

THE ROLE OF NEW PUBLIC MANAGEMENT (NPM) IN ENHANCING THE SYSTEM OF PUBLIC ADMINISTRATION IN NIGERIA

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Abstract

The need for transformation due to inefficient nature of the traditional public administration necessitate for the adoption of New Public Management (NPM) ideas. It has been pointed out that originating from the developed societies such as UK and the US, the NPM model of governance has not only spread to other capitalist nations but also embraced by the developing countries in Asia, Africa and Latin America. Nigeria as a transitional society is not exceptional. During the last two decades when the application of variants NPM techniques and practices become a global phenomenon, Nigeria also responded by engaging actively into NPM reform initiative practices with the view to achieving greater efficiency in the public sector. This paper seeks to examine the role of NPM in enhancing Nigeria's public administration. The paper begins with an in-depth analysis of the concept of NPM, this was followed by an overview of Nigeria's Public administration. However, the paper highlighted the comparison between NPM and traditional public administration as well as the role of NPM in improving public administration in Nigeria. For the purpose of this article, emphasis was focused on the secondary source in which data was generated from online articles, published and unpublished text materials. The paper relies heavily on literature review and employed content analysis. Finally, the paper recommends among other things that emphasis should be focused to restructure the traditional public administration, ensures appropriate application of the NPM reform initiatives and the idea be fully implemented.

KEYWORDS: Efficiency, New Public Management, Public Administration, and Reform Initiative.

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1. Introduction

New public management (NPM), management techniques and practices drawn mainly from the private sector, is increasingly seen as a global phenomenon (Larbi, 1999). Currently, NPM is the dominant paradigm in the discipline of public administration (Arora, 2003). It has become a catchword in most countries of the world. It conjures up an image enmeshed with a minimal government, debureaucratisation, decentralization, market orientation of public service, contracting out, privatization, performance management, etc. These features signify a marked contrast with the traditional model of administration, which embodies a dominant role of the government in the provision of services, hierarchical structure of organization, centralization and so forth. Grounded in rational choice and public choice and containing elements of total quality management (TQM), the New Public Management (NPM) seeks to offer more efficient mechanism for delivering goods and services and for raising governmental performance levels (Kelly, 1998). Accordingly, NPM emerged in response to a number of environmental forces which governments everywhere have faced in the last twenty years (Sarker and Pathak, 2000). First, large and expensive public sectors put pressures to cut programs and/or increase efficiency. Second, there have been massive technological innovations over the years, particularly, the development of information technology. Third, the globalization of economy with increasing competition has become order of the day. Fourth, it has become inevitable to liberalize the economic sector following heavy burden being imposed upon the national exchequer as a result of mismanagement, corruption, inefficiency in resource management, bureaucratic bungling etc. More importantly, increasing efficiency in resource management is also expected as economic recession and competition simply demand it. Fifth, in the competitive world, the people are demanding quality goods and services. They are now keen to compare services of all organizations (Borins, 1995; Hughes, 1998; Minogue et al. 1998).

In Nigeria for instance, the New Public Management is the perspective in the latest paradigm in the evolution of public administration which came into existence in the 1990s with commercialization and privatization of state owned public enterprises. The trend started with the military regime and the return of democratic governance in May, 1999 also facilitated in the implementation of the concept of new public management (Phillips and Daganda, 2013). Lan and Rosenbloom (1992) observe that the chief aim of market based public administration

approach is that public administration can achieve its historic quest for both efficiency and responsiveness to the public through competitive market-like practices. To sum it up, NPM considered that public sector can be managed as in private sector and the values and operational techniques of the private sectors can be adopted to public sectors. “It advocates treating citizens like customers, separating public administrators from public policy process, and convincing both that government is nothing more than a business within the public sectors” (Box et al., 2001).

The aim of this paper is to examine the role of NPM reform initiative in enhancing Nigeria’s public administration through analyzing the practices of NPM in Nigeria’s public administration. The growing inefficiency of the traditional public administration is challenging which therefore cripple the performance of the system. This need to be addressed to enable the system achieves greater efficiency and enhances service delivery.

2. Literature review

The new public management aims at 3Es – economy, efficiency and effectiveness i.e.

- i. Economy – the eradication of waste
- ii. Efficiency – the streamlining of services
- iii. Effectiveness – the specification of objectives to ensure that resources are targeted on problems. The emphasis of new public management is on performance – appraisal, managerial autonomy, cost- cutting, financial incentives, output targets, innovation, responsiveness, competence, accountability, market orientation, quality improvement, contracting out, flexibility, competition, choice, information technology, de-bureaucratization, decentralization, down-sizing and entrepreneurialism.(Phillips & Daganda, 2013).

