THE RELATIONSHIP BETWEEN ADMINISTRATIVE REFORM AND NEW PUBLIC MANAGEMENT

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ABSTRACT

A number of Western developed countries initiated administrative reform programs during the early 1980’s. The nature and scope of their reform interventions became known as new public administration (NPM).

This paper distinguishes between administrative reform and new public management (NPM). It describes reform and reform interventions aimed at achieving particular goals and interventions to attain reform goals. It argues that NPM is only the utilisation of a particular style of management to effect reform goals. It concludes that South Africa must differentiate between reform and NPM initiatives to enhance the efficiency and effectiveness of its own public management and administration.

INTRODUCTION

The nature of the reform interventions carried out since the early 1980’s became known as new public administration (NPM). The possibility exists that NPM could be equated to administrative reform. This paper describes and explains the interrelationship between administrative reform and the new public management (NPM).

During the past two decades, most industrialised countries around the world re-examined and reorganised their governments. The countries, which embarked upon voluntary administrative reform from the 1980’s, had outcomes, which showed remarkable consistencies. Most outcomes resulted in transformed public services which were indicative of having a smaller stake in the economy,
a downsized welfare state, decentralised systems, reduced establishments and smaller central government administrations, with public managers becoming more output conscious and goal orientated.

Countries such as the United Kingdom, Australia, New Zealand and Canada, which introduced administrative reform since the 1980’s have two focus areas. Firstly an unambiguous demand for results in terms of efficiency, effectiveness, and quality of service, and secondly, the replacement of highly centralised hierarchical structures with decentralised management structures.

DESCRIPTION OF ADMINISTRATIVE REFORM

The British Oxford Dictionary (1964) describes reform as “the removal of abuses in politics, or make better by removal or abandonment of imperfections and faults or errors” (own emphasis).

Reform is a government action. Politicians and public managers could lead the process, or have a strong personal influence, but for a reform action to be successful it must be able to generate the continuous support of politicians and senior officials (Karim, 1992:31).

Reform actions are normally introduced through the direct involvement of politicians whose actions are aimed at improving the operations of government and public administration to attain national goals. Quah, (1992: 121) argues that administrative reform requires changes in “both (a) the structure and procedures of the public bureaucracy (i.e. reorganisation or the institutional aspect) and (b) the attitudes and behaviour of the public bureaucrats involved (i.e. the attitudinal aspect). Thus it could be argued that the scope of reform interventions include changing the operational structures of governments, namely their departments, altering their work methods and procedures and the behaviour and attitudes of the managers and operational staff. Reform could be applied comprehensively spanning the total public sector, or selectively.

Reform interventions are measures, which are related to the reform goals and objectives of politicians to deliberately change the status quo. However, not all initiatives of public managers to change the status quo are reform interventions. Administrative reform must be sanctioned by politicians usually involving a number of senior public officials.

Reform refers to the process or procedure of becoming better by removing or abandoning imperfections faults and errors (Thornhill, 1994: 4). It stands to
reason that those objectively perceivable imperfections, faults and errors must be a motive or rationale for reform. Not all political bodies, or governments, would regard the same set of circumstances as imperfections or faults. It would depend on their values and political persuasion of what constitutes acceptable processes and outputs. Neither would all political institutions have the political support to attempt to take action to change undesirable imperfections, faults or errors. Only a government, who has political support and is a legitimate government, would have the opportunity to muster resources and rely on popular support, to change undesirable situations.

It could be argued that the process or procedure of becoming better is a premeditated action that requires continued exertion of authority by politicians over the bureaucracy until results are attained. Reform unfolds over time, and has a process dimension. The process dimension is part of Thornhill’s definition of reform. In this regard he writes that should the “process or procedure aimed at becoming better be related to constitutional and public service reform, it would require that particular attention be devoted to policy-making processes, organisational structures and personnel matters as well as managerial issues” (own emphasis).

