Proposal of a conceptual model of the performance of public organizations under the light of the theory of new public management

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Abstract:
Public organizations today are facing a large number of challenges. The search for the global performance of public organizations has therefore become a necessity in order to respond effectively and efficiently to these challenges. Since the 1980s, the improvement of the performance of public organizations has occupied a primordial place in the management of these organizations, which has led many researchers and practitioners to call for a number of management reforms of public organizations called "new public management", the objective was to improve the quality of public services and thus improve the performance of the sector. The new public management is a new approach that explains the appropriation and integration of private sector practices by the public sector in order to improve the management of public sector organizations, in other words, to establish a culture of evaluation, control and achievement of objectives while ensuring the satisfaction of users of the sector. This article aims to present first a review of the literature on the concept of new public management, including an overview of the components of new public management, its history and its evolution. Then the article focuses on the specificities of the performance of public organizations and the categories of this performance. Finally, the article proposes a conceptual model with four research hypotheses on the contribution of the NPM theory and the objectives of the new public management that we have drawn from the literature review in creating performance in public organizations.

Keywords: NPM, Performance, Public organizations.
JEL Classification: D73
Paper type: Theoretical Research.
1. Introduction:

The rise of “new public management” over the past 15 years is one of the most striking international trends in public administration. New public management, like most administrative labels, is a vague concept. Its usefulness lies in its convenience as a short name for the body of broadly similar administrative doctrines that dominated the bureaucratic reform agenda in many OECD countries in the late 1970s.

The NPM reforms involved, among others, two visible changes: the importation of private sector practices into the internal workings of public administrations and the external organization of public administrations as quasi-markets (Dunleavy & Hood, 1994). The first NPM reforms took place in Anglo-Saxon countries, particularly in the UK and New Zealand, but they quickly spread around the world, especially in advance OECD democracies (Clifton & Díaz-Fuentes, 2011), despite the remarkable differences between countries (Pollitt & Bouckaert, 2017).

Nevertheless, in recent years, private sector management practices have been introduced in the public sector and in all areas of public policy. The central assumption was that private sector practices will improve both the effectiveness and efficiency of public organizations (Alford & Hughes, 2008). This premise becomes particularly relevant when reducing public spending is a priority to reduce the deficit and public debt, as was the case in the 1980s or even today for governments in the European Union. NPM reforms, whether explicit or implicit, remain a significant force for change in most public administrations.

The adoption of the NPM reforms represents one of the important subjects for many researchers in the field of management sciences, and despite the large number of studies that have been made on the subject, the understanding remains limited in relation to the effects of this NPM. The theory of new public management is now a springboard for explaining and measuring the impact of the appropriation of private sector practices in the public sector.

Our objective with this work is to present a literature review on the concept of NPM by theoretically answering a main question regarding the effects of this new mode of management of public organizations. In this sense our problem is as follows: "Is the new public management considered today as a performance axis for public organizations?"

First, we propose a reminder of the concept of new public management, its history and its contribution to theory. Then, we will present the specificities of the performance of public organizations. Finally, we will present the links that we have drawn from the literature review to propose our conceptual model.

2. The new public management NMP: Background and theoretical foundations

2.1 Background of the NPM

The reform and modernization of public administration were the flagship movement of the 1980s. The rigid and slow systems of public organizations no longer responded to the changing needs of citizens nor to the new circumstances as mentioned (Caiden, 1991).

Public organizations in developed countries are therefore called upon to evolve and improve their modus operandi by submitting a number of private-sector management practices. Since its inception, the concept of NPM has become an indispensable basis when it comes to the subject of reform of public organizations (Pollitt and Bouckaert, 2011).

The New Public Management movement has been taking hold since the end of the 1970s and has enjoyed a wide spread worldwide. As a result, the modernization of the public sector has
become a necessity, the objective of which is to catch up with the backlog of public organizations.

The objectives of change for public organizations are generally known, while the major issue revolves around the appropriation and adoption of an appropriate strategy capable of implementing change practices.

Weber is one of the first theorists of public management (Nioche, 1982). For Weber the bureaucratic model is valid for all types of private and public enterprises. Since 1940, some American researchers have been interested in the dysfunctions of bureaucratic organizations, they have conducted studies not only on the relationship of the public organization with its environment but also on the internal functioning of organizations (Ferlie et al. 1996).

In the same sense, Crozier proposed an explanation of the bureaucratic system “we propose to call a” bureaucratic system of organization "any system of organization in which the circuit errors - information - corrections "works badly and where there can be no to have, therefore, correction and rapid readjustment of action programs, according to the errors committed. In other words, a bureaucratic organization would be an organization that fails to correct itself based on its mistakes "(Crozier, 1963, p. 229). The author has integrated the human dimension into his research. This research constituted a great added value at a time when public management underwent several reforms and a change in management tools.

