

THE DEVELOPMENT OF A RESEARCH METHODOLOGY FOR THE ASSESSMENT OF NEW PUBLIC MANAGEMENT USE IN LOCAL PUBLIC ADMINISTRATION INSTITUTIONS. CASE STUDY – BIHOR COUNTY

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ABSTRACT

This paper reflects the progress undertaken in the implementation of a research project regarding the application of New Public Management paradigm at local public administration institutions in Bihor County. The study was initiated within a partnership between faculties of economics from Oradea and Debrecen and aimed at the development and testing of a common research Methodology which provides relevant insight on the processes, challenges and opportunities for local administrations in their concrete actions. Through the implementation of this research several problems were encountered, problems that are dealt within in this paper where we also formulate solutions in order to ensure a general approach that can be applied in all institutions from Romania. Some of these problems are somewhat general and reflect the need to enlarge the research team providing an interdisciplinary approach. Other aspects are more practical such as the administration of questionnaires, issues of sampling or the actual content of research instruments. We consider that such an approach provides significant insight in the administration of public affairs at local level, which can help in understanding the public sector in Romania and consequently ground a comprehensive frame for the national policies. The problems of the administrative system in Romania have different sources, nevertheless a down-to-top systematic analysis sustain the implementation of concrete solutions and a contextual implementation of best practices. We hope that our endeavor will stimulate debate in the academic field and engagement from the public actors in order to strengthen the public management system in our country.

KEYWORDS: New Public Management, local public administration, research methodology.

JEL CLASSIFICATION: H11, H70, Z18

1. INTRODUCTION

The analyses regarding the Romanian public system are often sporadic, un-systematic, addressing only particular aspects without the integration of findings in a broad view regarding the mechanisms of this system. Beyond the official reports regarding the developments of local public administration institutions, the studies and assessments lack a holistic character and unity in addressing themes, as well as the geographical representativity of results. More, given the legislative and organizational differences between countries, comparative analyses are rare, revealing best practices with little contextualization and thus hardly applicable from one country to the other. Studies which systematically compare internal processes at local level are scarce and less replicable due to the lack of a unitary methodological framework.

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Through the project *Establishment of R&D programmes in the field of new public management between economic faculties of higher education in Hajdu-Bihar and Bihor Counties*, researchers from University of Debrecen and Oradea took the first steps in the development of such a common methodology. The instruments were constructed as to provide an overview on the implementation of New Public Management (NPM) in Mayor's Offices from urban and rural areas from Romania and Hungary. These instruments were tested within 30 public administration institutions in both counties involved in the project: Bihor on the Romanian side and Hajdu-Bihar from the Hungarian side.

The aim of this paper is to present the results of the intermediary evaluation of the Research Methodology regarding the implementation of NPM paradigm in local public administration in Romania, as it was developed in the previously mentioned project.

The paper starts with a theoretical summary of the main processes characteristic to New Public Management, focusing in the way these processes are found (or should be found) at local level. Consequently we present the research topics of NPM at local level selected by the project team as constitutive elements of the Research Methodology. The following sections will present the way the pilot research was conducted on the 30 local public administration institutions from Bihor County on its main elements: research topics, instruments, data collection and analysis. The third section is dedicated to the evaluation of the Methodology, based on the results, the problems faced by the research team, as well as the feed-back received from the participants in the study and other experts from the administrative system. The conclusions of this paper provide an overview regarding elements of a Methodology focused on NPM implementation in Romania, which can be applied in all local administrative units.

2. METHODOLOGICAL FRAMEWORK IN STUDYING NEW PUBLIC MANAGEMENT IN LOCAL PUBLIC ADMINISTRATION INSTITUTIONS

2.1. New public management in Romania

The New Public Management represents a new way of approaching public affairs as a response to several challenges faced by public institutions (Abrudan et. al. 2012). Most of these changes can be translated into scarcity of resources which imposed a rationale use of them and a more transparent allocation and measurement of results. The concept was developed in order to include under one term the changes that were already taking place in most countries in terms of administrative processes (Androniceanu and Sandor, 2006). As the initiator of this concept stated, at the core of these changes is the need for accountability of public administration affairs (Hood, 1995).

The New public Management paradigm is characterized in *Organisation for Economic Co-operation and Development* (OECD) documents through:

- (a) Increased attention towards results as efficiency, efficacy and quality of services;
- (b) Replacement of highly centralized hierarchical structures with decentralized managerial environments; decisions regarding allocation of resources and service provision are closer to the final beneficiaries facilitating obtaining feed-back from clients and other interest groups;
- (c) Flexibility in exploring alternatives in direct service provision and regulations which can provide better policy results in terms of costs;
- (d) Special emphasis of efficiency of direct services, including setting objectives regarding productivity;
- (e) Strengthening the strategic capacities towards flexibility, automatically and at the lowest costs to external changes and interests (OECD 1995).