In the Nigerian case this critical reform to match up with the modern concept of new public management garnered momentous ground in 1988 with the government setting up the Technical Committee on Privatization and Commercialization (TCPC) via Decree No. 25 of 1988. The committee was inaugurated in July 1988. One of the cardinal objectives was to adjusting on the capital restructuring needs of enterprises to be privatized or commercialized under the Act, in order to ensure good reception in the stock exchange market for those to be privatized as well as to facilitate good management and independent access to the capital markets. The above

objective of privatization and commercialization policy clearly depicts the beginning of the implementation of some tenets of new public management which talked about contracting government enterprise to private hands for efficient and prudent management. (Phillips and Daganda, 2013).

In the words of Ibietan (2013) The NPM as a reform initiative seeks to apply market principles to public management and governance with the aim of achieving efficiency in the provision of public goods and service delivery. This arose from the notion that public bureaucracy had become unnecessarily bloated in size, unproductive and ineffective as an instrument of national development. It is this search for public service efficiency that explains the essence of one Civil Service reform after the other in Nigeria, and we have had several starting from the 1934 Hunt Committee, through Tudor Davies Commission (1945); Walter Harragin (1947); Hugh Foot (1948); Gorsuch (1954); Mbanefo (1959); Morgan (1964); Adebo (1971); Udoji (1974); Onosode (1982); Dotun Philips (1988); Ayida Panel (1994); and Obasanjo Service Delivery Reforms (2003) (Obi, 2007, Nnamani, 2009). These reforms did not only affect the Civil Service in isolation; but public enterprises as well. For instance, it is through the intervention of these commissions of enquiry that public enterprises experienced rapid growth in Nigeria between 1970 and 1980. Similarly, it is through their intervention that government began to think of divestment of public enterprises, and this (privatization and commercialization) reached its crescendo during the Obasanjo civilian administration between 1999 and 2007 (Obikeze and Obi, 2004).

Another platform of reform which is the second area that characterizes the process of administrative development is attempts at developing managerial capacity (skills) within the public sector. It is however not very easy separating activities related to organizational and structural development from activities aimed at improving managerial capacity. This is so because all panels/commissions that have investigated the performance of the civil service and public enterprises have always included recommendations for improving managerial effectiveness. (Ibietan 2013). Looking at the reports of various commissions, it is possible to identify certain broad areas of action which they recommended for improving efficiency in the civil/public Service. From Udoji (1974) to Ani Panel of 1975/76; Onosode (1982); Philips (1988) and Ayida (1994), the common threads are result-oriented management; unified structure; merit and skills as guides for recruitment and promotion; invigorated and modernized personnel and

financial management practices; adoption of Management by Objectives (MBO). Planning, Programming and Budgeting System (PPBS), increased salary awards and a host of other performance/efficiency enhancing criteria in public sector management (Ibietan, 2013). The Obasanjo Service Delivery Initiative (SDI) or reforms, otherwise christened “Civil Service Renewal” were broader in outlook and better focused. (Olaopa, 2008). The main features of the reforms are: monetization policy; Service charter; due process in public procurement; Pension Reform and National Health Insurance Scheme (NHIS) (Ibietan 2013). The strategic objectives of the Obasanjo SDI according to Nnamani (2009) are: right-sizing the Civil/Public Service; introducing new technology; redefining its mission; retraining officers in line with modern administrative procedures and integrating the public service into the larger objective of national growth and stability.

However, the return of democratic governance in Nigeria in 1999 facilitated the radical breakthrough in the implementation of the new public management principles in public sector organization. For instance restructuring the civil service for effective and efficient service delivery. Reducing the over-bloated public service by down-sizing and right-sizing regime, creation of autonomy public organization to create efficiency and effective service delivery. Linking up to and accepting globalization, transfer of new administrative thinking, new or modern technology in managing the new order in public sector administration. These include the introduction of ITC and E-governance. Today, the Nigerian state has embraced the new public management and is trying to capture a stronghold in discouraging wasteful management, cost reduction in governance, budget implementation tie to specific goals, and objectives, or programme of the organization before money is released (Phillips and Daganda, 2013).

