

## NEW PUBLIC MANAGEMENT IN EDUCATION - FROM SCHOOL GOVERNANCE TO SCHOOL MANAGEMENT

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### **Abstract:**

New Public Management greatly influenced public sector in numerous countries around the world. It also caused significant changes in public education. New Public Management and processes of education decentralization affected decision making processes regarding schools and increased school autonomy. Changes in education system created new environment in which traditional school governance needed to change into more market-oriented school management, resulting in important changes at school level. Article aim is to present how New Public Management and processes of decentralization lead to change at schools level from traditional school governance to school management basing on literature review. In first part of article New Public Management and its different possible models are presented along with decentralization processes and decentralization pathways. Second part is dedicated to decision making processes regarding school and school autonomy. Studies describing different systems of schools autonomy and accountability are presented. The third part concludes effects and reasons of transition from school governance to school management, why New Public management and decentralization processes lead to rise of school autonomy, changed roles and responsibilities of school head teachers and enabled local community stakeholders take part in school management.

*Keywords: school management, New Public Management, education, decentralization*

## 1. NEW PUBLIC MANAGEMENT AND EDUCATION

### 1.1. New Public Management

New Public Management had great impact on public sector in numerous countries around the globe. Leading to deep reconstruction of various public services systems including education. These changes were both praised and criticised. To better understand how New Public Management influence school systems around the world it is necessary to introduce basic ideas behind it, as well as more practical examples on how changes in specific countries were introduced. It is important to observe that New Public Management was answer to specific problems that were particularly important for decision makers over thirty years ago. From 1990s the debate in Europe and USA on modernization and improvement of public sector efficiency was more visible. Public administration was troubled by low efficiency and corruption which lead to falling level of social trust towards it. The new hope was perceived in applying management rules in public sector, which was formalized by Hood in conception of New Public Management<sup>1</sup>. This idea was also presented at that time by the names of: managerialism<sup>2</sup>, market-based public administration<sup>3</sup>, entrepreneurial government<sup>4</sup>, business – like management or public managerialism<sup>5</sup>. Applied reforms focused on economical aspects of spending public funds, improving quality of public services, increasing efficiency of public organizations actions and included schools among other public subjects. New Public Management is direct reflection of belief that market powers should provide better solutions than bureaucratic administration.

Although basic idea behind New Public Management may seem simple at first, but different goals, systematic, political and social conditions lead to different practical applications. In different countries New Public Management was introduced in different manner with focus put into different aspects creating numerous policies varying not only between countries but also between social services sectors. It is possible to identify four basic conceptions of how to apply New Public Management in practical reform of public sector. The first model is aimed at increasing efficiency of public administration with special attention paid to financial management efficiency, setting goals and monitoring results, setting services standards and more elastic wages system. Second model is associated with attempts to decrease the range of public administration in national economy in order to decentralise decision-making process and to make public service provision system more elastic. Third model is connected with management excellence and points the need of focusing on organization development, organization culture, building organization mission and management of change in public administration. The fourth model declares direct orientation on provision of efficient public services through such means as: achieving excellence in provided public services, paying attention to the needs of final beneficiaries of public services, shift of power from nominated organs to elected ones and learning from citizens what are their needs and expectations<sup>6</sup>.

One of most important areas in which New Public Management brought significant changes in countries around the world is education. Tolofari observed that New Public Management in UK led to structural changes at schools<sup>7</sup>. Schools received more powers, including budgeting, resource allocation, hiring and firing, role of stakeholders increased - especially parents that were given statutory powers, as they were included in accountability pattern. Most importantly the flow of resources was changed as budget size was dependant on number of attracted pupils. In effect schools started market-like competition that changes traditional collegiality pattern of behaviour in education sector to more performance oriented. As a result role of head teacher changed - while given more power head teacher needed to perform more managerial skills. Similar processes were observable in other countries as well. This may lead to conclusion that New Public Management was one of important drives of processes of decentralization of education that are observable during last decades around the globe. The same processes that lead to rise of schools autonomy and changed the logic from governing schools in centralized bureaucratic system to managing schools in more competitive market-like environment.

