

Review article

Public management – the essence and selected concepts

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INFORMATION

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ABSTRACT

The paper is an attempt to characterise the most significant concepts of public management. The starting point for the considerations is definition of the term “public management”. Next, the author presents directions of the evolution of changes that have been taking place in public sector management. The last part of the paper outlines the assumptions of two modern concepts of public management, i.e., New Public Management and Public Governance.

KEYWORDS

management, governance, public management



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Introduction

Numerous changes taking place in the environment of public organisations have an influence on the reforms implemented in these entities. The aim of such reforms is to improve the results achieved by public organisations by laying emphasis on the quality of services, decentralisation, marketisation, cooperation between different sectors, as well as increased accountability for outcomes. Hence, in a number of reforms undertaken in Europe, as well as in the United States, Australia and New Zealand, the starting point for the reconstruction process was an assumption that utilisation of typical private sector tools was one of the conditions for appropriate transformation of the public sector. Stronger and stronger links between the public administration and the private sector, along with a significant increase in the state’s participation in social and economic life, are becoming an important basis for the growing interest in the development of public management research and practice.

The purpose of this paper is to attempt to characterise the essence of public management and present its selected concepts. The primary research method adopted by the author is a critical literature review.

The essence of public management

Public management is a relatively new term, which is differently interpreted and understood by authors.

Ch. Pollitt i G. Bouckaert define public management as changes to the structures and processes taking place in the sector of public organisations, targeted at increasing the effectiveness of these organisations' operation [1, p. 8].

According to Perry and Kraemer, public management is a combination of two orientations in managing public matters, i.e., normative orientation, characteristic of traditional public administration, and instrumental orientation of general management [2, p. 10]. This definition stresses the importance of both the value system and the processes ensuring greater effectiveness of public organisations. The latter is achieved by the appropriate use of an organisation's resources throughout the process of pursuing its established goals.

Renown specialists in this field highlight that public management is concerned to a greater degree with the effective functioning of the entire system than with the functioning of particular organisations. What distinguishes it from other types of management is unequivocal assignment of responsibility for solving structural problems, especially in terms of shaping the structure of public management [3, p. 27].

On the other hand, B. Kożuch claims, after Denhardt [4, p. 10] and Kieżun [5, p. 5], that public management may be understood in a few ways [6, p. 74]:

1. As the activity of public services and elected politicians (activity-focused approach).
2. As a set of management tools relating to the public structures of the executive and to processes carried out by the executive.
3. As management of public organisations or of the system of public organisations.
4. As a subdiscipline of management sciences [7].

The aforementioned definitions could be summarised with a conclusion that public management consists in activities organised by public authorities with a view to accomplishing specific goals, subject to the principles of organisational efficiency and effectiveness and with regard to real accountability of public managers for the results.

In its essence, public management is close to the management process in business organisations. According to A. Frąckiewicz-Wronka [8, p. 24], it could be supposed that key processes of managing a public organisation are not very far removed from the logic of private sector management. However, it is important not to ignore the peculiarity of public management, which is manifested by:

1. The existence of numerous stakeholders with contradictory interests.
2. Large impact of stakeholders that have a significant knowledge.
3. Decisions that are seldom made in a methodologically rational way and arise substantially from functioning in a highly politicised environment.
4. The fact that profit is not considered a measure of effectiveness, and evaluation is based on citizens' preferences, political interests, and legislative choices.
5. Lower susceptibility of participants to financial incentives and a greater focus on pursuing the mission of the organisation.
6. The need to cross organisational barriers in order to recognise different aspects of problem-solving.
7. A relatively high public visibility and transparency of intraorganisational activities.

As the above considerations imply, management in public organisations is of a slightly different nature than in private sector organisations. The differences can be seen in such areas as the conditions in which these organisations exist, their relations with the environment, as well as their goals and needs.

