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KEYWORDS	ABSTRACT
New Public Management; public sector reform; post-NPM; performance management; neo-Weberian state; digital-era governance	New Public Management (NPM) has been one of the most influential and contested reform movements in the history of modern public administration. Since Hood (1991) gave the movement its name, a very large literature has described, evaluated and criticized the application of market-inspired and managerial ideas to government. This review synthesizes that literature in order to trace the intellectual and political origins of NPM, identify its principal reform instruments, assess the empirical evidence on its effects on efficiency, service quality, accountability and public service ethos, examine its reception in developing countries, with particular reference to Pakistan, and map the post-NPM alternatives that have emerged in response: the new public service, public value management, new public governance, the neo-Weberian state and digital-era governance. The review concludes that the effects of NPM are context-dependent rather than uniformly beneficial or harmful; that post-NPM reforms have largely layered new logics onto existing ones rather than replacing NPM; and that the spread of data-driven technologies and artificial intelligence opens a further reform wave whose relationship to NPM remains under-theorized. Research gaps and implications for reform design in settings of limited institutional capacity are outlined.
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Introduction

Few ideas have shaped the organization of government over the past four decades as strongly as New Public Management. From the early 1980s, governments in the United Kingdom, New Zealand, Australia and the United States, and later in much of continental Europe, Asia, Africa and Latin America, adopted reforms that sought to make public organizations more efficient, responsive and accountable by borrowing techniques from business: explicit performance targets, contracting out, quasi-markets, semi-autonomous agencies, and a vocabulary that recast citizens as customers

(Hood, 1991; Pollitt & Bouckaert, 2017). NPM was not one programme; it was a cluster of programmes. This was pointed out by Hood (1995), who found it in a great number of national variants, and by Christensen and Lægreid (2001) who managed to demonstrate that it was not just a matter of its diffusion, as it was affected by the national polity features and administrative traditions. The label, however, has taken on a life of its own, acting as a shorthand form of a set of ideas about the way the public sector should be administered.

There are three reasons to call for a fresh review. First, the time elapsed is sufficient to evaluate NPM's performance. Now there is a considerable body of comparative empirical work, and the first-generation reforms have been over 40 years old. Secondly, the literature has become so vast and disorganized that the message is lost. Between 1991 and 2016, Funck and Karlsson (2020) found four themes in 299 articles across the top five public administration journals: a reform with a nebulous purpose, a 'limping NPM' concept, a singular-sided view of NPM and the NPM-as-the-norm message. They also cautioned that Hood's original model might have been narrowed in ways that have biased the knowledge base in future studies. Third, there has been a change in the context of reform. With austerity measures following immediately after the crisis, the COVID-19 pandemic, and the emergence of data-driven technologies, scholars and practitioners have wondered, is NPM dead or has it changed, or has it simply been reincarnated under a different name (Dunleavy et al., 2006; Dunleavy & Margetts, 2025; Lodge & Gill, 2011)?

This study pursues five objectives. It (1) explains where NPM came from and what it consisted of; (2) describes its main reform instruments; (3) synthesizes evidence on what those instruments achieved; (4) examines how NPM travelled to developing-country settings, using Pakistan as an illustrative case; and (5) reviews the post-NPM paradigms and the emerging digital reform agenda. The paper concludes by outlining areas of research need.

Review Approach

It is a narrative, integrative review and not a protocol-driven systematic review. Literature was searched using specific terms in the following categories: combinations of the terms "new public management", "(post-)NPM", "neo-Weberian state", "digital era governance", "performance management", "developing countries" and "Pakistan" were targeted to identify literature on the subject. In this regard, foundational books and articles were retained to anchor the conceptual discussion. Priority was then given to peer-reviewed journal articles, major scholarly books and institutional working papers published between 2019 and 2026, so that the review reflects recent evidence and debate rather than only the classic literature. Sources were organized thematically: origins, instruments, variation, effects, critique, developing-country experience and post-NPM trajectories.

The approach has limitations. The review is selective rather than exhaustive; it is restricted to English-language sources; and the very large volume of NPM scholarship means that some national and sectoral studies, notably in health, education and local government, are treated only briefly. The reader is directed to the works cited for details of the methods.

