

The Reform of Human Resource System in the Public Sector under the New Public Management System

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Abstract. The work presented in this paper focuses on New Public Management (NPM) and the public human resource management system. New Public Management (NPM), which has been used in the West for a number of years, is currently being implemented in China to manage various government departments. China is aware of the benefits that NPM may bring to the management of the government. In the context of New Public Management, departments of public human resources will also need to undergo transformations in order to improve talent management and recruitment efforts. This paper identifies the problems with public sector human resource management, including but not limited to the following: the focus of Chinese public sector personnel on achieving public sector goals at the expense of personal goals; the unfairness of recruitment principles due to human relations, which is not conducive to the rational allocation of talent and leads to brain drain; and the outdated management style, problematic promotion system, and inadequate incentives in China's public administration. Increasing the effectiveness of the performance evaluation process is one way to solve these shortcomings. These deficiencies can be rectified by enhancing the performance appraisal mechanism, establishing a flexible system for workers, and aiming for maximum efficiency in order to improve the difficulties in the public sector. This paper offers some references for the improvement of talent management in public organizations.

1 Introduction

In this modern day, the traditional model of government administration is no longer enough to meet the requirements of social and economic advancement. Western governments that operate under traditional bureaucracies are unable to cope with their own institutional expansion and rising fiscal expenditures. As a consequence of this, the public sectors of the United States, the United Kingdom, and other Western countries have undergone reform and adopted models of public management that are distinct from those of governments and markets [1]. This has contributed to the emergence and growth of the New Public Management (NPM) movement. This has contributed to the NPM movement. The Chinese government has adapted under the New Public Management system. They have used effective approaches and experiences to reform and reinvent the government management model, contributing to China's rapid social and economic growth. The New Public Management model is a product of the political, economic, and cultural contexts of western nations, which have successfully utilized it for administrative reform, including reform of government personnel. In order to increase the efficacy and quality of our government, it is beneficial for us to learn from successful management practices and to adopt the best of these concepts [2]. This paper examines the principles and theories of New Public Management, compare traditional administration with

New Public Management, and highlight the benefits and limitations of New Public Management. In addition, the paper analyzes the human resource system in the public sector under the New Public Management, hoping to offer some references for the improvement of talent management in public organizations.

2 New Public Management Analysis

2.1 New Public Management concept

New Public Management (NPM) is an approach to public administration that, in contrast to traditional administrative theory, is founded on contemporary economics and the management philosophy of private enterprise. The productive experiences of contemporary economics and the management ideas of the private sector are utilized as a reference for development, and therefore, they provide a suitable theoretical framework for the actualization of public sector management [1]. The New Public Management redefines the government's management function, which is to take the lead, participate proactively in policy creation, restructure government management functions, and use the market as a key basis. These are all aspects of the management function of the government. New Public Management advocates incorporating corporate management ideas and techniques into government management to learn from

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company success and to provide a rich reference for the invention of government management instruments. The New Public Management's field of application covers administration, public utility management, labor and social security, environmental economics and management, land management, human resource management, and urban management, and many others.

2.2 Contents in New Public Management

The theoretical creation of new public management follows a fundamental logic of critical, cognitive, practical, and reference theories. This is accomplished in order to establish a theoretical transcendence of traditional public administration and new public management [3].

New Public Management includes four main parts. First is the pursuit of market-based government management, which involves offering high-quality goods or services to the general public in a manner that is consistent with market conditions and making use of the competitive force of markets in order to enhance the effectiveness and caliber of government management [1]. Second, it works toward liberalizing the operation of the government. Giving managers the authority to manage freely and effectively, as well as breaking the limits that regulatory authority places on management, is one of the primary tenets of New Public Management. New Public Management places the blame for poor government management performance on poor rules and excessive institutional constraints. Thirdly, the political aspect of government management needs to be taken into consideration, and policy-oriented management actions or activities need to be handled in the appropriate manner. To prevent fraud, avoidance of accountability, and opportunism, as well as to ensure that public managers are given sensible and adequate management power, the fourth point is that it is essential to cultivate entrepreneurial public managers.