Differences between public and private sector management have also been noticed by S. Sudół [9, p. 15-16]. According to this author, they are related to the following conditions:

1. The right to exercise management in business organisations follows from ownership, whereas in public sector entities, it follows from the sovereignty of central or local government authorities or from the power to supervise social entities that have legal personality.
2. The fact that profit is not considered a measure of effectiveness, and evaluation is based on citizens' preferences, political interests and legislative choices.
3. Public management is exercised by public authorities as well as central and local state administration bodies and bodies of local government units. On the other hand, management in business entities is exercised by management boards or other forms of executive bodies.
4. Management of a business organisation is contained within one organisation, whereas public management concerns a smaller or bigger group of institutions whose goals do not need to be aligned, whereby these institutions do not jointly contribute to the success of the whole.

Based on an analysis of differences between public and private sector management, it can be concluded that the most crucial of them is the fact that profit is not considered a measure of effectiveness in public sector management. This, in turn, makes it impossible to fully adapt their private sector management methods. This difference is extremely important, since it relates to evaluation of management effectiveness and the fact that "a public life institution cannot be evaluated based on its bottom line or market value but rather on the basis of the accomplishment of its mission and performance of various tasks, which is difficult to capture in a systematic and quantitative way" [10, p. 47]. Hence, in A. Szewczuk's opinion [11, p. 338], it is necessary to use the administrative-market model of management. On the one hand, this model will make it possible to retain the necessary scope of oversight and control over the activity of local government units; on the other, it will ensure flexibility of their operation, thus making it possible to adjust services provided by them to diverse and changing social needs. The implemented changes are intended to increase the effectiveness of public resources management, which will result in more effective and transparent management of these entities. This will contribute to citizens' increased trust in these institutions; stakeholders will be treated as partners of public organisations. Owing to this change, they will have access to useful, reliable and comprehensive information necessary for them to make the right decisions.

Selected concepts of public management

In the development of public management, it is possible to indicate four stages of the evolution of the approach to public-sector organisation and operation [12, p. 40]:

1. The rule of law. At this stage, public institutions were treated as a tool for executing law; the role of law in the political system was supreme. The tripartite separation of powers and protection of citizens' rights were in place.
2. The administrative trend. This stage involved the ideal bureaucracy model, the basic assumptions of which were: rational organisation of administration, separation of the staff from ownership of means of administration, separation of politics and administration, hierarchy of authority, scientific selection of workers, and division of work.

3. New Public Management. The fundamental assumptions at this stage are: the use of market mechanisms, primacy of effectiveness criteria, functioning of the public sector based on rules similar to those in the private sector, and the citizen as the consumer of public services.
4. Public governance. The fundamental assumptions of this stage are: interaction with stakeholders, utilisation of participation and consultation, openness, transparency, responsibility, and sustainable development.

The first two stages correspond to the traditional approach to public management. In western democracies, the concept of the rule of law and theories proposed by M. Weber shaped the public administration management system put in place at the beginning of 1970s [13, p. 91]. Nevertheless, this system came in for criticism, which followed from a number of negative changes taking place in the economic life in that period. Those included: decline in the pace of economic growth, intensification of inflationary phenomena, increase in unemployment, as well as aggravating difficulties in balancing public expenditure. Denial of Weber's model of administration contributed to the evolution of the administrative model of management, which adapted some new achievements of organisation and management theory. According to J. Housner [14, p. 23-24], the main postulate in respect of changes in public management was depoliticisation. Endeavours were initiated to "build" a public sector that would be focused on achieving economic and social outcomes. The traditional model of public sector management ceased to meet the expectations raised by society and challenges it posed. New ideas gained international organisations' support [15, p. 40]. The advantages of the new solutions were the admission of competition as well as forcing the administration to reveal cost information, which made it possible to evaluate its cost-effectiveness and efficiency. Therefore, it was proposed that private sector techniques be used in the provision of public services. Based on these postulates, New Public Management (NPM) was born. It became a "cure" for the expectations raised with reference to public institutions. In Hood's view, the new way of public management consists of the following elements [16, p. 4-5]:

- implementation of professional management in the public sector,
- clearly defined standards and benchmarks for the public sector's operation,
- greater stress on the review of the results of the public sector's operation,
- focus on disaggregation of public sector entities,
- stress on the use of private sector management methods and techniques in the public sector,
- stress on greater discipline and economy in the use of resources.