Origins and Conceptual Foundations

Political and Economic Context

NPM was born out of a combination of financial, ideological and intellectual factors. The economic turbulence of the 1970s, with stagflation, oil shocks and mounting public debt, exposed the limits of the post-war expansion of the welfare state and weakened public confidence in bureaucratic provision. Governments of both right and left came to regard public spending as a problem of productivity as well as of priorities. In the Anglo-American world, the governments of Margaret Thatcher and Ronald Reagan, and the reforming Labor government in New Zealand after 1984, portrayed traditional bureaucracy as slow, rule-bound and unresponsive to users. In developing countries, the same logic arrived by a different route. Larbi (1999) noted that financial crises in the 1980s led many governments to adopt reform programmes under the auspices of the International Monetary Fund and the World Bank, and that NPM-style blueprints were frequently imported from developed states even though countries varied widely in their capacity to implement them.

Intellectual Roots

Hood (1991) described NPM as the product of a marriage between two streams of ideas: the “new institutional economics” and business-type managerialism. The first stream drew on public choice theory, transaction-cost economics and principal-agent theory. Public choice scholars such as Niskanen (1971) depicted bureaucrats as budget-maximisers whose behavior could be disciplined only by competition and by sharper incentives. Principal-agent theory framed the relationship between politicians and public organizations as a contractual one in which the principal must specify, monitor and reward performance. The second stream, managerialism, held that good management is a generic skill transferable between sectors, and that managers should be “free to manage” with the discretion to organize resources as they see fit, provided they are held to account for results.

The Doctrinal Components

Hood (1991) distilled NPM into seven doctrinal components: (1) hands-on professional management of public organizations; (2) explicit standards and measures of performance; (3) greater emphasis on output controls; (4) a shift to the disaggregation of units in the public sector; (5) a shift to greater competition, through term contracts and public tendering; (6) a stress on private-sector styles of management practice, including flexible hiring and rewards; and (7) a stress on greater discipline and parsimony in resource use. Not every country adopted all seven, and Ferlie et al. (1996) showed that even within one country NPM took several forms, which they described as models centered on efficiency, downsizing and decentralization, the pursuit of excellence, and public service orientation.

Two Strands: Reinventing Government and Managerial Reform

Two strands of NPM are worth distinguishing. The American strand, popularized by Osborne and Gaebler (1992) under the banner of “reinventing government”, urged governments to “steer rather than row”, to inject competition into service delivery, and to become mission-driven and entrepreneurial. It concerned primarily the relationship between government and society, including the extent to which service delivery should be handed to other actors. The European strand, closer to Hood’s analysis, concerned the internal organization and management of public bodies: performance contracts, devolved budgets, agencies and managerial accountability. This is important because the two dimensions have had different paths. The concept of de-municipalization in service provisioning has not gained traction in many locations, as evidenced by the internal toolbox of targets, indicators and delegated management, which remain surprisingly resilient, as explained in later sections.

The Reform Instruments of NPM

Disaggregation and Agencification

The division of large, multi-purpose ministries into smaller, single-purpose administrative bodies, such as executive agencies, arm’s-length bodies and state-owned enterprises, managed by contract or framework documents, not through hierarchy, was the distinguishing feature of NPM. The argument was that policy making and operational delivery will make life easier for managers to concentrate on results and make it possible to compare performance between units. But agencification is not an NPM creation. However, the centralization of agencification and corporatization in the Norwegian central government from 1947 to 2011, as described by Lægreid et al. (2013), revealed that this organizational change is not a recent development and is influenced by national administrative doctrines, party constellations and the conscious decisions made by policymakers. The point of the lesson is that those reforms that are described as NPM often have mixed parentage.

Performance Management and Measurement

The instrument which was most widely diffused was performance management. It includes explicit targets and indicators, output and outcome measurement, performance contracts, performance-based budgeting, league tables and an increasing system of audit and evaluation. There is no simple appeal in it: if the public organizations are required to be held accountable for results rather than for compliance with the rules, what is meant by results must be defined and measured. Power (1997) captured the wider consequence in his account of the “audit society”, in which verification of processes and systems becomes a central activity of governance. A meta-analysis by Gerrish (2016) found a modest positive association between performance management and organizational performance in public organizations, which suggests that the tool is not without value. The difficulty, discussed below, lies in the side-effects of measurement when it is applied to complex public tasks.

