

## New Public Governance: The Tracks of Changes

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### ABSTRACT

A key goal of modern management of public organizations is to mobilize and use effectively all kinds of institutional and external environmental resources and opportunities in order to implement changes which would ensure reaching strategic state and regional goals and objectives as well as would help meet the legitimate expectations, needs and interests of society. Therefore, ensuring of the contextuality of changes management, as the necessary systemic-structural medium, which is conducive to the formation of the changes, requires the consolidation of complex public management. This means that modern management of change can not be separated and isolated from other activities of public administration and its systemic derivatives.

Therefore, while generating the tracks of viable change management in the public sector, key objectives of functioning of public institutions remain the formation of change management ideology and practical change management techniques with the target of performance optimization in public services and the creation of public value. To master change management methodological instrumentation and to understand the items of new public governance and the most important context of implementation of the changes, an unsurpassed preparation of public governance structures, their leadership, managerial personnel are required.

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### Introduction

Contemporary public governance arena problems, which are presupposed by global processes, are seen as priority tasks, including management modernization, the development of democratic governance, new forms of governance, such as cross-sectoral integration, networking, inter-institutional balance in the structure of public administration and other dimensions which determine processes, factors, causes and effect of changes. In order to understand and base scientifically the meanings and values of public management reforms and changes, the necessary abilities of researchers working on public administration theoretical - methodological issues, are an innovative approach to management structures, developing models, new and radical perception and critical appraisal of procedural approaches in assessing the traditional forms of governance, their analytical procedures and the dominant interpretative theoretical modeling capabilities.

Modern public administration theoretical approaches have a propensity to develop methodologies and recommend potential structural, procedural, developmental dimensions of transformation of public governance, focusing on the reform of public administration. At the same time, it can not be stated categorically that the new public management technologies, changes in the public sector do not rely entirely on earlier, classical theories of public administration and gained practice. Nowadays, the transformation of public administration is based on development and improvement of the existing systems (ie incrementalism path), but quite often the changes have radical characteristics that require a new approach to the analysis of the theory of local public management methodology. Therefore, the object of this work is a modern public governance changes and trends.

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The causes, structure and emerging indicators of change management of new public governance as new public management evolution in various aspects were analyzed the most prominent theorists of public administration such as Lane, J-E. (2009), Bouckaert, G.; Halligan, J. (2008), McNabb (2009), Wan de Welle St. (2010), Kettl, D.; Fessler, J. (2009), whose works focus on highlighting the change management as a structural decomposition of performance management. The considerable attention is paid to the construction typology of social change management by Dror, Y. (2004), Kotier, P.; Lee, N. (2005), Swaene, V.; Lindgren, A. (2009). Innovations as the change instruments of modernization of public governance are systematically studied by authors such as Osborne St. (2010), McQuaid, R. (2010), Potuček, M. (2004), Becker, J.; Edelenbos, J.; Steijn, B. (2011), Borin, S. (2006 - 2014).

Fundamental purpose of the article is identifying the new public governance's change tracks and elements, as well as the theoretical generalization of the change management environmental complexity and innovation.

**Research Methodology:** meta - analysis, content analysis, theoretical modeling, classification, interpretation, evaluation, synectic method.

### **Development of Theoretical Constructs in New Public Governance**

The transformations of globalization processes in XX-XXI century could be understood as public management modernization, consolidation of democratic governance as well as new forms of governance and public structures such as networking in different kinds and levels of organizations, entrenchment of citizens's ability to participate. In order to understand better the changes taking place in the public administration, rising conflicts, public administration reform objectives and goals, it is necessary to be able to identify, describe, evaluate and predict the further evolution of them, ie master the instrumentation of public administration solutions.

These processes require from the public management theorists a new (sometimes very radical) approach to the well-established theoretical paradigms, political, economic and social doctrines, existing models and their traditional interpretations. Furthermore, new public management paradigms develop which do not always evolve from the past classical systems-processes-based paradigms, but they emerge in new theoretical-methodological environment, they contain radical changes and the characteristics of the reform, they require from theorists the new approach to the analysis of theory of local public governance methodology.

