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PUBLIC VALUE MANAGEMENT REVOLUTION: MOVING BEYOND NEW PUBLIC MANAGEMENT

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ABSTRACT

This paper explores the evolution from New Public Management (NPM) to Public Value Management (PVM) as a response to the limitations and evolving societal expectations confronting traditional public administration. In the context of globalization and post-modern societal shifts, NPM emerged in the late 20th century advocating for efficiency and market-oriented approaches in public sector governance. However, its emphasis on economic reforms overlooked broader social values and citizen-centric outcomes, prompting the development of PVM.

PVM prioritizes public values over mere efficiency, aiming to align governmental actions with societal aspirations and needs. Coined by Mark Moore, PVM emphasizes accountability, equity, and responsiveness to public concerns, marking a departure from NPM's market-centric strategies. This paradigm shift reflects a deeper integration of citizen perspectives and collective societal values into public service delivery and policy formulation.

Through a comparative analysis with traditional public administration and NPM, this paper illustrates how PVM bridges the gap between administrative efficiency and societal expectations, thereby offering a nuanced approach to contemporary governance challenges. It argues that PVM's focus on public values presents a compelling framework for fostering trust, transparency, and legitimacy in public administration amidst dynamic societal changes.

KEYWORDS: *Public Value Management (PVM), New Public Management (NPM), governance, public administration, societal values.*

INTRODUCTION

In the continuous process of social change, it is natural to change the problems, demands, expectations and attitudes of society along with the condition of society. Naturally, the process of this transformation inevitably affects the political and administrative system of that country. That is why it is necessary to improve the administrative system, working methods and the entire administrative process from time to time.

Especially on the background of post-modernism, the fragmented idealism, fragmented thoughts and fragmented behavior or public affairs of the fragmented society has made it more complicated to control the behavior of the public than to provide service facilities (Elliott, 2021: 98-115). Hence, public administration has to play its role on the dual front of reforming in line with continuous social change on the one hand and adjusting to globalization on the other. Indeed, globalization has inevitably resulted in the global spread of goods, services, technologies, processes and transactions. This has resulted in new social expectations, changing value systems and, in turn, the nature of the state and governance *(Arora, 2004:86).* As a consequence of all these changes, the three powers *'state government'*, *'civil society'* and *'market system'* have emerged *(Bawa, 2008:7-9).* It is possible to achieve any goal only through their mutual cooperation. As a result of all these factors, radical changes are expected in the traditional role of public administration. It is from this transformational thinking that new concepts and models started to be discussed in the development process of public administration. And the reforms in the public sector that broke with the function of traditional public administration came to be called 'New Public Management (NPM)' *(John & Owen, 2007: 2-5).* In short, it has to be admitted that 'New Public Management' was a response to the weakness or failure of traditional public administration *(O Flynn, 2007: 254*). However, due to the changes in the last few decades and the changed context, new thinking started to be different from public management, due to which network governance, public-private participation, participative governance, disaster management and especially Public Value Management (PVM) were born and new formats have been promoted.

If we want to think about public value management, the ideology of public value management has changed based on the experience of new public management in the last three decades and its limitations. Here new public management was primarily motivated by economic reforms; So, the fundamental difference to be noted is that public value management has come forward to guide social mentality. In short, the spirit of this concept is that the government should perform public management by giving attention to public values.

New Public Management

Public administration has to face many problems due to the rigid and framed system and mechanized working methods of

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public administration. In particular, traditional public administration carried out government functions under the Weberian model of bureaucracy, and sought to solve social problems through it. This moldy form of public administration was not conducive to giving direction to the changing social mentality. Primarily the failure of traditional public administration to meet the needs of the citizens and the efficient use of capital, the concept of 'New Public Management' began to take shape out of the need for a sound policy and a different model for effective service delivery (Gerry, 2008:3-4).

The following ideologies were born out of the failure of traditional public administration to inspire change (Arora, 2004:87).

1. A changing scenario of the present society; Due to which reforms in administration have became necessary.
2. Necessity of adjusting to the changing mindset from mere task execution to task completion.
3. The need for public organizations to be risk-taking, action-oriented and service-oriented

Along with this, in the decade of the 1970s, the first discussion about the 'New Right' started at the University of Chicago. It was later transformed into a movement and a philosophy that came before the world. The basis of this philosophy is that citizens need some new rights beyond the fundamental rights and human rights. The rights of individual values and the right to choose services was the manifestation of the demand in this movement (Arora, 2004:90). Of course, to be clear, the latent desire of the citizens to know what the government is doing and to be governed according to our wishes has been manifested through *'new rights philosophy'*.