Marketisation: Contracting-out, Quasi-markets and Privatization

Compulsory competitive tendering, outsourcing, internal or quasi-markets in health and education, public-private partnerships and, in the more radical scenarios, privatization, were all elements of NPM that sought to stimulate competition in public provision. It was believed that competition would help to reduce prices and improve quality by encouraging providers to be more efficient and the state would stay in the role of purchaser and regulator. Lapuente and Van de Walle (2020) pointed out to the core challenge that costs can be measured in most public services, but not quality, and private providers might be tempted to cut costs – at least beyond a minimum threshold – at the expense of quality. Dunleavy et al. (2006) introduced a systemic argument, suggesting that NPM outsourcing reduced the in-house skills of governments, and created contractual risks and obstacles to cross-government coordination, particularly in the field of information technology.

Customer Orientation

Citizen charters, service standards, complaints systems, satisfaction surveys and the extension of user choice were some of the ways in which the NPM objective of being responsive to those served by the provider was expressed. It did provide positive results in terms of transparency, and publishing standards. But this also presents a conceptual challenge, in the sense that it makes citizens customers. This is the conflict between the citizens who have rights and collective responsibilities and the consumers who make choices (Aberbach and Christensen, 2005). A customer model only reflects a part of what consumers want from government and is not appropriate for services that must be compulsory, coercive or redistributive.

Human Resource Flexibility and Human Resource Performance-based Pay

NPM's innovation of contracting, flex, and senior executive services and performance pay for the traditional career civil service. The purpose of these measures was to attract managerial talent and to make individual incentives match organizational outcomes. Intrinsic motivation, the desire to serve, may not sit well with the idea of extrinsic motivation, money, and many public employees, and individual pay for performance is challenging to fairly implement where the output is hard to tie to a specific individual. There is inconclusive evidence and it is context-dependent; the question is revisited in Section 8 in a Pakistani context.

Cross-National Variation

The “globalization thesis” held that NPM was spreading rapidly and generating convergence between administrative systems. Christensen and Lægreid (2001) challenged that view in their comparative study of Norway, Sweden, New Zealand and Australia, arguing that reforms were transformed by a mixture of environmental pressure, polity features and historical-institutional context, producing divergence and organizational variety rather than uniformity. A later volume examining post-NPM developments in Australia, Denmark, Norway, New Zealand and Sweden reached a similar verdict: NPM “is by no means over”, but it has been challenged, supplemented and, in some of its disaggregating features, partially reversed (Christensen & Lægreid, 2007a).

The most influential comparative framework is presented by Pollitt and Bouckaert (2017). They categorize countries according to the style of reform they introduced – “marketizer’s” (the United Kingdom, New Zealand and Australia) which most embraced NPM; “modernizers” (Nordic countries and the Netherlands) which did so within a framework of consensual, participatory practices; and “maintainers” (France, Germany and Italy) which were more Weberian and legalistic in nature but adapted selectively. Their work highlights the constitutional framework, political culture and traditional administrative practice as the determinants of reform trajectories.

The example of specific countries is illustrative. Taking a long view of 30 years of reform in central government in the United Kingdom, Hood and Dixon (2015) considered whether the reforms had been effective and had become more cost-effective. They replied sadly, based on the cost and quality indicators they looked at, that they could not point to either of those outcomes. Hammerschmid et al. (2019) conducted a twenty-country survey of top public executives across Europe and correlated five NPM-inspired reforms (focusing on cost efficiency, service quality, policy coherence and coordination, and equal access) with four performance dimensions. Contracting out and downsizing were positively related to perceived efficiency, but downsizing was also associated with worse service quality, leading the authors to suggest that policymakers should prioritize managerial reforms within organizations over structural transformation.

Evidence on the Effects of NPM

Efficiency and Cost

The efficiency claim is the oldest and the hardest to test. Attributing changes in cost to reform is difficult because reforms are bundled, public outputs are hard to measure, and there is rarely a credible counterfactual. Pollitt and Dan (2011), in a meta-analysis of the impacts of NPM in Europe undertaken for the COCOPS research project, drew attention to the scarcity of robust evidence of results. Hood and Dixon’s (2015) study in the context of UK and the European executive survey of Hammerschmid et al. (2019), both have suggested that some instruments, notably contracting out, are associated with efficiency gains in some settings, but that these gains are neither universal nor free of costs elsewhere in the system.

Service Quality and Context

The most systematic recent attempt to address the question of quality is the special issue of *Governance* introduced by Lapuente and Van de Walle (2020). The authors noted that, with few exceptions, researchers have lacked systematic empirical tests of what NPM reforms have done to public service delivery. Synthesizing the special-issue studies, they conclude that neither the catastrophic nor the balsamic effects often attributed to NPM are confirmed; success or failure depends on the administrative, political and policy context in which reforms take place. This is arguably the single most important finding of the recent literature, because it replaces the debate between advocates and critics with the question of the conditions under which instruments work.

