WJARR

World Journal of Advanced Research and Reviews

(REVIEW ARTICLE)

The critical examination of the new public sector management in view of hrm – the critical success factors

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Abstract

New Public Sector Management (NPSM) is an emerging model of public administration that has gained widespread attention in recent years. It aims to improve the efficiency and effectiveness of public services through the application of private-sector management practices. The Human Resource Management (HRM) function plays a crucial role in the success of NPSM. This paper critically examines the NPSM model in view of HRM, focusing on the critical success factors that can lead to the effective implementation of NPSM. The paper identifies and analyses various HRM practices that can enhance the performance of public sector organizations under NPSM. The critical success factors identified in this paper include strategic planning, employee empowerment, performance management, training and development, and employee motivation. The paper concludes that the successful implementation of NPSM requires a comprehensive and integrated approach to HRM that focuses on developing employees' capabilities and aligning their goals with the organization's objectives.

Key Words: New Public Sector Management; Human Resource Management; Critical Success Factors

1. Introduction

The New Public Sector Management (NPSM) model emerged in the late 20th century as a response to the challenges faced by traditional public administration in delivering effective and efficient public services. The model draws heavily from private sector management practices and emphasizes the use of performance management, results-oriented management, and customer focus (Kaplan, 2001). The adoption of NPSM has been widespread across the globe, and it has been implemented in various forms in different countries (Alonso & Andrews, 2006).

One of the key elements of NPSM is the emphasis on Human Resource Management (HRM) practices. HRM is critical in enabling organizations to develop a competent and motivated workforce that can achieve the organization's objectives (Barrett & O'Connell, 2001). The effective implementation of NPSM requires the alignment of HRM practices with the overall organizational objectives.

This paper critically examines the NPSM model in view of HRM, focusing on the critical success factors that can lead to the effective implementation of NPSM. The paper identifies and analyses various HRM practices that can enhance the performance of public sector organizations under NPSM. The critical success factors identified in this paper include strategic planning, employee empowerment, performance management, training and development, and employee motivation.

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1.1. New Public Sector Management: Theoretical and Conceptual Background

New Public Sector Management (NPSM) is an emerging model of public administration that has gained widespread attention in recent years. The New Public Sector Management (NPSM) emerged in the 1980s as a response to the inefficiencies and shortcomings of traditional public administration. The New Public Sector Management (NPSM) model, therefore, appeared as a significant departure from the traditional public administration model. The NPSM model aims to improve the efficiency and effectiveness of public services by applying private-sector management practices (Hood, 1991). The model emphasizes the use of private-sector management practices to improve the efficiency and effectiveness of public services (Hood, 1991). The adoption of NPSM has been widespread across the globe, and it has been implemented in various forms in different countries (Alonso & Andrews, 2006). The model draws from various management theories and concepts, such as Total Quality Management, Performance Management, and Customer Focus (Alonso & Andrews, 2006). NPSM is grounded in several theoretical and conceptual frameworks. This section examines some of these notable theories and concepts that underpin the NPSM.

One of the most influential theories in this regard is the principal-agent theory, which suggests that public organizations can be made more efficient by aligning the interests of public officials (agents) with those of the public (principals) (Eisenhardt, 1989). NPSM seeks to achieve this alignment by creating a results-oriented culture that focuses on achieving measurable outcomes and holding public officials accountable for their performance (Pollitt, 2003). In building the concept up, the other critical theoretical foundation of the NPSM model is the New Public Management (NPM) theory. The NPM theory emphasizes the application of market-based mechanisms and private-sector management practices to public-sector organizations (Hood, 1991). The NPM theory is based on the assumption that public sector organizations are inherently inefficient and that the application of market-based mechanisms can improve their efficiency and effectiveness. Another theoretical foundation of the NPSM model is the Resource Dependency Theory (RDT). The RDT theory posits that organizations are dependent on external resources for their survival and success (Pfeffer & Salancik, 1978). The RDT theory suggests that public sector organizations should focus on building relationships with external stakeholders, such as customers, suppliers, and other organizations, to enhance their resource base and improve their performance. Also, the theory of public value sets a basis for NPSM, and suggests that public organizations should be focused on creating value for the public by addressing social problems and meeting public needs (Moore, 1995) provides a . NPSM seeks to achieve this goal by emphasizing the importance of customer focus, performance measurement, and the use of market-oriented mechanisms, such as contracting and outsourcing, to deliver public services (Hood, 1995).

