

EFFICIENT AND RESPONSIBLE ADMINISTRATION BY APPLYING NEW MANAGEMENT MODEL

Denkova J.

Associate professor

**University”Goce Delcev” Faculty of law Stip
jadranka.denkova@ugd.edu.mk**

Ananiev J.

Full professor

**University”Goce Delcev” Faculty of law Stip
jovan.ananiev@ugd.edu.mk**

***Abstract:** In this paper we are presenting the most relevant studies related to public management reform and controversies raised with introduction of the new approach called “new public management”. Both of them were depicting different aspects of something genuinely the same (public administration vs. public management), pointing to the evolution process in the academic discipline(s) as well as wide spectrum of pros and cons related to the respective scientific concepts. Following this line of thinking (and rethinking) on public administration and public management, this paper referred to the phenomenon of weak and failed states. The research that we conducted (analyzing legal setting vs. administrative practices in the Republic of North Macedonia) presented discrepancy between legally stipulated provisions and the reality in administrative performance.*

***Keywords:** new public management, public administration, efficiency, responsibility, results.*

Introduction

New public management NPM (however vary “from country to country, between policy sectors and over time”) is a theoretical model related to basic ethical principles of public access and accountability. In the developed democracies, gradual development of a quality administration prevailed. Having this as a starting point, this paper is analyzing new public management implementation and performance in the Republic of North Macedonia as well as if the public administration reform meets its goals and principles.

In addition, to understand applicability of “new public management” (or NPM) in the real world and its overall impact on social and political environment, another two works we consider as a highly relevant. One, offered by Pollitt, van Thiel and Homburg (2007) related to European experiences with NPM, and the other, offered by University of Manchester - Institute for Development Policy and Management, related to NPM in developing countries (1999). From our perspective, there are another key issue looming over the arguments and counterarguments in taking sides about NPM. That issue is much more associated with theory and practice of political system, governance and governability in modern world, including the criteria that must be fulfilled by a political entity to be considered as a sovereign state and democracy.

Theoretical overview on new public management

Historically, the concept of “new public management” or NPM, has emerged as a solution to the slow and exhausting bureaucratic rules that have resulted in typical public administration inefficiency. Mongkol, (referring to Aucoin, 1990; Pollitt and Bouckaert, 2000; Laffin and Painter, 1995), points that “NPM is intended to improve the quality of public services, save public expenditure, improve the efficiency of governmental operations and make policy implementation more effective”. More precisely, (referring to Holmes and Shand, 1995), he described NPM as a good result-oriented managerial approach (efficiency, effectiveness and service quality). Through traditional model of policy implementation, the state was faced with high costs, inefficiency of administration and discontent among service users, the citizens. Consequently, substantial changing in managing public affairs has emerged as a needed new paradigm.

The new approach in managing public affairs, emphasizing control function of the state authorities over the privately owned agents in performing duties of public interest, has relaxed financial burden to the state. In addition, the “new public management”, abandoning the strict hierarchy in administering public affairs implies transfer of implementation competencies to decentralized administrative bodies and organizations. (According to Gruening, 2001, 12. p. 11), it is easy to see that “public management and public administration have close ties. Their researchers address similar problems, ask similar questions, and employ similar techniques.”) Thus, (Robert Behingo, 2009, 6. p.892–909) defined public management as "a set of tactics and strategies aimed at improving the efficiency of the public sector."

Dwight Waldo is a brilliant thinker on the “new public administration” in the postwar period - in the late 1960s Dwight Waldo organized a conference about the future of public administration and initiated a movement called New Public Administration (NPA), incorporating ideas from the human-relations movement and the political faction of public administration (basically, NPA was a critique of classical and neoclassical public administration). The basic principles of “New Public Administration” are participation, decentralization and “representative bureaucracy”.

The “new public management” appeared in response to the inadequacy of previous administration models (Hughes, *ibid*, 11. p. 58). “New public management” might be considered as a sub-area of public administration. The “new public management” emphasizes the economy, effectiveness and efficiency in governance and the delivery of quality public services.

The purposes of the “new public management” are: to transfer the responsibilities to the operating managers in order to create greater managing flexibility and autonomy, to put more emphasis on risk management, to focus on measuring the effects.

In sum, the concept of new public management is aimed to overcome the problems caused by strict hierarchical control typical for traditional public administration, turning instead to delegation of competences, greater flexibility and room for discretionary decision-making by the immediate service providers.