The concept of public management assumes that the management practices, methods and tools of the private sector can be adopted by the public sector by integrating the specificities of public management, because public management is different and more difficult than private management.

Ferlie et al. (1996) proposed four aspects of public management “ the four ideal-typical models ”. The first ideal type is the efficiency model which assumes the adoption of private sector management tools by the public sector which will generate a return thereafter. The second ideal type is the "downsizing" model when an organization becomes flexible through decentralization. The third ideal type is a model of research excellence based on the development of organizational learning. The last model is oriented: quality / clientele / public service, it is judged according to the author as the "more attractive model”.

A benchmark between the two management models of public organizations (Weberian management and the new public management) was presented by (Berthier et Amar, 2006), the table below groups together the differences detected by the authors:

<p>| Table 1: Comparative table (Weberian management and the new public management). |
|------------------------------|-----------------|-----------------|</p>
<table>
<thead>
<tr>
<th>Objective</th>
<th>Weberian administration</th>
<th>NMP administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respect the rules and procedures.</td>
<td>Achieve results, satisfy the customer.</td>
<td></td>
</tr>
<tr>
<td>Organization</td>
<td>Centralized (functional hierarchy, pyramid structure).</td>
<td>Decentralized (delegation of skills, network structuring, governance).</td>
</tr>
<tr>
<td>Sharing of responsibilities politicians / administrators</td>
<td>Confused.</td>
<td>Clear.</td>
</tr>
<tr>
<td>Execution of tasks</td>
<td>Division, parcelling, specialization.</td>
<td>Autonomy.</td>
</tr>
<tr>
<td>Control</td>
<td>Monitoring indicators.</td>
<td>Performance indicators</td>
</tr>
</tbody>
</table>

Source: translated from (Berthier & Amar, 2006, p.6)
2.2 Theoretical Foundations of NPM:

The concept of New Public Management is to transform the public sector from a purely bureaucratic structure to an entrepreneurial governance structure (Pillay, 2008). Mainly, NPM is inspired by management models of private companies, which is why some authors consider public management as a simple importation of a set of techniques that are effective for private sector management (Saussois, 2008).

The new public management is the result of several theories in economics and management, we are interested in presenting the two main theoretical currents that gave birth to the NMP, namely the Public Choice theory and managerialism (Van Haepenen 2012).

Public Choice theory, also called collective choice theory, is concerned with applying economic theories in politics, government, and the public sector. The main objective is to link the individual behaviors of public sector actors (voters, elected officials, members of political parties, etc.) to observe outcomes (Buchanan, 1984).

The main contribution of the Public Choice theory is the distinction between two levels of collective decision-making, more precisely, between ordinary politics and constitutional politics. The aim is to consider this distinction also in economic analyses instead of using it only in constitutional law. According to (Gruening, 2001), the theory defended the problem of political exploitation of minorities, which was the first push to review how the public sector operates.

The Public Choice theory has criticized the bureaucratic approach, on the one hand, by presenting its main failings, namely the accumulation of tasks and resources with the inability to accomplish tasks by force of law and the inefficient use of resources. Public choice scholars have also criticized the classical theory of democracy, mainly the notion of public interest (Gruening, 2001).

While public choice theory introduced the basic concepts of neoliberal political economy, such as market economy, individual freedom, and free competition, into the public sphere. The new public management was also influenced by the second strand of managerialism (Klikauer, 2019).

A second important theoretical foundation for NPM is managerialism. This current was formed after the international movements of scientific management (Hood, 1991). The school of scientific management has had an impact on modern industry, on the one hand, and, on the other hand, in the organization of the state, more precisely public administration (Merkle, 1980).

Klikauer (2013) offered a general definition to explain managerialism, "Managerialism combines management knowledge and ideology to systematically establish itself in organizations and society while depriving owners, employees, and civil society (social-political) of all decision-making powers. Managerialism justifies the application of managerial techniques to all sectors of society based on superior ideology, expert training, and exclusive possession of the managerial knowledge necessary to effectively manage businesses and societies" (Klikauer, 2013). Therefore, public companies must change their mode of operation and opt for the reformulation of strategies.

The public choice and managerialist currents constitute a dual theoretical composition of the NPM. Public Choice explanations will be evident if the emphasis is on privatization programs, reduction of public intervention, and disengagement of the state. On the other hand, explanations supported by managerialism will be more dominant if the objective is to focus on instrumentation and the integration of new management techniques.

