Abstract
This short article will explore the value base that underpins New Public Management and its interplay with ethics in the UK public sector. For example, the public sector’s business-like operations, individual responsibility and mistrust of human behaviour amongst others will be brought to the fore. Furthermore, this article will also explore how ethics/standards have become a ‘managed’ process, e.g. reports, audit amongst others. Notwithstanding the views to the contrary, this article will advocate that the values inherent in the New Public Management doctrine has not led to the erosion of ethical standards. This article is divided into six sections. The first section is the introduction. This section will define ethics and the New Public Management (NPM) mantra. The second section will dwell on the expected ethical standards and effects of New Public Management in the UK public sector. The third section will focus on the values of NPM in the UK public sector. Organizational impacts of NPM will be the focus of the fourth section of the article. The fifth section of the article will dwell on the criticisms of NPM and its interplay in the public sector. The final section is the conclusion. Here, a summary will be attempted and the article will posit that NPM is not inherently bad.

Keywords: New Public Management, Public Sector Ethics, Values of NPM, Organizational structure of NPM.

Introduction
Public Sector Ethics are the set of guidelines or legal regulations that guide public sector management in many countries. The United Kingdom is no exception. Thus, public sector ethics is the “application of moral standards in the course of official duties“ (Chapman, 1998, 9). Public sector ethics applies to quality of work expected by government and agencies and it provides a framework that encompasses the totality of governance in the public sector (Chapman, 1998).

Generally, ethics is not a new phenomenon or fad (Davis in Bovaird and Loffler, 2003). The ensuring of high standards by political or government actors
predates the modern concept of the rule of law (Rechtsstaat) and it is traced back to the Medieval Greek and Roman epochs (Davis in Bovaird and Loffler, 2003). Some authors contend that the modern-day evolution of administrative or public sector ethics is traced to the mid-1970’s which was largely influenced by the New Public Administration (Management) (Cooper 1994, Cooper 2001). However, the general consensus is that it was Professor Christopher Hood’s writings in the 1980s that first introduced the term ‘New Public Management’ (NPM) (Elzinga 2010, Haynes 2011).

The public sector in the United Kingdom has undergone massive reforms. The public sector in the United Kingdom has been heavily influenced by the principles of New Public Management (Hughes 2003). New Public Management is the importation of commercial concepts into the public sector thereby watering down the traditional or bureaucratic concepts of administration inherent in the public sector. The Margaret Thatcher and Tony Blair administrations made NPM the cornerstone of their public sector reforms (Greenwood et al 2000). The present coalition government of David Cameron and Nick Cleggs is no exception. Generally, a coalition government is made of members of the leading party (based on their electoral performances) and the junior members of the coalition (the smaller party) (Ekhator 2008). Presently in the UK, the Conservative party is the major party in the Coalition government while Liberal Democrats is the minor or smaller party in the arrangement.

Some of the concepts imported into the traditional concepts of the public sector include contracting and the use of professionals in the public sector amongst others.

**Ethical Standards in the UK Public Sector**

Ethical standards (in the public sector) are affected by the principles of New Public Management prevalent in the present day public sector. The modern day public sector organization are run under business ideas, thus resulting in public firms focusing on results instead of processes or services (Davis, in Bovaird and Loffler, 2003). There are two contrasting views on the effects of New Public Management on the public sector. The first view is that, the reforms can lead to corruption because of the powers given to managers in public firms (Lawton in Rose and Lawton, 1999). It is argued that the declining public confidence reposed in the public sector is traced to the New Public Management reforms in the public sector (Wood in Dibben et al. 2004). The second view is that the reforms in the public sector lead to less corruption because there is greater competition and transparency in the modern-day public sector (Lawton in Rose and Lawton1999). This article will stick with the second view that reforms in the public sector has led to more transparency and openness. This view will be analysed in the next part of this article.

**Effects of New Public Management in the Public Sector of the UK**

This part of the article will explore the value base that underpins New Public Management. For example, the public sector’s business-like operations, individual responsibility and mistrust of human behaviour amongst others will be brought to the
fore. The question at this juncture is; with the importation of business ideas into the public sector, whether ethical standards still exist or the culture of the public sector has been upstaged by the business culture (Davis in Bovaird and Loffler 2003).

