

# **New Public Management Reform: Implementation Experiences of Developing Countries and Nepal**

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## **Abstract**

This article examines the practical experiences of developing countries and Nepal regarding the new public management (NPM) reforms. This article employed the descriptive research design based on the systematic literature review using almost 50 articles for the analysis; the study aims to understand the extent of NPM adoptions. While many developing countries have partially embraced NPM principles, full implementation remains a challenge. NPM has portrayed public managers as business-like owners of a leaner, more privatized government, incorporating corporate methods and principles. However, the argument suggests that NPM may not be appropriate for developing nations due to issues like corruption and administrative incompetence. NPM initiatives in the underdeveloped world have resulted in both successes and failures, influenced by localized contextual factors rather than national capabilities. The circumstances should guide reformers, urging open-mindedness towards effective strategies. Since the 1960s, Nepal has pursued public administration strengthening efforts, adopting NPM-related reform principles after 1990. Despite good intentions, NPM-based reforms have not brought significant improvements to Nepalese public administration. The article also focuses on how Nepal's political environment, path-dependency traits, and bureaucratic behavior have influenced the implementation of NPM-oriented reforms.

*Keywords: NPM, public sector, practical challenges, developing countries*

## **1. Background**

New Public Management (NPM) is the beginning of public-sector reform in public management where neoliberal and public choice theory-related concepts served as the inspiration. NPM first expanded throughout established Anglo-Saxon nations. Fiscal crises in developed countries were the catalyst for NPM. The outcome was an effort to reduce costs. NPM was one recommended solution. More external constraints, particularly those connected to structural-adjustment programmes, were the driving force for NPM in developing countries. Despite ongoing attempts to improve public services in developing countries through the implementation of NPM reforms in public organizations, public service performance remains weak and has yet to meet public expectations. This is due to a substantial gap between the ideal and actual implementation of NPM reforms (Tioumagneng & Njifen, 2019). All public goods and services delivered to the public by public

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organizations in order to meet their intended expectations and interests can be categorized as public services (Mahmoud et al., 2020; Turner et al., 2019). As a result, public organizations include organizations that are owned, controlled, or funded by the government, as well as bodies, agencies, and institutions that are accountable for providing public services in a given environment (Mahmoud et al., 2020; Thompson, 2017). Furthermore, NPM reforms are characterized as a set of reforms and initiatives performed mostly by local agencies and local governments to improve public services and increase strategic management capacity (Pavan et al., 2014; Rosenberg Hansen & Ferlie, 2016). Public organizations, therefore, include all entities, agencies, and organizations that are owned, controlled, or funded by the government and are responsible for delivering public services in a particular context (Mahmoud et al., 2020; Thompson, 2017). In addition, NPM reforms are described as a group of initiatives and reforms that are mostly undertaken by local agencies and municipal administrations in order to improve public services and develop strategic management of these organizations (Pavan et al., 2014; Rosenberg Hansen & Ferlie, 2016).

In order to improve their capacities, efficacy, and efficiency in delivering higher-quality public services, public organizations in developing countries are inconsistent in how they implement these improvements (Ikeanyibe, 2016). Although several governments have implemented substantial NPM reforms in public administrations to regulate and monitor the performance of the public sector, other governments in developing countries have not yet taken into account and accepted such a vision (Komutputipong & Keerasuntonpong, 2019). Additionally, due to the governments' lax accountability, public organizations' inefficiency and corruption scandals are major contributors in providing subpar public services to residents in developing nations (Shaheen et al., 2017). Furthermore, the NPM reforms are mostly symbolic in many developing nations; for instance, budgeting, resource allocation, citizen satisfaction, and planning are all based only on results (Ikeanyibe, 2016; Ramos & Milanesi, 2020). Researchers also noted that a number of gaps and challenges hampered the implementation of these reforms, including a lack of openness, inadequate analytical abilities, bad decision-making, and a weak legal system (Guga, 2018). NPM reforms also differed significantly from one nation to the next (Leisink & Knies, 2018), with industrialized and developing nations implementing such reforms at significantly different rates (Aoki, 2019). In this regard, the gaps and encounters associated with implementing NPM reforms by public organizations have had a significant impact on public servants' behaviors, working environments, and performance. This is because HRM practices and policies are used to develop, motivate, and evaluate performance towards the performance of public organizations (i.e., public services) (Cantarelli et al., 2020; Fletcher et al., 2020). This conclusion emphasizes the importance of using workers as a resource to help organizations function at a high level (Delaney & Huselid, 1996).

