



ORIGINAL ARTICLE

Feasibility of New Public Management (NPM) in Urban Management (Case Study: Municipality of Miandoab)

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ABSTRACT

New Public Management seeks to find that how appropriate management can organize services and provide to people. In fact, the main purpose of this study is to introduce and implement the new public management in urban management. The methodology used is practical analytic and descriptive. The findings indicate that application of New Public Management in city management is faced with serious challenges because of the concentrated administrative state structure of Iran. The results suggest that new public management can influence the urban management effectively and considerably and its application can promote the performance of urban management.

Keywords: new public management, urban management, good management, organization of municipal services

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INTRODUCTION

Rapid growth of urbanization and urbanism in recent decades has caused serious problems in the management of urban areas. Currently more than 60 million people annually are added to the urban population; this number equals to the total population of England or France. According to UN estimates, as the number of citizen increases twice between 2000 and 2025, the world's urban population is expected to rise from 47% to over 61% . In the UK, around 98% of the total population are urban dwellers. According to the report of Statistical Center of Iran in 2006, 64.4% of the Iranian population are urban dwellers, while this figure was 50% in 1986. In order to control urban population and coordinate urban utilities, therefore, the need for a comprehensive, integrated management is felt as well. Before World War II, urban management was strict and instructive in developing countries; after World War II, and after the transition from modernism, flexible and creative management was set into the agenda. Despite the high percentage of urban population in developed countries, urban management seems to be reasonably successful in providing municipal services to citizens. Unfortunately, the urban management system of developing countries is facing serious problems and failure to provide appropriate services to citizens because of the centralized structure of government and the lack of transparent, efficient and flexible rules in the field of urban management as well as the assignment of limited responsibilities to municipalities. Exercised authority over all sectors and geographic territory of the country, severe judiciary controls, administrative, financial and political paper works in the bureaucracy, emphasis on instructions rather than on results are the damaging effects of policies on urban management. Urban management operates optimally when its local structure of the hierarchy is bottom-up. For this purpose, different types of public managements can be used. Meanwhile, new public management (NPM) is a managerial approach which was developed in 1980 followed by new intellectual frameworks in the field

of management. In fact, the main purpose of this study is to introduce and implement the new public management in urban management.

The main problem is that whether NPM can be used in urban management; whether NPM can improve performance of urban management and provide better services to citizens; In general, how can the performance of urban management be improved in order to achieve the objectives of the new public management?

NPM appears to have a significant role in the management of cities.

NPM seems to improve the urban management performance.

Changes in the political and administrative system of urban management and municipalities, and flexible urban legislation and urban management seem to achieve the goals of NPM.

Methodology of this study is practical descriptive and analytical in nature.

THEORETICAL BACKGROUND

Management is the efficient and effective utilization of human and material resources in planning, organizing, deploying the right resources, guidance and control to achieve organizational goals based on an acceptable value system [1]. So far, various definitions of management have been presented. Some of the definitions include: management is the art of doing tasks by others; management is a process by which decision-making takes place in organizations; management involves the tasks of planning, organizing, leading, coordinating and controlling; management is the art and science of coordination between efforts of the members and utilization of resources to achieve organizational goals by playing a leadership role, resource, decision maker and medium for members of the organization [2].

In general, the course of management ideas can be examined in three schools. The first is the classics. This school addresses all administrative problems from the beginning of human history until 1880. The classic school is itself classified into Frederick Taylor's scientific management, administration, and the theory of Marx Weber's ideal bureaucracy.

Scientific management theory was founded by Taylor from the late nineteenth century. By studying the laws governing work, the pace of work, time and timing of the work and study on the workshop, Taylor found laws which are called scientific principles to increase working return. These principles include the replacement of calculation of thumb by scientific principles, coordination of group activities instead of scattering in practice, the cooperation of individuals rather than the chaos of individualism, working to maximize efficiency and efforts to increase the level of growth [1].

