

MANAGERIAL APPROACH TO PUBLIC ADMINISTRATION

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Abstract

The paper discusses the issue of the managerial approach to public administration, starting from the distinction identified by some authors between management and administration. The paper has a twofold structure: in the first sections it provides a theoretical conceptual framework for approaching the issue of the managerial approach to public administration; in the following sections, the authors discuss the managerial approach with regard to the Romanian administrative sector. In the conclusion section, the paper tries to offer an answer to the question where do we stand as a country with regard to the implementation of the managerial approach in public administration. While some progress has been made, there are nonetheless steps that still need to be taken.



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Introduction

The border between administration and management is quite lax and there's a lot of polemic regarding the similarities and differences between management and administration. The Oxford dictionary defines administration as: "an act of administering, to manage the affairs of or to direct or superintend the execution, use or conduct of", while management is "the act or art of managing, the conducting or supervising of something as a business, especially the executive function of planning, organizing, coordinating, directing, controlling and supervising any industrial or business project or activity with responsibility for results" (Webster Dictionary).

Public administration (Hughes, 1998, p. 5-6) is concerned with procedures, with translating policies into action and with office management. Management while it includes administration, it is focused more on achieving the set objectives with maximum efficiency, but also responsibility for results (Hughes, 1998, p. 5-6). Considering this, it is not a surprise that there have been two major approaches to public administration. The European or continental approach emphasizes rules and procedures and the Anglo-Saxon approach is preoccupied with outcomes and results.

Evolution of Public Management

The managerial approach to public administration has its roots in the last decades of the 19th century when certain reform movements changed completely the face of the administrative system. Woodrow Wilson's "The Study of Administration" published in 1887 in Political Science Quarterly is thought to be the first contribution in setting public administration as a distinct academic field of study. Wilson believed that the evils of the spoils system resulted from the linking of administrative questions with political ones (Hughes, 1998, p. 30). "Administration lies outside the proper sphere of politics. Administrative questions are not political questions. Although politics sets the tasks for administration, it should not be suffered to manipulate its offices..." (Wilson, 1941, p. 197-222). The two main principles that Wilson introduced are: (1) the dichotomy between politics and administration and (2) a separate and distinct administrative realm that would function based on scientific principles. By the beginning of the nineteenth century the new administration model (merit based opposed to the former spoils system) was fully formed, but this did not mean that it would remain unchanged for a long time.

Frederick Taylor had an important contribution to the field with his scientific management principles. The main points of Taylor's theory were (1) standardizing work through finding a „one best way of working" and „controlling in such a way as to provide for maintenance of all these standards" (Kakar, 1970, p. 3). "What was sought by Taylor was a fundamental change as *efficiency* and *science* replaced *ad hoc decision-making*, even a societal change as, through scientific management, the interests of employees and employers could be shown to be the same" (Hughes, 1998, p. 33).

On the same principle of '*one best way*' Luther Gulick and Lyndall Urwick introduced in 1937 the famous acronym POSDCORB which represented the initials

of the eight main functions of public management: Planning, Organizing, Staffing, Directing, Coordinating, Reporting, and Budgeting. Both Gullick's POSDCORB and Taylor's scientific management were manifestations of the „one best way” theory which tried to offer a clear methodology for public managers that would work in any circumstances.

A contrasting set of theories is that of authors like Elton Mayo, Herbert Simon, Richard M. Cyert and James G. March called generically the *human relations school*, with roots in social psychology that emphasizes the importance of social context at the workplace rather than the financial incentives. The human relations school of thought had a great impact on managerialism as Pollitt (Pollitt, 1993, p. 17) argues „the significance of this work for managerialist ideologies today is that it established the idea that informal relations within and without the organization are of considerable importance. It is not only the formal organization chart, distribution of functions and systems of work measurement which are important, but also the feelings, values, informal group norms and family and social background of workers which help determine organizational performance...”.

