The relation of the new public management perspectives to service quality within public establishments and enterprises: A theoretical approach

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Abstract:

This contribution aims to explore theoretically the concept of public-service quality and to illustrate the contribution of New Public Management (NPM) practices on the improvement of the above-mentioned quality within Public Establishments and Enterprises (EEP) that need to be more flexible, adaptable, and ready to apply new procedures with agility. Indeed, these organizations present a particular field of study as they were the first to adopt the modernization practices resulting from the new public management model. From this perspective, NMP is seen as a transdisciplinary reform, combining the strategic, financial, marketing, and human resource functions, focusing on the improvement of the global performance of the organization and providing a quality public service to satisfy the citizen customer in terms of accessibility, equity, and transparency. Through this theoretical paper, we aim to investigate the interrelation between anchoring NMP's tools and the improvement of public service quality and thus improve the performance of the sector. For this purpose, a theoretical exploration has been conducted, which ended with the development of a research hypothesis to test the theoretical relationship between the constructs of the study, ended by a conceptual model.

Keywords: New Public Management, Quality of public services, Public establishments and enterprises, Performance.

JEL Classification: H83

Paper type: Theoretical Research
1. Introduction:
By maintaining the New Public Management paradigm, public organizations are committed to establishing a novel managerial perspective within the letters. Currently, Moroccan public establishments and enterprises face an infinite array of challenges that lead them to implement a set of restructuring and reform to maximize their results, improve their performances and thus the quality of their services.
At present, Moroccan Public Establishments and Enterprises present a particular field of research because of their multiple objectives and characteristics, their intangible resources, their perception regarding result measurement, and also their involvement through diverse actions which aimed to reorganize the way they are managed.
Taking into regard these particularities, public establishments and enterprises are trying to implement new administrative management methods based on a set of criteria such as performance, effectiveness, efficiency, and quality of services to revitalize public management. This emerging philosophy is declined under several names as «reengineering the public sector» (Andersen, 2006), «reinventing government» (Osborne, D & Gaebler, T, 1993), «public sector reform» or «New Public Management reform» (Skålén, 2004) and the most common «New Public Management» Cited in (Kakouris, 2014).
The New Public Management practices are rooted in a series of doctrines that define it as the transfer of private sector management tools into a public sphere that seeks to render public services more efficient and citizens oriented. In the same vein, author Erwan FERLIE (1996), in his «book The New Public Management in Action», explained that the application of private sector management methods would allow public administrations to become more competitive while guaranteeing public service quality (ALGUAZIL et al., 2010).
However, the interrelation between NPM practices and the quality of public services seems difficult to verify from a theoretical point of view and an empirical one, and this is why the present paper is based on the following question: In which measure the "New Public Management" can be considered today as an improvement axe of the quality of the services of the Moroccan public establishments and enterprises?
For this purpose, our work will be guided by the existing literature to provide answers to the above-mentioned question. First of all, a formulated framework of the managerial principles and modalities of New public management, with a specific focus on the implications and specificities of the implementation of this movement within the Moroccan public sector, will be outlined.
Afterward, the delimitation of the contours of the NPM, which can constitute valuable support for the development and improvement of the quality of public services and the performance of public establishments and enterprises, will be discussed. In doing so, we will also review the dimensions and measurement models of service quality that might be applied in the public sector. And to conclude, a conceptual model will be presented at the end.

2. Implication of the New Public Management within public establishments and enterprises:
2.1. New Public Management conceptual framework and Practices
The exploration of the literature clearly shows that the New Public Management has a significant presence among researchers, but despite its abundance, it is not easy to characterize a universal definition. In general, the theoretical framework describes New Public Management as a way to improve the operating manners of the public organization by anchoring some practices reported from the private sector.
The roots of NPM’s rise can be traced to the result of several economic and management theories, mainly the Public Choice theory and managerialism (Haeperen, 2012), cited in (Noua & Alami, 2022). And as Hood (1991) also affirms, it originates from the combination of two ideologies, “New Institutional Economies”, which focuses on free choice and market mechanisms, and “Professional Management”, which places management by objectives and the expertise of managers at the center of the process of enhancing organizational performance (Mouissia, 2020).

Referring to the background research of New Public Management movement’s pioneers Hood (1991, 1995), this latter is based on seven pillars which are:
- “A move to disaggregation of units in the public sector into strategic ones,
- A shift to greater competition in the public sector as well as among public and private organizations,
- A focus on practical private sector management techniques,
- An increased emphasis on discipline and parsimonious use of public resources
- A move toward control of public organizations by visible managers exercising discretionary power,
- The move towards the use of explicit standards and performance measures,
- And a greater accent on output controls” (Ghannouchi, 2022).