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<sup>1</sup> Hood, 1991

<sup>2</sup> Pollitt, 1990

<sup>3</sup> LAN, Rosenbloom, 1992

<sup>4</sup> Osborne, Gaebler, 1992

<sup>5</sup> Kickert, 1997

<sup>6</sup> Krynicka, 2006

<sup>7</sup> Tolofari, 2005

## 1.2. Decentralization of education

Decentralization of education policy was a visible trend around the globe during last thirty years. It was conducted in order to improve quality of education, but also for other reasons such as innovation encouragement, efficiency increase or to combat segregation and social inequality in education<sup>8</sup>. Rising school autonomy and decentralisation processes had started in Europe in 1990s, however first signs of decentralisation were visible in the 1980s when school reforms were linked with the political cause of democratic participation and emphasized the need for schools to be more open to their local communities. The issues of school autonomy were discussed in area of governance and management, and therefore questions concerning management bodies arrived. One of those questions was what roles the bodies should play: agents of governance, open to representation from parents and the community or as agents of management representing only inner stakeholders from school. During 1990s with appearance of New Public Management another steps into school autonomy were made. Lack of satisfaction from public educational services caused that issue of efficiency of public funds management become often discussed. It was noticed that New Public Management may be applied to the public schools. As the result school become more accountable to the community and higher emphasis was put on the quality of services. In order to increase the efficiency of school management decentralising responsibilities to local communities took place.

Models of school governance and the model of participation are different in many countries. Decentralisation in the education has not simply meant devolving tasks to regional, local or school levels. We can observe that governments in particular have increased school autonomy, stimulated demand sensitivity and school competition, and enhanced the influence of parents and other local stakeholders. Different countries have applied different policies, and their effects also differ. It is possible to identify three main models of decentralization in education<sup>9</sup>. First pathway through deconcentration is characterized by shifting control of education to local government and local non-governmental actors. System also include incentives that allows local actors to use advantage of their best knowledge on local needs to exercise discretionary power and take initiatives. Second pathway can be described as through the use of market mechanisms. Focus is put on schools market-like competition to provide best quality as parents are free to chose school best for their children. Third pathway is best described by participative democracy. In this model parents, schools employers and community groups are given tools to directly influence education policy making, and control implementation on local level mostly through identifying and expressing local needs.

As a result although it is possible to speak of decentralization in education trend in recent decades around the world level of autonomy of schools is extremely varied. In process in which central governments shared their decision-making power, there is still myriad of possibilities regarding terms of decentralization, amount of power shared and who was engaged in decentralization process.

## 2. DECISION MAKING PROCESS AND SCHOOL AUTONOMY

### 2.1. Decision making at school

To better understand how variable autonomy of schools can be it is necessary to identify what possibilities of decision making process at school are present. According to OECD research<sup>10</sup> decision making process regarding school can be classified depending on the level on witch decision is formally taken, field of decision and level of autonomy that formal decision maker has. Those variables are presented in Table 1.

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<sup>8</sup> Waslander, 2010