In order to identify, explain, evaluate public sector reform causes and consequences as well as capabilities of the interaction logic of the ideological, political and economic systems, the modern public management methodology (theoretical concepts as a whole, the ability to analyze, recognize, evaluate, construct a proper actions logic and research, according to J. Devey) support through the history tested theoretical constructions and interpretations, ie real theories, eligibility of doctrines, assessment of projections at practical level of knowledge and opportunity identification, using both emergent or normative prospects of prescriptive approach (Babbie, 1990, p. 2).

Modern public management theories allow construct a mixed methodology in order to expand the possibilities of evolution of public administration forms, change processes, different levels and types of management areas, sector benchmarking forms, methods and application of more complex mixed-empirical study variations. Theoretical research methodology of public management changes should link systematic processes (political, economic, legal, and ideological) with the processes in the context of the analysis (Pollitt, Bouckaert, 2003, p. 16).

The task of theories in methodological design is to base the methods used in a comparative meta-analysis, to avoid the stereotypical ones, and to use widely the sinectic one (analog method). It also aims at better applying the well-known philosophical-didactic "necessary" and "sufficient" principles in many practical situations of public administration. Moreover, it is especially important to understand the opportunities offered by theoretical rationalist doctrines, while avoiding fetishism of "absolute" assessment developed Austrian nineteenth century philosopher J. Dicgen (Frederickson, 2003, p. 3).

In public governance, the recognition of reasons, observation of assumptions, information presentation, design of categories and definitions, evaluations and measurements are based on a meta-analysis, the opportunities offered by comparative analysis, sinectic method (analog method), different interpretations (eg, real-eligibility), theoretical constructions and theoretical modeling possibilities (Raipa, 2010, p. 8-9).

Theory in public governance means the actual material (historical events, facts, events, case studies, opinion, position) is expressed through paradigms, doctrines, definitions, and often through the form of metaphors. This means that there is much more room for subjective factor, which is expressed as organizational behavior, social behavior, institutional dynamics, political systems' behavior and effects, communication and culture. These subjective factors are a part of an ideological system, and it often becomes the basis for practical activities of public institutions, which often do not adhere to any particular theory.

### **The Complex - Incrementalist Mode of New Public Governance**

In evolution of modern public management where the modern vector is good public governance, which requires improved and more accurate theoretical conceptualization, public sector managers' competencies and skills to master the methodological processes of change are of key importance. Moreover, it is very important to stress the instrumentation of reform practices, especially as a multidimensional expression of actions logic, as an essential tool in the diagnosis of the chain of the problems that are often very difficult to grasp, while identifying and predicting causes of problems, which affect the internal and external factors in management (usually presupposed by the global environment) (Bann, 2010, p. 10-11).

Therefore, the construction of modern public management becomes much complex, more likely to have multiconstructive nature and connecting link, which often has the basis of the basic meta-or mega definitions identified as values - justice, democratization principles, public participation, results-oriented behavior, humanization of management and other. All this becomes an interaction of the elements, processes, hybrid clusters (in terms of business management practices) (Melian et al., 2010, p. 98-99).

One of the most popular methodological discussions in the context of nowadays stage of governance is related to the question about impact on strategic planning in public sector. The strategic nature of new public governance is defined by modern state financial-economic possibilities, quality characteristics of all resources coordination, inter-sectoral interaction of effective new planning, supply of information technologies for all kinds and levels of organizations, organizational behavior and the levels of governors and managers competency. All the listed circumstances and conditions for effective strategic new public governance institutionalization in the activity of public structures can be linked into scientific - systemic determinants. G. Mulgan and M. Potuček define plethora of accents in the strategic nature projections of new public governance as stable government, political support, creation of structures of strategic policy formation incremental character of policy implementation (Potuček, 2004, p. 32-59).

H. Simon in his conceptions of administrative state and administrative man widely used psychological way of behavior of organization members' analytical - systemic research, which was by no means his biggest income into the 20th century public governance strategic thinking, attempts of institutionalization (Simon, 2003, p. 111-112, 238-290).

