

Public Organization and Management
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Lecture – 46

Administrative reforms and organizational change in public organizations - I

Hello, dear learners. I hope you all are doing well and continue to refer to the material that I'm sharing with you over the sessions. In this session, we have reached the final and concluding theme four of this course on public organization and management. Theme 4 in this course includes module 10 to module 12 and the focus of this theme is on understanding the administrative reforms, organisational change and development in public organisation. Followed by looking into the aspect of new public management and the shift from new public management to collaborative governance. And finally, we will conclude this particular theme with discussion on module 12, which is on innovation in public sector organization.

So, I am going to start with the module 10 in this theme 4, which is the first module in theme 4. And the title of the module is Administrative Reforms, Organizational Change and Development in Public Organizations. So, what I will do in this module is to introduce you to the concept of administrative reform, organizational change and development in public organizations. I will first of all talk about the meaning of reforms, its types, process of reform in terms of implementation and evaluation.

Followed by this, I will discuss about the various models of organizational life cycle and stages. We have to discuss about almost around 8 to 9 models of organizational life cycle and stages. Some of these are more particular to the specific public organizations context. The others are applicable to, in general, to the organizations, the growth in terms of life cycle and stages. Then we will talk about the aspect of the process of change, how organizations respond to change, what is the resistance to change and the types of change, how organizations overcome the resistance to change, what are the ways in which the organizations and the members of the organization respond to change, we will look into this.

Finally, we will conclude this session on understanding the patterns of successful organizational change implementation, success and failure of the plan change. Let's look into first of all little background about the aspect of administrative reforms. Why administrative reforms are required? What is the meaning of administrative reform? Now, if you look at the concept of public management and the practice of public management at administration, these fields cannot afford to remain static. It requires to bring in continuous change in the organization in order to enhance the efficiency and

effectiveness of the operations. The public organization and administration cannot afford to remain stagnant because if they do, if they continue to perform in inefficient ways, if they don't change, what is going to happen that the public at large is going to have a very negative perception of the functioning of the government.

So, with time and the happening changes outside the organizational environment will create a lot of pressure on the organization to change their way of functioning in order to improve their operations so that they can meet the demands of the stakeholders. In this case, a public organization, we are talking about the citizens at large. Now, administrative and the public management reform, they are very powerful concepts because they have the potential to enhance the capabilities of the organization, tries to look into the operational capacity in terms of bringing in changes which results into the positive outcomes for the organization. In a very simple terms, if you look at the concept of reforms, these are the movements that have taken place over the years, over the different periods that seek to redesign, revamp or revising the existing institution. This is the definition proposed by Ingrams et al.

In 2020 in the paper entitled, "Learning from our mistakes, public management reform and hope for the open government" published in perspective on public management and governance, right. So, when we talk about the concept of reforms we are saying that they are they these reforms seeks to redesign processes or structures revamp or revising the existing institutions for the better outcomes to run in the better way or better outcomes. Another way of looking at it is focusing of this particular reforms, why these reforms are taking place or they have taken place, what is the idea behind? The idea is they actually improve the effectiveness, efficiency, accountability of the organizations, having customer focus in order to understand what the citizens would need from the government and the public organizations and then bringing in changes inside the organization in terms of the reforms, bringing in the orientation of entrepreneurialism, cost saving, governmental relationships building All these ideas of these aspects that I have just talked about, they are actually inputs for the reforms to happen. So, there is some kind of inefficiency, ineffectiveness, there are problems with the accountability mechanism. We have to make the systems much more streamlined so that it enhances the overall experience of the public service delivery by the citizens outside.

Also, if you look at, they are not one-time process of change. Reforms are not one-time process of change. They are considered as never-ending process which continues to be on the agenda of government and public organizations. They are continuous and then continue to be on the agendas of the government and public organizations because as and when the new government is trying to come into the power, they have the claims in terms of how they will revive the processes of the government, revive the public institutions in order to enhance the experience and change the ways the people think about the government. They are always in the mandates of the government.

These reforms are the never-ending process as and when something happens, a change in the political authority or some changes in the dynamic environment, these reforms will have taken place and will continue to take place in times to come too. Now, in order to understand the meaning of the reforms, various researchers, if you have looked at, they contributed to the understanding of the concept in one or the other way. Let us look into some of the important definitions that have been proposed in the literature. Capano, 2021 in the paper entitled Models of Administrative Reform defined "administrative reform in a way that of design and implement administrative policies by introducing deliberate efforts to change actual institutional arrangements, the processes and the procedures of public administration". So, the focus is on the deliberate effort.

