

Innovative Public Leadership versus New Public Management

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Abstract

There has been an increasing momentum in public sector reform in Indonesia after 1999. The paper will seek to explore the impact of these reforms on public leaders in Indonesia and the extent to which these reforms embrace the traditional notion of new public management (NPM). The attention will also turn to the collective nature of innovative public leaders in Indonesia. It will also explore why public leaders take the option to work together across public organizations, in Indonesia. This form of collective public leadership seeks to promote, influence and deliver improved public service. The collective nature of innovative public leadership rather than its individual construct will be explored. The paper also takes its lead from the challenges presented by new public management theory, which has been dominant for the past 25 years. It also suggests that the time is ripe to move beyond new public management theory and move towards a new innovative public leadership theory. The paper seeks to turn attention to the collective nature of innovative public leadership rather than its individual construct. It also explores how and why leaders work together across public institutions. It goes further and takes its lead from challenges presented by the new public management movement, which has been dominant for over twenty years. The paper will suggest that the time is ripe to move beyond the new public management movement and move towards a new innovative public leadership and whilst aspects of public management, the real challenge for public sector is to achieve a stronger theory of innovative public leadership that emphasizes the collective nature of public leadership.

Keywords: Leadership, Public Management, and Innovative Leadership

1. Introduction

As the public bureaucracy, has generally attracted increasing criticism for the poor performance and failure on this part to meet the rising expectations of the community. Political leaders have always sought to address such challenges by creating and introducing innovative leadership.

Innovative public leadership has been a key influence for quality service delivery. In the early 1980's, new ideas came to the front, by the creation of the new Public Management (NPM) as a model of Public Sector governance. The NPM refers to a range of reforms in the Public Service, aimed at making it, more effective, efficient and economic. Strong innovative public leadership will drive this process. The present paper provides an overview on innovative public leadership versus New public management (NPM).

2. Review Of Literature

2.1. Leadership in perspective

What an obvious question! Just what is leadership? But it is a necessary one. If you want to be a leader you first have to have your own favorite answer, or definition of leadership. Favourite answer? Is there not one standard definition of leadership? No single characteristic of leadership that is so obvious that we all recognize it? Sorry but, no, there is not. Indeed, there are many different leadership definitions, ranging from the dictionaries, through the text books to those dreamt up by the practitioners. As you will see, each attempt to define leadership emphasizes different aspects of leadership, or different leadership characteristics, and reflects the originator's leadership values.

Unfortunately, most dictionaries don't really help us, one actually defines leadership as: "The ability to lead". Thankfully, Wikipedia is more helpful. It says that leadership is: "A process of social influence in which one person can enlist the aid and support of others in the accomplishment of a common task." In other words, leadership is the process by which a person influences others to accomplish an objective.

According to Oyungi (1996:1), leadership cannot be considered in a vacuum. Leadership must be taken into account the institutional environment within leadership works, and also such adaptations or changes are made. Furthermore, according to Thornhill and Hanekom (1995:15), leadership has been defined in terms of traits, behavior, influence over other persons, patterns of interaction, role relationships, occupation of an administrative position, and the perception others have regarding legitimacy of influence.

The right kind of leadership can transform the country. The wrong kind can cause a country to stagnate, and cause its people to lose faith in public government. We conclude that a leader is one who creates or strives to create change.

2.2. Public Leadership

So, when I look at those who hold public office, I want to see them "doing the right thing", acting in the best interests of the public they serve. I am disappointed when they stretch the rules to breaking point, justifying their actions by saying they haven't actually broken them! Being a public servant means following a moral compass that helps you to decide what is right and what is not. Public Leadership must understand the values and the importance of the principles of public service. The public elected them, and of them is expected to demonstrate a commitment for service excellence in the public service. The public want to observe good ethical values in their public leaders.

From an American perspective, the term "public leadership" has curious connotations. In recent years, the lines between the public, private and nonprofit sectors have been blurred: and the words "leader" and "leadership" while currently high fashions have been popularized to the point of being diminished.

According to Alderfer (1968), there has never been clarity, nor widespread agreement, about what precisely "leader" means, and what leadership looks like. In fact, sometimes those of us in Leadership Studies take leave of our common senses. Curiously, then the contexts in which this essay are embedded are each somehow inhospitable to the very idea of public leadership. We would argue that social scientists have failed to create a critical mass of scholarly work on public sector leadership. And the real world .the world in which public leadership is actually exercise or not, is characterized by changes so dramatic in speed and scope that leaders often have trouble leaving their mark. Still, work in the field some good, some bad is being done. As the following pages testify, Leadership Studies in general and public leadership in particular, is in fact gaining the attention of a growing number of scholars dedicate to the notion that the words public and leadership are not mutually exclusive. We trust this article will contribute to a discussion that, while it goes back to ancient Greece, is in a much expansive form beginning only now.

2.3. New public management (NPM).

The New Public Management (NPM) has been widely debated in the field of public administration since the early 1980s. It embraces many concepts of good governance, promoting competition, productivity, and efficiency. According to H. George Frederickson (1996), there is question whether it is new phenomenon or it a old incremental approach he concluded that NPM is like an old wine in a new bottle. He implied that many of NPM's concepts can be traced back to earlier approaches in the field. The emphasis is here on good governance. The main variable in this argument is needs and aspiration of the community. The needs of the community must be satisfied by quality service delivery. To reach this objective NPM, states that it is important for private and public institutions to work together. In democracies, community is the main stakeholders and they elect politicians, as agents, on their behalf. The politicians cannot execute all the public service, so they make use of public officials.