Moreover, other perspectives have been developed focusing on the transformation of the public management system, notably by introducing decentralization, disaggregation, downsizing, results-based management culture, improving the quality of public services, and promoting the principles of the market (Kakouris & Meliou, 2011). In this sense, this paradigm contains guidance towards a higher level of Citizen-Customer’s satisfaction, by instituting a greater quality standard.

E. Ferlie et al. (1996) summarize the above in four models. It is about:

<table>
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<th>Table 1: summary of four models</th>
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<tr>
<td><strong>The efficiency model</strong></td>
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<td><strong>The downsizing model</strong></td>
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<td><strong>The excellence model</strong></td>
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<td><strong>The Public service orientation model</strong></td>
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Source: Adapted from Hantem & Eljaouad (2017), and Pesqueux (2020)

Morgana (2012) states that Fayol is another pioneer of the renowned “New Public Management” movement, which is less cited in the literature, that marked the history of NPM with his studies of two public services: Post, Telegraph, and Telephone (1921) and the monopoly of tobacco (1923–1925). In his view, the essential condition for the success of public service is a good high-level administration, a good manager, and good administrative tools (Guenoun, 2009).

Despite its growing momentum and its widespread adoption, the NPM movement has been questioned for multiple reasons. A review of the literature reveals that several authors have highlighted the inadequacies and limitations of NPM practices (McLaughlin et al., 2005; Morgana, 2012; Van Haeperen, 2012).

It is commonly accepted that there is a significant difference in the way in which private and public management are performed. Therefore, in the sense of Heller (1972), the public sector remains more difficult, thus one of the criticisms that authors have leveled is the ability of public-sector structures to draw inspiration from the private sector, and the degree to which the
private sector's management methods are compatible with public-sector values is one of (Amar-Sabbah, 2007).

Over and above this incompatibility, namely in terms of the introduction of these new methods (Van Thiel and Leeuw, 2002), NPM tended to displace goals of public action (Gibert, 1994; Trosa, 2010) this means that, since the NMP reforms, there has been an exacerbated focus on the adoption of new tools, to the detriment of the sense of public action. Another criticism of this paradigm relates to its limitation of public value creation exclusively to financial consolidation (Mouissia, 2020).

In the same vein, and by the findings of Van Haeperen (2012), the disaggregation of public sector units into strategic ones, which is one of the pillars of the NPM movement, constitutes one of the major limitations and, most notably, the gentrification that presents the problem of control and the conduct of public policies (Moussali, 2023).

According to Fayol the ideal of a successful public service can be summarized in one statement: "The essential condition for the success of a public service is a good high-level administration, a good manager, and good administrative tools" (Laaribi, 2020).

Besides, one of the paradoxes derives from the principle of universality, which considers that the NPM's methods are applied to all public entities, even though each one has its particularities and implications, and therefore has distinct values.

We can also highlight, as limits, the continuous quest for performance within the public sphere. This way, the NPM maintains that, like private-sector counterparts, productivity, effectiveness, and efficiency reflect the performance of public-sector organizations, whereas the ultimate objective of these latter is to deliver high-quality public services (BELARAJ & OUKASSI, 2020). Consequently, we can identify that this new management approach disregards the community's concerns and focuses on achieving results.

Furthermore, "Public performance is the capacity of public organizations to control their human, financial and organizational resources, to produce an adapted offer of public services, in terms of quality and quantity, which responds to the needs of its stakeholders and generates favorable effects on its territory" (Carassus et al., 2011). This leads to another constraint linked to the quantifiable aspect of performance, which is mainly explained by the divergence in terms of the missions of public entities, their multiple objectives, and their countless stakeholders.

To sum up, the literature accepts that the NPM suffers from difficulties and inadequacies, sometimes qualified as contradictory, that handicap the effective functioning of this movement among governments.

2.2. NMP and Public Finances

In terms of public sector reform, transparency establishment, efficiency, and effectiveness, the issue of public finance management has been extensively influenced by the ideology of New Public Management. But the question is, in which measure?

Following one of Demba Ba's (2015) synthetic conceptualizations, public finances are defined as the finances of the entire public sector, which have an important function in the process of government formation and reform. In line with the above, New Public Management is intended to regulate public finances, particularly in terms of public budgets.