The NPSM model also draws heavily from management concepts and principles such as Total Quality Management, strategic planning, the use of performance measurement, and Performance Management (PM) including the importance of, the emphasis on customer focus, and the need to create a results-oriented culture (Osborne & Gaebler, 1992). TQM is a management approach that focuses on continuous improvement and customer satisfaction (Oakland, 2003). PM is a management approach that focuses on setting and achieving performance targets and monitoring performance against those targets (Neely et al., 1995). Conceptually, NPSM is based on several key principles. These principles are aimed at promoting innovation, efficiency, and effectiveness in public service delivery.

The conceptual background of NPSM is based on this set of principles, theories, and practices that aim to improve the efficiency and effectiveness of public services. These principles include the use of performance measurement, customer focus, results-oriented management, and flexibility (Osborne & Gaebler, 1992). The use of performance measurement allows public organizations to monitor their performance and identify areas for improvement. Customer focus emphasizes the importance of understanding the needs of citizens and delivering services that meet their needs. Results-oriented management involves setting clear objectives and measuring progress toward achieving them. Flexibility allows public organizations to adapt to changing circumstances and respond to emerging challenges.

In conclusion, the NPSM model is an emerging model of public administration that draws from various management theories and concepts, such as NPM, RDT, TQM, and PM. The model aims to improve the efficiency and effectiveness of public services by applying private-sector management practices. The theoretical and conceptual background provided in this literature review provides a foundation for understanding the key concepts and principles of the NPSM model.

1.2. The Relevance of HRM for NPSM

Human Resource Management (HRM) is widely acknowledged as a crucial aspect of New Public Sector Management (NPSM) reform initiatives (Bingham & Drewry, 2019; Lapsley, 2011). The focus of NPSM is on achieving efficiency, effectiveness, and accountability in public services through various strategies, including decentralization, marketization, and performance management (Pollitt & Bouckaert, 2017). HRM has a crucial role to play in supporting and facilitating these reforms by ensuring that the public sector has the necessary workforce to deliver services

efficiently and effectively. According to a growing body of literature, Human Resource Management (HRM) is a critical component of the public sector, as it plays a vital role in ensuring effective service delivery, accountability, transparency, and organizational goals (Breaugh, 2017; Pynes, 2013).

One of the main reasons for the relevance of HRM in NPSM is the emphasis on performance management. NPSM seeks to introduce performance-based management systems that hold public sector employees accountable for their performance (Bouckaert & Halligan, 2008). HRM practices, such as recruitment, selection, training, and development, play a critical role in ensuring that the right people are hired, trained, and developed to achieve the desired performance outcomes (Manning, 2011). Another reason why HRM is relevant to NPSM is the need to manage the workforce effectively during times of change. NPSM reforms can result in significant changes to organizational structures, job roles, and responsibilities, which can have an impact on employee morale, motivation, and productivity (Savino & Fernández-Sánchez, 2018). HRM practices such as change management, communication, and employee engagement are essential in ensuring that employees are prepared and equipped to deal with these changes (Kanapathy, 2016). Furthermore, HRM is relevant to NPSM because it can help to address workforce diversity and equity issues. NPSM seeks to create a diverse and inclusive public sector workforce that reflects the communities it serves (Christensen & Lægreid, 2017). HRM practices such as affirmative action, diversity training, and cultural competence can help to ensure that the public sector attracts, develops, and retains a diverse and talented workforce (Reilly & Williams, 2019). HRM is relevant to NPSM because it can help to foster innovation and creativity in the public sector. NPSM seeks to introduce new and innovative ways of delivering public services, and HRM practices such as knowledge management, talent development, and performance incentives can help to support and facilitate innovation and creativity (Jabbour et al., 2021).