The benefits and drawbacks of NPM have sparked a lengthy and politically charged debate. The dominant question revolves around whether NPM reforms are generally desirable or not, despite increasing research challenging this notion. The evidence on the success of these reforms is inconclusive, and the transferability of NPM to developing countries remains a topic of debate. Localized contingency factors play a crucial role in determining the success of specific reform projects, necessitating diverse and open-minded approaches. This review focuses specifically on the critical examination of NPM reforms in developing countries, exploring their implementation, gaps, challenges, and consequences for public administration. By conducting a systematic literature

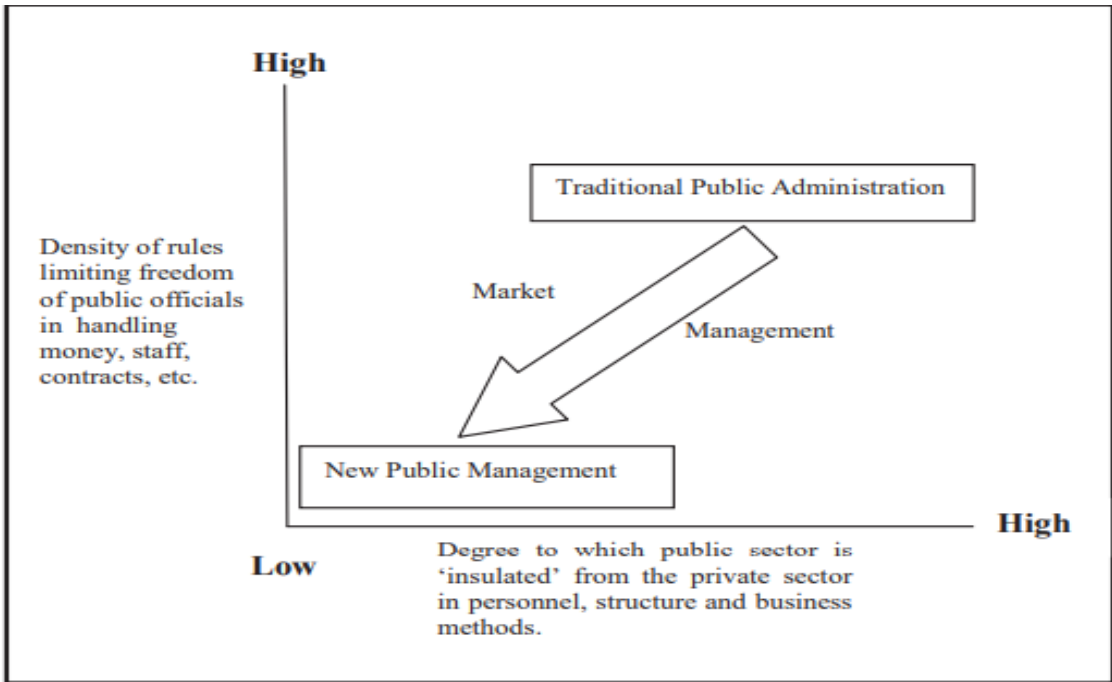
review, the article aims to assist scholars and professionals in addressing the weaknesses and challenges encountered during the employment of NPM reforms in developing countries and understanding their implications for public administration in Nepal as well.

## **2. The Foundation of New Public Management**

Until the late 1960s, many nations used to adopt traditional public administration. Traditional public administration faced criticism in the late 1960s and 1970s, leading to the emergence of a new management structure with a market focus known as NPM. The critics of traditional administration highlighted issues such as resource overuse, government involvement in excessive activities, bureaucracy, inflation, blurred policy-administration distinction, irrational decision-making, and public dissatisfaction. These criticisms fueled the rapid development of NPM, which aimed to address these shortcomings. International economic organizations, including the World Bank, IMF, and OECD, embraced and promoted NPM in developing nations, making it a prerequisite for financial support. The introduction of NPM was driven by the increasing global demand for "good governance" and the evolving role of the state. NPM emphasized service delivery, efficiency, and accountability, focusing on results rather than processes. It advocated for private sector and NGO participation in service provision, contrasting with the traditional approach that burdened the government with numerous activities without external involvement. NPM encompassed qualities like de-bureaucratization, public-private partnerships, outsourcing, and the use of information technology. It aimed to dispel criticism against conventional public administration by improving governance and meeting the needs of the public (Sharma, 2007; Sarker, 2006; McCourt and Minogue, 2001). NPM emerged as a focused set of management methods and strategies in the 1980s, driven by Western nations' desire to enhance public sector competitiveness, responsiveness, and financial efficiency. This shift was primarily motivated by financial concerns. Initially known as the science of public administration, the field was shaped by reformers in the 1920s who emphasized concepts such as specialization, division of labor, hierarchy, accountability, and the separation of politics and administration. Scholars later labeled this movement as NPM, encompassing the principles of value for money, flexibility of choice, and openness (Minogue et al., 1998).

Following the Second World War, many developing countries faced challenges as they gained independence, including weak economies and poverty (Haynes, 2008). With limited private sector involvement due to concerns about inequality, these governments took on various responsibilities beyond nation-building, including sectors like agriculture, industry, commerce, and banking (Sharma, 2007). The shift from traditional public administration to new public management involves redesigning public sector organizations to resemble the private sector more closely, granting greater discretion to public managers over staff, contracts, and finances. Governments are now emphasizing transparent budgeting based on outcomes rather than inputs and using quantitative performance indicators. Public sector organizations are viewed as networks of contracts and principal-agent relationships rather than fiduciaries. The government decentralizes provider roles to smaller agencies, allowing users more choice and competition, and separates functions into quasi-contractual or quasi-market forms (Dunleavy and Hood, 1994). This paradigm shift reflects a move towards a more flexible and market-oriented approach in public sector management.