Other authors supplement the above postulates of NPM with activities aimed at raising the importance of citizens as clients of public services, laying greater stress on management and accounting methods of its evaluation, opening public entities to competition, and working out a systematic comparison between management units [17, p. 1].

Another important postulate raised by advocates of New Public Management is limiting the privileged position of the civil service, e.g., by making it accessible to a wider public and enhancing competition within this market. In this context, the new trend in public management should be perceived as a platform conducive to the limitation of corporatism in the public sector [18, p. 731].

What is more, NPM means the need to redefine the qualifications of employees serving the key functions in public administration, so that they can effectively perform their duties. Such persons should have the following skills:

- strategic thinking, planning and management,
- creating their own organisation's self-evaluation capability,
- creating conditions conducive to the improvement of employees' qualifications and of the organisation itself,
- negotiating, acting as a mediator in conflicts between different groups in the organisation,
- being a social entrepreneur.

To recapitulate the considerations regarding the managerial model, it can be concluded that this model comes down to the focus on the citizen as the client of public services, concentration on the review of results, separation of strategic and operational functions, transfer of services to competing organisations from outside the administration, and implementation of social control mechanisms.

It is necessary to agree with B. Filipiak that putting NPM rules in practice gives measurable benefits, including [19, p. 142-143]:

- enhanced rationality in the allocation of public sector entities' resources,
- reduction of bureaucratic procedures that led to a decrease in the quality of the tasks performed and resources used,
- greater effectiveness of the decisions taken,
- the enhanced quality of services owing to the use of modern and innovative technologies,
- better communication with society and its greater participation in management,
- quicker access to external sources of finance. Transferring tasks outside the sector reduces barriers obstructing access to the market and to modern financial market services.

It should also be noted that the new trend of public management has come in for criticism. The main charge against this new concept is, according to W. Rudolf, the fact that it concentrates on improving an organisation's efficiency in the sense of public capability and cost reduction rather than its effectiveness in terms of being able to meet social needs. Another charge against NPM is that it does not address the way of evaluating public organisations and does not indicate the entities in charge of this evaluation [20, p. 75].

A new concept of public management that has emerged in view of the aforementioned deficiencies of NPM is Public Governance or New Public Governance. It means a change in how governing is understood; this change may refer to a new process or alteration of rules, or to a new method of governing society [21, p. 10]. The point of reference in this concept is civic society, understood as a network of social organisations, primarily non-governmental organisations.

Acting in line with the concept of Public Governance makes it necessary for public entities to transfer part of their competence to other units. It is not only associated with cooperation between the sectors, but it also blurs boundaries between them, involves their interdependency, and creates the need for mutual trust [9, p. 12].

Public Governance postulates that hierarchical links between administrative bodies and instruction-giving forms be replaced with the inclusion of entities from outside the administration and involvement of these entities in cooperation, as well as the utilisation of decentralisation mechanisms or encouragement, persuasion and reasoning techniques [10, p. 41].

J. Parysek believes that Public Governance is related to social and economic development. The participants of this process are the state, local government, communities and business

entities; they strive to reach a certain consensus, articulating their interests and, at the same time, respecting law and their commitments [22, p. 49]. This model of exercising power is perceived as a more effective way of solving problems and development.

According to R.A. Rhodes, it is possible to distinguish three development stages of the concept of Public Governance [21, p. 47]:

- network governance – utilises market and quasi-market network links for the provision of public services,
- meta governance – the state plays an important role; it ensures coordination of the network through negotiation, diplomacy and control mechanisms,
- interpretive governance – the starting point is recognition by public authorities of network users' needs so as to ensure that appropriate activities are carried out and to establish the practice and procedures of the functioning of the administration.