By the end of the '70s and the beginning of the '80s the public sector was under a lot of pressure to change. The modern Welfare State was facing a number of serious problems. Some viewed this situation (Habermas for example) as a profound crisis of the Welfare State, while others were more optimistic and believed the solution lies in a new administrative paradigm. There were three main problems with the traditional model of administration and the Welfare State (Coombes, 1998, p. 20-40): (1) **Legitimacy** – incapability of the state to resolve the issues it faces, leads to an erosion of its legitimacy (some authors refer to the situation of *ungovernability* – Bell, 1976; Brittan, 1975; Conolly, 1984; Rose, 1980) of the modern democracies. (2) **Interdependence** refers to the tensions caused by the changing relations between the state and other transnational entities (EU, NATO, UN etc) that occur inside the state at different administrative levels. (3) **Performance** – the lack of it by government and public administration triggered numerous critiques. The economic recession of the 70's demanded the State firm and rapid solutions, which the traditional model was not able to provide. Operating with fewer resources, more efficiently, while maintaining or even increasing the quality of public services was something extremely new and difficult for the bureaucracy.

A lot of economists were pointing at the government as the problem for economic recession and displaying markets as the best solution. We are talking about a new paradigm in running public organizations that has taken multiple forms depending on the political cultural and socio-economic characteristic of each state, but there are some common characteristics. Rhodes describes the “new public management” movement from Britain as follows (Rhodes 1991, p. 1): “a focus on *management*, not policy, and on *performance* appraisal and *efficiency*; the disaggregation of public bureaucracies into agencies which deal with each other on a user-pay basis; the use of quasi-markets and contracting out to foster competition; cost-cutting; and a style of management which emphasizes, amongst other things, output targets, limited-term contracts, monetary incentives and freedom to manage”. Another approach deserves to be mentioned because of its direct impact on the modernizing of the American

federal government. Osborne and Gaebler released in 1992 their work “Reinventing Government”, but different from other authors, they had a positive approach and believed that government can do a lot of things that markets are incapable of, but in order to do them efficiently it needs “*reinventing*”.

It is more appropriate to talk about a managerial approach to public administration than public management inside public administration. The real challenge of the public sector in the 21st century is to have a completely new understanding of public administration and, consequently, a new approach in managing public organizations.

Managerial Approach in Romania

The Communist legacy

After World War II, Romania entered in the Russian sphere of influence as all the other Eastern European countries, leading to a change of the political regime, from a constitutional monarchy to a totalitarian communist regime. This change had an important impact on all levels of the society. From the public administration point of view this meant a big change not only regarding the structure, organization and functioning, but also regarding the academic field. Because of the communist ideology, Public Administration as an independent discipline never existed. We cannot talk about a *civil service* in the Western sense of the word. “Communist ideology and the immediate interests of the regime took precedence as opposed to merit principles, specialized training, administrative competence and high ethical standards. The separation of policy development and administration left the civil service with a residual role in technical implementation [...] Therefore the main form of civil service education during this period was party political training, instructing bureaucrats how to comply with party policy and strictly implement party decisions” (Verheijen and Connaughton, 1999, p. 328-329).

The centralization of political authority especially after 1965 was paralleled by bureaucratic expansion. At the end of the 1980's, the Council of ministers, over sixty strong, was larger than similar councils of any other Eastern Bloc government except of the Soviet Union. In 1989, Romania had the largest number of ministries and central organizations of any other country in the region, but at the same time the internal structure of the bureaucracy was quite unstable, changes of the high ranking executives being the norm¹ (Nunberg, 1999, p. 53-75).

The public sector before 1989 can be characterized as a centralized system, built to respond promptly to the parties commands with a strong hierarchical control, recruitment system based only on party recommendations; lack of ethics code and a strong legalistic culture guiding all the administration activities; oversize of the administrative structure with high personnel turn-over rate leading to uncertainty and corruption.

Changes after 1989

The fall of the communist regime gave the possibility to the reestablishment of a democratic political system with a public administration resembling its Western counterparts – at least in theory. The new Romanian democracy was facing a serious challenge: on one hand, it had to assure a strong economic development in order to create a market economy and to sustain a reasonable high level of social protection² – solving these issues would enforce legitimacy of the new political leaders. But it had to do this with an administrative apparatus inherited from the former regime. The problem faced was quite difficult: reforming the state while still performing everyday functions, continuing to provide public goods and services and deal with the economic and social problems of transition. Romania was facing in some sense the problems that Western countries faced at the beginning of the '70's when the "welfare state" had to reduce costs while maintaining the same level of social services; the difference was that Romania had a pre-bureaucratic administrative system (in some aspects it still has today) and had to make a "giant" leap to a post-bureaucratic one.