<sup>9</sup> Hooge, 2012, p.6

<sup>10</sup> Ainley and McKenzie, 2000, p. 141

**Table 1:** Dimensions of the OECD Surveys on Loci of Decision Making

Levels of decision	Fields of decision	Modes of decision
<ul style="list-style-type: none"> <li>•School, School Board or Committee: school administrators and teachers or a school board or committee established exclusively for the individual school.</li> <li>•Local Authorities or Governments: the municipality or community that is the smallest territorial unit in the nation with a governing authority.</li> <li>•Sub-regional or Inter-municipal Authorities or Governments: the second territorial unit below the nation in countries that do not have a federal or similar type of governmental structure</li> <li>•Provincial or Regional Authorities or Governments: the first territorial unit below the national level in countries that do not have a federal type of governmental structure; and the second territorial unit below the nation in countries that have a federal or similar type of governmental structure</li> <li>•State Governments: The first territorial unit below the nation in federal countries</li> <li>•Central Government: all bodies at national level that make decisions or participate in different aspects of decision making</li> </ul>	<ul style="list-style-type: none"> <li>•Organisation of Instruction: bodies determining school attendance, student promotion and transfer, instruction time, choice of textbooks, criteria for grouping students, additional support for students with learning difficulties, teaching methods, assessments of students' regular work</li> <li>•Personnel Management: (principals, teachers, nonteaching posts): hiring and dismissal, duties and conditions of service, fixing of salary scales, influence over the careers of staff</li> <li>•Planning and Structures: creation or closure of school, determining programs of study for a particular type of school, definition of course content, setting of qualifying examinations for a certificate or diploma</li> <li>•Resources: (for teaching staff, non-teaching staff, other current expenditures, capital expenditure): allocation of resources to the school, use of resources in the school</li> </ul>	<ul style="list-style-type: none"> <li>•Full Autonomy: subject only to constraints contained in the constitution or in legislation outside the education system itself</li> <li>•In Conjunction or After Consultation: with bodies located at another level in the education system</li> <li>•Independently but Within a Framework Set by a Higher Authority: e.g. a binding law, a pre-established list of possibilities, or a budgetary limit</li> </ul>

Source: Ainley and McKenzie, 2000, p. 141.

Processes of decentralization of education can be perceived as both regarding levels of decisions and modes of decision. When it comes to levels of decision decentralization is associated with changing decision level from "higher" and more central levels to "lower" and local. understood in this way processes of decentralisation can also apply to changing decision level from central government to province or regional authorities. Although such change may be still perceived from school level as leaving directly involve in school outside decision area, it still can increase local community potential as it is often easier to influence regional authorities with official or unofficial channels than central government. Level of decision is import taking in account, that in general the more local it would be the better it would reflect issues of certain school - local needs, and local solutions, while at the same time some problems require more centralized approach. Of course level of school autonomy may vary depending on field of decision. It is possible that at some areas schools are fully autonomic or cooperating closely with various local community stakeholder, while other aspects remain independent decision of central government. Other way to decentralize is to "share" decision with lover levels of education system. It can be done by setting general framework and leaving certain decisions to lover levels within given framework, or by consulting decisions, where consulting may mean that lover levels are consulted and decisions are taken by higher level, or in some cases the opposite.

Decision making process at education system requires to answer very important question on which level the best resources - especially knowledge - is available to allow efficient functioning of education

system. Process of increasing schools autonomy created needs for new knowledge and skills at school levels. In practice New Public Management forced change of desired skills of school headmaster from good teacher and governor more into good manager, and one of effects of decentralization was inclusion of various groups of local stakeholders - with special place given to parents into schools decision making process.

## 2.2. School autonomy

Schools in Europe are governed by different rules in terms of their duties, and the transfer of responsibilities to schools has varied in its extent across countries. On one side there are countries in which school have rather significant autonomy with notable examples of long tradition of school autonomy in case of Belgium and the Netherlands, as well as more recent examples in case of Czech Republic, Estonia and Sweden. Other cases are countries in which transfer of responsibilities has been limited, such as Greece, Spain, France and Portugal. In most European countries school management systems has been centralised for many years (e.g. Spain, France, Italy) or federal (e.g. Germany). The exceptions are Belgium and the Netherlands which are famous for its long historical independence and autonomy. School autonomy developed as a reflection of teaching freedoms and was legitimised by religious and philosophical considerations. Autonomy was also partly caused by the competition between public and private education. However in most European countries school didn't have freedom in the decisions concerning their resources, polices and finance. In the 1990s Scandinavian countries adopted a new systems of political decentralisation and increased schools autonomy. In the same time Austria introduced first school autonomy reform in 1993<sup>11</sup>. And then after the fall of Berlin wall new reforms has been implemented, mainly in Poland, Czech Republic, Hungary, Slovakia and the Baltic States. At this time changes in educational system were introduced in the United Kingdom - in 1997 new policy of school autonomy was adopted. After 2000 new reforms and changes directed toward school autonomy and decentralisation appeared. In Spain, the new 2006 Act on Education (LOE) was implemented (which underlines the principle of school autonomy in the areas of planning, management and organisation. In the same year, another country, Latvia deployed new regulations which are aimed to limit external control of schools. In general all European school have undergone movement toward greater decentralisation and autonomy.