Innovation

A particularly interesting recent contribution concerns the relationship between NPM and public-sector innovation. In the first systematic literature review on the topic, Kattel et al. (2023) found that the existing literature mainly shows negative effects of NPM on innovation policy through the introduction of competitive practices. Yet they argue that the full picture is more layered: NPM reforms, perhaps inadvertently, enabled new and non-traditional actors, such as innovation and digital agencies, to emerge in the innovation domain, and opened debates about collaboration and experimentation. The primary effect of NPM on public-sector innovation may therefore have been negative, while its secondary effect, through corrective reforms, has been more positive. The prior findings are an example of the overarching theme that NPM is more aptly thought of as a chain of action and reaction than as one event.

Unintended Consequences

There are many studies that address the unintended effects. Measurement can distort behavior: when indicators become targets, organizations may game the numbers, concentrate on what is counted at the expense of what matters, or devote disproportionate time to reporting. Muller (2018) has called this tendency “metric fixation”. Disaggregation can produce fragmentation, duplication and coordination problems, which later reforms aimed at “joined-up” or whole-of-government working were designed to repair (Christensen & Lægreid, 2007b). Hood and Peters (2004) described the “middle ageing” of NPM as an age of paradox, in which reforms produced results opposite to those intended, for instance more rather than less rulemaking and oversight in the name of deregulation. Finally, contractual relationships can diminish democratic control and public accountability when responsibility is dispersed across many bodies, an issue returned to in the next section.

Critiques of NPM

Criticism of NPM comes from several directions, and it is useful to separate them.

Conceptual critics point to the looseness of the term. Funck and Karlsson (2020) argued that NPM has often been studied as a reform with a vague intention and as a “limping” concept, in which the diversity of Hood’s original components is reduced to a few favored elements. Barzelay (2001) considers NPM not necessarily a stable or fixed body of theory, but rather a space for debate over policy in public management. There is no concept that is applicable to almost any change in management, and in part this is why the empirical evidence is so ambiguous.

Democratic critics criticize NPM because it diffuses responsibility between agencies, through contractors and partnerships. The more complex a service is provided through a sequence of contracts, the more difficult it is for citizens, legislators and courts to hold responsibility. The “citizen versus customer” conundrum identified by Aberbach and Christensen (2005) is here: a customer relationship provides exit and complaint, but not the collective voice and equal citizenship that citizenship suggests.

Normative critics question the values of the public-sector ethos in the promotion of NPM. Denhardt and Denhardt (2000) asserted that government should serve the citizens and seek to articulate common interests instead of leading society as a businessman or businesswoman leads a market, and that the public interest is more than the aggregate of individual preferences. Questions of equity also emerge because efficiency-promoting reforms might be more focused on efficiency than on equal access, which was a conscious variable included in the analysis done by Hammerschmid et al. (2019).

Empirical critics stress the lack of evidence of the benefits that NPM promised. Pollitt and Dan (2011) and Hood and Dixon (2015) have both struggled to prove that reform led to persistent reductions in cost and/or improvements in quality.

This must be recorded on a balanced review as what defenders can claim. NPM created focus on results; made public organizations more cost conscious; brought transparency to performance; and challenged complacent bureaucratic habits. Many of its tools are still around because they are an answer to real problems. As Christensen and Lægreid (2007a) argued, the wave of reform does not wipe away the past, and some of the NPM constructs have survived even when its rhetoric has faded.

NPM in Developing Countries and the Pakistani Experience

The Transfer Problem

The move of NPM to the developing world has been the subject of constant skepticism. The introduction of NPM in crisis and developing countries was in very different contexts from that experienced in OECD countries; too many reforms were based on blueprints from OECD countries; and too much focus was given to the policy content of reform, and too little to the arrangements that were required for its implementation (Larbi, 1999). In developing countries, where NPM was used only in part, Manning (2001) argues that it had only partial success. While in his analysis, the expectations of citizens about the quality of service and the public service culture with predictable resources, credible staff regulation are required for effective contract-like arrangements, these are often lacking. Recent studies have come to similar conclusions. In a review of some fifty articles, Bhul (2023) concluded that many developing countries have partly incorporated the principles of NPM, but that this is not always possible due to corruption and weakness in administration and local context. Following this, Adhikari et al. (2026) have summarized the Nepalese literature as a process of layering or piling up of new initiatives over existing structures of reform since 1990.