After 1989, probably the most utilized word by the political leaders was "*reform*". Every party leader, regardless of ideology, was talking about reform of the economy, reform of the state, public administration reform or government reform. Despite of all this verbal debates actual reform was scarce, ambiguous and incremental especially in the beginning of the '90's. One cause for this was the **political culture** of the new leaders, the majority of them coming from the second echelons of the communist party structures and having a vision of the public administration that was not congruent with modern administrative organization and functioning. There was also a real reticence towards adopting western models and principles not only in the public sector but also in the private, slogans like "we don't sell our country" being very common in this period.

Another barrier was the constant changing of the legal framework which produced instability especially in the administrative structure, but also ambiguity regarding the objectives and goals of public institutions. These can be explained partially by taking into consideration the numerous changes needed to establish the basic principles of a democratic system – rule of law, free elections, liberty of speech, accountability of public officials etc. – and a new administrative system based on principles of decentralization and local autonomy. Another cause however was the **legalistic culture** of the previous system which remained almost unchanged and the principle that every problem is solved by a new regulation. The effect was a rigid, overregulated with low transparency bureaucratic system. Last, but not least, the **poor economic situation** at the beginning of the '90's – with slow economic growth, high inflation rates and low foreign investments – was an additional burden for the government who faced real problems in coping with its everyday functions and trying to reform itself at the same time. The EU Commission country reports on Romania from 2000, 2001 and 2002 mention these problems: Romania cannot be considered a functional market economy, the macroeconomic environment is unstable and the legal framework is continuously changing, representing a real impediment to strong economic growth

(country reports 2000, 2001, and 2002). Regarding the public administration the reports reiterate the low administrative capacity, the poor competence level of the public servants and high political interference in public administration activities.

Pressures for change

In spite of this, there were growing pressures for reform and adoption of modern public administration and public management ideas and principles. The basic forces that drove the reforms can be categorized in **external** and **internal** pressures.

The external pressures were represented by the European Union and NATO; starting from the political change in 1996, Romania engaged itself in a slow but important process of adhesion to these Western structures. *“Though there are no specific adhesion standards in this field, the pressure from E.U. proved to be significant. The pressure was exercised both through the European experts working with the government in Bucharest and through specific requirements underlying programs financed by the E.U. and concerning themselves with the reform of public administration”* (Hințea, 2006). The new orientation towards the West and the national goal to adhere to NATO and EU resulted in a stronger cooperation with the World Bank and IMF in implementing programs for modernizing public administration, resolving stringent socio-economic issues and keeping a financial policy that would lead to economic growth. This meant direct work with different trained professionals from these organizations who brought along the know-how so much needed for the reform.

Although the external pressures played an important role in the reform movement there were also, **internal pressures** coming from *citizens, academic field and even political leaders*. **Citizens** did not directly put pressure on the government for reforms but they had a significant influence through indirect measures like opinion polls that were more and more used after '89. The dissatisfaction regarding the quality of public services provided by the state, the treatment by the civil servants and the very poor image of public institutions like Parliament and Government were issues for which the political leaders had to offer solutions if they wanted to get popular support in elections. The **NGO sector** became increasingly strong especially after Romania committed itself to EU integration. National programs and public policies had to be openly discussed with the representatives of the civil society. A good example in this sense is the gold extraction project from Rosia Montana which got the approval of the government at the end of the '90's but, because of the pressures coming from NGO's militating for environmental protection the project was blocked (and still is) because of environmental issues.

The **academic field** had an influence especially through the development of educational programs in public administration offered not only to fresh high-school graduates but also to public officials already in the administrative system.

The discussion regarding the political leaders influence on reform of the public administration is polemic. On the one hand, there was a strong resistance at political level in the beginning of the '90's towards adopting Western principles of administration and techniques of management. On the other hand, starting with the change of power in 1996, there was also a change in attitude on these issues

and political parties committed themselves to initiating administrative reforms³. Although these were steps forwards, they were done based on the same principle of “*any problem can be resolved by adopting a new law*”. The most important thing was still lacking – managerial thinking.

“Romanian public administration is not yet able to assume a *managerial* logic of the reform and to overcome the juridical rationality. The transition from a logic based on a strict following of procedures to a logic based on results is still in evidence” (Hințea, Ringsmuth and Mora, 2006). “As a general conclusion, it can be inferred that a direct influence on the reform process on the behalf of the political parties is currently lacking for most part” (Hințea, 2006).