Fundamentalism theory, founded in 1917 by Henri Fayol, also coincides with the World War I. He saw the whole organization as a single body of which activities were divided into six categories including technical (productive), trade (buying, selling, and trading), financial (funding and optimal consumption), safety (protection of property and persons), accounting (determining financial situation) and the tasks of leadership (planning, organization, command and control) (ibid).

Bureaucracy theory was propounded by Marx Weber. While the major focus of Fayol and Taylor on scientific management was on effective achievement of goals, Marx Weber focused on the fundamental problem that how organizations can be given a good structure. Weber's major contribution to the formation of management was to make a list of characteristics of bureaucratic management. Weber's model features can be outlined:

- Recording decisions and administrative measures
- Rule of law and regulations, impersonal governance
- Recruiting staff based on merit and technical competence
- Separation of ownership of the means from administration
- A formal hierarchical structure
- Specialization of jobs

The second school is classical school (human relations). In 1920-1950 while the west experienced economic recession, some social scientists led by Elton Mayo began to study how people react to the amount of change in working conditions, job design and the managerial stimuli. Most of the studies were conducted in one of the Western Electric Company in Hawthorne, which were later became famous as Hawthorne studies. Neoclassic emphasized the human aspects of management. Proponents of this approach believed that management should focus on people; in other words, they knew social variables as more effective than physical variables (ibid).

The third school involves modernization theory. Today, many theories in management studies are formed by a combination of classical and neoclassical theories. New members of the scientific management movement in scientific decision-making focus on the use of computers and the decision rules. Group of current human relations theorists talk about recovery and reconstruction of the organization. They

replaced fundamentalists who believed that many managers needed to be practically studied before adhering to fundamentals (ibid).

Urban Management

Originally, urban management based on its urbanist meaning is a process in which a city manager, with respect to his facilities, capabilities and limitations tries to run the city in the period when he is responsible by mobilization of resources [3]. Usually, the reliance on municipal governments is lower in centralized systems. Entrusting the municipal governments involves minor operations and often urban planning is considered as a responsibility of the central government. That is why problems should be examined within the system not within the framework of existing laws, while countries with decentralized systems accept urban planning as a local activity [3]. In general, urban management is a form of local government and, in its ideal form, a democracy and local self-government where people highly participate in governance. Therefore, the evolution of urban management and the adoption of modern management refer to the urban governance for sustainable development of urban areas at the local level. This new method of urban management can be seen as an integral part of the problem of decentralization in recent years[3].

New Public Management (NPM)

During 1970s and early 1980s, a fundamental change was made in the management and control of the public sector and its activities. The starting point for this transformation in management of the public sector was in England and then spread to other parts of the world. This modern management practice later became known as new public management (NPM). In fact, this approach focuses on functional aspects, development and growth of public sectors. Actually, NPM philosophy is to move towards a regime in which the emphasis on transparency, accountability and public participation in the management of public sectors are set into the agenda [4]. In fact, the modern management model changed the power relations between bureaucracy and society. This relationship is examined from two perspectives:

The first perspective: Theory of downsizing government and reducing incumbency, which result in the elimination of a state monopoly of public services and reducing dependence of citizens on government.

The second perspective: in the analysis of power relations between bureaucracy and society, direct accountability to the people is considered. This makes it possible for citizens to influence and exert power. Hughes cites it as an exchange of power between people and government; as he believes, lack of it leads to the emergence of dominant and absolute power and eventually corruption [5].

In fact, the NPM is a general theory that how the government can do and how it can organize services and provide to the people. The main claim of this approach is that the current public management has an old style that can be replaced by NPM. Topics of NPM have two dimensions. The first part is based on the idea that bureaucracy (paperwork) is not the effective way of governing. This suggests that state laws can be replaced by contracts (putting things in the private sector). Getting rid of things done by the government through tenders, bids, leases, etc. is new tools for the state government to reduce costs and increase efficiency (ibid).

