

CHARACTERISTICS OF PUBLIC SECTOR MANAGEMENT

ANCA JARMILA GUȚĂ *

ABSTRACT: *The work presents principal characteristics of public management and its principles from an angle of public administration where they reign over. Also the mechanisms, by which are managed public organizations, are presented as well as the reciprocal and administrative sphere and not in the last row the principal rules which reign over the relation government – market during the last two centuries.*

KEY WORDS: *public management; management relations; public administration; public organizations; political sphere; administrative sphere; public affairs; government – market relation.*

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The public management represents the set of processes and management relations, well defined, which exist between the components of the administrative system by, which, in a public power, the laws are put into force and/or the activities in delivery of services satisfying the public interest are planned, organized, coordinated, managed and supervised.

By definition we find the following characteristics:

- **Public management** brings together a set of management processes and relations that occur between the components of the administrative system;
- Public management **objective** is to satisfy the public interest by creating an appropriate institutional framework, allowing the application of normative acts, which means also the adoption of normative acts with inner juristic force, the adoption of laws or according to circumstances of decrees, ordinances, regulations, organization regulations or effective implementation of public services;
- The processes undertaken in the public sector are both **management processes** and **execution**;

* Lecturer, Ph. D., University of Petroșani, Romania, gancajarmila@yahoo.com

- **The management relations** in public institutions are reports that appear in the administrative system. In the state administration those are realized in a public power, namely through powers granted by the Constitution (and the public power at a time when it is in conflict with private interests).

Therefore, public management is a specialized discipline that aims at knowledge of management processes and relations in public administration in all their complexity with the view of the formulation of principles and laws for continuous improvement of the organization and functioning of administrative structures, depending on the values of political power, socio-economic needs, the degree of technical equipment, the general level of culture and civilization etc., in order to achieve some effective public services, appropriate social need and satisfying public interest.

The multidimensionality of public management attracts, obviously, a number of characteristics that contribute to a better understanding of its content (see figure no. 1. Characteristics of public management).

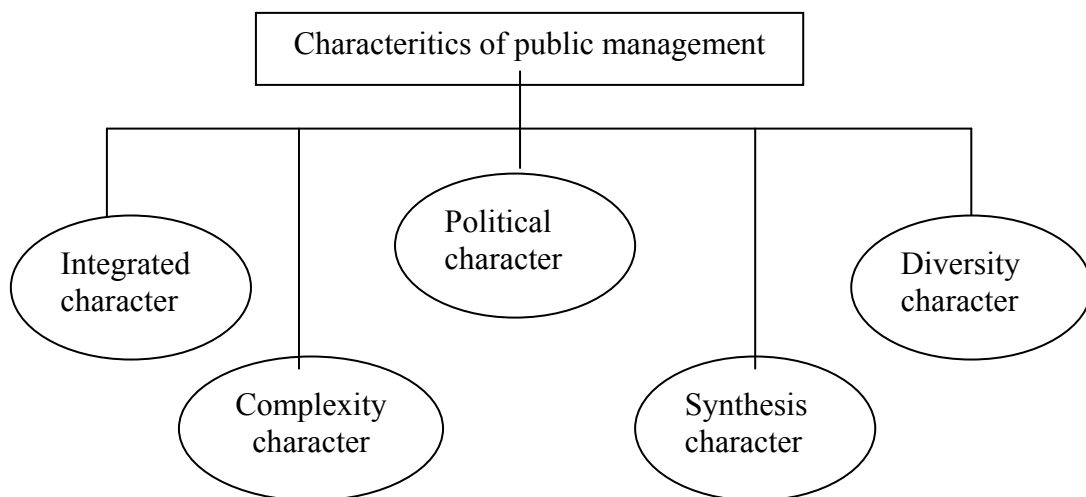


Figure 1. Characteristics of public management

1. **Integrating character.** The public management investigates the management processes and relations in public administration, in order to substantiate the improvement and rationalization solutions of the administrative system.

The public management studies, essentially the way of leading public institutions in society, in the broad sense of the term, integrating the elements of all areas of social life: education, administration, social welfare services, etc.

2. **Political character.** The public management is a management area influenced by political factors. This is obvious because they can not be identical goals

pursued by public administration representatives in the states with different political regimes.

3. **Diversity character.** The public management has a character of diversity, as there are institutions with general material competence and social competence institutions, central and local institutions. This makes that the management also suffers the differentiation according to the administrative level to which it relates.

4. **Complexity character.** The public management has a complex character because it gathers specific elements of management in different areas of public sector: education, culture, social welfare services, health etc. The mere enumeration of these areas makes us understand the difficulties in approach of public management problems in general and of management in these different fields, particularly.

5. **Synthetic character.** The public management takes over from other fields methods, theories that are successfully used by civil servants. It is required on adaptation of knowledge of sociology, psychology, statistics, ergonomics, law, economics, etc. to the peculiarities of the public sector.

