

## **Discretionary Power and Accountability: A Perspective of New Public Management**

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### **Abstract**

*The effectiveness of administrative reforms cannot be understood well without acknowledging the boundary of power between politics (politicians) and administration (administrators). Paradoxically, the separation of politics from public administration has led to the search of a new form of political control and the mechanisms to make political elites close to management and vice versa. Classical Public Administration did not augur well with this need. But, this was made possible with the introduction of a new concept of new public management. This paper provides an overview of the arguments relating to the effects of the new concept on bureaucrats and their relationships with politicians. The objective is to study the extent to which administrative reforms affect senior civil servants as a result of reforms being introduced into the public sector. The paper believes that reforms, if done in phases, along with the efforts to create responsive bureaucracy are achievable through substantial increase in political control.*

**Keyword: new public management, senior civil servants, discretionary power, administrative reforms**

## 1.0 Introduction

The debate on New Public Administration (NPM) has been the central focus in the public sector discipline and public management since the early 1990s (Hood 1991; Pollitt 1993).<sup>1</sup> Over the years, it has caught the attention of policy makers and politicians alike who have attempted to put it into practise. Inspired by neo-liberalism, NPM model assumes that administration is no longer effective *vis-a-vis* the market (Hughes 2003). This belief is strengthened by the failure of public policies to resuscitate development, cut down inflation, minimize employment and maintain trade balances (Goldthorpe 1984).<sup>2</sup> The only obvious choice, at that moment, was to roll back the State. NPM also believes that States need to focus more on steering (policy making) rather than rowing (policy delivering) (Osborne and Gaebler 1992). Next, it also wants to substitute public service ownership with entrepreneurship-oriented system based on competition and market power (Bevir 2007).

The paper examines the arguments relating to the effects of New Public Management (NPM) on bureaucrats and their relationships with politicians. The discussion begins with an overview over NPM followed by the explanation of the political and administrative boundary seen through the context of NPM. Then, the discussion elaborates on one major issue in politics-administration i.e. discretionary, a power delegated by political leaders to administrators. Later, the discussion deliberates on the new mechanism of accountability in public administration. Conclusion is drawn based on the analysis of the highlighted major arguments.

## 2.0 Overview of New Public Management

NPM is a contemporary model for reform in public sector which promises a “cheaper and better government” (Boin et al 2005). It benefits the ruling Government since it does not have to implement policy or decision. Other than the preceding characteristics, NPM also has several other directly related techniques and methods which can have impacts on bureaucrats (and the administration environment) and its relationship with political leaders (and within the administration environment). They are as follow; (a) “hands-on professional management” (Hood 1991; Dunleavy & Hood 1984); (b) “decentralized government: promoting more flexible, less layered forms of organization” (Osborne & Gaebler 1992); (c) “increased autonomy, particularly from central control agency” (Borins 1994; Commonwealth 1996); (d) “split between strategic core and large operational periphery” (Ferlie et al 1996); (e) “catalytic government: steering not rowing” (Osborne & Gaebler 1992); (f) “clearer separation between purchaser and provider function” (Pollitt 1993, 1994); (g) “performance target for managers” (Pollitt 1993, 1994)/ “more transparent methods to review performance” (Ferlie et al 1996); and (h) “driven by mission not rules” (Osborne & Gaebler 1992)

It is fundamental to note that management, discussed in the context of NPM, is entirely different from the concept of administration. This can be understood from the foregoing rhetorics illustrating the nature and role of administrators which are different from those of the previous Classic Model.<sup>3</sup> The difference does not stop there; it also leads to the role of bureaucrats having to be redefined together with that of the relationship/boundary of power between politics and administration.

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<sup>1</sup> This term is applied in various ways such as “market-based administration” (Lan & Rosenbloom 1992), ‘decentralized’ (organizationally and spatially) method of organizing production (Horgett 1991: 243), “the hollowing out of the state” (Rhodes 1994), and “reinventing government” (Osborne & Gaebler 1992).

<sup>2</sup> The skyrocketing of fuel price up to 500%, followed by similar shock or the ‘second shock’ in 1979, setting in motion economic chaos on global scale had drastically returned the faith in Keynesian policy which supports the Government intervention of a country’s economic administration.