Table 1: shift in approaches of public and state management

Before 1970s	1970s	1980s	1990s	Late 1990s	2000s
Former Administration	Traditional public administration	Public management	Administrative government	Public governance	Future government
The ancient systems of administration and plundering system	Bureaucracy	NPM	Entrepreneurial government	e-government and good governance (Representative government)	New public services
Inheritance culture	Bureaucracy culture	Management culture	Business culture	Democratic and political culture	Democratic culture and citizenship
Personal government	Large government	Small government	Worker government (good)	Democratic and participatory government	Serving government

Process of New Public Management (NPM)

Since 1980s, several reforms were carried out due to the necessity of change. Several theorists have argued about the NPM tasks, but these ideas can be summarized in the form of Alison's theory. Alison

believes that tasks performed by employees of the public sector are managerial rather than administrative. Accordingly, he lists the state management tasks as follows:

1. Strategy: This step consists of two parts, first identifying goals and priorities of the organization and second formulating action plans. For successful completion of this step, according to Alison, each organization must first determine the strengths and weaknesses and then examine the outer threats based on which the goals are set. The organization needs to characterize the way to achieve those goals in its action plans.

2. Management of internal factors: this step is composed of three parts:

- A) Organizing and providing human resources
- B) Directing the staff and management of human resources
- C) Controlling performance

Alison focuses the management of internal factors within the organization. He believes this is one of the tasks of public management. Designing an appropriate structure to achieve the goals is very important in the strategy. This structure is designed to provide the right people. It is also essential to provide incentive schemes to encourage them to achieve organizational goals willingly. For this reason, the design of an appropriate system of human resource management as well as guidance is one of the major tasks of the public management. Management is required to have mechanisms by which the performance of employees and the organization is measured to determine whether the goals are achieved. Today, utilization of information systems such as information budget systems, reports and so on can be very useful in this field.

3. Management of external factors: This section is also divided into three sections:

- A) Communicating with external entities such as general managers of other organizations
- B) Relationship with independent organizations, including communication with managers from other branches or levels of government, as well as with the private sector
- C) Relationship with the media and people, actions that lead to increased satisfaction of media and people.

In other perspective, NPM can be represented in eight steps. The first is the organizational innovation; in fact, the purpose of this step is to use creativity to improve performance. The second step is the decision-making process or actually development of a document from initial vision and goals of the organization. The third step is planning based on existing resources in order to achieve the goals and vision of the organization. The fourth step is to organize and balance the tasks, to create a specific framework and control the activities of the organization [1]. The fifth step is to mobilize resources. The sixth step involves guidance. The seventh step includes the relationship between different levels and the eighth step is to control behaviours of the systems.

Using NPM for municipalities of Mexico, Enrique Cabrero (2005) achieved good results. In his early studies, Cabrero concluded that about 64% of the Mexico's municipalities lack a comprehensive urban regulation; nearly 80% of the municipalities lack planning system; 52% have no certain framework for providing services to the public; 20% of them do not have a strategic plan; about 60% of Mexico's municipalities lack evaluation and monitoring systems; 17% of municipalities still lack separate personal computer for their employees; 18% of local government leaders are uneducated or non-graduated [6]. To overcome these problems, Cabrero suggests three important scenarios in relation to utilization of NPM by municipalities. The first scenario is related to the condition prior to the acceptance and application of NPM. The basic question that arises in this scenario is whether the municipalities of Mexico are able to adopt NPM. This scenario mostly addresses the aspects of government infrastructure and cumbersome rules to modify the infrastructures for favourable conditions for implementation of NPM. The second scenario is based on pretence to adoption of NPM. The local government and municipalities are really use the principles of NPM model in their management system or simply pretend to use it. The third scenario is based on a combination of adoptions. The local government integrates strategic planning and other plans and in cases tries modification (ibid).