Accomplished Reforms and New Management Ideas

Looking back on what was said until now, we can see that the changes that took place after 1989 in the field of public administration lack coherence and vision, and the majority had a legal character. However there were real reform initiatives and programs after 2000 based on new management ideas and principles already seen in Western countries.

In 2001 the Government adopts a strategy on public administration reform developed in collaboration with the EU, which was updated and continued also after the 2004 elections. The declared goal of this strategy was the creation of a more efficient and transparent public administration and a professional body of civil servants.

“In accordance with the European Commission, the Government has identified three major fields of interventions where there is need for substantial progress: public function, decentralization and deconcentration of public services and public policy formulation”. Government Updated Strategy regarding the Acceleration of the Public Administration Reform Process, 2004-2006).

The Reform of the Civil Service had the aim of creating a professional, stable and independent body of civil servants through the implementation of coherent human resource management strategies and assuring a stable and independent of political interference work environment.

The Reform of Local Public Administration by continuing the process of decentralization and deconcentration of public services had the aim of delivering better services and products through the adoption of new management techniques that will raise quality, transparency of public activities and offer better access to these services.

Public Policy Formulation process will be reformed by creating systems of coordination and management capacity building of government structures (Government Updated Strategy regarding the Acceleration of the Public Administration Reform Process, 2004-2006).

It is the first time when a comprehensive approach to reforming public administration was made by using public management as a key instrument of modernization, trying to pull off from the legal approach.

Another important step was the creation of the **Central Unit for Public Administration Reform (CUPAR)** in 2002 integrated in the structure of the Ministry

of Interior and Public Administration Reform. CUPAR's mission is to co-ordinate the reform process in public administration in Romania through ([http://modernizare.mai.gov.ro/documente/Brosura% 20pentru%20Tampere.PDF](http://modernizare.mai.gov.ro/documente/Brosura%20pentru%20Tampere.PDF), p.6):

- Monitoring the way of implementing the regulations foreseen into the public administration reform strategy and programs, elaborated on the basis the Government Program;
- Proposing instruments, mechanisms and procedures of public management to be introduced/implemented at the central and local public administration level;
- Identifying, programming, elaborating, coordinating and monitoring the implementation of the programs with external financing in public administration domain;
- Offering technical assistance to the public administration institutions in CAF (Common Assessment Framework) implementing and monitoring process.

Some of the projects that CUPAR has implemented are:

Young Professionals Scheme “Developing The Corps Of Professional Public Managers”(YPS) with the goal of preparing a core group of new generation leaders in the civil service, politically neutral and professionally trained in the modern principles and values of European Union public sector management. “The first cycle has been implemented resulting in 114 public managers placed into 17 institutions of public administration at central and local levels between 2003-2005. The performance assessment of the first public managers, pointed out that, in most of the cases, they were valuable resources for the organization” ([http://modernizare.mai.gov.ro/documente/Brosura% 20pentru%20Tampere.PDF](http://modernizare.mai.gov.ro/documente/Brosura%20pentru%20Tampere.PDF), p.7).

Decentralization and De-concentration Process led by the Central Administration aimed at developing the institutional and legal framework, elaborating and implementing a monitoring system for the decentralization process, providing technical assistance in respect to the elaboration of the secondary legislation.

Common Assessment Framework (CAF) (self-assessment tool introduced in 2005) aimed at providing a comprehensive picture of the activities carried out by public institutions in relation to their mission and the achieved results. The implementation of such a tool had different stages starting with training sessions on total quality aspects and use of CAF organized for both top management and operational level (prefects, county councils). This was followed by actual implementation of the tool in 29 public institutions for a clear diagnosis of the institution regarding the quality of the managerial practices and the achieved results. This resulted in 280 civil servants being trained in using self-assessment tools and the elaboration of improvement action plans for all 29 institutions based on the results of self-evaluation.

Multi-annual Modernization Program (MMP) is a program aimed at raising administrative capacity of public institutions by using strategic planning in the implementation of reform policies at local level. This monitoring instrument helps prioritize the reform initiatives at the level of implementing institutions (Prefect Institution and County Council); it's a typical bottom-up approach that gives the advantage of focusing only on those initiatives or policies that are relevant to a specific community and to the institutions that are supposed to implement these policies. This offers the basis for continuous innovation and modernization of the public administration.

