

Pre-ICIS Workshop on eGovernment Research

New Public Management – eGovernment Research in context

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Introduction

A current issue in the eGovernment field is the distinction between those studies that are motivated by prescription, in that they attempt to define normative strategies for action and those that seek to explore and measure the dynamics of implementing eGovernment. This white paper presents certain public sector management theories and attempts to stimulate discussion of whether this effort can provide a platform from which to develop both prescriptive and descriptive elements necessary for eGovernment research.

Information Systems (IS) implementation in the public sector provides a unique challenge not only to the practitioner but also to the researcher. Critical to studies that seek to understand the determinants of success in eGovernment implementation is the development of a more fundamental understanding of the process of public sector modernisation and the behaviour of public sector bodies. New Public Management (NPM) is a theory that provides a useful lens with which to understand the motivations of policy reform agendas and a powerful analytical framework to develop our understanding of the phenomenon of the public sector transformation challenge.

The central doctrinal components of NPM have been identified by Hood (1991) as including greater measures of accountability, explicit standards and measures of performance, a shift to the disaggregation or decentralisation of functions in the public sector, a shift to promoting greater competition in the public sector and a stress on the need to use private sector

management tools and practices in the public sector. The rise of NPM is further associated with the development of automation, particularly in information technology, of the production and distribution of public services (De Araújo, 2000; Hood, 1991).

This white paper argues that eGovernment originated from and was subsequently shaped by the doctrines of NPM. Thus far however, research on eGovernment has concentrated mainly on the impacts of the technology without considering the wider context of the motivations for policy reform. This white paper contends that recognition of the importance of NPM as a precursor to eGovernment and a consideration of the central doctrinal components of NPM can provide a more insightful and holistic understanding of eGovernment and thus provide a platform for prescriptive and descriptive studies.

This white paper develops discussion topics around issues that consider the main doctrinal components of NPM and discusses how these have affected eGovernment development. In doing so this paper demonstrates the importance of considering eGovernment in the context of NPM and highlights the interpretive value of integrating NPM and eGovernment research. These topics include: benchmarking mentality; performance measurement; innovation and entrepreneurship.

This paper first outlines a brief overview of NPM research. The discussion positions that follow are informed by primary data collection over the past five years at both the central and local government level in Ireland and from interviews conducted with senior management in the US and Canadian governments.

Theoretical Background

A significant conceptual shift has occurred in public administration, from a controlling bureaucratic administration, to one focussed on creating an efficient and responsive organisation (De Araújo, 2000; Denhardt & Denhardt, 2000; Pollitt, 2000). The emphasis of reforms has been on reshaping the boundaries and responsibilities of the state, especially through privatisation, the citizen-centred restructuring of public services and the adoption of private sector disciplines (Barzelay, 2001; M Minogue, 1998). However, private sector disciplines cannot simply be superimposed on the public sector, as many services are provided for the benefit of society as a whole and view the individual as a citizen not a customer (Mintzberg, 1996). Thus the development of government is challenged with balancing the needs of individual citizens with wider concerns. This has resulted in the search for models that combine the best features of the traditional perspective of administration with modern business theory and practice; this is often referred to as the “third way” (Gunn, 1988; Mintzberg, 1996; Osborne & Gaebler, 1992).

Central to modernisation programmes that have dominated reforms since the 1970's, is the influential model of New Public Management (NPM) (Aucoin, 1990; Barzelay, 2001; M. Minogue, Polidano, & Hulme, 1998; Pollitt, 1990). The objective of this model has been on reshaping the boundaries and responsibilities of the state, especially through the citizen-centred restructuring of public services achieved through the adoption of private sector practices (Barzelay, 2001; M Minogue, 1998). This approach seeks radical improvements to public service delivery through the development of information technology (De Araújo, 2000; Hood, 1991).

This trend in public sector administration has created significant pressure for many governments to adopt measures to reform the functions of their public service (Perrott, 1996; Pollitt, 2000). This pressure is compounded by international bodies, which seek to create an imperative for public sector reform (Common, 1998; Dolowitz & Marsh, 1998). There are further operational benefits to be gained by the use of electronic service delivery, with the aim to improve the efficiency and effectiveness of the functions of government and these are also powerful forces driving public sector modernisation (De Araújo, 2000; Hood, 1991).

Electronic-government (eGovernment) is comprised of three main activities: the improvement in efficiency and effectiveness of the functions of government, including the delivery of services to citizens; the increase in transparency of government through the provision of a greater range of information; and the fundamental change in relationship between citizens and public sector organisations (Bellamy & Taylor, 1994; Li, 2003; Watson & Mundy, 2001). The trend towards the adoption of e-government represents a continuation of previous public sector reforms, but critically includes a substantially increased role for information and communication technology (ICT) (Heeks, 1999; Hood, 1991; Li, 2003).

Benchmarking Mentality

There have been a number of observable impacts on the public sector influenced by the principle components of the NPM paradigm. One such impact has been a developing culture of conformity in the behaviour of public sector bodies in reaction to the use of audits and other benchmarking activities. In an effort to make actions verifiable it has been observed that agencies often undertake legitimating behaviour to both central management and international agencies in order to show conformity. This development is particularly interesting when considered in the context of benchmarking initiatives conducted to assess eGovernment development by supranational organisations such as the United Nations (UN), the European Union (EU), the Organisation for Economic Cooperation and Development (OECD) and the World Bank. Countries are frequently

measured according to stage models (e.g.(Layne & Lee, 2001)) that require certain services to be implemented to allow a country to progress to a certain level of development.