3. Methodology of the Study

The paper adopts the methodology of documentary analysis of the relevant literatures which enhances contextual analysis of the subject under the study. The growing inefficiency of the traditional public administration is challenging which therefore cripple the performance of the system

4. Nigeria's Public administration in brief

The term public administration generally refers to the act of implementing public policies. It is government in action, and involves a collective effort of getting things done in accordance with the laid down procedures and within the legal framework. Dwight Waldo defines Public Administration as 'the art and science of management as applied to the affairs of state'. Felse, J.W. is of the view that "public administration is policy execution and also policy formulation." Public administration is therefore the machinery for implementing government policies.

The Nigerian public administration is a product of the British Colonial public administration, and the arrangement of ministries, departments and agencies of government derived largely from the British system of administration. At inception, the bureaucracy under the British sought to maintain law and order, utilization of the public service and its personnel to exploit and expropriate indigenous natural resources to develop the metropolis. Despite the phenomenal growth in size from 1960, the structure remain essentially the same, and has been finding it difficult to rise to the dictates of developmental paradigm, notwithstanding several reform attempts made with the view to improve the system to achieve efficiency and effectiveness. The civil and public services taken together to mean the Nigerian public administration constitutes an indispensable tool of governance from the colonial era as manifested in the discharge of the following functions:

- Formulation of government policies and programmes;
- Planning and implementation of government policies and programmes on social services provision;
- Preparation of annual budgets and development plans;
- Revenue collection such as taxes, fines and duties;
- Making bye-laws, regulations an order under powers granted by the Parliament and other quasi- judicial functions;
- Keeping government records and properties;
- Information dissemination and public enlightenment (Oladipo, 2007).

Table 1: New Public Management versus Traditional Public Administration

ELEMENTS	TRADITIONAL ADMINISTRATION	NPM
Government organization	Services provided on a uniform basis operating as a single aggregated unit	Break-up of traditional structures into quasi-autonomous units
Control of public organizations	Control from the headquarters through the hierarchy of unbroken supervision and checks and balances	Hands-on professional management with clear statement of goals and performance measurement
Control of output measures	Control on inputs and procedures	Stress results and output control rather than procedures
Management practices	Standard established procedures throughout the service	Using private sector management style
Discipline in resources use	Due process and political entitlements	Check resources demands and 'do more with less'

Source: (Araujo, 2001)

5. New Public Management and its practice in Nigerian Public administration

Although complying with the NPM principles may be difficult for a developing nation like Nigeria, notwithstanding the Nigeria's public administration is relatively successful to have applied NPM techniques in the following areas;

5.1 Privatization and Commercialization: The primary aim of any nation to privatize or commercialize either wholly or partly some of public enterprises is to achieve greater efficiency, Nigeria is not exclusive. In Nigeria, privatization and commercialization policy was implemented following the "Jerome Udoji civil service reform of 1974" which recommended the adoption of some private sectors principles in the Nigerian public service. The Onosode report of

1982 also suggested the privatization and commercialization of the nonperforming public enterprises. In the light of these, the government constituted Bureau for Public Enterprises formally known as the Technical Committee on Privatization and Commercialization, and therefore National Committee on Privatization to look into the matter. This resulted to the privatization of some identified ineffective public enterprises which includes the Power Holding Company of Nigeria and Nigerian Telecommunication Company among others. “It is argued that businesses are more efficient than governments because of different incentives and greater flexibility, and so contracting will save the tax payers money” (James, 2012). Although the process was not fully transparent since from the inception, but success was relatively recorded making Nigeria the fastest growing market in telecommunication sector in Africa (Ibietan, 2013).

5.2 Decentralization and Decision making: The doctrine of NPM emphasizes on decentralization in both decision making and actions. Decentralization minimizes the chances of a centralized, tight and hierarchical control by delegating greater flexibility and discretion to the lower level in the production processes. Managers are therefore given widest flexibility to use the resources at their disposal in order to accomplish their projected goals. Decision making is also delegated to the lower level to avoid overlapping of responsibilities by the superior officers which has being a growing concerns of the NPM as it could be predominantly reflected in the traditional administrative system. These are also minimized to a certain level.

5.3 Improved Atmosphere: To meet up with the principles of NPM, Nigerian public administration witnessed atmospheric improvement. Modern facilities have been provided to perform the administrative services, research institutes were restructured to train both the public servants. Workshop and seminars have been organised for federal, state and local government administrators. This helps improve their experiences, thus appropriate result attained.