<sup>3</sup> Woodrow Wilson (1887), Northcote Trevelyn (1854) and Max Weber (1947) are but several of the main contributors of CPA theories (Behn 2001).

### **3.0 Elements of NPM; Politics and Management**

One of the main elements of NPM principles is that politicians are required to set out, not carry out decisions (steering, not rowing) (Osborne & Gaebler 1992). Nevertheless, in essence, it works as if it restores the original dichotomy between politics and administration (Wilson 1887; Boin et al 2005). Previously, bureaucrats' relations with political leaders are limited and technical as in master-servant relations. With NPM, the model of relationship between them can change rapidly and are considerably close (Hughes 2003).<sup>4</sup> Furthermore, managers are now more responsible with the results of their works compared to them previously having to be directly responsible to politicians or, as far as the public is concerned, it is more like deflecting responsibility (Denhardt & Denhardt 2003). Besides, not only the managers are involved in policy matters, but also in "strict politics" up to the extent where they may lose their jobs in the case of misjudgement (Hughes 2003).

The fact is that the recognition of political characters is a reality which can neither be denied nor masked under the pretext of neutrality as emphasized by classical model through its dichotomy concept.<sup>5</sup> Apparently, government administration is also a political process of its own. As such, managers can no longer stay away from being involved in politics even though not necessarily in bipartisan politics (Hughes 2003). Notwithstanding the inevitability, it should be understood that political leaders are still the ones with the final say. However, the idea of administration being separated from decision-making is utterly unacceptable. It goes on to say that this line of reasoning is also differentiating as well as distancing "politicization", considered to the most excessive or extreme, from the meaning of politics/political processes in discussion (Hughes 2003).

Certainly, these issues have influenced the relationship and boundaries of power between managers or SPS with politicians (Hughes 2003). As a result of that, through NPM, the boundary of politics and administration are considered to be indistinct or indefinable due to political elements being integrated into public governance.

### **4.0 NPM and Public Manager's Discretionary Power**

Public servants are not only policy implementers, they are also policy makers. This is openly advanced by NPM which calls for powers to make policies to be extended to administrators (Osborne & Gaebler 1992; Barzaley 1992). Discretionary, in this context, can be treated as a component in decision making process that guides a government officer whether to take actions or not to. Of late, following the multitude and diversity of public sector jobs' scopes, discretionary power has become an integral aspect in public sector which demands that bureaucracy effect rules and regulations according to its mandate (Cox 2005).<sup>6</sup> Bryner (1987) argues that many bureaucracies especially those of the federal administration agencies have come up with policies which are too general in nature but with too little guidelines for their practices. Only a fraction of them give specific details on ways to safeguard public interests (Barth 1992).

Conceptually, the discussion over public administrators exercising their discretionary powers based on coercion does not augur well with the concept of individual freedom. Reimen (1996) is of the view that discretion begins at where the law ends, and as a result of that, it appears as if human's judgment is allowed to override the laws. For Reimen (1996), providing discretionary power is seen as liberating individuals from rigidity and subsequently enabling them to act authoritarian-style or unilaterally. Identifying the most qualified officer to exercise his or her authority as such is close to impossible.

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<sup>4</sup> Apparently, the existing gap and inadequacy provides a clear challenge to the new administrators who put more importance on management over administration, responsibility over deceitfulness and separation over integration.

<sup>5</sup> Those opposing the idea of dichotomy totally reject the separation issue so much so that they accuse of anyone favouring the separation as being under the auspices of science.

<sup>6</sup> The purposes of giving autonomy and empowerment, among others, are to foster the appropriate working place or train/encourage SPS to adopt entrepreneur values, innovative as well as to be courageous enough to face risks (Jones & Thompson 1999).