Relating to the finding of Harakat (2011), who left an indelible mark on the history of finance in Morocco, more extensive acceptance emerges than the one advanced by Demba Ba (2015). It supposes that the finances of the public sector include, in addition to the finances of public administrations, those of public establishments of an industrial and commercial nature, or even cover the so-called finances of public establishments and enterprises. This conceptualization makes it easier to assess the economic, financial, and political importance of the governments.
Indeed, the main purpose of public finance is to investigate the transparency of finances and evaluate budgetary and financial governance systems (Harakat, 2011) which goes conjointly with the budget reforms induced by the NPM approaches.

Elsewhere, this budgetary reform “Finance Law” is a segment of an international context marked by the commitment of various precursor governments to reform their public finance systems to adopt a results-based budget management approach (NGADI & ELATIFE, 2022).

The adoption of such an approach aims to implement a set of tools for managing, piloting, and improving public action, based on the foundations of NPM.

According to the preceding, Cohen (2012) state that through the establishment of a financial control and management system, NPM practices contribute to streamlining public expenditure and improving the deployment of public funds. Cited in (BELARAJ & OUKASSI, 2020).

In this respect, the evaluation of Management system public financial control fits into the modernization of the public sector that’s intended to:

- “Ensure That the Government contributes to defining the guidelines for public policy and that it fully fulfills both its regulatory functions as a guarantor of the nation’s priorities and its function of providing incentives and leadership;
- Introduce a system of internal control and constant evaluation of the inherent risks of cognitive and democratic governance practices, reconciling three closely linked logic: transparency, the economy of knowledge and innovation, and the logic of management and performance;
- And lastly, to implement a new form of participative governance, enabling the transition from government to governance. This dynamic transition requires a high-performance government with adequate resources and tools and appropriate structures for evaluating public policies. In short, it's a question of reflecting on the performance indicators of governance systems in their entirety” (Harakat, 2011).

In effect, there is a connection between budget reform, public policy, and the quality of public services. In Morocco, the adoption of the new Finance Law provides a framework for the principles governing the entire budgetary process. Among other purposes, it aims to reinforce the effectiveness, efficiency, and coherence of public policies, improving the quality of public services provided to users, and making public managers more effective and efficient (NGADI & ELATIFE, 2022).

2.3. NPM in Morocco: Current Situation

The term NPM in the Moroccan public sector context is generally associated with the "modernization" of the latter. However, it seems primordial to demystify briefly the context of our contribution in this instance the public sector and more particularly the Public Establishments and Enterprises.

The public sector forms a specific field of analysis and reflection that diverges from those of the private sector. The delimitation of the definitional contours of public establishments and enterprises remains difficult to define as they present a heterogeneous character.

As confirmed by Ben Letaief (1998), it is difficult to find a single criterion to define public enterprises, especially since the definitions proposed by official texts are considered arbitrary and ambiguous (Gweth, 2022). For the purpose to define the notion of Public Establishment and Enterprises, the OCDE states that "any legal entity recognized as an enterprise under national legislation and in which the state executes shareholder rights should be considered as a public enterprise" (OCDE, 2015).

Furthermore, in the Moroccan context, the 69-00 act on the financial control of the government over public establishments and enterprises and other organizations specifies that: "public enterprises are governed by the legislative and regulatory dispositions applicable to enterprises,

1 LOLF (Organic law n°130-13 relating to the finance law
subject to the specific disposals for these enterprises Public establishments are required to conform to the principles and rules of governance provided for in this act.²

Through the above, the public sector is composed of a set of heterogeneous enterprises from a legal point of view (public establishments, limited companies, etc.) as well as regarding the organization and management of the activities conducted: public service, monopolistic activities, competitive activities, industries, trade, services, etc … (Gweth, 2022).

Moroccan experiences in modernization are not recent, attempts have been made since 1993 with the impregnation of privatization in the public sphere. This period corresponds to the first stage of change, which is characterized by the adoption of a “Good Governance Pact” (1998). The aims were to rationalize public costs, reinforce the capacity of the administration to communicate, and improve its relations with its environment.

Thereafter, another stage was submerged from 2000 to 2010 which is mainly characterized by the deployment of various structuring programs such as, the "Economic and Social Development Plan", and “the Public Administration Reform Support Program”. This latter seeks to improve public finance management; enhance the efficiency of human resources management, simplifying procedures, and introducing e-government.

Thus, since 2001 a series of actions have been launched in this regard, most recently the implementation of the National Administrative Reform Plan “2018-2021” which places the interest of the citizen at the center of the concerns of the public service.