To these dimensions of change, some academics added also (a) focus on the combining authority with responsibility as key element of increasing performance, (b) rising public accountability and transparency through reporting results and costs, and (c) budgetary and managerial systems which allow and encourage such changes (Holmes & Shand, 1995, apud Mathiasen 1999).

Most analyses conducted on the mechanisms of New Public Management reflect the national or even more, trans-national level. We consider that these top-down approaches emphasize the policy level of administrative strategies, and by doing so fail in capturing the way these policies are put into practice. A down-to-top approach, focusing on the processes at local level would reveal the concrete obstacles and mechanisms which function in public administration institutions.

This type of endeavor is especially relevant in the Romanian case, where the adherence to the principles of New Public Management is still in progress. As stated by several specialists, the implementation of NPM paradigm would help solving many of the current problems of the public system (Androniceanu and Sandor 2006, Androniceanu 2008). There are only a few general systematic analyses on the administrative system from Romania, especially those that focus on specific themes such as NPM implementation (for example Deaconu, 2012, or on specific issues such as digitalization of government processes at local level: Matusescu and Glavan, 2012). Lack of resources, opaque decision making processes, arbitrary funds allocation, untrained personnel, perceived corruption are just some of the concrete problems that need to be addressed also at local level. Understanding causes of such problems, will lead to the outlook for policies that will solve the real problems, not treating solely their symptoms.

The project "*Establishment of R&D programmes in the field of new public management between economic faculties of higher education in Hajdu-Bihar and Bihor Counties*", was initiated by Faculties of Economics from University of Debrecen (Hungary) and University of Oradea in order to fill in this need. The aim of the project was to identify and provide solutions to concrete problems faced by local public administration institutions. Several activities were implemented in order to reach this goal, but the main emphasis was the assessment of administrative processes at local level. The project team - eight researchers, six Romanian and two Hungarian, developed a common research methodology which enabled assessment of administrative process for each institution taking part in the survey, and also the generalization of results for both analyzed counties.

This paper evaluates this Methodology with the aim of improving and enlarging this type of research. As we found the initiative is in itself relevant and welcomed by the institutions, yet several aspects need corrections in order to make the conclusions generalizable.

2.2. Research topics for NPM in local public administrations

Within this international project the team of researchers developed a common ground for the assessment of NPM strategies used in local public administrations from the two regions. With this aim the first step was to set the concrete research topics that will be highlighted during the field work. The topics were based on a general literature analysis in both countries as well as on the interests and background of the team members. For setting the topics list, a round table meeting was held where each of the topics were presented and decided upon. The meeting was held in the first part of the project implementation part.

Each of the team members from both partners was responsible for one or two topics. Further recommendations and adjustments were made during the in-depth review of the themes by each researcher during the subsequent months of the project. During this stage of literature review on topics, a special attention was given to stating research hypothesis in each of the chosen directions of the study. In all cases the hypothesis were rather empirical then theoretical, being based on previous studies conducted on these topics or experiences of the team members in the stated areas.

The final list included a wide range of topics from financial aspects to issues related to public marketing or leadership styles. These topics were grouped on three main areas, as presented in figure no. 1, which were also the basis for elaborating the research instruments.

No.	Name	Topics related
1.	BASIC INFORMATION <i>The role of this part is to collect the basic financial and structural information regarding financial aspects, organizational structure, information technologies, performance management system</i>	Topic 2. Financial aspects: revenues and expenditures; fiscal indicators Topic 4. Performance and performance measurement (what kind of system they use, basic outlines) Topic 5. Informational system Topic 8. Public services provided and level of externalization of services (see Table 1) Topic 9. Size of local governments, their structure Topic 10 Local development and community development Topic 11 Public accountability (see Table 2)
2.	STRATEGY AND HRM <i>The role of this part is to describe the details of strategic thinking, the way people (both leaders and employees) see the present and future of the organization, the way they solve ethical problems</i>	Topic 1. Strategic thinking of institution leaders Topic 3. Human resources management. Perception of manager's behavior by the employees and vice-versa Topic 4. Managerial style and decision making processes Topic 7. Ethics in public relations
3.	SERVICES & GENERAL FUNCTIONS <i>What kind of services they provide and how they do it? Are they flexible enough to adapt to the ever-changing demands of the environment? How do they involve the private sector?</i>	Topic 5. Informational system, attitudes towards e-government on behalf of employees (see Table 3) Topic 6. Flexibility of the institution and services offered Topic 8. Public services provided and level of externalization of services Topic 12. Public marketing, public communication and public relation

Figure 1. Topics distribution on areas

Technically on each of the topics assigned to the Romanian research team, there were developed Literature review reports containing both theoretical aspects, main findings in each area, concluding with research hypothesis. Based on these hypothesis research questions were stated by each researcher on each topic. Consequently it was noted that in some cases there was a need to receive answers from both the managers of the local administration institution as well as their employees. In several cases it would have been beneficial to have the opinions of the clients of the local administration institution, yet under the limits of the project we have decided not to include this research population.