Discussion of the concepts of Public Governance should also take account of a more detailed concept known as good governance. It is gaining in popularity thanks to the involvement in its dissemination of such institutions as the World Bank and the European Commission. The latter formulated rules of good governance in the White Paper of 2001. The document refers to the following most important elements that make up good governance:

- a greater ability to involve a state's domestic policy in globalisation processes,
- building an institutional system of transparency,
- integrity and responsibility in governing,
- effective intervention in social and economic processes for the sake of social policy and fair competition.

Good governance is characterised by openness, i.e., access to public institutions and decision-making processes, participation, which leads to increasing social trust towards institutions and social participation in political processes, transparency of roles and connections of institutions in legislative and executive processes, effectiveness in pursuing goals based on the evaluation of previous experiences and forecasts for future events, as well as coherence between policy and the actions taken [10, p. 47].

Just like NPM, this concept is also criticised. The main charges against it are:

- ambiguity of the meaning of governance, which makes it difficult to point out a common denominator for its commonly known features,
- attributes ascribed to governance, i.e., lack of corruption, transparency, informality, accountability, focus on common good, and participative ness, imply that this term is excessively idealising and open for any "decorative" suggestions,
- the assumption of collective and almost conflict-free resolution of problems for the sake of common good bears the characteristics of utopia,
- fears of allegations of "excessive contact" with the private sector discourage public authorities from interaction.

The practical use of the idea of governance in public administration depends on the tradition of a given state as well as its political, legal and administrative culture. States whose system has never been based on absolute monarchy are more open in this respect than those still remaining under the influence of the theory of absolutism. Traditionally decentralised and corporatist states are more open to the discussed issues than those with strong traditions of centralisation and concentration of power.

To sum up, the concept of Public Governance denotes decision-making which is characterised by the involvement of all stakeholders, rule of law, transparency, response to social needs, striving for consensus, respect for minority opinions, effectiveness, as well the broadly-defined accountability to society.

Conclusions

Based on the considerations made in this paper, it was possible to define the term of public management as a set of activities undertaken by public authorities in order to achieve the established goal. While pursuing this goal, those in charge of management should utilise the principle of organisational efficiency and effectiveness. At the same time, they need to bear in mind managers' accountability for the performed tasks. Over the years, the models that public authorities have drawn on in performing their tasks have been subject to transformations. It should be noted that the development of new models of public management does not involve complete rejection of the previous ones, but it is rather based on gradual transition from the existing model to a new one, which retains a number of elements from its predecessor.

Currently, public management is characterised by departure from hierarchical structures made up by the administrative apparatus, which used to have the exclusive power to make decisions and pursue the policy it defined. Those structures are being replaced by a multi-entity, decentralised and fragmented structure. This leads to a greater distribution of power as well as an increased participation of other entities and their stronger influence on public affairs.

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Conflict of interests

The author declared no conflict of interests.

Author contributions

The author contributed to the interpretation of results and writing of the paper. The author read and approved the final manuscript.

Ethical statement

The research complies with all national and international ethical requirements.

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Biographical note

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Zarządzanie publiczne – istota i wybrane koncepcje

STRESZCZENIE W artykule podjęto próbę scharakteryzowania najważniejszych koncepcji zarządzania publicznego. Punktem wyjścia dla rozważań było określenie znaczenia terminu zarządzanie publiczne. Następnie przedstawiono kierunki ewolucji zmian w zarządzaniu sektorem publicznym. W ostatniej części artykułu przedstawiono założenia dwóch współczesnych koncepcji zarządzania publicznego jakim jest New Public Management i Public Governance.

SŁOWA KLUCZOWE zarządzanie, współzrządzenie, zarządzanie publiczne

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