The study was conducted by European Commission to determine the level of school autonomy in 30 countries<sup>12</sup>. In this study autonomy refers mainly to two aspects: funding and human resources. Schools were qualified as partly autonomous if they take decisions within a set of predetermined options or require approval for decisions from their education authority, and have full autonomy (or a highly autonomy) when there are fully responsible for their decisions. In general in the majority of countries, there is at least limited autonomy regarding operating expenditures. When it comes to the acquisition of computer equipment school autonomy is usually not so popular option. Schools in Belgium, Latvia and Sweden have full autonomy within the legal framework in the use of funds for these budget headings. In five countries: Bulgaria, Ireland, France, Cyprus and Romania schools have no autonomy in their use of public funds. In these countries decisions are taken by the higher education authorities, schools still may be consulted during the procedure. In other cases degree of autonomy depends on expenditure category. In case of human resources management school autonomy is more popular in regard to non-teaching staff rather than teachers or school heads. In most of the countries, schools have no full autonomy with respect to the management of school heads. Schools are generally given greater autonomy in managing their teaching staff than they are in managing school heads

The World Bank presented very interesting comparison of management system in education in five countries: England, Finland, New Zealand, the Netherlands, and the Republic of Korea<sup>13</sup>. The World Bank chosen countries, which have excellent educational results, which can be measured as high ranks on international benchmark test (Program for International Student Assessment -PISA and The Trends in International Mathematics and Science Study -TIMSS), which are geographically diverse, and finally – countries where there is considerable to moderate spread of school under supervisions. In all five countries students are supervised by teachers and teachers are supervised by principals and head teachers. The supervision was defined as: "the regular/periodic oversight of individuals or

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<sup>11</sup> School Autonomy in Europe Policies and Measures, 2007

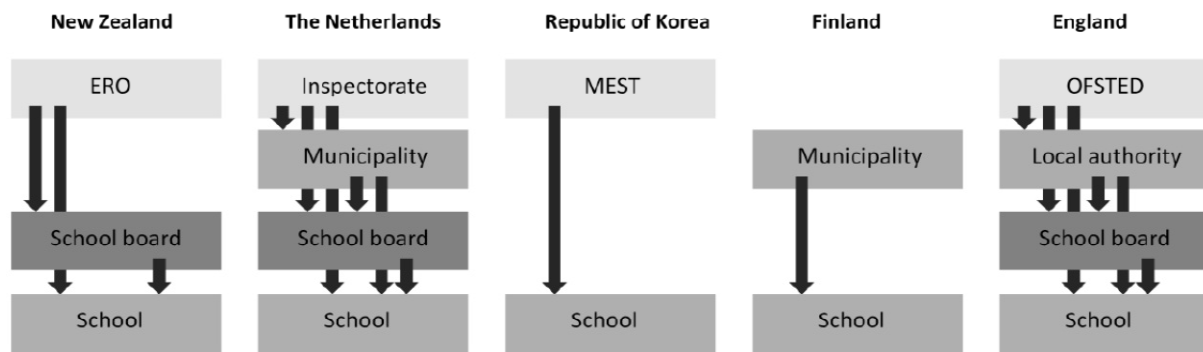
<sup>12</sup> Ibidem

<sup>13</sup> Supervision of Primary and Secondary Education: A Five-Country Comparison, 2010



entities, which uses the results of evaluation (and sometimes inspection) to inform and direct action of those supervised<sup>14</sup>. According to this study there is a difference between supervision, inspection, evaluation, and support. And in this case, supervision, has some overlap with evaluation and inspection, and often also with support, at least in the form of advice. Schools are supervised and evaluated in different way, by different agencies and as it is shown on Picture 1 the system is different in each country.