It could therefore be argued that Thornhill implies that particular interventions are required to give effect to government’s intention to embark on a reform process. This could include policy-making processes, organisational structuring or restructuring, human resource development or personnel administration, which are the results of the reform process. The process dimension thus denotes the time dimension wherein reform ideas take root and are shaped into practical interventions. The reform process may produce any result, depending on the focus of the reformers and how they want to change the undesirable status quo. The approach of reformers during the reform process, which could be incremental improvements or a strategic departure from the status quo, determines the nature and extent of the reform interventions.

Of all the objects of change in administrative reform, the human dimension is probably the most difficult. Thornhill writes: “…institutional and procedural changes could be developed and implemented with relative ease. Attitudinal change, which lies at the root of reform is, however, the most difficult to achieve”. (Own emphasis). The reason he gives is that to a large extent, human nature is difficult to change and even more so the culture and “collective attitudes of individuals comprising the public service.” (Thornhill, 1994: 4).

Thornhill’s definition of reform implies that it consists of a number of modalities. Modality, in terms of the Etymological Dictionary (Klein, 1966), is derived from the Latin word modus means manner, fashion or style. The term modality is
described in the *Websters International Dictionary of the English Language* (1905) as a *mode or point of view, which an object presents itself to the mind.* The *Random House Dictionary of the English Language* (1987) describes the word *modal* as pertaining to a *mode of a thing, as distinguished from its basic attributes or from its subsistence matter* (own emphasis). In this paper, reform is being described as consisting of four modalities. The modalities are distinguished from the *basic* attributes of reform, as defined in this paper.

It has been argued that the definition of reform has a number of inherent modalities, which have a direct bearing on the outcomes of reform interventions. If these modalities are extrapolated, they then would have the following meaning:

- a *motive* to reform which is perceived by politicians and which emanates from the socio-politico environment, which calls for the *status quo* to be changed towards a desired state of affairs;
- a legitimate *institution* to design a strategy and oversee the implementation thereof to compare the outcomes with the desired state of affairs;
- a *process* dimension which produces interventions to change imperfections and faults in the machinery of government to achieve a desired state of affairs; and
- a *human resource element*, and in particular the attitudes of officials and politicians through which all governing, managerial and administrative actions are directed towards public goods and services.

Most definitions of reform contain one or more of the modalities, which Thornhill implied in his definition of reform. Few definitions, however, include the *locus* (institutional modality) together with the *focus* (the interventions and the process) and describe human behaviour.

**REFORM FRAMEWORK AND CLASSIFICATION**

Central to describing administrative reform, is the character of reform, or how it is activated and afforded coherence through plans, programs and frameworks. In order to change an undesirable state of affairs, politicians and in particular, ministers, set a reform process in motion though publicly announcing reform goals. Such reform goals could be comprehensive or selective. The politicians may choose particular interventions, or allow public officials to propose interventions to realise projected reform outcomes. The
reform goals and interventions form part of a reform framework.

When the aggregate of interventions, over a specified time during a reform process in a country are analysed, *ex post facto*, a logical framework can be identified. Such “new public management” frameworks could be identified in most of the industrial countries that embarked upon administrative reform since the 1980’s. Halligan (1997: 1-3) refers to a framework as a “coherent set of ideas for influencing and establishing action”. Although the literary meaning of the word “framework” means a structure upon, or into which something can be put, the word “frame” means constitution, established order, plan or a system (*Concise Oxford Dictionary*, 1969). It could therefore be argued that a framework in an institutional sense could mean the *administrative system* in a country, which is created by reformers to influence and change an undesirable state of affairs.

Halligan (1997) observes that a framework “does not necessarily emerge fully developed”, but evolves over time. A framework is mostly equated with the “new public management” a concept which will be described in more detail. Administrative reform is voluntary induced change, directed change at the machinery of government (Leemans (1976:8). Since the early 1980’s, some of such changes manifested themselves as “new public management” interventions. It could therefore be argued that reform interventions are the means through which the motive for voluntary reform is converted to desired reform outcomes. It could be illustrated in the following diagram:

*Figure 1: The relationship between administrative reform interventions, the motivation for reform and reform outcomes*

When commencing with reform, goal relevance is particularly important for developing countries, since the needs of the citizens are different from those of
developed countries (Hahn-Been Lee, 1976:117-118). Hahn-Been Lee, (1976:118) relates reform objectives to particular reform classifications. He states that there are three administrative reform classifications corresponding with three basic objectives of reform as set out in table 1.