Furthermore, this section will also explore how ethics or ethical standards have become a 'managed' process, e.g. reports, audit amongst others. Undermining the views to the contrary, this article will advocate that the values inherent in the New Public Management doctrine has not led to the erosion of ethical standards.

The public sector has undergone reforms in the UK. In the UK, the bureaucracy involved in the public sector has been watered down by the outsourcing of traditional public sector functions to the private sector (Gray and Jenkins in Jones and Kavanagh, 1994). Thus, functions such as education, social services and housing have been given to outsiders or contractors (Gray and Jenkins in Jones and Kavanagh 1994). In a nutshell, the British Public Sector has been heavily influenced by the principles of New Public Management (Hughes 2003). The question at this juncture is; what are the values that underpin the New Public Management in the UK?

**Values of NPM in the UK Public Sector**

“Over the past ten years there has been a huge fuss over the ‘New Public Management’ (NPM)” (Pollitt 2003:26). New Public Management (NPM) is simply the reforms which the public sector or administration in the UK has undergone. NPM as an international paradigm in public administration had its origin in 1980s in the UK and New Zealand (Common 2001). The term ‘New Public Management’ as equating to the reforms in the public sector was first articulated by Christopher Hood in his seminal article entitled 'A Public Management for All Seasons' (1991). Hood traced the rise of NPM to be the consequence of four administrative or mega-trends (1991). These trends were;

- Slow down/reverse of government growth (especially in terms of spending and staffing)
- Shift away from direct service delivery by government( for example, a move towards privatization and quasi-privatization)
- Development of Information Technology (especially in the production and distribution of public services)
- Internationalisation (development of an international agenda that encompasses policy design and intergovernmental cooperation amongst others).
New Public Management Model (Common, 2001: 49-51)

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This table represents the values inherent in the NPM in the UK public sector.

Organizational Impacts of NPM in the UK Public Sector

The effects of NPM can be divided into ‘Structure’ and ‘Managed Process’. These two components of NPM represent a shift in emphasis on quality and performance. Firstly, the public sector has become customer driven or oriented. Secondly, NPM is a movement away from the professional/functional assessment of performance, thus, it is managing performance linked to organisational strategy and control. These effects will be analysed in the next part of this article.

Structure of NPM

The first major value inherent in the NPM in the UK Public Sector is its structural reform (Lawton, 1998). Technically this entails “organisational decentralisation or changes that involve reducing hierarchical authority as key features” (Common, 2001: 48). For example, the division of service delivery into business units at ‘arm-lengths’ from Government as seen in the Next Steps in the UK (Lawton, 1998). Here, Next Steps model involved setting up a distinct separate body responsible for the delivery or actualisation of services in tandem with the relevant Government policy department (Hughes, 2003). However, it has been contended that decentralisation is not a sine qua non in the New Public Management reform agenda (Hughes 2003). The reason is that the public sector organizations in the UK have the power to design their agenda and the policy of flexibility inherent in the public sector (Hughes 2003).
The public sector has become marketised by NPM (Common, 2001). This concept is about “states with strong capability can take on more activist functions, dealing with the problem of missing markets by helping co-ordination” (Common 2001: 49). This is supposed to enhance competition in the UK public service. Here, market-styled mechanisms are used for delivery of services (or products) (Pollitt, 2003). The analogy is extended to state that the government may not necessarily be the final purchaser (Hughes 2003). A consequence of market-based public sector is that it is now client-driven. Thus, citizens in the public sector are now referred to as ‘consumers’ (Pollitt, 2003).

**Managed Process**

This involves the changes to the managerial process in the UK public sector (Common, 2001). This involves “changes in the budgetary process, in human resource management and quality management practices” (Common, 2001: 51). The major reason for the ‘hands-on professional management’ is because the whole process is now made more accountable (Hood, 1991). The modern day public sector organisation is expected to focus on outputs instead of inputs. This entails a shift in the direction of the management from inputs (for example, employees, buildings) and processes (for example, teaching and inspection) towards outputs (results of tests and inspections) and outcomes (for example, schools which fail inspection may be closed down) (Pollitt, 2003). Tony Blair brought out the importance of relying on ‘outcomes’ stating that it “allows us to give freedoms back to the public service workers – if a service can be accountable for what it achieves, we need not worry how it achieves it” (Blair 2002: 15 in Pollitt 2003: 27).