This literature also highlights some of the key themes and trends in HRM in the public sector. Recruitment and selection processes are critical in HRM as they determine the quality of the workforce and organizational performance (Pynes, 2013). Many public sector organizations adopt competency-based selection processes, which identify candidates with the skills and competencies needed to perform the job effectively, and affirmative action policies that promote diversity and equal opportunity (Lee, 2015). Training and development are essential components of HRM, as they improve the knowledge and skills of employees, enhance their job performance, and promote career development (Fink, 2016). Public sector organizations offer a range of training programs such as in-house training, external courses, and on-the-job training. Career development opportunities such as job rotations, mentoring, and coaching help employees progress in their careers (Pynes, 2013). Performance management aligns individual and organizational goals, provides feedback on job performance, and promotes continuous improvement (Jensen, 2017). Public sector organizations often use formal evaluation processes like performance appraisals to assess employee performance against predetermined standards, and some organizations use performance-based pay systems to link pay to individual and organizational performance (Armstrong, 2017). Employee engagement and motivation are crucial in promoting job satisfaction and retention, which are critical for effective organizational performance (Wright, 2015). Public sector organizations promote employee engagement and motivation through employee recognition programs, employee involvement in decision-making, and opportunities for social interaction and networking (Lee, 2015). Succession planning helps to ensure that organizations have the necessary leadership and talent to meet future challenges (Wright, 2015). Public sector organizations face factors such as political cycles, budget constraints, and the need to balance diversity and merit in leadership appointments. Many organizations adopt talent management strategies, which identify and develop high-potential employees for leadership positions (Jensen, 2017).

In conclusion, HRM in the public sector is multifaceted and plays a critical role in promoting effective organizational performance, diversity and equal opportunity, and accountability and transparency. Public sector organizations can build a skilled, motivated, and engaged workforce capable of meeting the challenges of the future through effective recruitment and selection, training and development, performance management, employee engagement and motivation, and succession planning.

1.3. Critical Success Factors in NPSM

Numerous scholars have extensively investigated and provided comprehensive insights on the critical success factors of HRM in New Public Sector Management. Scholars such as Pfeffer (1994), Huselid (1995), Boxall (1996), Kakabadse and Kakabadse (2003), Pynes (2009), Newman and Clarke (2009), and Armstrong (2012) have explored various themes such as the strategic approach to HRM, comparative perspectives on public sector reform, international trends in HRM, the impact of HRM practices on turnover and productivity, the resource-based view of the firm, and the power of the workforce. In addition, Singh (2016) reviewed the critical success factors of HRM in the public sector, including recruitment and retention, employee development, performance management, and employee engagement. The author provided a comprehensive overview of the literature on each of these topics and offered insights into best practices for HRM in the public sector. Furthermore, Chikazheva, Khabibullina, and Sattarova (2020) emphasized the significance of

leadership, communication, employee empowerment, performance measurement, and technology in HRM. The authors conducted a detailed analysis of the literature on each of these topics and recommended effective HRM practices for practitioners in the public sector. Taherdoost and Jafarpour (2017) conducted a systematic review of critical success factors of HRM in the public sector, focusing on talent management, employee motivation, leadership development, and performance evaluation. The authors used a systematic review methodology to analyze the literature on each of these topics and provided insights into the best practices for HRM in the public sector. Vandy JF(2023) also listed five ethical determinants as considerations for Effective HRM in Public Sector including Professionalism, Integrity, Transparency, Selflessness, and Objectivity. This paper recognizes these factors as crucial pre-requisite for effective HRM in the public sector and in addition suggests that the structure of the organization matters in determining the effective implementation of all these factors.

In summary, numerous scholars have extensively investigated the critical success factors of HRM in New Public Sector Management, exploring various themes such as the strategic approach to HRM, comparative perspectives on public sector reform, international trends in HRM, the impact of HRM practices on turnover and productivity, the resource-based view of the firm, and the power of the workforce. Other important factors identified by scholars include recruitment and retention, employee development, performance management, employee engagement, leadership, communication, employee empowerment, performance measurement, and the role of technology in HRM. Effective HRM practices in the public sector can lead to improved employee performance, increased productivity, and enhanced organizational performance. Furthermore, ethical considerations such as professionalism, integrity, transparency, selflessness, and objectivity are crucial prerequisites for effective HRM in the public sector, and the structure of the organization also plays a significant role in determining the effective implementation of these factors. Below is a highlight of further summary of these critical success factors of HRM in NPSM:

- Strategic HR Planning: This involves aligning HR strategies with the organization's overall strategic objectives, and involves forecasting HR needs and developing appropriate recruitment, training, and development plans (Pynes, 2009).
- Employee Engagement: Employee engagement is a key factor in the success of HRM in the public sector, and involves creating a culture of open communication, trust, and mutual respect. Studies have shown that engaged employees are more productive and less likely to leave their jobs (Kakabadse & Kakabadse, 2003).
- Performance Management: Effective performance management systems are critical for HRM success in the public sector. This involves setting clear performance expectations, providing regular feedback, and recognizing and rewarding high performers (Huselid, 1995).
- Leadership Development: Developing strong leaders is important for the success of HRM in the public sector. This involves providing leadership training and development programs, and encouraging leadership at all levels of the organization (Boxall, 1996).
- Technological Advancements: Using technology in HRM can significantly improve efficiency and effectiveness, reducing costs. This includes the use of HR information systems, social media platforms, and online learning tools (Armstrong, 2012).
- Employee Wellbeing: The promotion of employee well-being is an important factor in the success of HRM in the public sector. This involves providing a safe and healthy work environment, promoting work-life balance, and offering wellness programs (Pfeffer, 1994).