THEORETICAL FRAMEWORK

The theoretical framework of this study indeed describes the NPM model for urban management in a certain form and framework. Using this model for municipality of Miandoab seems to be able to improve performance of urban management whereby the quality of public services followed by satisfaction of citizens with performance of the urban management.

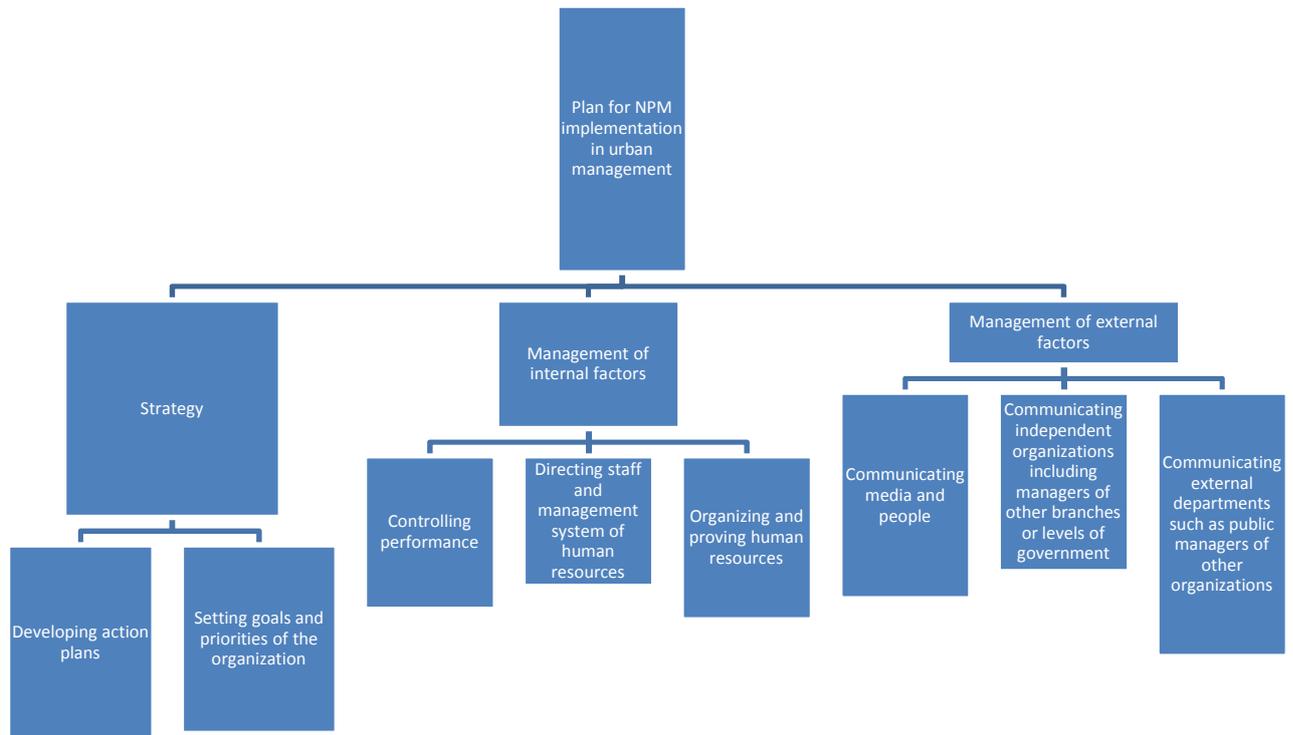


Figure 1: NPM model for urban management

CITY AND MUNICIPALITY OF MIANDOAB

Miandoab is located in an area of 1953 hectare in south Lake Urmia and southwest of West Azarbaijan Province, approximately linearly along the East - West. The City limits to Bokan, Malekan, Mahabad and Shahindezh; in fact, it is the connection between the provinces of West Azerbaijan and East Azerbaijan. area of the city is 2694k2 in longitude 46 degrees 6 minutes east of the meridian time and within 36 degrees and 58 minutes north of the equator in the central plains ending to the lake at a height of 1314 meters above sea level. Geologically, the city is located in the relatively flat Sedimentary plains of Joghato River (Zarrineh River). One of the prominent characteristics of Miandoab is the low slope of the land, deep soils with heavy texture and flood. Connecting four provinces including East Azerbaijan, West Azerbaijan, Zanzan and Kurdistan, Miandoab has a special status [7]. According to the 2011 population and housing statistics, population of Miandoab was approximately 123,081 people.