2.3 Contrast between New Public Management and traditional administration

New Public Management is a comprehensive rejection of traditional public administration in terms of theoretical assumptions, basic principles and policy practices [4]. First, traditional public administration says only the central government can supply vital services. According to New Public Management, the monopolistic nature of a public item or service requires government action, but not direct delivery. Privatization, outsourcing, and market deregulation reduce the scope of external government tasks. Second, traditional theories of government organization advise structuring the government according to Weberian bureaucratic principles to improve justice and efficiency in service delivery. In a volatile and changing environment, bureaucratic organizations lose out on advantages. According to New Public Management (NPM), the hierarchical and block structure of bureaucratic organizations hinders government innovation by consolidating departmental interests and making communication between units and levels more difficult.

They advocate replacing bureaucratic ideas with task-based, flat, adaptive organizations. Third, traditional public administration theory considered politics and administration to be two distinct spheres, but with the emergence of the administrative state, the intersection of politics and administration, and in particular the politicization of administration, has made the separation of the two untenable. New public administration theory advocates the development of the function of the bureaucracy from the traditional dichotomy between politics and administration to a dichotomy between politics and management. Fourth, the traditional administrative model assumes that there is a standardized rule of administration that public officials must follow and be accountable to their superiors in their work. In practice, the doctrine of accountability to superiors often leads to a bureaucratic deficit of specific responsibilities to the people they serve and even to a bureaucracy in which no one is accountable.

The New Public Management (NPM) has established a results-based management system for civil servants. The disconnect between power and responsibility is overcome by the fact that public servants at all levels are directly responsible for the results expected by their clients from different perspectives, rather than being indirectly accountable to the people through the Chief Executive and Parliament. Fifth, the theory of bureaucratic government assumes that civil servants are administrators whose duty is to act in the public interest. However, this assumption does not explain all the deviations from the public interest that occur in practice. New Public Management theory assumes that government managers are also rational economic agents and that only market mechanisms can change the behaviour of government managers. They therefore advocate a competitive service-oriented government that focuses more on the demand for and outcomes of services rather than more on regulation. As a result, the New Public Management (NPM) has abandoned the pedantry and bureaucracy of traditional public management and has created a more humane management model.

2.4 Advantages of New Public Management

The breakthrough of the traditional notion of government monopoly of public services and the significant development of its theoretical foundations are two of the strengths of New Public Management [5]. The new concept of public management gives people at the grassroots level the right to make fundamental decisions, ensures that monopolies are broken up in a timely manner, guarantees that the materials used in the construction phase are chosen through open competition rather than being decided unilaterally by the government, and makes sure that government services are carried out under the supervision of the general populace. This is a breakthrough in the traditional concept of public management, and the introduction of competitive market pressure in the construction of public facilities has resulted in a significant improvement in the quality of these facilities [6]. This has led to a significant improvement in

the overall efficiency of public management. In addition to this, the various goods will be evaluated side-by-side, and the best possible service provider will be chosen. This has resulted in a noticeable increase in the effectiveness with which the services are carried out and has been enthusiastically supported at the grassroots level.

From a theoretical point of view, New Public Management has evolved from a summary of the problems that existed in the traditional institutional system, and the theoretical foundations of public management have been continually refined, facilitated by the economic system. The foundations that underpin its formulation are economics and public management, which is a reversal of the traditional concept of management. The traditional concept saw policy and management as one and the same, and as a result, governments were unable to develop effective responses and policies when applying changes in the market economy. These problems are solved in the new management concept, where politics and public administration are conducted separately and develop together in a mutually reinforcing way. The theoretical foundations that existed in the traditional system are effectively amplified in the new management concept, which focuses on solving the problem of economic illusions. And by combining the management approach with the economic system, there will not be a situation where the old and the new systems coexist and the old system restricts the implementation of the new system.

2.5 Boundedness of New Public Management

While there are some advantages to New Public Management in comparison, there are also some limitations. These include the limitations of the theoretical foundations, the flaws of marketisation and limitations of output performance control [7].

Limitations of the theoretical foundations. The theoretical basis of New Public Management is economics and the private sector management approach. The economic tools used will inevitably have limitations, as not all public sector problems can be solved by the techniques and tools of economics. Economics does have some validity, but it is not yet perfected and its application to the public sector is bound to be flawed. And the introduction of private sector management ignores the fundamental differences between the public and private sectors.