2.3. Research instruments for NPM in local public administrations

Based on the type of questions the team decided to develop a set of questionnaires to be administered in each of the public administration institution.

Consequent to the structure of the topics there was identified the need to have an informational sheet from each institution. This informational sheet consisted in a set of questions about the Mayor's Office and the locality they manage (type, population, distance from the nearest town, size and structure of the institution), services provided, financial aspects (revenues and expenditures), access to technology and transparency (on-line and off-line, availability of e-governance instruments). All these aspects were factual questions which could be answered to by several people in the institution, depending on their area of work: secretary, chief of accountants, IT specialist and the Mayor him/her-self.

Based on the opinion questions two further questionnaires were developed: one for managers (in most of the cases the Mayor) and one to employees. The first questionnaire had 84 opened and closed questions (52 general questions and 32 sub-questions) addressing all the twelve topics set in the methodology. The second instrument had 34 general questions which partly were common with the ones asked from the managers (testing the consistency of the answers and the awareness of some aspects within the institution) and some particular ones (especially those regarding human resources, leadership style or details of their job description). The instruments as well as the description of the general results are presented in Abrudan et. al. (2012).

The set of three instruments was developed first in English as a common language of the partnership, consequently being translated into Romanian and Hungarian.

2.4. Sampling for the pilot research of NPM in local public administrations

In both counties from Romania (Bihar county) and Hungary (Hajdu-Bihar) the project partners were responsible to gather data from 30 institutions, as set in the project agreement. From the Romanian side the sampling was somewhat opportunistic, as we relied on institutional and personal contacts to make sure we will get the approval of participation in the study from the local representatives.

In Bihar County there are a total of 101 localities: six municipalities, four towns and 91 communes (villages as administrative units). We included all the urban localities and 20 villages distributed geographically in the entire county. In prior projects implemented by the Faculty of Economics there were developed several partnerships with local administrations (mainly the *Entrepreneurship and the Equality of Chances. An Inter-regional Model of Women School of Entrepreneurship – AntrES* project where a total of 4 towns and 12 villages were partners in the implementation of training activities). In choosing the other localities for our study we sought to find localities representative for the county in terms of size, level of development, ethnic composition and distance from Oradea (County Seat). Additionally the County Council of Bihar was also included in the research.

Technically the Faculty prepared Partnership Agreements for each Mayor's Office, those that agreed to take part in the study were then visited by the researchers in the team in order to fill-in the questionnaires and the factual information sheet. Each researcher was allocated a number of five localities in order to manage the data collection process.

In most cases the data collection took longer than expected due mainly to the fact that by the time all the instruments were finalized and translated the winter holidays were close. It was intended that each researcher will administer the questionnaires, most importantly those addressed to the Mayor and collect those filled in by the employees (to ensure confidentiality of answers). Yet in most cases the respondents asked to leave the instruments so they can fill them in when they have time, consequently over 90% of them were self-administered.

3. EVALUATION OF THE RESEARCH METHODOLOGY

Several problems were met during this study. Some of these were inherent to the project proposal and could not be changed during the implementation. Some of them were manifested during data collection and some noticed during data analysis. Most of the weaknesses of the study were referred to by the research team as limits; nevertheless some were emphasized by representatives of public administration instruction from local and national level. During the project finalization conference a consistent feed-back was received from the final beneficiaries regarding possibilities of improvement of such an endeavor. In this section we will refer to all these limits, both as noted by the researchers and as received from local administration institutions. For the purposes of this paper we exploit the same structure as the one used in development of the research methodology. Thus in further paragraphs we will present the problems encountered in the development of the research topics and the instruments, as well as aspects regarding data collection and sampling.

3.1 Limits of the research topics

As mentioned above, the research topics were driven from the general approach regarding *New public management* (Hood, 1990 and 1995, Androniceanu and Șandor 2006, OECD 2005). Nevertheless the seven dimensions of change promoted by this new paradigm (Hood, 1995: 96) were refined and grounded on different aspects of concrete activities undertaken within public administration.