Totally, 423 personnel work in municipality of Miandoab, out of which 90 work in the administrative organization of the municipality.

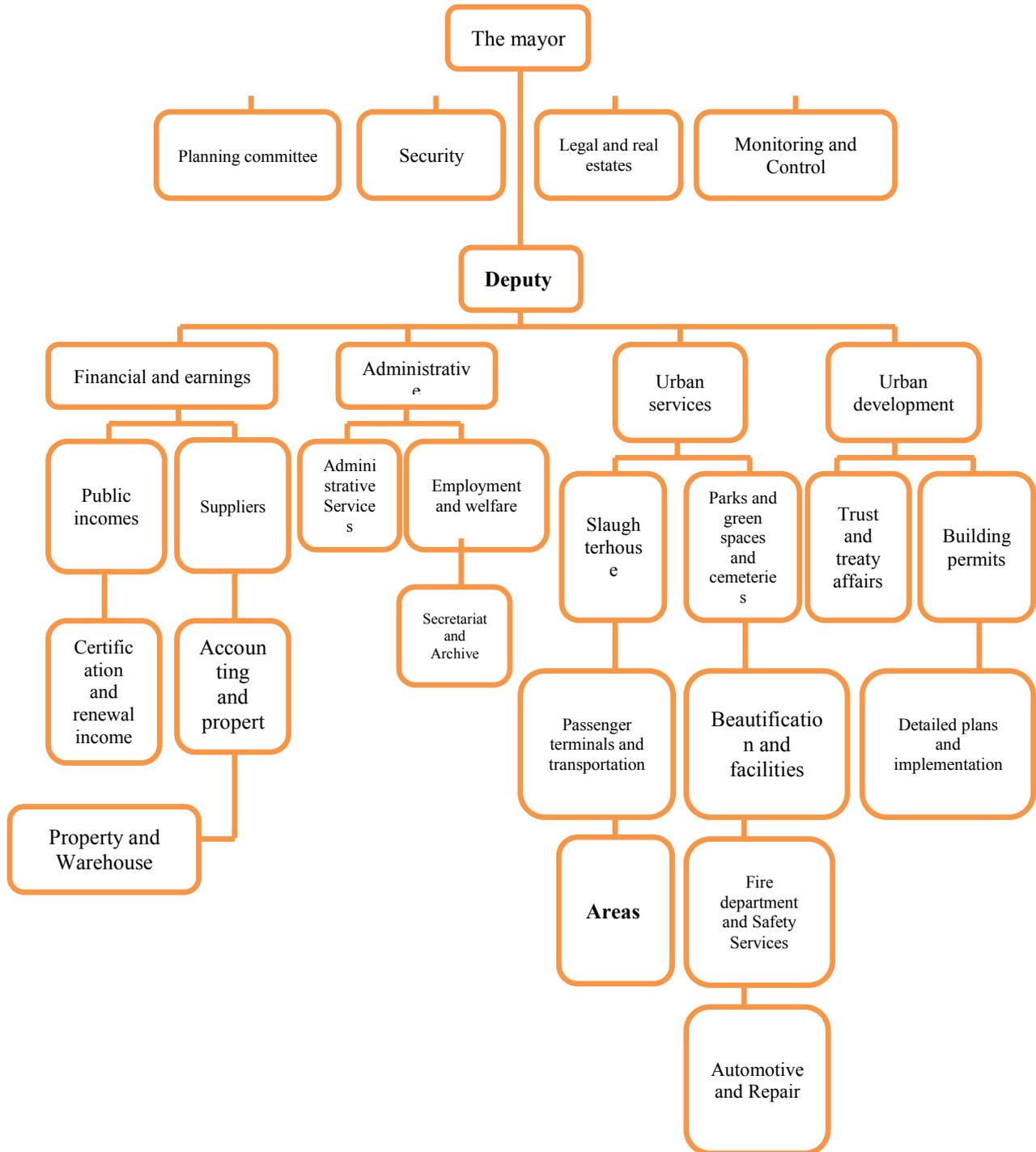


Figure 2: organizational chart of the Miandoab Municipality

At the head of the organization is Mayor followed by five committees for planning, safeguard, jurisdiction and property, control and supervision, and the deputies. The deputies are classified into Department of Finance and Revenues, Office of Administration, Bureau of Urban Utilities and the Department of Civil Development. Department of Finance and Revenues is classified into five groups, suppliers, public revenues, accounting and property, auditing and income and property and warehouse. Office of Administration is divided into groups of services, employment and welfare, and Secretariat and Archives. , Bureau of Urban Utilities is divided into slaughterhouses, passenger terminals and public transportation, districts, parks and green spaces and cemeteries, beautification and facilities, fire and safety services and motor repair shop. Department of Civil Development is divided into three groups, the Construction permits, trusts and the promises and detailed plans and executive projects [8].

RESULTS

Based on the model and theoretical framework of NPM, the first step in implementation of calibrated NPM model in urban management of Miandoab (municipalities) is to set the goals and priorities of the organization. To identify organizational goals, SWOT method was used to determine the weaknesses and strengths as well as opportunities and threats of the organization.

Table 2: weaknesses and strengths of the urban management in Miandoab

Internal strategic factors	Weight	Ranking	Relative weight
Strengths (S)			