The mobilization of a hybrid configuration could be envisaged, the most important thing is to measure the preponderance of each of these two currents and to take into account the context of the empirical studies related to the NPM reforms. Therefore, it seems interesting at this level
to integrate other theories to regain relevance to the subject, namely contingency theory (Lüder, 2002) which emphasizes the impact of the environment and the context of the structure of the organization. Agency theory also explains that NPM reform decisions are power plays between decision-makers and citizens (Boon, 2018).

The diversity of theoretical frameworks allows us to understand the reasons that contributed to the birth of the NPM, for that we are interested in the following parts to understand the specificities of the performance of public organizations and the contribution of the NPM to this performance.

3. Performance in public organizations

Traditionally in management science, performance is explained by the achievement of a set of objectives. The most important is the result obtained and the process followed to achieve it (Essid, 2006). The same author emphasizes that there is no consensus on the concept of performance, which makes the concept polysemous in management science.

Performance has various meanings in the literature. (Bourguignon, 1997) grouped all the figures into three categories:

<table>
<thead>
<tr>
<th>The performance is success</th>
<th>Performance varies from one organization to another and also from one group of individuals to another, so each organization will have its own perception of success.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance is the result of action</td>
<td>In this case performance does not include value judgments, according to (Bouquin, 1986), &quot;performance measurement is understood as the ex-post evaluation of the results obtained&quot;.</td>
</tr>
<tr>
<td>Performance is action</td>
<td>In this perception, performance is seen as a process and not just an outcome that manifests itself at a time (Baird, 1986).</td>
</tr>
</tbody>
</table>

The performance management of public organizations has occupied a very important place among managers of the sector for almost half a century, since these organizations are faced with a set of requirements relating to the quality of public services, the slowdown in economic growth, because of financial crises and the unacceptability of price and tax increases. In this sense, public sector officials are called upon to review their management methods in order to improve the performance of public organizations.

Performance encompasses three dimensions: efficiency, effectiveness and relevance according to the representation of (Bouquin, 2004). Similarly, (Hood, 1995) summarizes performance in three concepts (economy, effectiveness and efficiency). Saving means not spending more than you expect. Efficiency refers to the relationship between inputs and outputs. Efficiency is the achievement of goals that will meet the needs of public sector clients.

Bernard (1992), refers to the performance of the public sector to an improvement in efficiency. According to the author, yield is the ratio between the result obtained (production) and the effort expended (the resources exploited). So performance in public organizations refers to the search for a match between the policies put in place and the objectives set at the start of the action plan of each department of public organizations.

According to (Togodo Azon, 2012) the decentralization of responsibilities within public organizations can also be an explanatory means of their performance. This decentralization
results in the identification of roles and responsibilities according to the desired objectives, which facilitates subsequent control. The set of performance indicators for public sector organizations require the appropriation and integration of a set of private sector management methods, which is explained by the New Public Management (NMP).

4. NMP a performance lever for public organization

The new public management system promotes the achievement of objectives by focusing on the generalization of the evaluation culture in order to optimize the allocation of resources and to establish an approach of efficiency (Piotrowski et Rosembloom, 2002). Since the emergence of NPM, administrative reforms have appeared with great fanfare under the banner of "new public management" in New Zealand, the United Kingdom and elsewhere, and the “reinvention of government” in the United States (Kettl 2000). Despite the differences between a country and another, all initiatives aimed to improve the performance of public organizations with an emphasis on customer service, decentralization, market mechanisms, inter-functional collaboration and accountability for results (Barzelay, 1992).

The drive to improve performance is most pronounced in ministerial performance contracts in New Zealand and in the exposure of public programs to market competition in the UK (Kettl 2000). It also appears in US government performance and results in law and in efforts by public agencies to “do more with less”. Either through clear incentives to 'make the managers run' or by removing obstacles to innovation in order to 'let the managers manage', governments have given directors the discretion to improve the performance of their agencies and at the same time forcing them to measure the results they produce (Kettl, 2000).

The authors of new public management see the emphasis on performance as a marked departure from past approaches to administration. According to them, earlier eras favored Max Weber's (1947) ideal of centralized bureaucratic monopolies, in which laws and regulations mandated standardized services and accountability implied adherence to the process (Barzelay, 1992). Over the past decades, significant political, economic, social and governmental changes have challenged these administrative traditions: voters and elected officials now demand effective programs that do not consume excessive tax revenues; globalization requires adaptive economies supported by agile public bodies; diverse citizens seek appropriate services. The ideology of the NMP relates to a set of objectives to be achieved in order to constitute a lever and to improve the performance of public organizations.