There are the following principles of public management:

- a) **The principle of unified leadership** - established the hierarchical subordination, since the Romanian Parliament, as the supreme institution, and continuing with other institutions of central and local public administration. By applying this principle provided an overview of the objectives to be achieved and a better understanding of the processes and activities.
- b) **The principle of self-management** - aims the adaptation of the system to the conditions of time and place which supposes the accurate knowledge of the situation and events, identifying the key elements and solutions by public servants.
- c) **The principles of adaptation (of flexibility)** - aims to adapt quickly the public institutions to changing taking place in the socio-economic environment, focusing also the adaptation capability of public servants, their flexibility in thought and action.
- d) **The principle of hierarchy and order.** The administrative discipline is achieved as a result of subordination of administration institutions to each other allowing simultaneously vertical and horizontal communication, the exact division of tasks and monitoring their execution.
- e) **The principle of restructuring.** The need of restructuring results of avoidance of oversized or on the contrary undersized activities carried out from the need of improvement of the quality of offered public services, the increase of efficiency of public management, the optimization of the administrative structures, creating an effective administrative apparatus.
- f) **The principle of legality.** The administration acts in a legal framework, after certain procedures clearly established.

The public administration represents a system that is governed by laws, rules and procedures that prescribe roles, skills, responsibilities but also boundaries. Bureaucracy may seem natural state of public organizations. The organizational culture of role type represents a social construction type appeared in the late nineteenth

century, meant to rationalize the kind of functioning of organizations, both private and public.

Max Weber, the German sociologist and economist of XIX century, has theorized the operating principles of bureaucratic organizations that will impose in XX century in western administrative systems Weber identified three types of authority, encountered throughout history:

- Traditional authority based on the belief in the sanctity of tradition, norms and customs as well as the perception of moral and spiritual superiority of those who exercise the authority in this context
- Charismatic authority based on exceptional traits, heroic character and exemplary behavior of the leader.
- Rational-legal authority emanating from written laws rationally substantiated.

Downs believes that offices differ from other forms of organization by the fact that output of such an organization isn't evaluated and traded on a foreign organization market. This is a fundamental condition of efficiency of the organization. Its consequence is that the offices can not rely on the objective comparison of profitability in the assessment of undertaken activity. Thus the financial allocations are not the result of action between the supply and demand as it happens in the market, but of some assessments and administrative and / or political decisions. However the evaluation is imperfect because of information asymmetry between bureaucrats (beneficiaries of budget allocations) and politicians (representatives of citizens in their name and for interests of whom the public money is allocated for offices). The bureaucrats, being rational actors will strategically manipulate the situation of information asymmetry in their own advantage to detriment of social efficiency (by omitting the inconvenient data and promotion of the indicators which favour them, creating the distorted information of the offices).

The mentioned theories and studies show that the bureaucracy is characterized by efficiency, as Weber expected, but its operating mechanisms are focused on its survival and development. The public offices operate in conditions of some complex and often ambiguous objectives, making the contractual relations to be incomplete. The measurement of the contribution of the offices to the public good as well as of each employee to realization of the organization objectives to which he belongs is the least imperfect in the public sector; if in private sector there is a key indicator of performance by which resources are allocated, namely the profit, in the public sector the allocation of resources is made by the availability of factors of political decision.

The mechanisms by which public organizations are managed are:

1. The adoption of collective decisions;
2. The implementation of adopted decisions;
3. The organizations are answerable for the public and citizens problems.

The government is the forum where the resources of society are managed through the implementation of decisions by the legislative body. The relationship between the two courts is one of the principal-agent types. The government ministries and agencies are political parties by which a government political program is implemented. What we call executive structure: all agencies and ministries, is one that

carries out policy decisions and public policy operationalizes (adopts detailed rules), implements and evaluates the results of taken decisions. The executive power is composed on the one hand of political officials, elected or appointed and public servants. The latter represent a stable body but also numerous, human resources managing public affairs, within the regulations adopted by public servants and members of legislative body.

The policy officials, like members of parliament, adopt **political decisions**, based on some concepts of equitable development of the society, for which the respective actors plead within the framework of legitimate for a political discussions. They can act to impose institutional changes in order to change the rules to ultimately alter the boundary between public and private. They work thus in the framework which allow them the free expression and inexpensive of own options to present to debates and to support them publicly (immunity mechanism).

The public officials make decisions of an administrative nature regarding implementation, in conditions of observance of stipulations being in force, of development concepts (embodied in law) proposed by political forum. Their methods of actions are severely limited by the regulations and procedures in force, to whom they must obey. They can not take policy initiatives, sometimes being unable carriers of personal opinion. They can not initiate actions to change norms and institutions, they are called to optimize the applications of norms and operation of institutions.

The mechanism that ensures practicing of public office is the independence towards policy and its fluctuations in the idea of setting up a professional stable body, that apply consistently what happens at the legislative level.