In the case of Ireland, the lack of recent development according to such models can be in part explained by the sagacious conformity shown by local agencies to the eGovernment agenda that resulted in the rapid adoption of the initial stages, which require only superficial change and subsequently a lack of progress; in reality it is clear that there was little commitment to fundamental reform required for citizen-centred eGovernment according to the Layne and Lee model. In this instance, NPM has created an environment where agencies can in response to the demands of auditing and benchmarking procedures appear to conform to the demands of a reform agenda but in reality their acceptance is superficial. In terms of eGovernment implementation, the lack of commitment to fundamental reform, which often requires organisational change, has been highlighted as a key barrier to fully achieving the intended benefits of eGovernment. In this case the impact of NPM has been to reinforce existing departmental silos.

Performance Management

Performance management is another key doctrinal component of NPM, intended to bring greater levels of accountability to the functions of the public sector (Hood, 1991); this again has had observable impacts on the behaviour of public agencies and hence influenced the achievement of eGovernment specific initiatives. It is arguable that the focus on gaining efficiencies in the distribution of resources – a key objective of performance management – has had a dysfunctional effect on the public sector. NPM and eGovernment reform agendas typically require that operational improvements are made in the business of government and that the public sector adopt a more citizen-centred approach to service delivery. These objectives necessitate the improvement of internal financial performance and the co-operation and co-ordination of agencies in the use of information systems to deliver services. However, the pressure to achieve both objectives can result in contradictory outcomes as agencies compete to show financial improvements in order to gain a greater share of resources. This in turn creates an unfavourable environment for the building of trust, and co-operation necessary to achieving inter-agency service delivery.

The US government provides a useful example of methods of performance management and their potential effects. The Office of Management and Budget (OMB) assess US government departments according to efficiency and effectiveness measures using a scorecard matrix. This method assesses the performance of the individual department according to a range of activities. Departments are then publicly scored according to their levels of efficiency with the results of

their performance ultimately determining resource allocation, where a more efficiently run Department will gain a larger share of resources. Clearly there is a possibility of creating an environment where agencies compete with each other for resources in reaction to strategies that seek to centralise, streamline or rationalise inefficient processes. By making operational procedures a critical determinant of resource allocation it can also be argued that such features become the competitive advantage of one department over another which is more reminiscent of the private sector than the public. Such an environment is not conducive to information sharing, systems integration and the general co-operation required for integrated service delivery, as described in strategies that promote the benefits of “joined-up government”. Similar to the Irish example in the previous section the effect of this doctrinal component appears again to reinforce the phenomena of departmental silos.

Innovation in Implementation – a European Phenomenon

A critical dimension of NPM is the principle of entrepreneurship and the encouragement of strategic opportunism in management (Hood, 1991). Within NPM theory there is arguably a tension between such an approach and emphasis on greater levels of public scrutiny and accountability for the spending of public monies. Given the discussion above there further seems to be incongruity between the effects of benchmarking and performance management and the need to adopt a more risk-taking mentality so that new opportunities can be exploited. Clearly the approach governments adopt in relation to performance management and benchmarking will have a powerful influence on the willingness of departments to experiment with new modes of operation cognisant of the consequences of failure in new ventures.

One of the critical components in IS implementation research is the recognition that implementation is not an event of fixed duration but an ongoing process where the consistent exploitation of opportunities and adaptation of both technology and organisation is essential to success (Leonard-Barton, 1987, 1988). Concurrent with the objectives of NPM, the creation of an environment favourable to innovation is paramount to allow for such opportunities to be exploited. This evolutionary process is argued to underpin successful implementation projects and represents the central management challenge to eGovernment implementation. One of the most interesting international comparisons that can be made exists in the attitude towards innovation in the public sector. The view of Irish and Canadian senior management is that innovation is core to the ability of the public sector to transform; this appears to be a typical European position adopting a holistic approach to innovation. In contrast, the US government adopts a more metric oriented approach to implementation and performance measurement, which

is arguably detrimental to the creation of innovation or creativity in the development and modernisation process in the public sector. Middle management in US service delivery agencies reported that novel ventures are often covertly implemented or in such a way that performance measurement would not be impacted.

Summary

This white paper has developed a number of specific discussion topics centred around the proposition that eGovernment research should be placed in the context of the wider NPM paradigm in order to gain a more holistic and fundamental understanding of the transformation process. These discussion topics are focussed on various doctrinal components of NPM in an effort to show how each has impacted the success of implementing eGovernment. This white paper proposes that greater cognisance be given to the theories behind NPM and consideration devoted to the range of doctrines contained within this paradigm. As a result future eGovernment research should benefit from the potential descriptive power of this theoretical lens in aiding a more fundamental understanding of public sector transformation. It is argued that this descriptive basis provides a strong foundation from which to develop prescriptive strategies.

Discussion Topics

1. **Utility of NPM.** NPM is a useful model to interpret the actions of public sector bodies, but does it constitute a theory that can be integrated with others or used to further knowledge in eGovernment research?
2. **Innovation in eGovernment.** What do we mean by 'innovation' in the context of eGovernment service delivery and how do we assess the 'value' derived from eGovernment systems?
3. **Fostering Innovation in eGovernment.** What conditions are necessary to implement and sustain in order to create an environment that is favourable to creativity?

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