Information value	0.30	2	0.50
Human resources	0.30	1	0.25
Social capital	0.40	1	0.25
Total	1.00	4	1.00
Weaknesses (W)			
Inappropriate organizational structure	0.09	2	0.18
failure to attract investors	0.12	1	0.12
Citizen dissatisfaction with the performance of urban management	0.15	1	0.15
The lack of successful productivity of organization in performance	0.12	1	0.12
Weak institutional management	0.12	2	0.24
Poor Management	0.12	2	0.24
The lack of innovation in the organization	0.12	2	0.24
Lack of sufficient funds to provide services to citizens	0.15	1	0.15
Total	1.00	12	1.45
Total strengths and weaknesses (SW)	2.45		

Table 3: opportunities and threats of the urban management in Miandoab

External strategic factors	Weight	Ranking	Relative weight
Opportunities (O)			
Being in a favorable geographical position	0.11	2	0.23
There are plenty of farmland around the town	0.09	1	0.09
There are sugar producing factories	0.09	1	0.09
Boundary between the Turkish and Kurdish areas	0.09	1	0.09
There are two rivers in the vicinity	0.09	1	0.09
There is Tagh Mosque dating back to about 220 years ago	0.06	1	0.06
Zarineh River which divides the city into two parts	0.14	2	0.29
The city's economy is based on agriculture	0.11	1	0.11
There are heaps of livestock and livestock products	0.11	1	0.11
the industrial estate	0.11	1	0.11
Threats (T)			
Centralized administrative rules	0.22	1	0.22
Lack of local public institutions in the city	0.17	1	0.17
Interference of other government agencies in the affairs	0.17	1	0.17
The absence of comprehensive legislation in relation to sustainable urban incomes	0.22	1	0.22
Lack of local involvement in the development and adoption of comprehensive plans of cities	0.22	1	0.22
Total threats and opportunities (OT)	1.00	17	2.26