Figure 1: From Public Administration to New Public Management (Dunleavy and Hood, 1994)



In addition, many developing countries are experimenting with other options from the new public management menu. Apart from privatization and retrenchment, corporatization—the process of turning civil service departments into separate organizations or businesses, either within the civil service or outside it all together is the most frequent initiative. In fact, it may be the most frequent, given the patchy implementation of these other two elements. Considering that the UK and New Zealand were two of the forerunners of the NPM, this maybe the most well-known aspect of civil service reform. While an older generation of state-owned firms is being put up for auction, corporatization appears to be progressing at an ever-increasing rate in developing countries.

### 3. Literature Review

In the 1980s, a number of OECD countries experienced the emergence of the NPM, which is a collection of innovative methods for public management and administration. The previous public administration had trouble responding to the demands of a market economy that was very competitive, which led to the development of the NPM model. While reducing costs was a major factor in the adoption of NPM techniques, the NPM approach's core principles were the introduction of competitiveness and private sector management ideas. Several non-OECD countries additionally adopted NPM approaches, frequently as part of public sector reform initiatives supported by foreign aid organizations, although their effect was unequal (Pollitt and Boukhaert, 2004). Despite assertions to the contrary, few governments in developing countries experimented with the formation of executive agencies, citizens' charters, and performance management models (Hood, 1990). The semi-autonomous tax agencies in Asia and Africa are two prominent examples; some of these

agencies had outstanding achievements in terms of meeting revenue goals and eliminating corruption (McCourt, 2005). In the areas of health, education, and water and sanitation, contracting out service delivery to private and nonprofit providers became fairly common, but implementation was mixed and results were varying due to issues with regulatory capacity, quality, and access, creating a complex and disconnected combination of service delivery (Batley and McLoughlin, 2009). In practice, NPM reforms in developing countries were extremely selectively implemented, frequently with organizational structures that embodied the previous public administration (McCourt and Minogue, 2001; Hope, 2005; Pollitt and Bouckaert, 2004; Sarker, 2006; Cheung, 2011). Some critics questioned the feasibility of NPM reforms in the context of inadequate resources and political support, emphasizing the necessity of supportive institutional and political environments as a prerequisite for success and the importance of prioritizing the development of public sector capacity for public management reforms (Nunberg, 1992).

The effects of NPM were extensive and provided a long-lasting and consistent reform agenda, but they also had a mixed record of success and failure (Hood, 2004; Pollitt & Bouckaert, 2004). Consistent political leadership in policy direction and implementation, as well as buy-in from senior officials and central departments, were crucial components of successful NPM reforms in OECD nations (Peters and Savoie, 1998). More generally, NPM reforms were criticized for failing to prioritize citizen needs as the primary focus for public sector reform efforts and for placing a disproportionate emphasis on private sector management principles. These flaws included the weakening of democratic accountability caused by the creation of executive agencies and the singular emphasis on private sector management principles (Minogue, Polidano, and Hulme, 1998). In addition, there were issues with the segregation of policy and service delivery across several agencies and service providers, which reduced the coherence of NPM throughout government (Denhardt and Denhardt, 2000; Christensen and Laegreid, 2007b). Others criticize the premise that NPM was a separate paradigm and cast doubt on its conceptual rigor, stating that it really comprised a collection of many methods with certain characteristics (Osborne, 2006). The effectiveness of NPM reforms was questioned by these criticisms, and in the first decade of the new millennium, new strategies started to emerge that aimed to address issues with coherence and collaboration through "whole-of-government" approaches and that increasingly put citizens at the center of reforms rather than emphasizing the market as the main driver of reform. This new set of methods gives a fresh and unique viewpoint that emphasizes the role that people play in the creation of public policies and in the co-production of public services rather than merely offering an alternative model of public administration.

According to Lapuente and Van de Walle (2020), the NPM reforms' most notable improvements are those involving public administration principles. Since NPM is both a concept and an ideology, experts have underlined that it is challenging to define (Barzelay, 2000; Hood, 1990, 2005). Nevertheless, the idea of NPM may be defined as any procedure, action, or technique established and applied in the public sector to increase effectiveness and efficiency in the delivery of public services (Dunleavy et al., 2006). Scholars generally concur that the mainstream understanding of NPM entails integrating private sector management with the administration of public services (Haynes, 2003; Pollitt, 1993). Therefore, NPM may be seen as a collection of traits, changes, methods, or themes used by public administrations to provide high-quality services to the general public (Lodge & Gill, 2011). In the developing world, the discrepancies between planned and implemented changes are the main reasons why public service delivery fails (Tioumagneng & Njifen, 2019). Thoughts from a number of different entities have been examined in studies on the

implementation of NPM restructurings in developing nations. Federal public organizations make up this group (Zahra & Jadoon, 2016), as well as local and central governments (Ahenkan et al., 2018, Guga, 2018, Ikeanyibe, 2016, Mussagulova & Van der Wal, 2019, Nyamori & Gekara, 2016, Tioumagneng & Njifen, 2019, and Ukeje et al., 2020).

