web-like relationships in the new era requires a new set of managerial skills. The gradual transition from the old to the new public service alters the role of government, but politics and professionalism have to continue to be focal concerns of both the old and the new public service. It will, however, be wrong

to assume that bureaucratic administration is waning. The professionalism and effectiveness of bureaucracy exist along with managerial administration.

Now public systems have become quality conscious. They lay increasing emphasis on result orientation through rigorous performance-oriented mechanisms. They are accessible, transparent and accountable to citizens in public service delivery. In government, many works previously handled by the bureaucracy are now being entrusted to the private agencies on a contract basis. In traditional public administration model, civil servants recruited on merit basis were working on permanent tenure. Now under public systems management these ideas do not hold true. Concepts like efficiency and efficacy have undergone change in the evaluation process introducing differential pay structure for the same work. Equal pay for equal work is no more working, though it is a constitutional obligation. It has brought concepts like 'slimming of bureaucracy' and work is measured in the context of cost effectiveness. Low cost coupled with output is now a yardstick in the delivery of public services. The blurring of boundaries between public and private sectors is also ushering in change in public bureaucracies. They are expected to discharge the roles of not just administrators, but also as leaders and entrepreneurs.

Public systems management, in the changed context, gives primacy to

- Distinguishing policy from execution
- Productivity through getting more services from lesser revenues
- Marketisation by replacing traditional bureaucratic structures, mechanisms and processes with market strategies
- Service-orientation: Assigning priority to the needs of customers
- Decentralisation by devolving service delivery responsibilities to lower levels and local governments
- Accountability for results focusing on outputs and outcomes, instead of mere inputs, processes and structures

Despite powerful influence coming from managerialism, public systems management continues to be distinct. It caters to the tasks of public domain characterised by distinct public service values. In developing countries, certain areas such as education, public health, and food security continue to be dominated by public service. In public systems management, no doubt, the effort is to strike a balance between complex and competing goals such as efficiency, effectiveness, quality, equity and responsiveness. Public systems management is in the throes of change and the public service personnel are expected to discharge new types of functions demanding new managerial and financial skills.

In India, the approach paper to the Tenth Five Year plan (2002-07) has identified three critical challenges to civil services reforms: 1) Ensuring long-term affordability of the civil services, 2) Ensuring procedure for rewarding and promoting merit, disciplining malfunction and misconduct, and strengthening accountability and performance quality, 3) Reshaping the bureaucracy so that it performs its core public functions and develops new ways of provision of critical economic and social services. A new work culture needs to be evolved at all levels.

Jain (2003), suggests public service reforms which include: a) a more strategic or result-oriented (efficiency, effectiveness and service quality) attitude toward decision making, b) Replacement of highly centralised organisational structures with decentralised management environment integrating with the new local government institutions, where decisions on resource allocation and service delivery are taken

close to the points of delivery, c) Flexibility to explore alternative to direct public provision which might provide more cost effective policy outcomes, d) Focusing attention on the matching of authority and responsibility as a key to improving performance, including mechanisms of explicit performance contracting, e) Creating of competitive environments within and between public services organisations, f) Strengthening of strategic capacity at the centre to steer government to respond to external changes and diverse interests quickly, flexibly and at least costs, g) Greater accountability and transparency through requirements to report on results and their full costs; and h) Service wise budgeting and management systems to support and encourage these changes.

2.4 BUREAUCRATIC SYSTEM AND PUBLIC SYSTEMS MANAGEMENT: DISTINCTION

The inadequacies of the traditional public administration model to meet the demands of new public services delivery have led to New Public Management (NPM) approach as a citizen – centric administrative reform that has emerged in countries across the world during the eighties and nineties of the last century. The approach has become a new paradigm of public administration. According to David Osborne and Ted Gaebler, the essence of the new public management has called for cultural shift away from bureaucratic government towards an entrepreneurial government. NPM is an expression that has been used since the beginning of the 1980s to describe a new way to study and manage public organisations and their various systems and to advocate application of business management practices to government operations.

Unlike the traditional public administration model that has earned notoriety in terms of images of rules, regulations and lethargic decision-making processes, the very word “management” implies decisiveness, a dynamic mindset and a bias for action. The thrust of NPM is to introduce competition or market logic into the management of public organisations. The Organisation for Economic Cooperation and Development (1991) which has taken the initiative of introducing managerialism in public service delivery claims that most countries are following ‘two broad avenues’ to improve production and delivery of publicly provided goods and services. The first avenue intends to raise the production performance of organisations to:

- Improve the management of human resources including staff development, recruitment of qualified talent and pay for performance
- Involve staff more in decision making and management
- Relax administrative controls while imposing strict performance targets
- Use of information technology
- Improve feed back from clients and stress service quality
- Bring supply and demand decisions together

The avenue intends to focus on the internal functioning of the organisation, providing incentives for individual, measuring performance and improving the relationship with clients. It is concerned with how the public organisation is managed.