The distinction between public and administrative function, between politicians and civil servants is classical, having its origin in the work of Woodrow Wilson, professor of political economy and jurisprudence at Princeton University. He believes that in addition to the fundamental question: *Who should make laws and how must be these laws?* the other question neglected enough in administration is: *How can the law be managed wisely, with the equity, efficiency, without friction?* The answer to this last question lies in the independence of administration: "The administration area is like the business area. It is beyond the turmoil and political struggle" (Wilson).

The administration is an ethnic area in the sense of Wilson, whose operating principles must be studied and implemented. He talks about the sanctity of public office, not subjected to politics and partisanship as guarantee for efficiency of public service. The administration is outside of the politics sphere. The administrative issues aren't political issues. Although politics settles administrative tasks, it hasn't the right to manipulate. Hughes argues that the traditional system of administration in parliamentary regimes aims at separating politics from administration. The minister both with ministerial structure headed by him elaborates politics which then will be administered by a department headed by a permanent official, who will remain in office until the government changes. This would ensure the legality of policy implementation, the responsibility of employees against superiors, and also their neutrality, independence and competence. The officials remain anonymous: they don't assume their responsibility of policies result, but of its proper implementation especially legal.

In practice, the distinction between civil servants and politicians is relative, the administration sphere can't be separated from politics as long as it has and exercises the power to implement political decisions.

The arguments of mutual influences between the political and administrative sphere are:

- The officials acquire expertise in a particular field implicitly ideology, eventually shared by colleagues on solving public problems. This ideology will be reflected in implementing policies set by ministers and politicians. The author believes that the large bureaucratic organizations with influence, such as the European Commission, become even to have their own political agendas.
- Decentralization and deconcentration of policy decision centers until the level of agencies and new public management reforms associated with new public management enlarge the sphere of political action of officials who occupy the managerial positions, thus increasing their responsibility of policies but also the public visibility (they come out of classic anonymity of the officials). Examples U.S., UK and Sweden where the role of agencies is important in supporting and promoting policies, are eloquent for classic tendency of indistinctness between political and administrative sphere.
- Competition between agencies to achieve budgets implies also a fight between them, they mobilize political support co-opting the politicians or network of policies in supporting their own causes.
- Concentration of expertise at lower levels of bureaucracy determines also a substantial information and control levers to influence policy at this administrative level to detriment of higher levels of political nature.

Beyond the issues of rationalization and the impartial administration, especially in the relationship between politicians and officials, modern societies face the problem of **effective management of public affairs** in the context of solicitation of more complex and expensive services more complex and expensive services on the part of citizens. The public affairs try to solve problems concerning the whole community and seeking common solutions required at social level.

The public sector represents all activities and provided services, financed or heavily regulated by organizational entities of state, local or supranational authority. As an indicator of the share of public sector in society, a measure almost general of approximation constitutes the share of governmental and local authorities' expenses in GDP. The indicator is used to measure the relative size of the public sectors in different countries.

During the last two centuries, government-market relation has known a series of changes.

- **Theory of Adam Smith** (English economist, XVIII century) mercantilist period: the state must intervene only minimally in society, allowing individual actors to act freely on the market, in this way an efficient use of resources would realize in a conception of the minimal state of kind *laissez faire*.

- **The great society – US and The strong society –Sweden** - increasing of political settlement, by regulation and redistribution. The objectives are to increase public expenses for extensive providing of some public services of education, health, infrastructure, fighting against poverty, the fact which will determine the increasing of management in economy. The state intervention in economy was recommended by solving social problems caused by the reconstruction of war affected societies.
- **Welfare state (Germany, XX century)** - State must intervene in society through welfare programs offered by the state for those in need, the conception become gradually more inclusive, reaching to cover all citizens. In famous attention of state about citizens from birth to death (from the cradle to the grave). The disadvantage is generated by the resources allocated by the state by political and administrative decisions so that politics prevail over the market and collective action prevails over individual action. The period has known until 90 years an enormous expansion by providing comprehensive public services (health, education, social services, infrastructure, utilities), summarized under the denomination of welfare state.
- **The state failure beginning with 80's** - the budget deficits begin to grow amply.
 - The demand for goods and services increases being, considered by citizens as a legitimate right.
 - The budgets become insufficient on the one hand because of economic stagnation, on the other hand because of the tendency of bureaucracy to increase in size, being a big consumer of resources. The economic changes of the right-wing orientation determined in the U.S. and Europe reforms regarding the decrease of public sector or its reformation according on the model of corporations of the private system. It is the moment of implementation of the policies of disinstitutionalization of the state. **The Adam Smith's conception of invisible hand** is raised in the context of increasing failure of public bureaucracies. Today it is considered that the common good is achieved by means of rational and selfish interests of the bureaucrat.

Not only the acute financial crisis in the 80s justifies public reform, but other factors began to outline the need for **a different kind of public governance**. The globalization, digitization, the reinforcement of supranational organizations of governance, the liberalization of capital flows and labor market, globalization of training market (universities) determined that government systems become inoperable.

Two solutions to overcome the state crisis are outlined:

- *The new public management in response to the financial crisis and the need to make efficient state.*
- The new pluralistics government pluralistic as a consequence of demographic and technological changes.

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