Until august 2006 4 Ministries, 35 Prefectures and 29 County Councils had published their strategies, action plans and monitoring reports up to date.

Administrative Simplification - New Administrative Culture the focus of this policy was to making administrative regulations simpler and creating a more open administration to the citizen. The program had a broad spectrum of activities from simplifying registering procedures (for vehicles) by adopting modern IT technologies, adopting a so called “one stop shop” practice in public institutions for evaluating the responsiveness of the system to citizens expectations and finishing with the simplification of procedures for delivering certain permits or civil acts – working permits, passport, id cards.

Where do we stand?

After taking into consideration all that has been presented since now the immediate question is “how far have we come to a modern administration system? and “what are the indicators for these progress?”. Probably the most obvious indicator for some type of success of the reform is the fact that from 1st January 2007 Romania is among the EU member state. This means that in most areas the criteria set by EU Commission have been fulfilled, even though the monitoring process will continue until 2009.

Another indicator for the progress made are the EU Commission (EC) reports before 2007. Where as in 2001 regarding Public Administration Reform the EC was expressing concerns related to: “Weak policy co-ordination and consultation procedures that continue to reduce the efficiency of the government [...] The financial relationship between central and local levels of government remains unclear [...]. The administrative capacity of local government is limited and in most cases there is a serious shortage of the qualified staff needed to manage newly assigned tasks [...]” (EC Report, 2000). The 2006 EC Report mentions that “regarding public administration reform, the civil service statute was revised and decentralization legislation was adopted [...] but the government continued to have extensive recourse to emergency ordinance, which is detrimental to the parliament”. The tone of the report is much better and all in all it gives a positive evaluation. Returning to the first question of “how far have we come to a modern administration system?”, it is impossible to give a yes or no answer to this question. It is clear that the measures like: increasing local autonomy, more financial independence of local authorities, raising accountability of civil servants, increasing the role and importance of managerial positions in the public sector, training programs for public officials, reducing the political incidence in administrative matters, transparency in decision-making and in public spending can be found between the ideas and principles of new managerial theories. Still, as Hințea, Ringsmuth and Mora argue (Hințea, Ringsmuth and Mora, 2006, p. 2-7), the predominantly juridical approach and the education of civil servants (vast majority graduates of law school), little or no performance indicators, problems regarding organizational culture, lack of capacities for coordination, control and evaluation, absence of a true managerial culture, lack of strategic planning and strategic management capacities and serious deficiencies regarding leadership are undoubtedly barriers in the way of any profound reform process. The measures

and programs described above represent the exception rather than the norm. One possible cause of the predominance of the legalistic approach is the education and the training civil servants receive. Before 2000 there was no provision to follow public administration educational programs in order to become a civil servant. This is changing. "If in 1989, the schools in public administration were non-existent in Romania, nowadays there are more than 20 academic programs in the field, both in public and private universities" (Hințea, Ringsmuth and Mora, 2006, p. 5). There are also problems regarding the collaboration between the academic field and public institutions concerning the integration of new public administration graduates.

"The lack of strategic partnership has negative consequences at the level of the functioning of public administration. It is obvious that an administrative reform cannot be designed in the absence of a major evolution in the field of human resources. The reform cannot be implemented by civil servants who do not understand it or who simply reject it" (Hințea, Ringsmuth and Mora, 2006, p. 5).

Limiting public management to the execution function is a continuation of the old dichotomy (legal/managerial approach) and is not in line with the new public management approach seen in all western countries. It is clear that this legalistic culture cannot be overcome only by the introduction of new tools and techniques. A comprehensive and cultural effort is needed for a change to occur at all levels of the public administration. The introduction of a new framework of ideas and values similar to those presented in the first part of the article is in our opinion the first step toward adopting a new paradigm.

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¹ Between 1985 and 1988 there were over 20 government reorganizations affecting central functions such as defense, finance and foreign affairs (Nunberg, 1999).

² Because of the extremely low level of living in the '80's, there was significant pressure from the citizens for high social services and state interference in raising the standards of living after 1989.

³ Law 188/1999 regarding the statute of the civil servant, law 500/2002 regarding public finances, law 161/2003 regarding transparency in public activities, law 215/2001 regarding local public administration, law 544/2001 regarding free access to public information, law 52/2003 regarding transparency in public decision making, law 7/2004 regarding the ethics code of civil servants