Another important effect of NPM on the public sector is how performance is managed. In managing performance in the public sector, there are two types. There are output based (quantifiable standards/measures) and outcome based (to demonstrate change in performance). Performance involves a move “towards more measurement and quantification, especially in the form of systems of ‘performance indicators’ and/or explicit ‘standards’” (Pollitt 2003: 27). For example, civil servants who pay out benefit claims, the rate and the average time taken to process such payments is taken into consideration when measuring which of the local offices are slowest or fastest (Pollitt 2003). Thus, agencies or organizations are expected to develop performance guides or indicators as a means of measuring their growth towards attaining their desired aims and objectives (Hughes, 2003). However, as Bouckaert and Dooren (2003:135) observe: “performance measurement is useful only if it improves policy or management”. However, without performance management, we cannot measure the impact of an organisation on the agency or the society.

Another manifestation of NPM in the public sector is the flexibility in the workplace (i.e. staff). This entails increased managerial autonomy for managers (also includes frontline staff) have arisen due to the increased flexibility in the use of financial and staffing resources (Davis in Bovaird and Loffler 2003). There is also the
easier movement of workers from the private sector into the public sector. This has led to the development of the entrepreneurial spirit in the public sector (Lawton 1998). Another form of increased mobility in the public sector is the increased movement of staff from a sector to another sector or department (inter-departmental mobility). The flexibility in the public sector has led to easier ways of hiring and firing staff. Thus, it is easier to dismiss inefficient or incompetent employees (Hughes 2003). However, there is protection against unfair and arbitrary dismissal of staff (Hughes, 2003). Flexibility in the public sector is not fool-proof. It has been argued that it has led to the dilution of the traditional ethos of the public service and the problems of the passing of confidential information by employees who move from one sector to the other (Davis in Bovaird and Loffler 2003). However, the view of this article is that flexibility has led to more efficiency and less corruption in the public sector.

Another effect of NPM is the blurring of the differences between the public sector and the private sector (Ekhator 2012). This has been especially evident in the levels of interactions between public and private or non-profit organisations (or voluntary organisations) that have led to different types of partnerships (Pollitt 2003). Thus, to elucidate on the relationship among parties it is important for clarify the roles and enhanced transparency in the relationships partnerships and other interested stakeholders (Davis in Bovaird and Loffler, 2003). If this is not done, it could lead to mistrust in the relationship between the parties and for government (or the public sector) activities. Thus, in the relationship among the parties, there must be accountability between the manager and the stakeholders (Hughes 2003).

A major value inherent in the public sector is ‘contractisation’ of government services. This concept entails that “any conceivable government service can be provided by contract; either externally through private or voluntary sector providers or internally with other parts of government” (Hughes 2003: 57). This is said to encourage competition. Thus, competitive tendering was adopted in the local government system in the UK in the 1980s (Hughes 2003). Contracting may include staff contracts, contracts with the minster or contracts with the government and contracts in form of charters between the public and clients (Hughes 2003).

However, contracting in the public service is not fool-proof especially contracts between private firms and public organizations especially in the area of sub-contracting. It has been argued that the parties to a contract have different aims and objectives (Davis in Bovaird and Loffler 2003: 216). Thus, a contractor provides the best possible service according to the terms of the contracts (Davis in Bovaird and Loffler, 2003). Here, a contractor may end up providing poor services. For example, it has been alleged due to the poor cleaning services rendered by contractors in the hospitals, there has been an increase in killer bugs which kill patients (BBC Website 2008). In essence, making profit and survival are the hallmarks of a contractor (Davis in Bovaird and Loffler 2003).
Recent Developments in the UK (NPM )
- Charters: Citizen’s Charters to Service First
- Benchmarking: ‘Best Value’ in Local Government
- European Foundation for Quality Management: Investors in People and ISO 9000 accreditation
- Clinical Governance (NHS – supported by organisations such as National Institute for Clinical Excellence)
- ‘Big Society’ mantra under present Conservative and Liberal Democrats coalition government.
- The commercialisation of the National Health Services under the present UK government.