#### **4. Objective of the study**

- To critically review the NPM reform in developing countries.
- To findout the gaps and encounters found throughout the process of NPM implementation.
- To analyze the results and consequences NPM reforms on public administration in developing countries like Nepal.

#### **5. Methodology**

This article is based on the Systematic Literature Review (SLR), which is collected from secondary data and information. The secondary data has taken by reviewing the related reports, policy documents, journal articles, books, and other relevant documents published unpublished documents. This article has analyzed the findings of previous research work most especially in a thematic approach.

#### **6. Results and Discussion**

##### ***6.1 The Application of NPM Reforms in Developing Countries***

In order to enhance the quality of public services through various reforms, NPM reforms have been implemented in public organizations (Dunleavy et al., 2006). These reforms focus on adopting key components to provide advanced public services, such as characterization, which denotes to the post-bureaucratic competitive government that prioritizes the implementation of more adaptable strategies to provide better public services. The connection between the citizen and the government establishes the public service privileges necessary to empower the public and highlights senior officials' responsibility to the people who use their services. In other words, it guarantees client satisfaction. Performance outcomes are a primary concern or a guiding concept. The professionalism notion is shown in the interaction between deliverers and recipients. Delivery of the system incorporates ideas from the business sector or smaller governmental agencies. One of the most important NPM reforms used inside public organizations to modernize and supply public services to the highest standard is performance management (Bianchi & Xavier, 2017). However, these changes are executed inside public organizations in developing nations without taking into account the intended expectations of the populace (Ikeanyibe, 2016). Due to their potential effects on organizational stakeholders (citizens and public servants), these implementations have produced a number of issues and gaps that need to be addressed (Nyamori & Gekara, 2016).

Public organizations attempt to apply the characterization idea in mark with NPM reforms by getting rid of the bureaucracy caused by out-of-date public administrative procedures and implementing other adjustments to make their surroundings competitive (Ugyel, 2014). According to academics, NPM modifications may foster competition between public organizations as well as inside one organization by making them more resemble private companies, allowing for decentralization, and employing competent specialists (Fryer et al., 2009; Roh, 2018). After reviewing the information relating to the NPM in developing countries, we may now focus on the issue of its suitability. The

failure rate of NPM reforms could at first appear to be sufficient to convince us that the reforms are ineffective. But to see the NPM in a vacuum would be a mistake. Our quick investigation of non-NPM reforms reveals that they haven't fared much better. (Caiden 1991; Kiggundu 1998) Both in wealthy and developing nations, administrative reform has historically had a high failure rate. Due to their poor track record of implementation, one could thus make the same argument for any administrative change if they were to claim that NPM reforms are inappropriate for developing countries (Mahmoud & Othman, 2021).

As an instance of an emerging country, the **Thai government** transformed the concept in the implementation reforms to assure the efficiency of operations based on time, promptness, and the reduction of resources in the provision of public services. As an added bonus, the management system practiced results-based administration. The Thai government with the goal of developing, overseeing, and evaluating services provided by various agencies established the Office of Public Sector Development. This office has given authority by the government to establish new organizations in accordance with the needs of various geographic areas in terms of services (Sutheewasinnon et al., 2016). The **Indian government** enacted functional, top-management, and autonomy reforms, and these changes significantly affect how Indian governmental organizations have administered. The major focus of operational improvements was the efficient use of resources. In order to promote autonomy, Powell-Jackson et al. (2019) claim that programs should have more control over how they carried out and how their funding distributed. The **Ghanaian government** made changes with an emphasis on economic reforms and service delivery efficiency. The delivery of public services remotely (i.e., online) has benefited from improvements in service delivery efficiency since it has sped up and reduced paperwork requirements. On the other side, economic reforms increased resource use to meet citizen requirements while cutting costs and time. Time reduced by reducing working hours, and cost reduced by lowering the cost of labor, supplies, etc. (Osei-Kojo, 2016). In order to unite a broad structure of public administration and its policy of rewarding and punishing excellent and poor performance, respectively, these reforms required constructing structures and processes for developing and accessing public workers, notably at the leadership level.

The **Vietnamese government** implemented reforms with a performance management focus, giving agencies autonomy in adopting best practices and growing skills (Vu et al., 2019). The **Moroccan government** approved a new model of NPM reform. In order to suit decentralized public managers' responsibilities to achieve the required objectives, it has intended to be less hierarchical and more results-based. The new efficiency standards included reducing centralized control, promoting participant integration, establishing efficient communication channels, enhancing organizational and managerial capacity, growing local skills, and strengthening program integration (Errami & Cargnello, 2018). In order to decrease bureaucracy, the **Mauritian government** implemented its reforms by establishing sub-administrative entities. The implementation of ISO standards for best governmental practices on service quality One-stop shops were created to cut down on administrative delays (Bhiwajee & Garavan, 2016). The actions of the **Egyptian government** constrained the notion of characterization by enforcing significant improvements. These changes included decentralization measures, professional people, a professional work environment, autonomy, a clear mission, and goals that aligned with the workforce's aspirations (Mostafa, 2016). In a different context, the **Emirati government** underwent broad reforms, such as improving strategic management, managing services efficiently, switching traditional centralization movements for decentralization activities, introducing organizational cultural values, strengthening public

service, and adopting a performance-based placement, developing old legislation by introducing anti-corruption legislation, and cultivating strategic management (Sarker & Al Athmay, 2018). Nevertheless, the reforms implemented by the Nigerian government were more substantial and involved alterations to the administration, operations, and processes, as well as an emphasis on morals and ethics (Ikeanyibe, 2016; Ukeje et al., 2020).