The flaws of marketisation. The rediscovery and exploitation of market values has led New Public Management theory to argue that public goods and services should be provided by more efficient markets in order to reduce government functions and fiscal size. While the market is more efficient than government in some respects, it would be wrong to regard government as absolutely ineffective in the allocation of resources, especially in the context of an immature market economy, where government is relatively effective in allocating resources. Excessive admiration for the market mechanism can lead New Public Management into a misconception.

Limitations of output performance control.

Performance management reform is an important part of the New Public Management programme, but public sector performance is difficult to measure, so the benefits to government organizations cannot be quantified. The idea of performance measurement leads governments to focus only on what can be quantified, thus distorting the way things are done. Given that the objectives of public organizations are constantly changing, management indicators must also be flexible and subject to constant re-examination and revision.

3 The human resources department under the New Public Management

3.1 Contrast between private sector and public sector

Human resources in the public sector are the employees who manage the public affairs of society and deliver public services. The main distinction between human resources in the public sector and those in the private sector is their operating environment, which defines variances in the manner, features, and substance of human resources management [8]. The primary distinction between the two sectors is their distinct value orientations. This is due to the fact that the public sector is focused toward the public, whereas the private sector is oriented toward a very limited number of individuals. Public sector aims are complicated and diverse, whereas private sector objectives are specific. In contrast to the private sector, which only seeks to maximize profit, public sector employees are expected to share the values of public ethics and to prioritize the public interest of society when faced with competing interests, such as those of society, their department, and their own personal interest. Due to the fact that the two sectors do not share the same ideals, there are several discrepancies in their human resource management. Moreover, there are distinctions between the two in terms of human resource management. For instance, there are distinct disparities in particular parts of recruiting, employment, training, evaluation, and incentive compensation. In terms of recruiting, the public sector is more fair than the private sector, which contains numerous forms of discrimination. The public sector does not evaluate personnel based on performance in the same manner as the private sector, and evaluations are not focused only on economic performance metrics, unlike the private sector. In terms of compensation incentives, the private sector is more materialistic than the public sector. While there are differences in the values, objectives, processes and approaches of human resource management in the two sectors, there are also commonalities. They both have a focus on performance and the need to provide development and training opportunities in order to attract and retain talent.

3.2 Existing problems with human resource management in the public sector

Due to the influence of traditional methods of human resource management, personnel working in the Chinese public sector are only concerned with achieving the goals of the public sector, while ignoring their own personal goals. Furthermore, their training, career planning, and professional development are merely formal, which hinders their own growth. The lack of creativity in the public sector has resulted in a lack of creativity and innovation in the public sector, which is ultimately detrimental to the long-term development of the organization [9]. As a result, the concept of talent management in the public sector is falling further and further behind. In addition, currently, examinations and inspections, open selection, and job competition comprise the majority of China's public sector human resource management recruiting, which is more open and subjective [9]. A selection and appointment process that is fair, impartial, and transparent is essential for the growth of brilliant individuals. Due to the flexibility of the current appointment methods in China, unfairness in recruitment principles due to personal relationships such as kinship and geographical ties occurs on occasion. This is not conducive to the rational allocation of talent, resulting in brain drain and a decrease in the motivation and creativity of public employees.

Furthermore, China's public administration suffers from antiquated management practices, problematic promotion procedures, and weak incentive mechanisms [10]. First, the evaluation and assessment mechanism for civil servants in China is not yet perfect. It lacks systematic theoretical support and guidance, unified planning, and it is difficult to determine performance indicators, making it difficult to make an accurate evaluation of civil servants' working abilities and accomplishments. In addition, the multidimensional method of performance evaluation is insufficiently sound, since it focuses solely on internal evaluation to the exclusion of mass evaluation. Second, the premise for advancement is inappropriate, and leaders prioritizing their personal rights over the law.

3.3 Changes that can be made to public sector human resources management

There are numerous alternatives for enhancing the management of human resources in the public sector within the context of the New Public Management. These include the development of a scientific perspective, the improvement of the human resource environment, the introduction of flexibility in the public service, the establishment of a human resource management system to introduce strategic human resource management, and the strengthening of performance appraisals [9].