2. Discussion & Implication of This for Public Sector HR Practitioners

The new public sector management (NPSM) approach emphasizes the importance of efficiency, effectiveness, and accountability in the delivery of public services. It has led to a shift in the role of human resource management (HRM) in the public sector, from a traditional focus on administrative tasks to a more strategic role in supporting the organization's goals and objectives. In this context, critical success factors (CSFs) have emerged as important considerations for HR practitioners to ensure the successful implementation of NPSM.

Also, the adoption of new public sector management practices has significant implications for HR practitioners. In particular, the shift towards human resource management (HRM) as a critical success factor requires a critical examination of the traditional approaches to public sector HR management.

One of the key implications of this shift is the need for HR practitioners to become more strategic in their approach to HR management. HRM requires a focus on aligning HR policies and practices with the overall goals and objectives of the organization. This means that HR practitioners need to have a deep understanding of the organization's strategy, as well as the skills and capabilities required to execute that strategy.

Another implication of the shift towards HRM is the need for HR practitioners to develop a more proactive approach to talent management. HRM recognizes that human capital is a critical resource that must be managed strategically. This means that HR practitioners need to be able to identify and develop the skills and competencies that are required for success in the organization.

In addition to these implications, there are several critical success factors that HR practitioners must consider when implementing HRM in the public sector. These include:

- Leadership: HR practitioners must work closely with senior leaders in the organization to develop a shared vision for HRM and ensure that HR policies and practices are aligned with the organization's goals (Lussier, R. N., & Achua, C. F. (2019), Ulrich, D., & Smallwood, N. (2017),
- Culture: HR practitioners must create a culture that values HRM and recognizes the importance of human capital to the organization's success (Schein, E. H. (2010), Denison, D. R., & Spreitzer, G. M. (1991),
- Change management: HR practitioners must be able to manage the change that comes with the implementation of HRM. This includes communicating the benefits of HRM to employees, managing resistance to change, and ensuring that employees have the skills and capabilities required to succeed in the new HRM environment (Kotter, J. P. (2012), Cummings, T. G., & Worley, C. G. (2014).
- Technology: HR practitioners must be able to leverage technology to support HRM. This includes implementing HR information systems and other technologies that support talent management, performance management, and other key HR processes (Kavanagh, M. J., & Johnson, R. D. (2017), Lawless, M. W., & Anderson, J. A. (2012).

Overall, the critical examination of the new public sector management in view of HRM requires HR practitioners to become more strategic, proactive, and collaborative in their approach to HR management. By focusing on the critical success factors outlined above, HR practitioners can help their organizations to achieve their goals and objectives while effectively managing their most important resource: their people.

3. Conclusion

In conclusion, the adoption of new public sector management practices and the shift towards HRM has significant implications for HR practitioners. It requires them to become more strategic, proactive, and collaborative in their approach to HR management. The critical success factors that HR practitioners must consider when implementing HRM in the public sector include leadership, culture, change management, and technology. By focusing on these factors, HR practitioners can help their organizations to achieve their goals and objectives while effectively managing their most important resource, which is their people. Effective HRM can lead to improved organizational performance, increased employee satisfaction and retention, and better alignment of HR policies and practices with organizational goals. Therefore, it is crucial for HR practitioners to understand the importance of these critical success factors and implement them effectively to achieve success in the public sector.

The implications of these critical success factors for public sector HR practitioners are significant. They need to be strategic thinkers, with a deep understanding of the organization's goals and objectives. They need to have strong communication and interpersonal skills, as they will be required to engage with a range of stakeholders, including employees, managers, and external partners. They also need to be creative and innovative, as they will need to design and implement HRM strategies and practices that are aligned with the organization's needs.

In summary, the critical examination of the new public sector management in view of HRM highlights the importance of HR practitioners in supporting the successful implementation of NPSM. HR practitioners need to focus on critical success factors such as alignment of HRM policies with strategic goals, development of a performance-based culture, and development of a learning organization. By doing so, they can help to ensure that the public sector delivers services that are efficient, effective, and accountable.

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