**Table 1. Hahn-Been Lee’s reform objectives and reform classifications**

<table>
<thead>
<tr>
<th>Reform objectives</th>
<th>Reform Classifications</th>
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<tbody>
<tr>
<td>Improved Order</td>
<td>Procedural reform</td>
</tr>
<tr>
<td>Improved method</td>
<td>Technical reform</td>
</tr>
<tr>
<td>Improved performance</td>
<td>Programmatic reform</td>
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</table>

Firstly, *procedural reform*, (Hahn-Been Lee, 1976:115) which is aimed at improved order by emphasising the legal and procedural rationale. This would include reform, which is focused on a changed political order, which is constitutionally based. Hahn-Been Lee (1976:115) writes that order is an intrinsic virtue of government and is most needed in a transitional society undergoing rapid change. In countries which are experiencing transition from a system of limited democracy to full democracy, such as in South Africa, officials who are loyal to the previous political dispensation would seek to uphold patterns inherited from the previous dispensation. It can therefore, be argued that political initiatives to bring about improved order, is a reaction to instability. During a transitional period, routine and predictable public administration and management are synonymous with order. If politicians are content with the status quo, and the administrative system of government ensures law and order, political parties would tend to be engaged in general party political issues and officials with procedural detail.

Secondly, *technical reform*, (Hahn-Been Lee, 1976:116) satisfies the rationale of method and direction and is concerned with technique. It is essentially value free. In the absence of well-formulated government goals, mere improvement of administrative methods and techniques could lead to autocratic control. Technical reform must therefore take cognisance of possible negative behaviour of public officials, which could affect service delivery.

Thirdly, *programmatic reform* (Hahn-Been Lee, 1976:117) which is outcomes orientated. It would focus on enhancing socio-economic development and welfare of the clientele. Improved performance has its rationale in work programs rather than in procedures and technical methods. Its focus is on
economy and efficiency, merit and the welfare of the population of a state. Programmatic reform is evidenced when the government of a country “begins to move towards serious economic and social development” (Hahn-Been Lee, 1976: 117).

Hahn-Been Lee’s classification does not adequately reflect reform approaches, which were introduced since the early 1980’s, or concepts to enhance performance such as network and strategic governance theories (Cloete, 1999, Cloete, 1999 (b)). If improved method could be attained through organisational and technical reform, Hahn-Been Lee’s classification would be relevant for the new millennium and be inclusive of the administrative reform which were introduced in the early 1980’s in countries such as the United Kingdom, Australia, New Zealand and Canada. Reform, which is limited to one component of his classification, could result in fragmented actions, thus mitigating against initial motivation to reform.

**South African Reform Framework**

The reform goals in South Africa, since the ANC and other political organisations were unbanned in 1990, was of a political nature, or procedural reform as described by Hahn-Been Lee. The interim multi-party negotiations eventually produced by the *Constitution of the Republic of South Africa Act, 1996* (Act No 108 of 1996), which is the foundation for a new political, social and economic order. The reform process since 1990 to 2000, in essence bridged a transition from limited democracy to an inclusive democracy. The government however, intends to “consolidate the successes of the rationalisation process, intensifying the modernisation of public service systems and to continue the quest for better quality services” (DPSA, 2000: 62). The constitutional reform and rationalisation of the public service, laid the foundation for future technical and programmatic administrative reform.