Analysis of research results

The institutional capacity and administrative performance of the state administration in the Republic of North Macedonia (RNM), even being in stay of permanent reforms for almost three decades, could not be much different then overall political, economical and social circumstances and trends.

The public administration faces similar challenges in all parts of the world due to the need to introduce innovations in operations and to improve its effectiveness and efficiency. Modernization of the administration not only requires changes in its strategy and structure, but also requires changes in the administrative behavior. Managing the public sector aimed at creating a responsible, effective, efficient and respondent public administration was implemented in the first Law on Civil Servants of the Republic of Macedonia as an independent country from 2000, (Law for civil servant "Official Gazette of the Republic of Macedonia" No.59/2000).

That stipulated establishment of Civil Servants Agency as a coordinative body that played a significant role in giving directions in the manner of managing the public administration. Also, the commitment to establish public institutions of a private nature to which the competences of public interest will be transferred is reflected in the adoption of the Law on Institutions, (Law on Institutions "Official Gazette of the Republic of Macedonia" no. May 7, 2005). This Law contains the models of privatization of the public sector and the manner of establishment of private public partnerships, which served as the starting point for the establishment of the new public management in the Republic of Macedonia. So far, the transfer of public authority to entities in private ownership in the Republic of Macedonia is most visible in education, in the health sector and in the social services.

Another important legal act in the field of public sector management in the Republic of Macedonia was the Regulation on establishment of organizational units for managing human resources in the public sector as well as for strategic management in the public sector, (In Article 8 of the Decree on the Principles for Internal Organization of the Bodies of the State Administration Official Gazette of the Republic of Macedonia No. 93/2000, 14/2002, 105/07).

The CAF system in the public sector in the Republic of Macedonia was used only as an experimental model based on certain projects by the OSCE, etc.

In the laws of the Republic of Macedonia of administrative nature there are provisions that refer to the commitment of the state bodies for the application of NPM in the public sector. The Law on Administrative Officers contains provisions relating to the assessment of administrative officials, training, mentoring and measurement of achievements. The main emphasis has been placed on efficient and responsible administration. The provisions that refer to the NPM could be also found in the Law on General Administrative Procedure of the Republic of Macedonia, Law on Administrative Procedure ("Official Gazette of RM" 124/2015 that contains the basic administrative principles. The Law on Administrative Procedure contains a number of provisions on discretionary decision-making by administrative officials, which refers both to the autonomy of the administrator in charge, and, at the same time, reinforce his/her responsibility.

In order to see how the legal provisions related to the NPA works in place, the paper refers to the analysis of an interview conducted with 21 respondents - employees in the state authorities in the Republic of Macedonia. Regarding the measuring of the quality and quantity of the work of the civil servants, all the interviewees answered that they do not have sets of indicators for measuring the quantity and quality of the work of the civil servants. As an exception, at the State Statistical Office, software for analyzing the utilization of working time has been introduced, in terms of utilization of the working time vs. working costs. Using this software, each employee records how much work he/she has done during the day and how much working hours he/she has spent. The establishment of quality criteria and indicators will also affect the overall perception of the capacities of the state administration, indicating how much they are trained and able to respond to the given obligations. Regarding the position of the Civil Servants Evaluation System and the Assessment Form, all respondents consider that the Civil Service Evaluation System is

unrealistic, run by incompetent and subjective assessors. According to the respondents, these circumstances are due to the fact that no self-assessment has been introduced, no one is honest about him/herself and others, all of them don't share the same quality of knowledge and skills often not aware about that fact, so self-criticism does not exist at all. According to all respondents, the position of one-sided assessment leads to subjective assessment. Respondents believe that a full change of approach and assessment model should be considered. And, finally, it is not a realistic assessment if civil servants with different titles are to be valued and evaluated with the same assessment indicators.

Document Management System is software that provides scan of the work performance from the highest to the lowest hierarchical level. Such systems provides scan of the capacity of administrative officials in bringing public services to citizens. The respondents answered that they did not have a document management system. Three respondents answered that they have established a similar system, which refers only to electronic archiving, which means scanning all incoming and outgoing documents and their electronic forwarding, but in addition to the electronic ones, the paper form of document flow is still used. All respondents expect the establishment of such systems in the coming period through the E-Government Strategy initiated by the Ministry of Information Society and Administration. In the framework of this activity, the Law on E-Management, Law on E-Management ("Official Gazette of RM" No. 13/05, 14/07 55/07, 98/08), is legally backed up by some provisions that will facilitate the work of the civil servants enabling exchange of data between the institutions.