Criticisms of NPM

In analysing the effects of NPM on the public sector, the analysis will be focused on the effects or impacts of NPM on ethical standards. It is being argued that the reforms inherent in NPM will lead to the erosion of public ethos (Hughes, 2003). Research has shown that the declining public confidence in the public sector is as a result of the introduction of the New Public Management principles (Wood in Dibben et al 2004). In furtherance of this, neo-conservatives contend that erosion of ethical standards results from individual lapses or mistakes and poor communication which results in differences between government and the economic sector (Wood in Dibben et al 2004). Thus, in its present state, the modern public organization cannot effectively confront the scourge of moral and ethical issues inherent in it (Adams and Balfour in Campbell and Miller 2004). Moreover, the managerial autonomy inherent in the private sector is difficult to apply in the public sector. This unhealthy interchange of managerial autonomy in the public sector has led to unethical practices by workers via inappropriate means (Wood, in Dibben et al 2004). Also, the decentralisation inherent in the NPM influenced UK public sector leads to lack of accountability and invariably erodes democratic control.

NPM has led to the marketisation of the public sector and this invariably leads to the decline of the ethos (Wood et al 2004). NPM has involved the corrosion of the distinctions inherent in the relationship between public and the private sector resulting in the reduction of treatment of social services and low accountability standards (Wood et al 2004). Thus, the collective values inherent in the traditional public sector (such as universalism and equity) have now been upstaged by the private sector values such as efficiency and individualism.

NPM has resulted in business and market models which have replaced service as the cornerstone in the public sector (Wood in Dibben et al 2004). Thus, NPM “fails to account for critical differences between the government and the private sectors, and in particular, ignores the constitutional premise that government is based on a rule of law and not market driven mechanisms” (Wood in Dibben et al 2004:86).

This has led to the privatisation or contractisation of government services to the private sector. To its supporters, privatisation leads to greater efficiency through
the reduction of inefficient bureaucratic process and leads to profit for the
government (Wood in Dibben et al 2004). Also, inefficient government firms should
be privatised to save costs. Privatisation is not fool-proof. For example, the
privatisation of the railways has led to less competition in that sector. Thus,
privatisation creates short term benefits due to the inherent imperfections of the
public sector markets.

Privatisation has made private firms involved to try to make as much profit as
possible (Wood in Dibben et al 2004). This is the epitome of consumerism which
conflicts notion of the citizenry being the end-users of a public service. Thus, the
treatment of citizens as customers has led to the companies engaging unethical
conduct so that they stay afloat or make enough profits. For example, the fares in
the London transport system (underground and buses) are increased annually by the
government in deference to the private operators of the transport system. This has
affected the users of this hitherto public service (transport system) negatively
because the public end up paying more to use the public transport system.

As a direct result of the contractisation of a civil servant services, except his
contract expressly specifies a duty, he is not compelled to perform such a duty. Thus,
such an official owes his allegiance to the terms of his contract and not to the
minister or department.

This article will take the view that no matter the erosion of the public sector
ethos, there still remains a semblance of ethos no matter the postulations to the
contrary. This assertion will be elucidated upon in the next part of this article.

Are Ethos Undermined by NPM in the Public Sector?

The view of this article is that NPM has not undermined the public sector
ethos rather it has enhanced them. The first argument to support this assertion is
that in the UK, there is no uniform public sector ethos (for example, honesty, stability
amongst others) which runs across the whole gamut of the public sector. Kemp, a
former high ranking civil servant in support to this said “in fact there is no such thing
as ‘single public service ethos’. Different parts of the service and different agencies
and units have their own ethos will vary according to their function...” (Kemp
1993:33). Conclusive proof was given by Pratchett and Wingfield (1994:32) after
surveying local council staff that there is no universal ethos clearly defined in the
public sector. Thus, uniform public sector ethos is not in existence in the UK public
sector because each government agency or department is guided by the ethos
peculiar to its sector.