**Picture 1:** Agencies involved in Supervision of Schools; ERO – Education Review Office, MEST - the Ministry of Education, Science and Technology, OFSTED - the Office for Standards in Education, Children’s Services and Skills



Source: World Bank, 2010, p. 2.

The criteria of school evaluation slightly differ according to the country but there are some similarities. Common criteria are: student’s outcomes, school processes (like school leadership, the quality of teaching, students’ needs) and the context of school activities. In Korea, England and New Zealand there are formal guidelines for school self-assessment and external evaluation. In the Netherlands they are not obligatory while in Finland there are none formal criteria (apart from annual self-assessment report and annual municipalities school evaluations). In these high performing system schools are given feedback on their performance. Also parents are given information from students report cards. Parents play especially important role in school governance in England and Netherlands; they have full excess to external assessment, and have rights to take part in decisions regarding school options. In New Zealand and England, teacher’s poor marks, especially during induction process may lead to loss of permanent job offer. In England, New Zealand and the Netherlands school assessed as underperforming may be closed. In Finland this information is used to help to upgrade evaluation. In case of Korea – best schools are rewarded. The World Bank commented the study: “In all five countries examined, school supervision at the primary and secondary levels is mainly concerned with improving educational outcomes for students. The two primary levers used to improve student outcomes are accountability and support. While the experience of each of the countries studied is culturally and historically unique, no system is without some elements of both these levers. All five countries understand that insisting on accountability without offering support is unfair, while support without accountability can be unwise<sup>15</sup>”.

### 3. SCHOOL GOVERNANCE AND SCHOOL MANAGEMENT

New Public Management and decentralisation lead to significant changes at school level. Autonomy received by school put them in new environment and in drastic need for new skills and new knowledge. Head teacher needed to change their role and reformulate their way of thinking and acting. Previous governance over school was replaced by school management. As the effect head teachers needed to present set of skills, knowledge and activities associated rather with business than traditional education system taking role of skilful manager on competitive education market. Rising school autonomy due to decentralization also lead to increasing need of local stakeholders participation. Stakeholder participation often took form of management bodies. Depending on the country they had consultative or decision-making role. Composition of those management bodies may also differ. Most often they include those strictly involved in school existence: teacher, parents, local

<sup>14</sup> Ibidem  
<sup>15</sup> Ibidem

authorities, nonteaching staff and pupils. In some cases those bodies present wider local community such as business, culture or social representatives. In effect such mixed bodies are able to better identify and formulate needs of local community and influence decision making process. Such model comes at costs and challenges unknown in previous centralised school governance model. Different stakeholders can present different or even opposite ideas rising need for building consensus. In general those processes made schools more elastic, efficiency oriented and more similar to typical business operating on market.

Processes substituting school governance with school management did not come without some controversies. Education sector need to compromise needs of different actors: state, business, parents, teachers, pupils, and many others. Education being described as long-term investment is often perceived as area of some sort of mission, thus it is not necessarily best associated with short-term oriented market rules. While many positive results following change from school governance to school management - such as cost efficiency - are visible in short term period, the overall long-term effects on education seem to be mostly positive, but may yet require additional research. Change from school governance to school management seem to reflect changes of state, society and markets. Traditional education system was well crafted for the needs of mass-production stable economy. From this point of view change was necessary as markets became more dynamic schools are needed to become more elastic as well. Also cultural and social changes propelled the need of change. Better educated, more aware and politically active society demanded greater control over public issues and services - including education. Inclusion of local communities in school management during decentralisation processes was answer to those demands.

The open question is what direction schools should go in future taking into account technological progress especially in the area of communication technology and dynamic global changes. Future educational needs are harder to predict than ever, and growing interdependence and complication of markets may rise new needs that may be not compatible with current systems.

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