**Turkish government** reforms dedicated on government and market reforms, public service reforms, and ethical reforms. The state and market reforms made the key tools for progressing the economy and policy. The goals were to develop a national government, modernize from top to bottom, and have a reliable government (Ustuner & Yavuz, 2018). The **Malaysian government** made many reforms throughout a number of decades. According to the concept of the NPM reforms, the government has recently realized a number of reforms, including organizational structure and culture reforms that concentrated on creating an independent unit for evaluation, restructuring organizations and operations to evaluate performance objectively, focusing on the results-based model, and instilling efficient practices in public expenditure (Bianchi & Xavier, 2017). The **Indonesian government's** reforms created a cultural revolution by emphasizing the need for public servants who are knowledgeable, objective, professional, high performers, and capable of dealing with integrity ideologies. This resulted in an orderly system that helps to increase efficiency and ensures that the best practices have used to get rid of unethical practices (Turner et al., 2019). The **Cameroonian government** implemented three significant structural reforms in a different setting. They included creating strategic objectives to satisfy the demands and interests of residents, reorganizing public employees' wages, and enhancing organizational practices such as autonomy, initiative, and accountability (Tioumagneng & Njifen, 2019). Like other Latin American governments, the **Uruguayan government** implemented NPM reforms as neo-Weberian reforms. These changes attempted to create a performance agreement contract by focusing on dealing performance (e.g., planning, budgeting, monitoring, and assessment). The **Pakistani government** focused on establishing outstanding practices to achieve efficiency, accountability, and autonomy to strengthen decentralization efforts (Zahra & Jadoon, 2016).

The **Albanian government** restructured its procedures by emphasizing the recruitment of qualified administrators, building up internal capability, and expanding financial resources to carry out the national goal. The efficiency of public services have maximized because of these improvements (Guga, 2018). In **Ethiopia**, the government undertook a number of health-related changes. By improving resource use and mobilization and fostering partnerships, collaboration, reactions, and perpetrations, these changes increased the stakeholders' satisfaction with health care. The newly enacted changes were centered on fostering leadership and staff development, updating the legal system, and using an evidence-based approach to decision-making (Bobe et al., 2017). Therefore, following NPM reforms, the citizen-state relationship and accountability were based on how citizens use the services. Accountability relates to the administrative authorities in charge of providing public services, but the entitlement concept refers to the missions of public organizations to residents (Ugyel, 2014). The resource exchange process between public organizations and people is explained by the entitlement to and accountability for providing public services (Turner et al., 2019). According to academics (Dunleavy & Hood, 1994; Fryer et al., 2009; Roh, 2018), the most major reform that governments implemented in public organizations was offering improved public services by emphasizing the system of public services. Additionally, accountability between citizens and the state and the link between deliverers and receivers have been established. According to Turner et al. (2019), patrimonialism has used to define this connection.



**Table 1:** Gaps and challenges in the application of NPM reforms in Developing Countries

Country	Gaps and challenges
Thailand	Absence of leadership capabilities and skills, multiple performance agreement frameworks, poor public participation, lack of goals' achievement, lack of specific performance agreement framework, and self-based assessment of performance (Sutheewasinnon et al., 2016).
India	Ineffectiveness, incompetence, goals' and job' ambiguity, bureaucracy, result assessment system of services, poor HRM role, weak problem solvers, unsatisfactory outcomes, lack of leadership competence and skills in handling staff performance, lack of autonomy external pressures, and irresponsibility (Gupta et al., 2018; Powell-Jackson et al., 2019).
Kenya	Organizations' initiatives weakness, conflicting goals and principles, lack of accountability framework, uselessness, corruption, network-based relationships for rewarding, irresponsibility, and poor performance planning and budgeting (Nyamori & Gekara, 2016).
Ghana	Bureaucracy, inefficiency, and budgeting, lack of accountability framework, instability of leadership, competencies deficiency, unqualified staffs, poor public participation, weak education, weak infrastructure basis, poor political commitment, weak HRM role, weak of performance planning, measures, evaluation, goals' ambiguity, irresponsibility, and staffs' appraisal limited to promotions (Ahenkan et al., 2018; Osei-Kojo, 2016).
Vietnam	Irresponsibility, low work ethic, corruption, bureaucracy, lack of accountability, weak rewards system, and weak HRM role (Vu et al., 2019).
Morocco	Bureaucracy, inefficiency, lack of organizational practices, corruption, weak HRM role, skills shortage of staff, lack of performance planning and budgeting, lack of autonomy, favoritism, and weak leaderships (Errami & Cargnello, 2018).
Egypt	Poor administrative practices, skills shortage, unqualified staff, and goals' and mission's ambiguity (Mostafa, 2016).
Nigeria	Lack of financial autonomy, ethnic practices in recruitment (e.g., sentiments, nepotism, quota system, and favouritism), weak HRM role, HRM autonomy, and operational autonomy, lack of accountability, bureaucracy, inefficiency, corruption, skills shortage of staff, organisational reforms are far away from NPM reforms, and poor public participation (Ikeanyibe, 2016; Ukeje et al., 2020).
Kazakhstan	Corruption, bureaucracy, inefficiency, low payment rates, reforms' resistance, lack of performance system, and nepotism (e.g., favouritism) (Mussagulova & Van der Wal, 2019).