Y. Dror reforms the context of H. Simon's efficiency and democratic governance dichotomy stating that governance attempts to seek for efficiency perspective even today meets the fundamental tasks of governance democratization, i.e. citizens, their group interests, in the conditions of new public governance seek for the earlier participation in decision making. However, most often their participation finishes in the places of ballot when they elect those who become real factual decision makers (Dror, 2004, p. 15). In ideology of new public governance, strategic governance is perceived, firstly, as presumption of public organizations effective activity and as instrumentation in theoretical perceptions of the last several decades, which have gone through the rises and falls of its interest (as well as other forms and systems which develop the possibilities of governance improvement), i.e. the stages of systemic evolution influencing the purpose of strategic governance functions and technologies; even the changing of principles and of course, methodological searching of strategic governance improvement and constructions of theoretical perceptions (Raipa, 2010, p. 151).

In the traditional understanding of public organizations in the modern stage of new public governance formation public organizations are listed as post bureaucracy, modern, which mastered new public governance principles and methods, based of inter sector and inter branch various level organizations net interaction; organizations where the elements of new management culture and changes become dominating as well as new public governance democratizations levels are implemented. Such organizations are named as matrix ones, on the basis of political and management nets they act as complex structures. The activity of such organization is more transparent, and the structure itself becomes more open and more socially responsible. Such model of complex, matrix organization is based on self-confidence, horizontal and vertical information dispersion, various governance levels organization consensus and decisions that link various governance chains. J. E. Lane named such type of organizations as "good" public organizations (Lane 2009 p 22 23)

New public governance as the organizational interaction among public, private and nongovernmental sectors constructions became the intense scientific discussion object already at the beginning of 21st century. Inter organizational interaction, partnership understanding unite various organizational net interaction forms and means which have the aim - to connect all the possible governance potential, resources, solving society problems (McQuaid, 2010, p 353 -365).

Important indicator of new public governance is the preparation of public policy, the elements of globalization context that define their quality when the essential task in public structures activity, in the state strategy becomes the necessity to balance the inside state (organization) factors and outside environment conditions and subjects. Global changes, new technological, information - communication means and the possibilities of development of their application, the impact of the world organizations, support, their consolidation nature compose opportunities for public policy constructors, decision makers to apply the best world's theoretic thoughts and public governance practice results implementing methodologies, methods.

Theorists suggest methods for the strategic public policy realization tasks which are based on the principles according to which it is aimed to solve some other strategic governance tasks. In the public governance theory today one of the most rational methods for forming and assessing policy alternatives is acknowledged the method of complex analysis and evaluation which allows using essential rank principles to carry out quantitative and qualitative analysis of the suggested policy alternatives (Bivainis, Tunčikiene, 2009, p. 101 - 102)

The aim of new public governance structural part - public policy formation and implementation - is the search of more productive public policy. It requires from analysts to be able to carry out qualitative analysis of public policy processes (as ex post variant) and the analysis in political process (more understood as ex ante variant), when they gather and analyze proper information, diagnose real political problems, raise the level of necessary discussions and arguments from simple policy to scientific public policy analysis, using retrospective and perspective forms of analysis, i.e. structuring the future and present political traditions and practice as well as evaluating policy results and making prognoses for probable standards – using the present analysis capacities for the implied future modeling (Dunn, 2006, p. 142-146).

Modern consideration of governance first of all is connected with quality changes of governance. Today we can see this analyzing the results of implementation of new public management doctrine, which reveal plenty of dysfunctions of this public governance pharmacy, the biggest part of which is related one or other way to social aims of society and problems when analyzing them (Groeneveld and Van de Walle, 2010, p. 252 - 253). Social dimension of public governance in the modern stage is decided by certain activities and circumstances in public sector governance field and in the whole social space and is commonly understood as a global or net society with unpredictable context where the variety of process participants exists together with the community features of their activity.

The other feature of modern public governance is greatly grown social fragmentation of society (of any country), so new social stratification is formed when the growing quantity of people, groups, organizations interact mutually and make impact and influence to different diversification elements of such society. Beside positive growth of such social fragmentation and interaction among separate social structural products there appears in a society certain features of unreliability in governance, uncertainty about the future what often raises the effect of social tension fields, certain often structural conflicts, paradoxical earlier unknown phenomena and changes in social governance space (Bourgon, 2010, p. 207).