NPM reforms in the public sector have resulted in greater transparency
because unethical conduct including corruption is easily detected (Hughes 2003).
Moreover, performance indicators have also led to higher ethical standards and less
inefficiency in public sector activities or service delivery. Furthermore, as result of
higher transparency in the public sector, politicians or government officials in charge
of departments or agencies where ethical misconduct occurs can be held responsible
for such conduct (Hughes 2003). Thus, government ministers in charge of such
agencies might be compelled to resign as a result of such unethical conduct in the agency. For example, in 2004, David Blunkett the Home Secretary resigned from the government because it was alleged that he used his powers to secure a visa for his nanny.

Since it is difficult to measure unethical behaviour (or corruption), it is impossible to know whether the total percentage (of corruption) is rising, falling or remains the same (Pollitt 2003). There has been few and isolated incidence of unethical conduct (including corruption) by politicians and civil servants in the public sector (Ekhator 2012). Some of the scandals include the ‘Donnygate’ which was when some Doncaster council officials were convicted for expensive fraud (Davis in Bovaird and Loffler 2003). Others include the ‘home for election’ scandal in the Westminster Council (Davis in Bovaird and Loffler 2003). Corruption in the public sector is not widespread as the commentators and the media are painting. In comparison with the private sector, unethical behaviour (including corruption) is minimal in the public sector. Thus, it can be contended that the low level of corruption in the UK public sector is as result of the NPM reforms and the inherent ethos prevalent in the UK public sector (Ekhator 2012).

A minimisation of the clash between traditional and NPM values (Pollitt, 2003). NPM has led to dislocations in the public service. However, NPM reforms do not challenge the traditional ethos inherent in the UK public sector, it enhances them! (Pollitt, 2003). Furthermore, NPM has added better values to the public sector. Such values include enhanced customer-based service, setting of annual targets and managerial freedom amongst others.

Notwithstanding its inherent defects, the New Public Management doctrine can remedy the corruption and unethical conduct in the UK public sector (Ekhator 2012). To mitigate the effects of corruption and other unethical standards, the public sector is expected to have higher ethical standards or ethos than the commercial world. Public ethos can be said to “consist of a set of values held in common by public services managers and expressed through their virtues” [impartiality, honesty and trust amongst others] (Pratchett and Wingfield, 1994: 304). Thus, it is argued that reforms in the public sector lead to less corruption because there is greater competition and transparency in the modern-day public sector (Lawton in Rose and Lawton, 1999). NPM has done more good, than harm to the public sector of the UK.

**Conclusion**

The Public Sector ethos in the UK has led to higher ethical standards in the public sector (Ekhator 2012). However, some commentators still doubt the effectiveness of the public sector ethos leading to higher ethical standards because of the inherent contradictions in it (Ekhator 2012). Such commentators do not believe that NPM leads to higher ethical standards in the public sector. They believe that the notion of New Public Management (NPM) in the public sector has led to the watering down of the public sector ethos (Hughes 2003). They contend that research has shown that the declining public confidence in the public sector is as a result of
the introduction of the New Public Management principles (Wood in Dibben et al 2004). Furthermore, such commentators believe that the managerial autonomy inherent in the private sector is difficult to apply in the public sector. This unhealthy interchange of managerial autonomy in the public sector has led to unethical practices by workers via inappropriate means (Wood in Dibben et al 2004). Also, the decentralisation inherent in the NPM influenced UK public sector leads to lack of accountability and invariably erodes democratic control.

Other manifestations of the increase in unethical conduct as induced by NPM include: results in business and market models which have replaced service as the cornerstone in the public sector (Wood in Dibben et al 2004), and the problems of privatisation amongst others.

This article has argued against these views that NPM has led to lower ethical standards in the public sector. The article has posited that public sector does not lead to lower public sector ethos but to higher and improved ethos in the public sector.

Furthermore, the public sector is expected to have higher ethical standards than the commercial world because of the (the public sector) special relationship with the citizenry (Ekhator 2012).

The value base that underpins the principles of New Public Management (NPM) were analysed during the course of this article and this article posited that NPM is a good thing because it has led to higher ethical standards in the public sector. NPM’s principles such as the public sector’s businesslike operations, individual responsibility and mistrust of human behaviour amongst others were thoroughly discussed in this article.

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