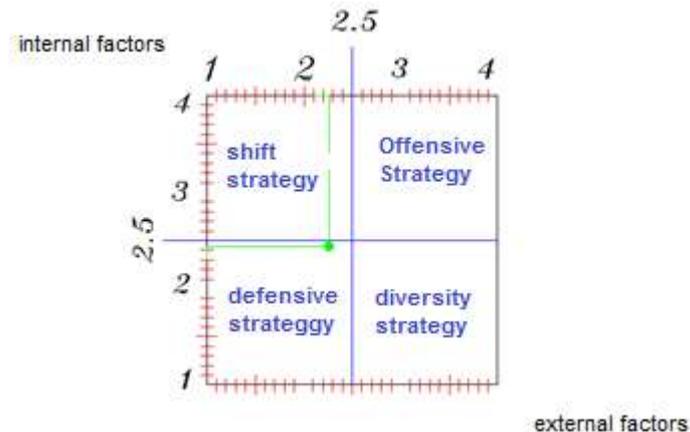


Figure 3: urban management in the SWOT analysis table

As a result of this analysis, District 4 is located in the defensive mode of the SWOT. In fact, the WT strategy of the organization located in this area acts to minimize losses resulting from threats and weaknesses. Therefore, the goal of the organization is primarily to reduce losses caused by threats and weaknesses by strengths and opportunities. Accordingly, the following strategies can be used to achieve organizational goal, that is, to reduce losses caused by threats and weaknesses. These strategies include:

1. Mayor and City Council can encourage people to participate in NGOs. They can respect those who attend these institutions and take advantage of their views. Municipalities can also spread propaganda in the city, inviting citizens to participate in the affairs of the city.
2. The mayor can make contact with authorities of other municipalities and get their feedback to change the centralized urban laws and give more power to municipalities. Such measures can include involvement of municipalities in taxing system. Alternatively, Mayor and City Council can play an essential role in preparation, approval and monitoring of plans.
3. The municipality may have a sustainably integrated collaboration with other government agencies such as Water & Wastewater, Gas and Energy organizations in order to provide better service to the citizens.
4. In conjunction with steady incomes, the regional price of the land can match the real cost of buying and selling land.
5. Assignment and delegation of certain legal proceedings in respect of taxes which municipality can directly receive to provide services to citizens; or the government can assign a part of tax income resources to municipalities.

In relation to internal factors, some strategies are suggested to minimize the weaknesses in the internal functioning of the organization, as follows:

1. For its optimal performance, municipality requires information and ongoing assessments of performance and urban plans. When municipality better understands its status, position and function, it is better able to overcome the weaknesses.
2. Municipalities require skilled personnel and experienced personnel to perform their tasks better. For this purpose, the municipality must hire the qualified people.
3. For better performance and productivity, the municipality requires a department of urban planning studies and GIS department in its organizational structure.
4. For performance evaluation, the municipality can evaluate the quality and quantity of its performance every 6 months. To facilitate the evaluation, the municipality can install WIFI towers within the city. In addition to sharing free WIFI, the municipality can provide citizens with its surveys every 6 months in order to ask citizens about urban projects and municipal performance.
5. By establishing integrated management within the organization and between urban centers, municipality can improve the performance of the organization in order to interact the staff.
6. The Mayor may allocate funds to beautify Zarina River within the city.
7. By consultation and interaction of the Mayor and City Council, the municipality can use taxes on farmers to provide services such as residential land for construction of apartment units.
8. The mayor can invest in the industrial development of Miandoab to convert the agricultural and livestock products into packaged foods. By a certain period, the mayor can give this factories and companies as public stock or private stock to citizens. This policy appears to increase the level of youth employment and decrease unemployment.

CONCLUSION

Results from the study show that NPM could have a potential role in the management of cities. Based on these results, implementation of NPM in urban management will lead to better urban management. Changes in the bureaucratic and political system of urban management, modification of centralized regulations and regulatory institutions in the area of urban management and flexibility of these laws can achieve goals and vision of NPM in the urban management.

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