In this regard we faced the first challenge which could not be solved within the frame of the project: several aspects are reflected in the national legislative frame regarding public administration. This is to say that the analysis of the national policies and regulations were not the object of our study / project, our focus being on the mechanisms at local level. Yet an assessment of the level of adherence of the public administration institutions to the New public management paradigm is highly reflected at this broad national level (Androniceanu, 2008). References to the national legislation were made for each topic, where relevant, however a systematic review and assessment of the legal frame regulating all process of public administration at local level is in progress.

Driven from this problem was also the need to broaden the research team in an interdisciplinary manner. It would have been enriching to benefit from the input of legal experts as well as financial experts in matters of local administration institutions. These types of experts can be involved solely in the preliminary stages of framing the methodology as well as in the interpretation of the results.

Other types of problems were consequent to the short time period in which the literature analysis on each topic was developed and the time spent in developing the research instruments. As the time to finish the research instrument was rather short, each team member worked individually for the literature review. More discussions, team meetings dedicated to receiving feedback on each topic, transmission of findings to other team members would have allowed the team to notice both the overlapping of ideas as well as the directions not covered sufficiently. This aspect was not as much the challenge of the Romanian team (monthly meetings were held, results were posted on-line and commented by colleagues, hypothesis were formulated together) but the international cooperation. The exchange of findings from the literature analysis between the Romanian and Hungarian teams was scarce and no meetings were held to debate about the actual content of these findings. The language barriers, as well as time, were the main sources for this problem.

3.2 Improvement of research instruments, sampling and data collection

The idea to develop an informational sheet about each institution was a very useful one. It was intended to collect this data before the actual field work, but in some cases the data was not accessible on-line or from other sources, thus we decided that each Mayor's Office should provide the data themselves. The errors of this approach resulted from a partial provision of data (in some cases we did not receive information to all questions as for example financial information). Also in some cases there were clear mistakes in the answers – for example all reported the Mayor's Office owns a website, yet we found a smaller number of websites available on-line. There are several possible solutions:

- (1) either the data for the factual sheet is gathered from official reports the public institutions submit, or
- (2) the data is collected from each institution by a data tender which during a longer period of time collects all the information from all relevant actors in the institution.

The benefits of the first solution is that the data is correct and needs no further examination, is fully comparable between institutions yet it requires access to these official reports and thus time to retrieve the relevant data. The use of a data tender provides the opportunity direct interaction which may lead to revealing of other processes or information from each institution. For further research we consider that both can be employed, nevertheless the partnership with the County Council (if we consider the Mayor's Offices) is useful at least regarding the financial information provision.

On the other hand, as the time was again limited, there were factual questions that were still asked from the managers or employees which could have been included in the factual sheet. A revised version of the factual sheet was discussed by the Romanian team members after the completion of the project.

The other two instruments, the questionnaire for the managers and the one for the employees, were also tested within the project. The main problem was the fact that in most cases it was self-administered, as mentioned in the beginning. Consequently not all the questions were answered to,

and the level of desirability of answers was very high. This led to a very optimistic view regarding the processes within the local administration institutions as conclusions of this pilot study. Ensuring the anonymity of the answers is in this regard also an essential factor. The solution to these sources of error is clear: even in cases where people do not have time to fill the questionnaire, it is better to make an appointment and come for the second or third time. More, in the case of the managers it would be enriching to have interviews in order to receive arguments for the provided answers. This would prevent also the high desirability of answers. A clearer cut between the factual information and the opinion ones that need to be discussed with the managers will also shorten the list of questions and consequently the time spent in such an interview.

The data was then introduced in data bases and analyzed using SPSS. Some of the difficulties were revealed only in the final stages such as the high desirability of the answers. Other aspects, such as the repetition of some information, the need to distinguish between factual data and opinion questions, were revealed by the partners during the field work. The need for inclusion of broad overviews regarding legislation was pointed out by public administration officials during the dissemination stages of the project.

Based on these problems the research teams from both Hungary and Romania decided to continue and improve the study of local public administration institutions. Part of this endeavor is the current systematic analysis of the sources of errors faced.

4. CONCLUSIONS

This article synthesizes the main problems and sources of error faced in the implementation of a research regarding the implementation new public management approach in local public administration institutions from Romania and Hungary. We are aware there is a general need for assessments of the administrative processes at local level, in the pursuit of finding best solutions to reach the aims of a better government. The New Public Management paradigm provides directions of activity and shifts the orientation of public administrations towards a more managerial approach. The public institutions must offer effective public services and goods and optimally ensure to collective good of the communities they administer.

We consider that a down-to-top analysis of processes within local administration institutions provide a better understanding of the real problems faced by these institutions. Framing a research methodology on these aspects ensures a common ground for data collection and analysis. Such data facilitates both the generalization of conclusions at national level as well as the extraction of grounded best practices. The creation of faculty consortium from different regions is a resource that can be employed in the generalization of this type of research.

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