Moreover, the creation of the National Agency for the strategic management of State participations and the Control of the Performance of public establishments and enterprises has been adopted to improve the efficiency of the action of public establishments and enterprises, their performance as well as their services.

In this regard, the reform of Moroccan public establishments and enterprises is still ongoing converging towards the establishment of quality standards, transparency, accountability, and responsibility at the center of public services, also increasing effectiveness and efficiency in the production of public services. Despite the ambition of these reforms, there are still several, particularly in terms of performance measurement.

3. NPM and public service quality: Interrelation

3.1. The interrelation between NPM and public service quality

The terminology of quality was not widespread in the public sphere, as confirmed by Scharitzer & Korunka (2000) it’s a marketing concept that has increasingly begun to spread into the public sector. In the same vein, these authors argue that the literature on quality and new approaches to NPM has been developed widely independently of each other in recent years.

Recently, the public sector has become increasingly interested in total quality management and related concepts (KDZ, 1996). Cited in (Scharitzer & Korunka, 2000, p. 944).

The changing orientation of public establishments and enterprises makes the frame of service quality a major concern for researchers and practitioners.

Referring to Wisniewski (1996), conducting surveys to measure user satisfaction towards public services has increasingly become an effective approach to improve the perception of performance (Williams et al., 1999).

The emergence of quality in the public field is one of the consequences of the advent of NPM practices. This reorientation has changed the perception of users or users of public services as customers with changing expectations.

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² Project of the 69-00 law relating to the governance and financial control of the State over public establishments and enterprises and other organisms
Consequently, enhancing the quality of services has become a very concrete issue for NPM (Edvardsson & Enquist, 2006), cited in (Kakouris, 2014). However, improving public service quality represents a cornerstone of the NPM's function as it has a disciplinary dimension. Amar & Berthier (2007) discuss another classification of actions to be applied to implement the NPM principles and which can lead to an improvement of public service quality.

From a strategic point of view, the NMP is affecting both internal and external structural changes within public establishments and enterprises. In effect, the questioning of the role of the state and the missions of the public service, the delegation of the latter, and the implementation of public-private partnerships have been conducted to maintain the production of public services and ensure a certain quality standard.

Furthermore, the reduction of public costs forms an element of the corrective actions adopted within public establishments and enterprises under the NPM. This approach is mainly financial in the sense that public establishments and enterprises have progressively introduced a function inspired by the private sector, namely management control.

The deployment of the latter consists of the utilization of new management tools such as the scoreboard, which aims to appreciate the performance achieved based on financial and non-financial criteria. It is noteworthy that the scoreboard includes the stakeholder dimension and thus integrates the users, who are perceived as customers, at the center of its concerns.

Adding to this, the integration of information technology and communication contributes to the dematerialization of public services which marks an improvement in access to services and information via a digital platform. Thus, contributed significantly to the reorganization and simplification of administrative structures and therefore to the satisfaction of citizens’ clients.

In this wake, researchers Williams, C.S., & Saunders, M.N. (2007), argue that the focus on improving service quality has forced public service managers to engage in service quality measurement. They have increasingly had to become involved in assessing the satisfaction of external and internal customers, whether they are users or suppliers of services (Farnham and Horton 1993).

The satisfaction survey needs to deploy measurements that can reflect the concepts of public service quality, indeed, the most well-known is the SERVQUAL model primarily initiated by Parasuraman et al. (1985, 1988). This pendant, SERVQUAL model was designed mainly for private sector organizations, Parasuraman et al. (1985, 1988) argue that service quality is a set of gaps between consumers' expectations and perceptions. As is known, the SERVQUAL model is based on a set of five dimensions: Reliability, Assurance, Tangible, Empathy, and Responsiveness.

In contrast to this model, which focuses on the quality of services in general, another model emerges that focuses on the quality of public service in particular. It is the legal model. (Sabadie, 2003) reviewed the models for measuring service quality and added characteristics specifically to public services, and retained four main dimensions in his study, namely

- “Equal treatment of users: users placed in a similar situation must be treated in the same way;
- Participation: taking into account the opinion of users or their representatives in the definition of the service to be provided;
- Request management: the establishment of a complaint process and the consideration of the complaint;
- Transparency: the information provided to users on the actions of the public service in general, and on the processing of their request in particular” (Sabadie, 2003).