Against the backdrop of the above transformative thoughts, the need for radical reforms in public administration and the result of long reflection on this, the concept of 'New Public Management' emerged. New public management was first conceptualized by David Osborn and Ted Gabler in the book 'Reinventing Government-1992' (Osborn, 1992:1). Hood Christopher in his book published in 1991, *'A Public Management for all seasons'*, expressed the model of *'professional management in the public sector'* which was embodied in the form of new public management (Hood, C, 1998: 122, 207).

In terms of new public management, R. A. W. Rhodes put forward his famous '3-E's' theory and emphasized that '3-E's-Economy-Efficiency-Effectiveness' are the essence of new public management. Moreover, it is asserted that the role of government is decreasing and the responsibility of citizens is increasing (Rhodes, 1996: 652). However, we have to admit the existence of new public management even beyond this framework. American thinker Kettle in the year 2000 explained the following points regarding the trend of new public management (Kettl, 2000:1-3).

- Determination of productivity with the aim of more production
- Marketing with an autonomous and independent style
- Service orientation with more responsibility
- Decentralization as per citizens' needs
- Policy formulation for development roadmaps
- Determining accountability for the outcomes

David Rosenbloom in 2002 included the following elements in the new public management concept. (Arora, 2004:89).

- Emphasis on outcomes rather than process
- Adoption of market principles
- Consumer-based administrative system
- Teamwork/group work for service
- Change in the entire public administrative culture (flexibility, innovation, entrepreneurship etc.)

Rosenbloom's distinctiveness was instead of individual performance he emphasized group work, consumerism, and creation of a new administrative culture. Osborne and Gabler's New Public Management has been reasonably and appropriately presented in ten characteristics of catalytic governance, community-oriented governance, competitive governance, proactive governance, result-oriented governance, demand-oriented governance, proactive governance, expectation-oriented governance, decentralized governance and market-oriented governance. From this, it seems that the theoretical and practical face of public administration has changed with the influence of new public management. Nevertheless, the overemphasis given to 'market strategy' and the limitations of adjustment to the 'post-modern' mindset of society, led to the search for alternative forms of new public management as well (West, D. C, 2015:18). Attributes: Since the last few years, new ideas have come forward due to changing social conditions and attitudes. It is in this ideology that *'Public Value Management'* (PVM) takes precedence over the insistence of public opinion.

Public Value Management (PVM)

Indeed, new public management has narrowed the divide between governments and governed consumer and provider, and efficiency measurer and public service provider. It is within this reduced gap that 'Public Value Management' finds its origins. This means that the end result of new public management is the beginning of public value management. It has become imperative for the government to give priority to the *'public value'* which was lacking in traditional public administration and new public management (Gerry, 2006: 41-57).

Mark Moore coined the concept of 'Public Values Management' in 1997 in the context of evaluating and improving public services based on public values (Kate, 2004:3). Since this concept is related to the public mentality, postmodernism seems to have an influence on it as well. It is felt that 'public values' are embodied in post-modern attitudes such as self-determination, preference-choice differentiation, voracious consumerism, individualism, self-sufficiency and theism.

What is 'Public Value'? : The concept of 'public value' is multifaceted. But even this concept is not very mature. Public value is not only created by results but also comes from a process where there is trust, accountability, openess and transparency. Public values are conveyed to the people and collectively expressed through the political system.

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Public values are based on the public's expressed feelings, expressed expectations and tangible efforts. Louise Horner and Stephen Bevan have explained public values in very simple terms. According to them, 'What is Public Value? Public Value is what the Public Values...' (Louise, 2006:1). In short, the latent desires of the society are expressed through the public values, it comprises of the expressed desires, and collective desires are preferred by government. Hence, public values represent the overall mentality of the society.

Characteristics of Public Value Management: Public values are expressed through public affairs that reflect traditions, customs, beliefs, values, expectations, demands, and interpersonal relationships. It assumes that management of all these public affairs is under government institutions.

Features of Public Value Management may be stated as follows;

- Regulates public behavior as expressed through outcomes, trust and legitimacy.
- Equity, Morality and Accountability are integral components of government service delivery mechanism.
- Public representatives, whether political or executive (administrative), should create and direct public values.
- Public values may be enabled by showing sensitivity to changing consumer preferences.
- It is important for the government to keep in strategy to change 'public opinion' and give appropriate response to it, such 'public opinion' should be get through polling and consumer market research.
- Public Values Management is motivated by 'Public Interest' or 'Public Domain'.