5.4 Accountability and Transparency: As a result of this initiatives, the principles of accountability and transparency are applied to some reasonable extend even though there could be a discrepancies between what is written and reality. To carter for this, some commissions were set up to ensure that public resources are being used for the purposes for which they were intended. These commissions include the Economic and Financial Crime Commission (EFCC) and the Independent Corrupt Practices and other related Crime Commission (ICPC). These commissions have being working tirelessly to perform their primary assignment. In many

instances where administrative crimes come to their notice, they work vigorously to investigate into the matter and deal with the perpetrators. They were able to bring so many corrupt politicians as well as public officials to book, some were even sent to jail.

5.5 Performance and Productivity: (Thimpson and Thimpson) observed that the NPM approach “borrowed primarily from the literature of business administration, calling for more managerial freedom to use resources, a focus on result rather than inputs, and greater reliance on the private sector for service delivery. NPM emphasizes on efficiency and productivity rather than procedure and rigidity as emphasized by the old administration. This according to the doctrine of NPM can be attainable when governments operate like private organisations. This has helped shifted the mindsets of public servants to result oriented, their performances significantly increases to greater productivity.

5.6 Service Delivery: Nigerian public administration has for long time been erupted with high level of inefficiencies which are basically promoted by corruption. In the other hand, the state has been battling to provide remedies to the situation and that action has been taken to focus in the core areas of competence in the provision of goods and services. Olowu (2002) persists that “there are some basic government tasks that even weak states should strive to get right (such as) a foundation of law, a benign policy environment including macroeconomic stability, investing in people and infrastructure, protection of the vulnerable and protection of the national environment”. However, the growing inefficiencies in the government services especially in human development and infrastructure necessitate for the need of public sector reform aim to ensure qualitative service delivery. Nigeria has in the last few years been struggling to grapple with most of the above mentioned irreducible responsibilities of government which further explains its consistent 14th position on failed states ranking and abysmal performance on Human Development Indices (Soludo, 2012). There have been massive and consistent outcries from public analysts and commentators that costs of governance (mostly personnel costs of political and bureaucratic elites) in Nigeria is very high and that this is a drag on public sector effectiveness. This calls for a reform initiative that makes for leaner efficient and effective government with emphasis on qualitative service delivery (Ibietan 2013).

5.7 People’s participation in Governance: Public administration is basically aims to ensure the welfare of the people. In a modern state public administration is run by the government which is directly elected through electoral process. Government policies are formulated by the political

executives; these policies are therefore implemented into practise by the administration of the political executives. However, people's participation promotes good governance; this plays a gigantic role in the expansion of administration capabilities at all levels of government. As a mechanism for national development, people's inputs are therefore welcomed. According to French philosopher (Alexis Tocqueville) propounded that "individual citizen participation is essential to the survival of a democracy, and that democracy is undermined when people are incapable of influencing government decision. This is known as the "bottom' up rule". The development process in a developing economy acquires fuller meaning if the citizens not only associate themselves in planning development but also participate fully in development administration. In Nigeria, Public Complaint Commission (PCC) was established to enable public outcry their grievances over government's policies.

Conclusion and Recommendations

In Nigeria, public administration has a vital role to play in national development. As the machinery for implementing the policies of government, it is therefore considered as the integral part of the development process. However, to improve the effectiveness of public administration in Nigeria, the paper suggests that there is need to intensify effort and ensures appropriate application of the NPM reform initiatives. Since the NPM is oriented towards outcomes and efficiency through better management of public budget, its emphasis on competition, efficiency and flexibility in service delivery will henceforth enable the eroded public administration in Nigeria to achieve a greater anticipated outcome.

In light of the above, this paper recommends the followings;

- Since the system does not meet the level of efficiency, emphasis should be focused to restructure the traditional public administration, ensures appropriate application of the NPM reform initiatives and the idea be fully implemented.
- Conducive atmosphere should be created, (i.e. training, research institutions etc) be made available to improve the effectiveness and productivity of the system.
- Emphasis should also be focused on management, not policy. However, performance appraisal and efficiency should be given priority in order to attain desirable result.

- The practice of the NPM should not be centrally directed towards profit maximization and should not serve any personal interest but for the betterment of the system. The case of privatization and commercialization policy during the administration of Olusegun Obasanjo is good example in which the government allocated astronomical amount of money to improve the power sector but the situation remains abysmal.
- The structural barriers which affected the system directly or indirectly as a result of bureaucratic traditions and other attitudinal dysfunction of public administrators should be redressed. This could be achieved through a designed plan for capacity development at all level of public administration.

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