First, from the perspective of New Public Management, the more effective the performance evaluation mechanism, the more efficient the public sector's human resource management. The combination of qualitative and quantitative evaluations will enhance the quantity and quality of work in the public sector, hence

enhancing efficiency. And by enhancing the system for disciplining employees based on their attendance, the phenomenon of late arrival and early leave can be avoided. By improving the performance evaluation system, it is possible to acquire a thorough understanding of the weaknesses and strengths of employees.

Second, the concept of New Public Management requires governments to be more flexible and effective. Governments can apply corporate management models and practices to increase the flexibility and efficiency of human resource management in the public sector and alter the public sector development model in order to attain flexibility.

Third, the public administration should set efficiency maximization as a development objective and implement mechanical job design strategies to lower the level of work responsibility. In addition, they can encourage creativity through the use of motivating job design strategies and conduct routine on-the-job training for employees. Furthermore, the public administration should adopt job rotation to help employees comprehend the responsibilities of different departments, reduce dissatisfaction with their own department, and increase their sense of accomplishment.

3.4 Risks in public sector human resources management

China's public services are increasingly employing outsourcing services for human resource management in the context of New Public Management. Outsourcing HRM services can be divided into an outsourcing decision phase, an outsourcing selection phase, an outsourcing implementation phase and an outsourcing exit phase, which will result in the following four risks [11].

Risks at the stage of decision-making: the selection of a project for outsourcing should be based on the actual needs of the public sector and the particular issues in human resource management. If a project is not chosen properly, it will not only fail to solve the issue, but it will also raise the cost and risk associated with management. Therefore, at this point it is essential to determine the outsourcing objectives and choose the appropriate project to outsource. As the activity of the public sector is of significant interest to the general public, it is essential to exercise caution and prevent blindness when making judgments.

Risks at the selection stage: during the contracting process, when knowledge and expertise are limited, the public service sector is susceptible to greater contractual risks. During the implementation of the project, unknown risks are unavoidable, and it is impossible to hold them accountable if they are not listed in the contract. Thus, it is essential to carefully examine the market situation, select an acceptable outsourcing strategy, and execute a detailed contract. The contract must be founded on a long-term relationship and mutual benefit, as well as include security and secrecy requirements, clarity on the responsibilities and rights of both parties, and clear guidelines for handling crises and disagreements

Risks during the implementation stage: First,

regulatory risks. There is a possibility that the outsourcer will be opportunistic and degrade the quality of the service without violating the contract, so making monitoring more difficult. If the outsourcer acts opportunistically, to the prejudice of others, or fails to comply with contractual commitments, the HRM outsourcing project could collapse, resulting in large losses for the public sector. These two risks can be mitigated by increasing supervision and management, checking the quality of outsourcing, raising knowledge about information security, and preventing information and data leaks.

During the exit phase, there may be a danger of disclosure. The public service is distinct from the private sector in that it has the authority to handle public affairs in the goal of protecting the public interest. When a public service sector collaborates with an outsourcer, specific information and resources must be shared to ensure a seamless working relationship. There is a danger that data will be jeopardized if the outsourcing contract is ended and you cease working with the outsourcer. Therefore, to limit the possibility of leaks, the relevant departments must recover and destroy information effectively.

4 Conclusion

This paper describes the concept and content of New Public Management (NPM), as well as its strengths and limitations. New Public Management's strengths are that it challenges the old notion of government monopoly over public services and that it has made major theoretical advancements. It has decentralized decision-making authority, swiftly intervened in monopolies, and utilized open competition to choose products for use in the construction phase. The shortcomings of the theoretical foundations of NPM, the weaknesses of marketization, and the constraints of output performance control are also identified. Then, the distinctions between the public and private sectors in the management of human resources in the context of New Public Management are described, and the issues of the public sector are outlined. These deficiencies include the fact that Chinese public sector personnel are only concerned with achieving public sector goals at the expense of their personal goals; that unfair recruitment principles due to human relations occasionally occur, which is not conducive to the rational allocation of talent and leads to brain drain; and that China's public management sector suffers from outdated management practices, problematic promotion systems, and inadequate incentive mechanisms. This paper concludes by suggesting that the challenges in the public sector can be alleviated by enhancing the performance evaluation mechanism, establishing a flexible system for employees, and striving for maximum efficiency. This paper also outlines four hazards and responses associated with outsourcing human resources services in the public sector.

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