Nonetheless, one of the major reasons for the formation of government is to guarantee that all individuals are protected from coercive elements wielded by powerful individuals and cartels hiding under it or in the name of freedom in order to validate their actions.<sup>7</sup>

However, NPM is also accused of having inconsistency of its own. On one side, NPM mechanisms appear to uphold public managers' accountability but on the other, political executive's control or interference into bureaucracy seems to be on the rise (Mattei 2007). It may be proven through:

*“On the one hand we see policy-makers using administrative reform to displace accountability for public policy; on the other hand we see the very same policy-makers trying to increase their control over bureaucracy. Whilst this appears to be two inconsistent developments, they may in fact reflect a general desire among elected politicians to increase over bureaucracy while at the same time avoiding responsibility for the bureaucrats' action” (Pioree 1995:3).*

In other words, the flow of NPM seems to be caught in between the role of politicians and their illusionary control over public administration (Gunsteren 1976). The question is that whether discretion should be restricted or not (Pollitt 2003). NPM advocators argue that politicians are to be held responsible for performance or accomplishment of targets, not the execution or the work process. The rationale of this argument is that it contributes towards consolidating accountability process even further and subsequently, making it even more transparent.

## **5.0 NPM and Accountability**

It has to be stressed here that understanding accountability is the upshot of two paralel processes i.e. democracy and NPM. Notwithstanding the fact that the two function independently of each other (or at times against each other), both generate cumulative effects on the accountability practice (Castiglione 2007). On the political level, traditionally, the form of accountability based on election and ministerial responsibility is considered to be a limited instrument to make administrators more responsible to the public.<sup>8</sup>

Accordingly, the demand to create a more effective accountability can be met by increasing and improving the political accountability instrument through appropriate procedures and within the process of making public policy (Castiglione 2007). These can be seen through the following processes; (a) administration transparency and the right of the people to gain access to information i.e. by making public the decision-making processs and thus, available for public deliberation and hopefully, the government servants involved will act accordingly to safeguard public interests (b) the introduction of direct control or supervision by the people or to get inputs from them. For example, through the set up of ombudsmen where individuals speak their opinions freely and directly to the administrators, the use of referendum for controversial cases and even deliberative polling for political matters (c) The introduction of a more sringent and tight standard to eliminate corruption and control personal life (Castinglione 2007).<sup>9</sup>

In administration level, discretionary power delegated to administrators needs to be put in check through semi-market based whereby performance is measured against output (or customer's satisfaction as in the open market). In public sector, measurement and evaluation of customers' satisfaction are not similar to those of the market indicated by a range of indexes such as “level of profits”, “the equilibrium between wishes and demands”, ‘*hard budget*’ etcetera (Castinglione 2007). Even so, the administrators are

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<sup>7</sup> Freedom is the opportunity to gain autonomy in an individual's domain; personal interests subjugated to no interference.

<sup>8</sup> Finer (1941) has once raised the issue of external control or political intervention. Finer believes that external aspects such as the public, laws deliberation by the legislative, politics and organizational structures all act in unison as the controlling mechanism over administrators' actions and discretions.

<sup>9</sup> The degree to which the instruments that oversee personal attitudes to minimize misadministration is indistinct, eventually depending to a particular culture and context.

evaluated based on their ministerial/departmental performances as indicated through several indexes such as accomplishment, benchmarks, and many other alternatives to customers' choices.

Obviously, NPM has transformed the culture and practise of administrators especially in the aspects of concept and accountability institution which are verifiable in two aspects; "political accountability" and "bureaucratic accountability". Based on the classical model, the relationship between bureaucrats and political leaders are relatively limited and more technical as in master-servant's relationship. Through NPM, the model of relationship in and between them is flexible and close. This owes much to the delegated discretionary power and recognition of the political works being done. Besides, in administrative matters, public administration and legislation used to work, for the larger part, in accordance to procedures which are also determined by political leaders. Furthermore, NPM as a paradigm, has substituted the old practises with performance and output. This change means that the difference between politics and administration is getting more vague. Paradoxically, NPM's vision of accountability has completely inverted the role of politics and administration.

## 6.0 Conclusion

The preceding discussion has shown that amicable solution to issues pertaining to the discretionary power of administrators are not impossible. The premise is based on the need to step up control and combine the emphasis on output and performance in order to increase the autonomy enjoyed by the public sector. Upon the implementation of NPM, it can be said that; a) public sector will be more independent and autonomous, b) changes in controlling mechanisms and c) political accountability is more focused on output rather than process. Nevertheless, despite NPM's promising premises, one can not deny the probability that NPM implementation might also lead to unforeseeable consequences.

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