Social systems, the successful functioning of social nets, their mutual interaction is today one of the most important conditions of public governance evolution into more improved public governance forms.

Social nets can be named as new type managerial, political nets, too which are less linked with the understanding of hierarchic bureaucracy system where indications of less formalized activity exist, and are considerably more dynamic systems than the static systems which are described in classic system theory. Social nets executing one or other common or specific social tasks or functions at the same time develop and improve themselves as social systems or subsystems, in other words the functions they carry enable the structures and make them improve institutionally and improve their activity efficiency (Lin, 2003, p. 38-39).

New public governance raises new requirements for implementation of social responsibility. Today it is often named as corporative social responsibility of organizations. This multidimensional definition is interpreted very differently; in practice different models of social responsibility of organizations are known as well as alternative definitions such as social responsibility of politicians, administrators and institutions, social partnership of public sector and business etc. responsibilities (Kotler and Lee, 2005, p. 66; 93). The public structures must master seeing the complex problem streams, strategic variety of solutions possibilities, and expediency of problem linking and separating them, the net way of problem solution, understanding of one's own social responsibility (for being responsible for linking of social structures and developing clientelism), (Duit and Galaz, 2008).

### **Innovation and Change Management**

In recent years, the public sector theorists (Peters, 2003; Drechsler, 2011, Koch and Hauknes, 2012) based the conviction that innovation is essential for the development of not only government efficiency and effectiveness, but also to increase public confidence - all innovation efforts must be based on evidence showing the need for innovative solutions necessary for change. Governing bodies are responsible for the development of new models of governance, as the development of new methods will implement effective changes (Workshop I. Restoring Trust Thought Innovation, n.d.).

Some of the most significant changes in public management modernization take place in recent years, as public management systems change goals, decision-making strategies, initiate a state-wide centralization and decentralization, privatization and deprivatization, move to innovative, globally recognized management actions. Theorists (Christensen, 2007; Guzman and Sierra, 2011) widely discuss and focus their attention on the cross-sectoral cooperation, they stress that private sector practices could be transferred into the public sector through the innovation and the development of the ideology of integration of public administration processes.

This installation of changes can not understand as fast, instantaneous process. Rather, these are permanent activities and rational decisions, as innovative change management ideology is based on organizational strategic goals of development, which requires very careful preparation, mobilization of all organizational resources and opportunities, the ability to adapt to the ever-changing global society change trends (Akintoye, Beck, 2009).

Innovation-based complexity of economic and social development requires that at all possible levels state governance structures would better understand the context of management systems, their place and role in the modern environment of financial - economic crisis, and seek to implement innovative public policy solutions and training delivery methods in the future (Klijn et al, 2009, 252-254). Consequently, a number of passive elements in the organizational stages are positively evaluated and often "transferred" as the organizations transforms to the creative organizational performance stage (through managing change and innovating actively) (Ortega et al, 2012, p. 8-11).

Methodologically valuable changes in the innovation process can have several essential dimensions:

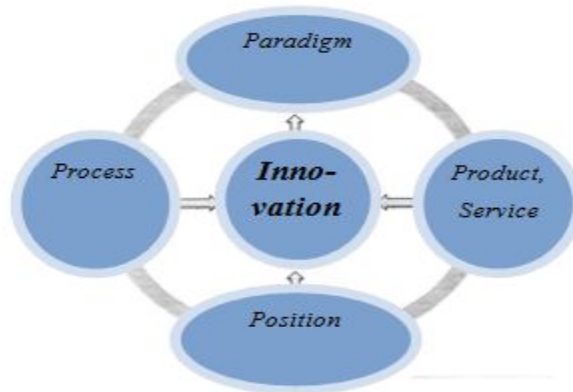


Figure 1. Dimensions of change process (Isaksen, Tidd, 2006, p. 57)

The dimensions listed in the figure 1 theorists (Isaksen, Tidd, 2006) explained as follows:

- Paradigm - changes in the essential mental models of organizations;
- Product or service - changes in results of organizational activities;
- Position - the context of changes in which services are delivered;
- Process - changes in processes of activities while providing the services.