**South Africa’s reform agenda**

The *White Paper on the Transformation of the Public Service* (South Africa, 1995) was the first document of the government, which indicated its intention to reform the public service. The Presidential Review Commission (PRC, 1998) produced a report with several reform proposals. As yet, the President has not issued an official statement regarding its implementation. The Department of Public Service and Administration states in its *Public Service Review Report* (DPSA, 2000: 7 – 8) that some of the PRC recommendations are being implemented, while others are being debated. It appears however, as though no clear guidelines exist to undertake comprehensive reform. The result could thus be that fragmented reform could be undertaken resulting in the non-achievement of the overall goals.
The DPSA Report (2000:62) states that “reforms” are currently being conducted, mainly in budget and financial management, deregulation, performance management and wage practices. Without arguing the merit of who must direct reform in South Africa, the Department provides the following five guidelines for reform (DPSA, 2000: 62):

- “comprehensive rather than piecemeal” process (own emphasis), which require that reform interventions must be integrated and departments must collaborate;
- a long-term reform agenda, to avoid creating too many interventions for departments to implement;
- incentives to change behaviour, with a lesser dependence on rules;
- initiatives which do not focus on policy-making, but on improving service delivery, and
- learning to be part of the process, thus utilising mistakes in a positive manner.

In countries such as the United Kingdom, New Zealand and Australia, the heads of government lead the reform process. In countries such as Germany and most of the countries forming the Organisation for Economic Co-operation and Development (OECD), reform was endorsed by Parliament, led by senior politicians and monitored. The interventions which are introduced to attain their reform goals, are known as “new public management” (NPM). NPM is applied within a reform framework in which the national goals are clear and ministers know what objectives they have to attain. If South Africa, therefore, wants comprehensive administrative reform, which would require NPM initiatives, it has to make a distinction between reform and NPM. Some NPM measures could only be effectively applied when supported by an official reform program, which implies that politicians must pursue reform goals and regard NPM as a means to attain such goals.

NEW PUBLIC MANAGEMENT

In the early 1980’s, an overarching term, “new public management” (NPM), was coined in the United Kingdom to describe the administrative reform which was implemented by the Conservative Party Government, under the leadership of Margaret Thatcher (Doern, 1992:14). Kickert (1997: 31) writes that administrative reform in Britain is almost a “prototypical example” of the
main characteristics of NPM and that it is a British invention. Hood (1991:3-7) is of the opinion that NPM is not a uniquely British development and that its rise “seems to be linked with four administrative megatrends”, namely (own emphasis):

- opposition parties stressing lower taxes and attempts to minimise the growth of the state sector, in particular in staffing and spending;
- a shift to privatise non-core government functions and softening the division between public and private sector work;
- growth in the use of technology and automation, giving political party strategists more autonomy in policy-making, relative to the comments from public officials, and
- the development of a more international agenda which focuses on general issues of public management, policy design, decision styles and intergovernmental co-operation, in addition to the traditional country’s application of public administration.

Hood’s choice of words that NPM : “seems to be linked with four administrative megatrends” (own emphasis) implies that further research to substantiate it is required. This paper postulates however, that the first megatrend, is a political motivation for reform. The second, third and fourth megatrends are manifestations or examples of NPM and reform frameworks designed by political reformers to correct imperfections in public administration and management and govern themselves out of an undesirable situation.

Hood summarises seven overlapping precepts, which he observes, appear in most discussions of the “doctrine” of NPM (Hood: 1991:5-5):

Hood's description of the doctrinal components of new public management

<table>
<thead>
<tr>
<th>No</th>
<th>Doctrine</th>
<th>Meaning</th>
<th>Typical Justification</th>
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<tbody>
<tr>
<td>1</td>
<td>Hands-on professional management in the public sector</td>
<td>Active, visible, discretionary control of organisations by specific persons at the top, who are “free to manage”</td>
<td>Accountability requires clear assignment of responsibility for action, not diffusion of power</td>
</tr>
<tr>
<td>2</td>
<td>Explicit standards or measures of performance</td>
<td>Definition of goals, targets, indicators of success, preferably expressed in qualitative terms, especially for professional services</td>
<td>Accountability requires clear statement of goals; efficiency requires “hard look” at objectives</td>
</tr>
</tbody>
</table>

Hood’s description of the typical justification of NPM is meaningful. Unfortunately, he does not describe the undesirable circumstances, which prevailed in particularly the principal reform countries, at the time when the reformers in those countries had to revert to drastic measures to govern their countries out of an undesirable situation. Had he done so, it would have been obvious that NPM is not new, but rather that it represented, at the time, emergency and extreme governance interventions that were instituted by reformers to salvage an unsatisfactory situation. At the time, NPM was not identified as a distinct approach, and not practised in government. The introduction of NPM interventions required courageous leadership.