The second avenue is to make greater use of the private sector to promote a dependent, efficient, competitive and open public procurement system for contracting out, production of publicly provided goods and services and contracting in

intermediate goods and services and end monopoly or other protection for suppliers. The focus of these measures is on ‘what’ the organisation manages i.e. its processes.

The managerial orientation has brought the following changes in traditional public administration:

- A shift of general emphasis from policy to management with administrators becoming fully cost conscious for every action taken
- Clusters rather than the pyramids as the preferred model for the design of administrative systems
- In place of planning and hierarchical execution of decisions, a dichotomy has been made between core policy activities and adoptive operational services
- Process oriented administration gives way to an output oriented administration
- Flexible provision of individualised products instead of collective provision
- Emphasis on cost-cutting rather than spending
- The purpose of ownership is seen as efficient management rather than exclusive possession

In simple, NPM has changed the focus of government from process to results. The implementation and success of NPM is possible only if there is a cultural and behavioural shift in the management of government away from bureaucratic government toward entrepreneurial government. NPM objectives are operationalised through public systems management. In this perspective, public system managers are to cast off their old role as administrators and become more entrepreneurial, result-focused and market-based. The following table depicts the differences between traditional bureaucratic system and public systems management in undertaking governmental functions.

	Bureaucratic System	Public Systems Management
1	Public service is considered an exclusive task performed by the government	Public service is considered as a collaborative exercise involving government, NGOs and private firms, etc.
2	Citizen avoiding and secrecy in governmental business	Citizen-friendly, transparent and accountable
3	Public-private distinction	Public-private partnership
4	Rigid, rule-bound and hierarchic model	Flexible organisational design and practices model
5	Process accountability	Result accountability
6	Anonymous bureaucracy	Accountable bureaucracy
7	Structure-oriented	People-oriented
8	Emphasis on rationality in decision making process	Emphasis on bounded rationality in decision-making process
9	Adoption of centralised strategy	Adoption of decentralised strategy
10	Authoritative approach	Participatory approach
11	Politics – administration dichotomy	Politics-administration confluence
12	Focus on structures and processes	Focus on performance and results

The above table clearly reveals how PSM is distinct from traditional bureaucratic system in performing governmental functions. The operational model of new public management has ushered in revolutionary change in the management of public affairs, a new entrepreneurial, and user-oriented culture. Since public administration in the present times has become complex, PSM needs to work with broad based networks to provide efficient public services to citizens.

The current developments have no doubt exposed the over protected traditional public administration to the new requirements of 'management'. In the process, useful information regarding unscrupulous practices adopted in managing public systems leading to wastage of public money has also surfaced. PSM has, however, to be responsive to the felt needs of citizens particularly in a developing country like India. In most of the developing countries, PSM is still at a formative stage. The discussion on the relevance of new public management can be concluded with the words of Bhattacharya (1999), "New public management, with all its frailties has been able to generate useful and fundamental revision of the missions and identity of administration and public administration".

2.5 CONCLUSION

Traditional public administration which was based on Weberian bureaucracy emphasising on structure, work division, centralisation of authority has become largely dysfunctional for successful management of public affairs in the context of rapid socio-economic and technical changes and, of course, the globalisation trend. As a result, new public management approach has emerged as an alternative to traditional public administration to ensure effective, efficient and citizen/customer-friendly provision of public services. This approach adopts managerialism and public-private collaborative approach to governance. It is operationalised through the adoption and strengthening of public systems management. PSM, oriented towards result-orientation and quality consciousness, has inducted entrepreneurial, and user-oriented culture in the management of public systems. At the same time, it needs cautioning that public systems management has its own intrinsic logic and values, and hence, need not be wholly sold out to private sector principles and practices.

2.6 KEY CONCEPTS

Disinvestment

It implies offering a part of equity held by the government in public sector enterprises to mutual funds, financial institutions and employees. The New Industrial Policy Resolution of 1991, in India, introduced disinvestment with a view to improving the performance of public sector enterprises. Disinvestment is said to broaden the equity base, improve managerial performance and enhance the availability of resources for public sector enterprises and yield resources for the exchequer. It attempts to bring about change in the transfer of ownership of public sector enterprises.

Food Security

It is considered as a situation where people have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life. (The State of Food Insecurity, 2001)

Liberalisation

It is a policy of promoting competition, limiting the role of government to enable market economy function efficiently. It encompasses several measures including deregulation and privatisation. The various policy measures introduced in India since 1991 aim at liberalisation. The idea is to expand private markets by removing barriers to global movement of goods, services and capital.

2.7 REFERENCES AND FURTHER READING

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2.8 ACTIVITIES

1. Select any one of the government department or public organisation managed by central or state government and prepare a report on the new process, methods and practices initiated after 1990 to deliver public services. The report also can cover perceptions of functionaries and clientele on reform initiatives undertaken in the department /organisation.
2. Conduct a survey to examine the perceptions of general public on administrative reforms initiated by the central or state governments after 1990s. The study specifically should cover the government policies pertaining to disinvestment, reduction of subsidies, imposing user charges and attitude of the public bureaucracy etc.