By extending the concept of organizational change theorists emphasize the trajectories of the organization's policies, goals, performance, prospects, implementation of decisions in organization's strategic directions, quantitative and qualitative parameters of resource management changes, the scales of organizational behavior and organizational culture values, a permanent or episodic nature of the changes (Poole, 2004, p. 6-7).

While modeling the organizational readiness for change management, it is necessary to identify the pre-change management elements, their relevance and interaction. It implies that organizational experts should conduct a systemic logical quality pre-analysis. Such preparation for organizational change management research and evaluation requires creativity, insight, and even a certain intuition. Therefore, organizations are investigated, self-analysed, and this evaluation implies fundamental changes in management conditions, assumptions, factors that distinguish the role of communication, which is one of the organizations success factors of change management practice.

Change management in organizations requires a certain sequence of actions of the organization's managers, and the founders of public sector institutions. Organizational readiness for change management combines a number of stages:

- The ideas (knowledge, beliefs, visions of change) in the whole.
- A deeper understanding of the interaction between search analysis modeling, applying the existing theories, concepts, change management models. The highest value is a critical approach in the debates and discussions.
- Analysis of available knowledge, existing models, the ability to use analogies (sinectic) method, the existing documents, sources, the cases of secondary data analysis, as well as in predicting possible changes in the organization model.
- Organization model preparation, pilot testing, and the final reinventorization and the final application to specific needs of the organization (Sullivan et al, 2010, p 7 - 13)

Many public sector theorists (Frederickson and Johnson, 1999; Bouckaert and Halligan, 2008; McNabb, 2009, Osborne and Brown, 2011; Bekkers et al., 2011) have widely discussed innovation needs in public management and they described the concept of innovation as modernization process indicator which is essential for effective changes. Public management innovations has driven the implementation of the most important and most necessary changes in the management, developing strategic systems across organizational boundaries, attracting new resources. Effective use of the opportunities offered by innovation properly forms the principles of public rights and responsibilities as well as excellence of distributed value creation. The best calculation of the benefits of innovations in public management could

be made through the assessment of their rationality and effectiveness in the promotion of equality, justice, in the pursuit of national interest objectives, and positive changes (Osborne, 2010, p. 52)

### Conclusions

1. The development of public governance (as a science and a practice) is becoming one of the central spheres of interaction, collisions and integration of all the mentioned processes; as the changes in public governance (policy and administration) are made by globalization environment. Together, theoretical attitudes of public governance which are formed at the basis of most social sciences can help to control more universal methodological, socioeconomic, cultural-ideological projections that orient to new humanistic, socially oriented tendencies of public governance and fixing of vectors in the practical activity of modern public organizations.
2. Evolution of public management components in complex analysis is often identified as change management, connecting the new public management structures design, the new management ideology, the development of a favorable environment for the formation of strategic priorities, the shaping of change management mechanisms such as anticipation, monitoring, improving of corporate governance practices and institutional responsibilities. Therefore, relevant methodological instrumentation remains a classic change management necessity.
3. Innovative changes requires social, technological and intellectual creativity; stable politics administration power concentration, radical public governance reforms, abilities of public governance managers and leaders to use strategic management, new forms of preparing and implementing public policy, to develop new kinds of cross-sectorial integration, create positive conditions for real public participating in decision making and implementing process. The authors determine that positive results in installing and developing change management in public governances can be achieved by higher level of identification preconditions in spreading innovative ideology, innovative ideas and information about innovative changes inside or outside organizations.
4. Although attempts to clarify the new public management basic theoretical doctrines and deepen the understanding of new public management structures are currently undergoing very intense, it can be said that quite wide and diverse efforts to analyze public management do not yet rigorously describe the dimensions of the new public management groups. Today, we at best can analyze the theoretical conceptualization of individual authors which aimed at describing the new public management policies, and their individual characteristics as well as the regulatory standards.

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