In the literature, the objectives of new public management have been summarized in four categories as shown in the following table (Table 3):

<table>
<thead>
<tr>
<th>The objectives of new public management</th>
<th>Actions to be carried out within the public organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving the effectiveness of public actions.</td>
<td></td>
</tr>
<tr>
<td>Hood (1995); Piotrowski &amp; Rosembloom (2002); Gauldemar et al. (2012); Sebai &amp; Yatim (2018); Amifi &amp; Benlakouri (2019);</td>
<td>• Carrying out quality assignments.</td>
</tr>
<tr>
<td>• Setting achievable goals.</td>
<td></td>
</tr>
<tr>
<td>• Minimization of the margin of error.</td>
<td></td>
</tr>
<tr>
<td>• A quality end product / service.</td>
<td></td>
</tr>
</tbody>
</table>

| Improved efficiency.  |
| Hood (1995); Boyne (2002); Suzuki & Avellaneda (2018); Andersen, Boesen & Pedersen (2016); Ouahraoui (2020); | • Optimization of human and material resources used to accomplish a mission.  |

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Effectiveness presupposes the improvement of public actions, in particular by setting predictable objectives (Hood, 1995). In this sense, certain quality requirements will be imposed when carrying out a mission in a public organization and therefore result in a good quality public finished product (Sebai & Yatim, 2018) et (Amifi & Benlakouiri, 2019). Therefore, our first research hypothesis is as follows:

**H1:** Improving the efficiency of public actions has a positive impact on the performance of the public organization.

White in 1999 demonstrates the importance of efficiency and emphasizes the means the organization uses to achieve its goals. It is about optimizing the quantity of material and immaterial resources mobilized to carry out a mission, the author also shows the importance of looking for new methods to facilitate the achievement of the set objectives (ex: economy of scale). So, the most important in this second objective is to ensure the quality of the production process within public organizations. Our second hypothesis is as follows

**H2:** The optimization of the quantity of material and immaterial resources mobilized to carry out a mission has a positive impact on the performance of the public organization.

Openness and accessibility are considered another goal of NPM, indeed public organizations are supposed to be open and listen to their customers to better meet their expectations (Damaj, 2013). This openness will contain more advantages if the organization manages to integrate the principles of the new governance (Peters and Savoie, 2001), it is about an integration of citizens in the decision-making process of the organization. With regard to accessibility, this involves ensuring physical access to citizens for all public services (proximity, timetable, etc.), and also strengthening the comprehensibility of administrative actions (Van Dooen, De Caluwe & Lonti, 2012).

**H3:** The openness and accessibility of a public organization impact positively its performance.

The last objective of the NPM relates to the accountability of public organizations vis-à-vis the political world and civil society. It is about taking into account the expectations of all stakeholders in the organization to ensure the effectiveness, efficiency and openness of the public organization.

**H4:** Taking into account the expectations of all stakeholders in the organization positively impact performance.

By referring to our literature review, the objectives of new public management will improve the performance of public organizations. The most important thing is to measure the nature of the impact and the degree of influence of each variable on the performance of public organizations, for this our research model is as follows (Figure 1):
5. Conclusion

Our article is intended to be theoretical, with an analysis and comparison of theoretical currents to answer our basic problem, which is the impact of new public management on the performance of public organizations. Therefore, we conducted a literature review to discover the history and the main theoretical foundations of the NPM concept, and then we presented the specificities of the performance of public organizations. This work was necessary to build the first idea of the links between the NPM and the performance of public organizations before presenting our research hypotheses and our conceptual model.

Admittedly, the new public management constitutes a springboard for the performance of public organizations by standardizing the behavior of these organizations and their members towards a common objective which is the improvement of the quality of public services, but also improving the profitability of all the material and immaterial resources available within a public organization. Except that this movement has been criticized by several authors in the literature (Olivier Keramidas, 2005), (Anne Amar, 2007).

Indeed, the reform strategies implemented in some countries, such as Australia and New Zealand, could not be useful for other countries, because each country has its own specific political, institutional, economic and cultural. And the achievement of the performance will depend on the quality of consideration of its specificities, as we mentioned at the level of the hybrid approach that links the two theories, namely the theory of Public Choice and the theory of managerialism.

The objective of our work is to verify the impact of each NPM objective on the performance of the public organization and the causal links that exist. However, this document is a proposed conceptual framework that we wish to examine in further research. First, we want to examine whether this model fits the Moroccan context. Next, we will analyze the topic from the perspective of public sector administrators to see how work on New Public Management goals influences the performance of a public organization.

We will subsequently place ourselves in a positivist epistemological posture. Our study is part of quantitative research, the objective of which is to verify the influence of the objectives of the NPM, adopted in this study, on the performance of Moroccan public organizations.
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