The focus is on changing the institutional arrangement, the processes and the procedures of the public administration. The idea here is to enhance some or the other way the aspects of reforms I have talked about. Effectiveness, efficiency, accountability, customer focus, entrepreneurship and other related aspects. So, this is the first way of look at in terms of the definition, more refined definition of the administrative reform. Pollitt and Bouckaert in 2017 in the paper titled, in the book Public Management Reform published by Oxford University Press, the chapter they talked about public management reform has been defined as "deliberate attempt, they are actually the intentional attempts to change the structures , processes and or cultures of public sector organizations with the objective of getting them in some or the other sense run better, to run better" So, now see structures and the processes which is more like into more of the definition proposed by Capano also, but it also talked about the culture of the public organization for which behavior outcome is also important.

Change in the behaviors of the public sector employees in terms of implementing or providing the public service to the public. So, we have to bring in the change in the culture also, the way of the thinking, the organization functions and perform the various activities and accordingly the change are to put in place so that the organization can run better in one or the other way. Another way to look at the administrative reform as in proposed by Caiden, 2014, administrative reforms comes of age. You can look into the source number 3 here. Administrative reform has been defined as the "artificial inducement of administrative transformation against resistance".

You see that whenever changes are to be introduced or there is an anticipation of the change you will see the resistance from people as well as organizations as a whole. So this administrative reform has also been looked upon a different way in terms of the inducement of the administrative transformation against resistance. Whenever there is a process of change, it's tried to shake the beliefs of the people in such a way that if the change happens, what the condition is going to be, how it is going to change the social relationship that people share in the organization. So, this is a very basic understanding of

the meaning of administrative reform as cited in literature. These are not the only definitions which are proposed in nature, there are other definitions available, but I am just to give you some glimpse of the meaning of reforms I have included these three broad, the conceptualizations as been proposed.

Okay, continuing with the types, understanding the types of administrative reforms, Capano again in 2021 proposed the operationalization of administrative reforms at micro, meso and macro levels. Please refer to this paper for getting more clarity on this. Now, according to Capano, the administrative reforms can be operationalized at three levels. Adaptive, which are termed as micro changes. Modernizing considering - meso changes and transformative - macro changes.

Let's look at these types of administrative reforms one by one. First of all adaptive changes adaptive reforms micro changes they involve only marginal components of actual policy program you know it's only you change marginal components of the actual policy program. They are not the big revolutionary changes. These are the small changes, incremental changes that you do to a policy paradigm. The examples of such micro changes and adaptive changes include change in the administrative procedure, or could be a formation of new agency or it could be change in the existing policy instruments.

So, these are some of the example which actually demonstrate the adaptive reforms or micro changes that can take shape in the public management, public administration, the first type of adaptive reforms. The second type that has been proposed by Capano is modernizing reforms, which means meso changes, more than micro changes. Meso changes, they focused on changing the structural components of the administrative system. Here is the marginal components of the changes are not big, huge changes, small changes, marginal components of the actual policy paradigm. In case of modernizing, the focus is on changing the structural components of the administrative system.

Now, examples of this include putting in place system for pay for performance for public employees. You have to change the structure for that. Managerialization of public processes, bringing in more the concept of managerialism in the public sector processes. Liberalization and privatization of services. So, these are the other examples of modernizing administrative reforms, meso-changes.

Focus is on bringing structural component changes. Then the third category of reforms that is being given in the paper are the transformative administrative reforms also termed as macro changes. Now, here the changes here are attempting to change both the goals and the main adopted organizational and instrumental dimensions of the administrative behavior with actual constitutive goals. Now, these are the big changes, these can also be called as drastic changes which are going to happen, revolutionary changes you can say and the examples include transform historically rooted characteristics of public

administration by adopting values of new public management which has a focus on managerial logic and efficiency. Now, in the next module, module number 11, I will talk about the concept of NPM at length and the features of NPM, the disadvantages of NPM and why we are now moving towards more collaborative governance.

And if you could recall, I have already talked about the concept of NPM in the module number 1. In this module also, I will briefly touch upon this administrative reform in terms of demonstrating you or exemplify the aspect of transformative changes. So, three types of changes, broadly adaptive micro changes, modernizing meso changes and then transformative macro changes are the broad types of the administrative reforms. Now, if you look at the time over the time period, different nations across the world, they have undergone various reforms in order to improve the functioning of the organization for the better outcomes in terms of efficiency, effectiveness. And I've talked about entrepreneurialism, cost-effectiveness and so on and so forth.