In short, public value management seems to support aspects of people's mentality that are different from traditional public administration and new public management.

Comparative Perspective

Comparative Consideration of Traditional Public Administration - New Public Management-Public Values Management shows in following Table no.1.

Table No. 1
A Comparative Perspective
(Traditional Public Administration - New Public Management - Public Value Management)

Elements	Traditional Public Administration	New Public Management	Public Value Management
Main Objectives	- Service delivery from a bureaucratic perspective. - Input through Political Process.	- Management of inputs-outputs - Assurance of economy and consumer response	- Priority to Public values. - maintenance of Services and system
Public Interest	- Expressed by politicians - Neglected in terms of public input.	- Comprise of individual preferences - Consumer choice based	- Integrated process of individual and collective choices
Service Delivery	- Hierarchical departmental or - Self-controlled by professionals.	- Private sector or clearly defined public agencies	- Emphasis on goals achievement through mediating mechanisms - Utilitarian
Public Services Value Approach	- Public Sector monopoly in service values.	- Suspicion on the public sector values - Preference to consumer services	- No single sector has monopoly on public service values. - Correlation of essential participatory values
Accountability	- Election voting - Party politics - Functions performed by Controlled bureaucracy.	- Separation of Politicians and Managers - Politicians will direct but not control comprehensively - Managers will maintain a consumer oriented system	- Elected Leadership, Managers and key stakeholders solving community problems and create effective Mechanism through collective efforts of stakeholders. - Public opinion through Elections, referendum, purposive organizations

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Role of Government & Administration	- Guarantee of execution of rules and fixed process.	- Assist for explanation - Task target consensus	- Networking of thoughts and actions. - Maintenance of every areas of system.
Nature	- Government centralized	- Market or consumer centric	- Public interest, preference and public values centric

Source: Kelly & Muers (2002), O. Flynn (2005) & Stoker (2006)

This process of transition seems to have changed drastically. While traditional public administration appears to prefer formalities, political influence and more bureaucratic; new public management is somewhat flexible but consumer-oriented and embraces private entrepreneurship. But in public value management, 'public values' are at the center, political leadership and administrative officers are entrusted with the responsibility and trust to create public values; In the end, it has to be admitted that an attempt has been made to bring a proper balance between public administration and private administration through this model.

In fact, public value management is a result of the process of social change. But still the development of this concept is in the preliminary stage. Public values were neglected in the quest for efficiency in the process of traditional public administration and new public management. This deficiency has been filled by this new concept. However, it is yet to mature. Public values are a collective appearance of social behavior; it reflects the demands, expectations, ethics and relationships of the community. Naturally, the government needs basic respect for the people while determining its policy and action plan, because public values can be rooted.

Public value management has become the need of the hour in line with postmodernism; because the traditional public administration and the new public management are perceived as unable to adjust to the impending changes. It is to fill this gap that public value management has gained a theoretical foundation. The government intends to determine its policy according to public values. Therefore, it is expected that social problems can be eradicated or even prevented, and since they are related to the behavior and attitudes of the society. Hence, public value management mainly emphasizes on the desires of the citizens may be satisfied.

CONCLUSION

In conclusion, the transition from Traditional Public Administration to New Public Management (NPM) and subsequently to Public Value Management (PVM) reflects a significant evolution in governance paradigms driven by changing societal dynamics and global pressures. While Traditional Public Administration emphasized bureaucratic efficiency and hierarchy, NPM introduced market-oriented reforms to enhance effectiveness and responsiveness. However, NPM's exclusive focus on economic metrics and efficiency often overlooked broader public values and societal aspirations.

The emergence of PVM represents a corrective response to these limitations, advocating for a governance approach that integrates public values such as equity, accountability, and responsiveness into policy-making and service delivery. PVM shifts the focus from mere outputs to the broader outcomes that matter to society, thereby enhancing the legitimacy and trustworthiness of governmental actions.

Through a comparative analysis, this paper has demonstrated how PVM complements and extends the principles of NPM by emphasizing citizen-centric governance and fostering a deeper connection between government and society. By prioritizing public values, PVM offers a pathway towards more inclusive, participatory, and effective governance in the face of complex societal challenges and expectations.

Moving forward, the adoption and adaptation of PVM principles by governments worldwide hold promise for enhancing public sector effectiveness, responsiveness, and accountability. As societies continue to evolve, PVM provides a robust framework for aligning governmental actions with the diverse values and aspirations of the public, thereby contributing to more sustainable and equitable governance practices.

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