Country	Gaps and challenges
Indonesia	Lack of workforce distribution, overlapping among laws, regulations, and policies, weak HRM role, inefficiency, bureaucracy, ineffectiveness, poor public participation, corruption, nepotism, collusion (Turner et al., 2019).
Malaysia	Poor performance results, lack of rewards system, benchmarking, and budgeting, poor legislation, weak administrative alignment, weak HRM role, weak connections between public bodies, bureaucracy, poor implementation of a part of NPM reforms, and lack of connection between the individual goal and organizational goals (Bianchi & Xavier, 2017; Siddiquee et al., 2019).
Turkey	Lack of autonomy, lack of financial resources, lack of legal framework, political control towards senior officials' appointment, interference, change's resistance, reforms imitation without settings, ineffectiveness, bureaucracy, lack of transparency, and weak HR practices (Ustuner & Yavuz, 2018).
Cameroon	Lack of rewards system, irresponsibility towards duties and missions, shortage of qualified staff, lack of recruitment system, weak HRM role, lack of accountability, inefficiency, bureaucracy, corruption, and relationship-based network (e.g., favouritism) (Tioumagneng & Njifen, 2019).
Pakistan	Cronyism, change resistance, corruption, inefficiency, bureaucracy, absence of accountability, and duties overlapping (Shaheen et al., 2017; Zahra & Jadoon, 2016).
Uruguay	Poor implementation of NPM reforms, and bureaucracy (i.e., procedures and normative system, poor performance system (e.g., planning, evaluation, sourcing, and budgeting) (Ramos & Milanese, 2020).
Albania	Corruption, political instability, inequality, lack of accountability, weak organizational alignment, low trust in public officials, and lack of autonomy (Guga, 2018).
Ethiopia	Poor public participation weak organizational practices, weak HRM role and its practices, and lack of organizational alignment and integration, unqualified staff, poor performance planning and budgeting (Bobe et al., 2017).
Mauritius	Lack of training system towards services reforms, (e.g., performance assessment) , inefficiency, useless government's initiatives, and lack of accountability (Bhiwajee & Garavan, 2016).

Lastly, the purpose of the public's participation emphasizes the contributions made by the public in enhancing the public services providing by public organizations in a particular context through surveys of the community's satisfaction with public services (Turner et al., 2019; Ugyel, 2014). This technique might aid in gathering community input to recognize the strengths and weaknesses of

public organizations and promote efficiency, accountability, and transparency (Junjua et al., 2019; Mahmoud et al., 2020). The Thai government reinforced the need to gather citizen input as consumers of public services provided by public agencies by conducting regular satisfaction studies (Sutheewasinnon et al., 2016). In contrast, other countries, such as those Kenya, Nigeria, the Emirati, Vietnam, Egypt, Morocco, Indonesia, Kazakhstan, Albania, Ethiopia, Uruguay, and Morocco, have paid attention to measuring the people's satisfaction with the public services provided by government organizations (Bobe et al., 2017). The Ghanaian, the Indian, the Mauritian, the Turkish, and the Malaysian governments have mainly depended on the people's criticism via continuous appraising and assessment to encounter the citizens' needs and achieve efficiency, accountability, quality, and transparency (Bhiwajee & Garavan, 2016; Bianchi & Xavier, 2017; Osei-Kojo, 2016; Siddiquee et al., 2019; Ustuner & Yavuz, 2018; Powell-Jackson et al., 2019).

## ***6.2 Criticisms of NPM Reforms in Developing Countries***

There have been multiple criticisms that NPM-focused changes would not succeed if implemented in underdeveloped nations. Here, a few of these criticisms will be briefly discussed. The first of them is that, despite the NPM model's stated goals of openness and the elimination of corruption in the public sector, it frequently has the opposite effect, increasing the prevalence of corruption. This is because NPM gives public managers more independence than they are accustomed to, and when combined with lessening levels of oversight, this might foster an environment that is favorable to corruption (Mongkol, 2011). Additionally, it is thought that the radical shift from a bureaucratic to a market-based approach supported by NPM will increase the prevalence of corruption (Hughes, 1998). In many developed countries, NPM has proven to be a successful approach for resolving issues brought on by the previous public management paradigm. However, just because NPM is successful in rich nations does not imply that it will definitely benefit underdeveloped nations in a similar manner. Due to a lengthy history of centralization in the public sector, decentralization is met with considerable opposition in developing countries. The persistence of corruption, however, because of retaining centralization, makes it difficult to implement NPM (Mongkol, 2011). In terms of contracting out, Hughes (1998) noted that the lack of a rule of law, the non-application of rules pertaining to contract enforcement, and the prevalence of corruption in developing countries would all be obstacles to the successful implementation of NPM (Hughes, 1998).