Now, let's look at these different waves of reform and their characteristics. This has been taken from the reference of Pollitt and Bouckaert, public management reform, as they have mentioned. So, they broadly categorize the reforms period into three broad categories, which is mid-1960s to late-1970s, late-1970s to late-1990s, late-1990s and onwards. Now, if you look at the period between mid 1960s to late 1970, the characteristics of these reforms that were happening, they were more rational reforms, hierarchical planning and cost benefit analysis and the focus of this particular reforms is on the progress based on science and expertise. Science being tried and tested ways of doing things which is more empirical evidence to do this and of course, relying on the expertise to bring in those reforms.

So, at this point in time, the focus was on rational hierarchical planning and cost-benefit analysis following science and expertise. Moving on, between 1970s to late 1990s, this is the era when the new public management as reform has picked up. The idea was to improve the organizational efficiency by focusing on business-like thinking and focus on better management. So, ultimately, it is basically learning from the principles and practices of private management and apply them in the public sector organization to enhance the efficiency of the public organization for better outcomes. Then comes the late 1990 and onwards.

Now, here we don't have any single best model of the administrative reform. Now, the concepts like governance, networks, collaborations, partnerships, transparency, these are the important terms which are being used nowadays. So, we don't have a particular reform. A single reform which we are talking about, we are largely talking about multiple things in collaborative governance, networks, partnerships, innovation through open source, through partnership, cultivate within and so and so forth. Another way of look at it in terms of processes and outcomes of major public management reforms is to

understand it from the three different categories as proposed in Ingram's and colleagues in learning from our mistakes, public management reform and hope of open government.

So, reform movement is orthodox public administration, a new public management and post NPM what is happening. It's the different way of looking at the period of administrative reforms and what the processes means on outcomes and ends of the various reforms that have taken place. So, if you look at the orthodox public administration or we can say traditional public administration, in terms of the processes or the means, the focus of these reforms are on processes such as laws, rational division of task, charismatic authority, public service training and so on and so forth. And the outcome which the reforms were focused is on efficiency, bringing in order and economic power. So, this particular reform were focusing much more on the laws, the division of the task, charismatic authority to improve the functioning of the organization in terms of efficiency, order and economic power.

On the other hand, new public management focuses on the processes such as market competition because they have to behave as business-like organization. The public organizations have to behave like business organization, decentralization, deregulation, outsourcing, performance management. These are the key features that the NPM talked about and stood by. The idea here is in terms of the outcomes and end to increase the effectiveness and efficiency and public organizations start behaving as entrepreneurial organization and the concept of entrepreneurialism in the public sector organization is to be prevalent and flourished. Then, post NPM, post New Public Management, the focus on processes such as collaboration, information and knowledge sharing decentralized.

I talked about this thing, focus on networks, partnerships, collaborative governance and so and so for the post NPM. So, we do not have now one particular theme which is you know prevailing in terms of administrative reforms we have now many jargons which are available very concepts which are available and which are trying to uh you know provide the edge to the public sector organization in terms of increasing their efficiency right now the focus of these post NPM reforms is on effectiveness governmental relationship building intergovernmental problem solving you know by the way of network and partnership and so and so forth, right. So, we have seen that what are the changes that have taken place from one period to another, what were the logics of the various administrative reforms which had taken place, what they stood for, what kind of outcomes that they claim to be achieving and what is the state now. Okay, if you look at the different models of public administration reforms over the period, we see that new public management, then new Weberian state, new public governance, digital era governance and public value management. Let us look into these models very briefly.

I am not going to go in too much of detail because at some point in the modules before I have discussed about this or in times to come in the next module, I will again discuss

about this. For example, NPM, we already have talked about in module number one. NPM is a detailed module in the next particular week. We will discuss at length. Others, I will touch a little more, you know, to give you clarity on what were the reforms, you know, the claims and the features of these reforms.

Let us first of all look at the NPM. These are the major changes in the management of the public services that took place in the 1980s. So, this is the time period when this particular reform has actually taken speed. So, these NPM reforms include radical changes, complete different thinking of functioning of the public sector organization such as privatization, contracting out, managerialization, and stronger performance management. Again, here we are talking about business-like orientation. Okay, now this term New Public Management was first coined by Christopher Hood in 1991 in an article entitled A Public Management for All Seasons and reference of this is also mentioned over here.

If you want to get more details about NPM and what it stands for, please refer to the paper of here Ferlie, New Public Management and Public Management Studies in Oxford Research Encyclopedia of Business and Management, right. Now if you look at the doctrinal components of the NPM as proposed by Hood in 1991, it talks about hands-on professional management, it talks about active, visible, discretionary control of organization from top person who is free to manage the function of the organization and takes the responsibility. It talks about clear assignment of responsibility of actions and of course accountability is there. Then explicit standards and measure of performance, clear definition of goals, target indicators of success, expressed in quantifiable terms. Now, it says that if you are holding people accountable, it requires the goals are clearly stated and efficiency requires very hard look at the objectives because how would you ensure, how would you measure efficiency if you don't have explicit standards or the goals being set, right? Greater emphasis on output-based controls, resource allocation and rewards linked to measured performance, stress on results rather than procedures.