**Economic rationale for early administrative reform programs**

The universal administrative reform movement in public administration during the past two decades, has according to some scholars, been driven by the requirement that governments respond to fiscal pressures, brought about by changes in the international economic system and a demand for better services in a national context. The drastic measures, which were instituted by Margaret Thatcher in the United Kingdom in the early 1980’s, were aimed at reducing public expenditure in order to reduce direct taxation (Aucoin, 1990: 235) (Keating and Holmes, 1990) (Kemp, 1990) (Hood, 1991) (Commonwealth...
The Prime Minister of Britain presented the following reform focus to Parliament in July 1994 (United Kingdom 1994:9-19):

- privatisation of government services and contracting out;
- discretion for managers to attain objectives;
- performance appraisal and efficiency;
- the desegregation of public bureaucracies into agencies which deal with one another on a user charge basis;
- employment of senior officials through employment contracts, with freedom to manage, monetary incentives and output targets.

The United Kingdom’s reform focus, as observed by Hood in 1991, falls within the scope of NPM’s doctrinal components. According to Minogue (1998:23) the NPM paradigm is well known for cutting costs, improving efficiency, promoting managerial autonomy and fostering performance appraisal and measurement. He writes that “improving the civil service” is overwhelmingly translated into “making civil servants into enterprising modern managers”. Kickert’s (1997:18) research of administrative reform in the OECD countries indicated that the new public management paradigm is characterised by the following eight main trends, which have a bearing on administration and management:

**NPM: Eight main trends (Source: Kickert, 1997:18)**

<table>
<thead>
<tr>
<th>1. Organisation: Devolving authority, providing flexibility</th>
<th>2. Policy-making: Strengthening steering functions at the centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Control: Ensuring performance, control and accountability</td>
<td>4. Management: Optimising information technology</td>
</tr>
<tr>
<td>5. Control: Improving the quality of regulation</td>
<td>6. Management: Developing competition and choice</td>
</tr>
<tr>
<td>7. Personnel: Improving the management of human resources</td>
<td>8. Management: Providing responsive service</td>
</tr>
</tbody>
</table>
Kickert is of the opinion that managerial reform in Western public services, has the following three characteristics in common. They are: business management techniques, service and client orientation and market-type mechanisms such as competition (Kickert 1997:18).

Regarding the underlying rationale for the introduction of NPM, Temmes describes it in following model (Temmes, 1998: 442):

**Underlying rationale for NPM to achieve particular outcomes**

<table>
<thead>
<tr>
<th>Main elements of NPM</th>
<th>Reform rationale</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Creation of competitive market-type service delivery mechanism</td>
<td>To transfer the performance services which could be performed by either of the two sectors, to the private sector. Reduction of the size of the public sector</td>
<td>Government is responsible for policy making and performs core public service functions</td>
</tr>
<tr>
<td>2. Corporatisation of public organisations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Privitisation of public services</td>
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</table>

<table>
<thead>
<tr>
<th>Reform rationale</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial know-how would enhance the production and service delivery processes of government. Managers must be given more freedom to manage in order to ensure positive outcomes</td>
<td>Political control over public service rendering has been reduced</td>
</tr>
<tr>
<td>Private sector organisation culture for public services; a “client” and service supplier relationship for public services exist</td>
<td></td>
</tr>
</tbody>
</table>

It could therefore be deduced that NPM is not administrative reform. It is a combination of interconnected reform policies and approaches, to attain reform goals. It does however, form part of a reform framework as it provides a particularly flexible managerial approach. The origin of NPM is related to voluntary reform programs in developed countries since the 1980’s, based on
economic considerations, and to attain efficiency and effectiveness in the public service. It could therefore be deduced that during the 1980’s, countries introduced NPM measures in a situation, where the reform rationale required interventions beyond the scope of the rigid traditional public administration approach.