According to Gore (1993: 465) that public administration scholars hold four basic tenets in regard to the NPM movement: 1) cut red tape, since it constrains public administrators, 2) put the community first for effective and efficient service, 3) empower public officials, so that they can use discretion in uncertain situations and work better, and 4) produce more and quality public service for the less. The responsibility of the government of the day is to delivery public service with fewer funds and resources. Effectiveness and efficiency of public services is at the core of NPM. To reach this objective, we need a strong public leadership to respond with innovative strategies.

Empowering innovative an important public leadership is another important proposition of NPM. Innovative public leadership can also be considered a relatively new concept of NPM. Privatization was another proposition that was new, although there was some prior debate about decentralization of public goods and services. The advantage of privatization it usually outer performs the public sector. The need for a relationship between public and private institutions is crucial for quality public service delivery. There are lessons to be learned from the private sectors towards service delivery. Privatization of public service was new way of thinking in public administration, to enhance service delivery (Hood, 1991:503). Privatization in the modern society becomes very popular because governments grew very big in size and number of public officials. It can also be argued that the contracting out of services has increased due to the rise of NPM because, as mentioned above, the dominant assumption in NPM was that the private sector outperformed and was more efficient than the public sector. The focus of the paper shift now to public service innovation.

2.4. Public Sector innovation in perspective.

Innovation is crucial in meeting global challenges including climate change and resource scarcity. It is also needed to stay competitive. Innovation should be a priority but awareness of the urgency of the need to innovate is sometimes lacking. Innovation is not just or even mainly about new technologies or procedures – implementation is key but is sometimes slow. For many problems reasonably good solutions too exist, so there is no justification for policymakers to wait until the ideal technological fix comes around. Many problems are

pressing and need to be tackled now (Salleh, 2007: 100). The economic crisis and public pressure to make progress on problems such as climate change are push factors that help overcome complacency and make policy-makers more receptive to change. Fiscal consolidation will force transport providers to work smarter and cheaper, so will push policymakers to be more agile (FRD : 1996).

3. Result And Discussion

3.1. The vision of innovative public leadership

Innovation is traditionally seen in terms of entrepreneurs generating social benefits and contributing to economic growth, where the market is the litmus test. But given overarching policy concerns relating to sustainable development, there is a growing perception that innovation needs steering to address these concerns. This need is particularly strong in the transport sector because it is characterized by multiple market failures and strong public involvement, so that strong reliance on market incentives is less appealing (Siddiquee, 2007:45)

Visions on what the transport system could or should look like in the future help guide innovation. Such visions can be developed in cooperation between decision makers, stakeholders, and the public (see for example the 2020 Vision of the European Commission, or the preparatory work for the 2010 International Transport Forum). Policy leadership helps implement innovations. While necessity often provides the impetus to change, visions help determine the direction. Disappointment with past performance of the public sector in innovation is fairly widespread, with perceptions that public involvement with the sector often – inadvertently – stifles innovation (Da Silveira : 768). Public initiatives to boost innovation are often insufficiently targeted to address transport specific issues. This rather negative assessment should not lead to the conclusion that government needs “to get out of the way”, but that there is need for innovation in public policy. Public involvement is not micromanagement or a proliferation of support measures (Eurostat : 2007). It is instead about providing transparent and reliable framework conditions, including incentives to steer where the market falls short (possibly creating markets), and including communication with industry and stakeholders to give the process direction and make sure opportunities are exploited (Taib & Mat, 1992: 423-425)

Steering innovation towards particular policy goals requires more than providing effective frameworks. Public procurement, test-arenas and pilot projects should be deployed more widely. More generally, the public sector can help create markets, an increasingly important function. Nevertheless, while the development of markets can be stimulated, no markets can be created if there is no demand to support them: harnessing innovation requires participation of governments, suppliers, and consumers (Osman, 2003:84). Attaining policy goals in transport requires recognizing that the sector is a system consisting of various transport modes for passenger and freight movement. The supply of the various services relies on a combination of public and private initiative in a context of multiple market failures and imperfect governance and regulation. With imperfect markets and policy, relying on private initiative alone for innovation is particularly risky. Public sector involvement may be needed more strongly than elsewhere, even if making innovation happen at the system level is a major policy challenge.

3.2. Public Innovation and transformation

Distinguishing between sustaining innovation (when a new action builds upon what you already do, eg online banking) or disruptive innovation (when it represents a fundamental change in what do you) is a good start when developing an innovation strategy. This is particularly relevant now as public leaders grapple with transforming their organizations.

Many of them have become well versed in the rhetoric of transformation, but have yet to engage with the reality of the disruption such transformation may well entail. Announcing a service closure for example will create disruption, but the key is to be responsive and flexible in helping people invent and create high quality alternatives (DST, 2007)

Central to the success of transformation is to expect, plan for, and make the most out of disruption. Civic reaction, of one form, is a predictable response to service change. Historically, government, when responding to community reaction to proposed changes (such as service closures), has tended to simply defend decisions and close down debate. Now however there is an emerging culture of engaging in a dialogue with the community as partners to look at alternatives – not avoiding the disruption but engaging in the realities of it (Karim, 2003: 191).

It is this emerging culture that lies at the heart of whether innovation will deliver significant benefits on the ground. If we engage with innovation and its consequences, warts and all, openly recognise the winners and losers and invest in systems to channel disruption positively, then innovation may make the passage from rhetoric to real improvements.

4. Conclusion

Innovation is crucial in meeting global challenges including climate change and resource scarcity. It is also

needed to stay competitive. Empowering innovative an important public leadership is another important proposition of NPM. Innovative public leadership can also be considered a relatively new concept of NPM.

In this paper, NPM drastically influence the thinking philosophy of public officials and scholars of the field of public administration and management globally. It is involved in new methods and procedures to promote the well-being of the communities. The basis of NPM is effectiveness and .efficientness. NPM clearly is not an old wine in a new bottle; it introduced a different perspective into the field of public administration

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