Using market-based concepts to manage the public sector is one of NPM's primary strategies. Inadequate infrastructure and a lack of prior experience running markets are the primary barriers to applying this approach in poor nations (Mongkol, 2011). It should be taken into account that failure arises not only in state companies but also in many marketplaces. Additionally, some profitable and well-run public businesses exist in developed nations that do not require privatization. Therefore, rather than deciding that all public firms in developing countries should be privatized, each instance should be examined separately (Hughes, 1998). Another issue with NPM implementation in developing countries is the "one size fits all" approach. Theories of management and case studies demonstrate that predicted results may vary from one organization to another depending on specific conditions. Despite the success and enhancement that NPM may bring to the public sector, it should be remembered that it might also cause the public sector to perform worse (Hughes, 1998). There is a significant gap between developing and developed nations with regard to popular expectations of the government. Compared to Western countries, third-world countries have relatively low public expectations for the government and the services it offers. This is so because people in the developing world are not accustomed to receiving high-quality services, so they do not put their governments under pressure to provide them like people in Western nations do (Mongkol, 2011).

### ***6.3 The Consequence of NPM in Developing Countries***

The new public management movement has dominated political and administrative transformation in rich countries since the 1980s. Additionally, this pattern later expanded to developing countries and significantly aided in the reform of the public sector. The obvious flaws in the bureaucratic paradigm in public administration led to the formation of the new public management system (O'Flynn 2005a; Stoker 2006). The main point of this thesis is that modern public management was able to recognize and correct old public management's flaws, and as a result, it evolved into a new paradigm for sector transformation. It is crucial to remember that the NPM model has never been applied in a developing country and isn't even taken into consideration as a prospective implementation method. They are all essentially unplanned undertakings taking place in different developing countries (Polidano, 1999). The conclusion that NPM is frequently used in developing countries is possible. Although the extent and depth of NPM vary, particularly in developing nations, the fundamental method of approach remains much the same (Smith, 2014).

The first need of the new public administration is that governments adapt their functions (Daft & Marcic, 2014). The main policies aim to reduce direct interference in business and society through the destruction of monopolies, the development of competition mechanisms, and the implementation of public services for the community (Farazmand, 2007). It can assist the government in lightening and decreasing its load to boost working effectiveness. Second, NPM also heavily incorporates the innovation model of management. Government organizations should make full use of enterprise management technologies like quality control, contract outsourcing, and human resource development in order to innovate their approaches to management (Diefenbach, 2009). Additionally, Andrews and Walle (2013) argue that adopting contemporary information technology can aid in the reconstruction of government-managed processes and the development of e-government activities. Additionally, promoting the performance evaluation system is advantageous for the government. The method was created to assess both staff members individually and the performance of the public sector. It actively contributes to the government's motivation and effectiveness. Finally, NPM recommends decentralization reform, which tries to divide executive and decision-making authority (Andrews & Wale, 2013). The government of numerous countries divides itself into a decision-making sector and a few specific service sectors. Letters of responsibility signed by those sectors specify the objectives, implementation scope, and evaluation standards. As an example, the Singaporean government formed a number of self-governing entities in 1996 and 1997. These groups choose their own priorities for programming, how much money to spend, and what services to offer (Smith, 2014).

### ***6.4 NPM Reforms Initiatives of Nepal***

Public administration has roots that go deep into the culture of the nation because feudal rule was a part of Nepal's history. Public administration in Nepal started to advance when the country's feudal form of rule was overthrown there in 1951. Prior to 1960, Nepal was ruled democratically by a party-free Panchayat System, which the King oversaw until 1990. We could argue that the Nepalese public service adopts the bureaucratic model espoused in Max Weber's principles: a career service of recruitment by merit, unified service, hierarchical structure, single salary scale, recruitment to a certain level of position from outside, employees protected by rules and regulations, disciplinary actions involving a drawn-out process, promotion by seniority and merit, and a pension plan. As soon as the political system shifted from an authoritarian to a democratic one, it became clear that

the Nepalese public sector needed to undergo a number of significant changes. In light of this realization, the Commission made a number of reform recommendations, focusing on redefining the role of government, privatization, improving the delivery of public services, restructuring public organizations, reducing overstaffing and right-sizing bureaucracy, streamlining procedures, improving decision-making efficiency, decentralization/delegating power and authority to the line agencies, human resource development, and combating corruption.