Conclusion

Concluding remarks we will start with warning that NPM can have very negative effects when injected into situations where the civil service is highly politicized, the 'public service ethic' is unknown, budgets are unstable and accountability is weak. However, from the above presented, it could be concluded that NPM is a trend that could not be avoided and subsequently, the NPM in the Republic of North Macedonia is on the political agenda, too. Its advancement goes slowly, with more "downs" than "ups", which reflects the efficiency of the public administration. Therefore, there is a necessity to establish a system of measurement of administrative operations through software that will provide real indicators based on measurable indicators. This way of working is expected to motivate employees by rewarding those who achieve greater results than their colleagues. Trainings should be an indispensable part of the establishment of the NPM as a serious way of improving the knowledge of the administration. Given that the reform of the public administration goes in the direction of transferring competencies from the national to the local level, the doors of the public sector services are remaining open, that gradually keep open possibility of switching public services into private hands, in particular strengthening the control over the work of public institutions that have been given the authority to perform functions on behalf of the state. Thus, the amendment of the laws should be in the direction of the establishment of a quality management system (ISO standards or CAF system), a clear control mechanism through inspection bodies that will continuously monitor these institutions performance. There is a necessity to establish a one-stop-shop system between the public service providers and the state administration bodies as well as the public administration should be independent, serving to the citizens in effective and efficient manner.

References

1. Anderson, J.E. (2015) "Public Policymaking: An Introduction", 8th (instructor's) Ed., Cengage learning
2. Aucoin, P., (1990). "Administrative reform in public management: Paradigms, principles, paradoxes and pendulums", *Governance*, 3: 115-137.
3. Armstrong, A., (1998). "A comparative analysis: New public management-the way ahead". *Aust. J. Public Admin.*, 57: 12-24.
4. Batley, R. and G. Larbi, (2004). *The Changing Role of Government: The Reform of Public Services in Developing Countries*. Palgrave Macmillan, New York.
5. Bale, M. and T. Dale, (1998). "Public sector reform in New Zealand and its relevance to developing countries". *World Bank Res. Observer*, 13: 103-121.
6. Behingo, R. (2009) *Public Administration* Vol. 87, No. 4, (pp.892-909).
7. B. Guy Peters (2018) "The Politics of Bureaucracy: An Introduction to Comparative Public Administration" 7th Ed., Routledge
8. Bowornwathana, B., (1995). "Comparative Civil Service Reform: The United Kingdom, the United States of America, Japan and Thailand". Chulalongkorn University Press, Bangkok.
9. Bozeman, B. (1991a). Introduction: two concepts of public management. In: B. Bozeman, *Public management: the state of the art* (pp. 1-5). San Francisco: Jossey-Bass.
10. Caiden, Gerald E. (1991). "Administrative Reform Comes Of Age". Berlin: Walter de Gruyter.
11. Christensen, T. and P. Laegreid, (2001). "New public management: The effect of contractualism and devolution on political control". *Public Manage. Rev.*, 3: 73-94.
12. Gruening, G. (2001) "Origin and theoretical basis of New Public Management", *International Public Management Journal* 4 (2001) 1-25, *Arbeitsbereich Public Management, Hochschule fuer Wirtschaft und Politik, Hamburg, Germany*.
13. Hughes, O.E., (2003). "Public Management and Administration". Palgrave Macmillan, New York.
14. Holmes, M. and D. Shand, (1995). "Management reform: Some practitioner perspectives on the past ten years". *Governance*, 8: 551-578.
15. Kiggundu, Moses N. (1998). "Civil Service Reforms: Limping Into the Twenty-First Century", pp. 155-71 in M. Minogue, C. Polidano and D. Hulme, eds, *Beyond the New Public Management: Changing Ideas and Practices in Governance*. Cheltenham: Edward Elgar.
16. Kuhn, T.S. (1996) "The Structure of Scientific Revolutions" 3rd ed., University of Chicago Press.
17. Laffin, M. and M. Painter, (1995). "Reform and Reversal". Macmillan, Melbourne.
18. Marini, (1971), "Toward a new public administration: the Minnowbrook perspective". Scranton, Pa.: Chandler Publishing (pp. 346-367).