From the classification of Temmes, it is obvious that NPM is a means to attain particular outcomes, eg. to reduce political control over public institutions which render services, to introduce a new organisation culture to render services to “clients” and enhance the accountability of public managers. Conversely, where routine functions need to be maintained a traditional application of public administration and management will probably suffice.

ENVISAGED SOUTH AFRICAN REFORM RELATED INITIATIVES

The Department of Public Service and Administration is of the opinion that future changes to enhance the efficiency and effectiveness of the public service will be premised on a number of themes (DPSA, 2000: 62 – 70). Most of the themes, however, when analysed would qualify as NPM interventions, within a comprehensive reform program, which were applied by industrialised countries since the 1980’s. It could be deduced therefore, that the Department did not draw a clear distinction between NPM and administrative reform.

As part of a program to strengthen management capacity, the Department of Public Service and Administration envisages to introduce measures to hold managers accountable for output, quality and efficiency of their actions. This will be done through instruments to evaluate the performance of, inter alia, departmental heads. A system whereby a portion of the remuneration managers and heads of departments are based on performance, will be premised on the current system of performance agreements (DPSA, 2000: 65).

In order to allow a measure of organisational freedom for government departments, and to let them operate like government funded agencies, some general government control requirements would be relaxed. Managers would have more discretionary authority to decide how to utilise the budget, e.g. how revenue may be retained and virements for non-recurrent expenditure could be allowed.

The quality of services would be improved by developing a culture of accountability amongst public officials towards the public. This would be done, inter alia, through computer based on-line services; involving public institutions
such as police stations, the post offices to provide services, other than their core function and to centralise citizen information. A major shift towards electronic government is foreseen where workmethods and procedures would be supported by electronic computerised systems.

Public officials would, to a larger extent, be employed through fixed term contracts, which are linked to performance as one incentive determining remuneration. This would be supported by an appropriate labour relations framework for the public sector.

CONCLUSION

Administrative reform is initiated by politicians and aimed at changing an undesirable situation. The premeditated action of politicians is aimed at achieving reform goals through particular interventions, which have to be executed by public officials. Politicians will exert authority over the bureaucracy until results are attained. Reform results are therefore attained over time.

Reform interventions are actions, which are implemented by senior public officials to attain the reform goals and objectives initiated and/or set by politicians. Some initiatives of public managers are erroneously regarded as reform interventions, even when they do not form part of the measures to attain politically stated goals. Administrative reform interventions cover a wide spectrum of initiatives and are aimed at achieving particular goals. Administrative reform requires the attention of politicians and the involvement of a substantial number of senior public officials.

Some interventions which are introduced to attain reform goals, are known as “new public management” (NPM). However, NPM is indeed only the utilisation of a particular style of management to effect reform goals. NPM is applied within a reform framework where the national reform goals are clear and senior politicians (members of government) are leading the process. Public managers, who aspire to introduce NPM interventions, could find it difficult to implement it successfully if the head of state is not involved and a broad political will to support it is lacking.

South Africa must differentiate between reform, and NPM initiatives, which was introduced during reform programs since the 1980’s in some industrialised countries. Some NPM measures could only be effectively applied when supported by an official reform program, which implies that politicians must pursue reform goals and regard NPM as a means to attain such goals.
REFERENCES


**NOTES**

1Dr Martin Carstens is the Chief Executive Officer of the SA Foundation for Public Management and Development. Prof. Chris Thornhill retired as Dean of the Faculty of Economic and Management Sciences at the University of Pretoria in 2000 and is currently doing research for the Provincial Affairs and Intergovernmental Relations Institute, associated to the University of Pretoria.

2The emphasis in the matrix has been added to indicate the origin of the main trends.