So, it's too much focus on, you know, increasing the efficiency of the organization. Another component of NPM is shift to disaggregation of units in public sector. It says that breaking up the monolithic unit to single large unit into corporatized units operating on decentralized budget. The idea is creation of manageable units gaining much more efficiency which is advantages for you know by making use of the contracts there. Then shift to greater competition, more competition within the public sector organization, moving to term contracts and public tendering procedures as done in the private sector organization, rivalry as the key to lower cost and better performance standard because it's the competition for acquiring the tenders.

So you have to compete in the market. So you will have to then work very hard in comparison to how you used to work before. More private sector style of management

which basically stress on greater flexibility in hiring and rewards as the private sector does, need to use private sector tools in the public management. So you have to learn from the public sector and apply it on the public sector. Then again pursuit of efficiency and doing more with less greater stress on the discipline. Then you know cutting the direct cost, discipline labor, resisting union demands and you have to have need to check resource demands and do more with less which is a focus of efficiency there.

So, these are the brief idea about the doctrinal components of the NPM as proposed by Christopher Hood. Let us look at the disadvantages of the NPM reforms and why people were actually becoming more critical about the NPM reforms and then there were post NPM reforms that I am going to talk about. Though it sounds very promising, you know, in terms of implementation, you know, in terms of the results that they claim to be achieving, the implementation and effectiveness of NPM reforms is highly debated and criticized. Again, go to this paper, you will get to know more about details of the criticism. Now, criticism is this particular reform excessively favours efficiency over democracy.

Public organisations, of course, efficiency is important, but there are also other outcomes that the public organisation has to achieve because of the democratic character, that is to distribute benefits in terms of fairness, taking care of the justice and the equity. So, over-emphasis on the efficiency sometimes can overpower a democracy. Also, there is a concept of "hollowing out" the creative policy making capacity with too much focus on operational delivery. Because you are focusing on only efficiency and operational delivery, so you don't give much of the chance to the public service officials to actually be more creative in the public policy making capacity.

So, to do good for the citizens there. And also, it focused on creation of specialist agency. We talked about the disaggregation of the units into smaller units. It actually has led to the "silo" thinking. What about handling big problems which often require networks which have to go beyond silo boundary? So, we need to look into these issues which are related with the NPM that somewhere the claims that were made, so it is often open to criticism in terms of what has happened with the actual ground reality. Strengthening management has taken emphasis on managerialization too far, little professional ownership.

So, when you are trying to bringing in the concept of the private sector management style to the impact, you know, the functioning of the public organization, so too much emphasis is given to the managerialization. What about balancing between short-term exploitation and long-term exploration activity? Ultimately, it says that NPM led to the erosion of ambidexterity in the organization. Ambidextrous means that you need to balance that what is your priority in terms of short-term versus long-term exploration. What is that you want to achieve in long-term and then in the short-term.

So, you need to balance this. But when you focus too much on the NPM reforms, what happens is the entire focus is becoming on short-term exploitation, increasing the operational delivery and efficiencies of the organization. Now, then comes the Neo Weberian state as another reform. This basically is the exposure of traditional public administration to the new principles. So, we will also differentiate between how it is different from new public administration. New public management is all about focusing on the principles of the private management style to the public sector.

Herein, in this case, neo Weberian state, they also actually retained the character of the democracy, but the exposure of traditional public administration to new principles. The characteristics of the traditional public administration not changed, but rather redesigned in a modern way. Now, it basically redesigned in such a way that it has enhanced orientation towards citizens, which results dominance, consultation with public and professional managerialization. So, though they have started behaving as more, the redesigning it in the modern way following new principle, but the democratic character of enhanced orientation towards citizens, it was retained. Now, neo-Weberian state made traditional bureaucracy more inclusive, responsive, open and efficiency focused along with being preserver and guarantor of citizens' right.

So, please go to the reference mentioned over here to get details of this thing into more, you know, better understand these kind of reforms. So, you see that different kind of reforms have different processes and outcomes. NPM where it is focusing on more private sector style of management. Neo-Weberian state is retaining the character of the democracy where they are focusing on enhanced orientation towards citizens. At the same time, also bringing in the new principles or, you know, redesign the function in a modern way, right? So, I will close this session here.

I will continue to discuss about the administrative reforms in the next session and then we will shift to the discussion on organizational life cycle and stages.