When the five year Governance Reform Program (GRP) was introduced in 2001, the Asian Development Bank once more offered soft loan support. The main objective of the GRP was to strengthen the focus on people, gender, and results in the Nepalese bureaucracy. After 10 years, the Asian Development Bank offered soft loan support in 2011 to begin the Governance Reforms Program (GRP), which would last for five years. The GRP's main objective was to increase the Nepalese bureaucracy's focus on outcomes, people, and gender issues. The following five elements of the reform program were prioritized within these larger goals: The goal was to enhance the management structure at the heart of government to steer reform initiatives. a) To build internal capability for leading change. b) To increase the effectiveness of the civil service: The goal was to reduce spending by right-sizing the government and strengthening staff, with management systems to support this goal. c) To improve the general competence and motivation of government servants: The goal was to raise pay levels, embrace contemporary human resource management practices, and boost the abilities of civil servants. d) To enhance governance and reduce corruption in government: The objective was to strengthen the legal foundation for fighting corruption. d) To enhance the performance of the major government ministries by fostering an NPM culture and work process, it was hoped to provide citizens with improved services (GRP Document, 2001).

The Administrative Reform Commission (1991) and the Governance Reforms Program (2001) were the two key reform initiatives in Nepal that introduced NPM concepts. Following the democratic political system, internal changes with an NPM focus started in the early 1990s. For instance, redefining the function of the state was a key starting point for changes that were motivated by global trends toward modifying the role of the state in relation to NPM. In 2001, the administration unveiled the Governance Reform Program (GRP), a new set of reforms. Under the terms of an Asian Development Bank soft credit, GRP was launched. Due to aid conditions established by the ADB, the reform package combined NPM ideals, gender equality, and social inclusion. By adopting a number of NPM concepts, the reforms of 1991 and 2001 represented a significant policy change in modernizing the Nepalese bureaucracy. But we must consider the status of reform programs' implementation. An examination of reform attempts after 1990 revealed that many of them remained unimplemented and that relatively few improvements were really implemented. Why weren't NPM-oriented changes successful in achieving their goals in the Nepalese context? The article demonstrates that weak policy reform processes, path dependency traits in the Nepalese bureaucracy, political unpredictability and a lack of political will, power distance behaviors of bureaucrats toward lower staff members, and a lack of citizen-centered work cultures in the bureaucracy are the main factors that are hindering reform (Gautam, 2008).

## **7. Summary and Conclusion**

The findings emphasized the challenges and limitations faced during the application of NPM reforms in developing countries, as outlined in Table 1. The study indicates that these reforms are

often reluctantly implemented in accordance with the macro- and micro-environments, resulting in gaps and problems. These weaknesses and challenges have significant implications for poor countries and are linked to best practices and policies. From both a practical and scholarly standpoint, the insights and experiences gained from implementing NPM reforms are crucial. Public administrators and managers must address resource limitations and the challenges posed by NPM reforms with limited resources to meet public expectations. Governments should also oversee and support the implementation of NPM reforms at both the macro and local levels. Given the scarcity of literature on NPM components, especially in developing countries, scholars should focus on exploring the ongoing NPM reforms in public administrations. While New Public Management (NPM) has proven successful in some cases, it may not be universally applicable, especially in poor countries where it was not originally designed to be implemented (Mongkol, 2011). There are various limitations and challenges when implementing NPM in developing nations, and its relevance and appropriateness remain uncertain. Singapore serves as an example of NPM's effectiveness in a developing country, whereas Bangladesh demonstrates the failure of NPM in an unsuitable context. Prior to adopting NPM, developing countries require specific prerequisites for positive outcomes. However, these prerequisites alone are insufficient, as cultural influences and other significant factors also play a significant role (Mongkol, 2011). Therefore, careful consideration must be given to the adaptability of NPM in the context of each developing country, taking into account both its potential benefits and the unique challenges it may exist.

In conclusion, the NPM model should be viewed as a collection of distinct strategies rather than as a whole in order to assist developing countries in adopting strategies that are appropriate for their requirements and local environments. It is advised that prior to the deployment of NPM techniques, preconditions be taken into consideration as a step of preparation. Therefore, developing nations should also think about creating a long-term strategy that calls for the fulfillment of prerequisites before the use of the appropriate NPM techniques. Due to their significance and ramifications for the NPM model in developing nations, cultural variables should not be ignored. Additionally, it is advised that international donors consider internal efforts when formulating their research and policies so that their aid to developing countries will be more effective, efficient, and viable. Since many of NPM's features have been found to be effective and relevant in Nepal, it is stated that NPM is applicable to developing countries and that governments should include these components in their ongoing and future reform initiatives. This article concluded that several NPM principles to Nepal and has provided the government with a clear direction and destination. In terms of public management reforms, this has improved the policy and pointed to a future course for the Nepali government. According to the article, Nepal could little benefit from the NPM's cost-cutting and downsizing, introduction of market mechanisms, decentralization of management authority, quality, and customer responsiveness components but could not be able to perform in action due to unstable nation political environment and fragile market mechanism. The article also found that introducing agencies, new personnel systems, and performance management were less applicable in Nepal.

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