To sum up, the principles of effectiveness, efficiency, and quality of public services are increasingly widespread within public establishments and enterprises, under the light of NPM. Therefore, the hypothesis of our contribution is presented as follows:
H1: There is a positive relationship between the NPM’s objectives and public service Quality

- H1.1: Improving the NPM’s strategic function impacts positively the public service Quality.
- H1.2.: Improving the NPM’s financial function impacts positively the public service Quality.
- H1.3: Improving the NPM's marketing function positively impacts public service Quality.
- H1.4: Improving the NPM's human resources function positively impacts public service Quality.

3.2. The interrelation between NPM functions and public service quality dimensions

Based on the various NMP actions developed by several authors (Laufer and Burlaud, 1980; Hood, 1991; Pollitt and Bouckaert, 2000; Gruening, 2001), it is clear that NMP permits the introduction of incentive effects via a panoply of functions. This cross-disciplinary approach involves the strategic, finance, marketing, and human resource functions, and each function has its objectives, which help to reorganize the public sphere (Amar & Berthier, 2007).

Table 2: The range of actions covered by NMP.

<table>
<thead>
<tr>
<th>Strategic function</th>
<th>Results-based management</th>
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<tbody>
<tr>
<td></td>
<td>Introduction of strategic planning</td>
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<tr>
<td></td>
<td>Privatization of public enterprises, externalization</td>
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<tr>
<td></td>
<td>Establishment of public/private partnerships</td>
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<tr>
<td></td>
<td>Separation of political (design) and administrative (implementation) functions</td>
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<td></td>
<td>Deconcentrating and/or decentralization</td>
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<tr>
<td></td>
<td>Internal use of new information and communication technologies</td>
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<td></td>
<td>Generalization of evaluation (performance culture)</td>
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<td></td>
<td>Simplification of administrative formalities and procedures</td>
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<tr>
<td>Finance Function</td>
<td>Deficit reduction</td>
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<td></td>
<td>Program-based budgeting Increased accounting transparency</td>
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<tr>
<td>Marketing Function</td>
<td>Development of public marketing</td>
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<tr>
<td></td>
<td>External use of new information and communication technologies (for better communication)</td>
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<tr>
<td>Human resource Function</td>
<td>Staff reduction</td>
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<tr>
<td></td>
<td>Empowering and motivating employees</td>
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<td></td>
<td>Development of participation</td>
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</table>

Source: Adopted from (Amar & Berthier, 2007)

From this table, the following interrelation can be identified:

H2: There is a positive interrelation between NPM's functions and public service quality dimensions

- H2.1. NPM's strategic function impacts positively “Equal treatment “
- H2.2. NPM's human resource function improve positively “participation”
- H2.3. NPM's marketing function impacts positively” request management”
- H2.4: NPM's financial function impacts positively “transparency”

The design of our model is based on the NPM paradigm and revolves around two main constructs: the NPM function and the service quality dimensions. Our model tends to
understand how such a paradigm can improve the quality of service within public establishments and enterprises, for this purpose our model will be presented as follow:

Figure 1: Conceptual model

4. Conclusion

In conclusion, our contribution seeks to explore The New Public Management Perspective and its impact on public service quality within public establishments and enterprises. In this subject, the literature brought various contributions and findings. Concerning the applicability and conceptualization of the measurement of the quality of public services has been demonstrated theoretically in the previous sections that the instauration of quality in the public sphere has emerged with the introduction of the new public management practices, thus the models for measuring the quality of public services will be derived from those of the private sector while taking into regarding the specificities of public establishments and enterprises.
To measure the quality of these services, different models have been produced in the literature. Dimensions of quality have been determined by the scholars such as Parasuraman et al. (1985, 1988), and Sabadie (2003). Therefore, several authors have attempted to understand empirically the type of association existing two concepts. In their contributions, Ramseook-Munhurrun et al. (2010) attempt to understand how public service quality is implemented within public entities, from the perspective of front-line employees' and customers' perceptions of quality, using the SERVQUAL scales as a frame of reference.

In the Malaysian context, Agus et al. (2007) conducted another study along these lines, the purpose of their exploration is to investigate the extent to which the Malaysian public sector considers service quality, based on the perceptions of managers and customers (Agus et al., 2007). The conclusion confirms the basic conceptual model and demonstrates a strong correlation and causal link between the dimensions of service quality, service performance, and customer satisfaction.

According to the above, it can be concluded that the correlation between the perspectives of the New Public Management and the quality of public services within public establishments and enterprises. Thus, this contribution will be complemented by a qualitative investigation to verify this relation and the impact that may exist in a Moroccan context.

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