Pakistan as an Example

Pakistan illustrates both the appeal and the limits of NPM. Khan and Hussain (2020) based their analysis on 27 semi-structured interviews with civil servants and the authors noted that Pakistan inherited its administrative structure from the British colonial period, and that although numerous reforms aimed at improving administrative performance have been undertaken, none has been implemented adequately. A first full reform package in the 1970s included steps to improve civil service performance together with the nationalization of major banks and industries. In the 1990s,

NPM inspired the government to adopt managerialism and privatization, with the intention of overturning the status quo and privatizing public-sector industries. The civil servants interviewed concluded that an indigenous public management model should be developed and that salaries should reflect expertise, supported by a well-defined and up-to-date performance evaluation system that links promotions, rewards and sanctions to performance.

Performance management is a particularly instructive example. Hanif et al. (2016) evaluated the annual confidential report and the performance evaluation report systems used in the civil service at federal and provincial levels, situating them in the context of NPM-inspired reform. They discover strengths such as thoroughness, comprehensiveness, and as a disciplinary measure for promotion and accountability. They also highlight the areas that need improvements: political interference, non-essential elements and not quantifying and standardizing the process to ensure effective implementation. By this, I mean that there is an instrument used in the NPM toolkit in Pakistan, but the personnel system in which it is employed doesn't provide the necessary objective data to measure and reward results based on political influence and discretionary judgement.

In combination, these studies imply their interpretation, which is offered here, as a synthesis of the reviewers, not from any one study. But NPM instruments rely on conditions which may not be considered in many developing-country contexts: credible sanctions, reliable performance data, depoliticized appointments, and enforceable contracts. In those circumstances in which the conditions are less strong, instruments like performance contracts, outsourcing, and performance-related pay have the potential to be simply formalized patterns that operate alongside more traditional forms of patronage and hierarchy. That doesn't mean that managerial reform is hopeless. It is a fact that sequencing is important, that the principles of impartial and capable governance can be strengthened first before launching more complex market-based mechanisms, and an important observation that locally designed models are more likely to succeed than foreign blueprints that have been imported.

Post-NPM Trajectories

Beginning from the late 1990s, several scholars and reformers claimed that NPM had become limited. Çolak (2019) has identified five post-NPM trends that have developed as a response to this critique of NPM: the new public service, public value management, digital era governance, the neo-Weberian state and new public governance. He notes that there are lots of common elements, and that they vary in the degree to which they emphasize what. These are briefly summarized below.

New Public Service

Denhardt and Denhardt (2000) introduced the concept of the new public service based on democratic citizenship, community and civil society as an alternative. It's a central argument that public servants must bring citizens to a point of mutual interest rather than steer them, and that organizations achieve their best when they're managed through collaboration, and respect for the people involved, not control alone.

Public-value Management

Moore (1995) proposed a public managers' "strategic triangle" consisting of a worthwhile public purpose, legitimacy and acceptance from their authorizing environment and an ability to operate. Bryson et al. (2014) extend this into public value governance, positioning it as a way of moving beyond both traditional public administration and NPM, with an emphasis on collaboration across sectors and on the way public value is jointly produced.

New Public Governance

Osborne (2006) presented the new public governance as a response to the realities of a plural state, in which many interdependent actors contribute to policy design and service delivery, and a pluralist state, in which multiple processes inform policymaking. He argued that NPM was best seen as a transitional phase between public administration and governance, and that the emphasis should move to inter-organizational relationships, trust and co-production. Torfing et al. (2020) conclude that governance paradigms compete but also coexist in practice.

The Neo-Weberian State

The neo-Weberian state (NWS), identified by Pollitt and Bouckaert as an ideal type for the post-NPM world, shares the core Weberian elements of a strong state, of legality and of professional civil service, but with the added emphasis on orientation towards citizens and results. Bouckaert (2023) conceptualizes NWS as a hierarchy-based system in a hierarchical space and states that it is a still important ideal type especially in the practice of Western European administrations. The author further said that NWS will also be expected to contribute to three pillars of a "whole of government" approach: inclusive and equitable service delivery, crisis governance and effective innovation. These are statements and hypotheses that need to be tested empirically. For example, due to its federal structure and Indigenous governance requirements, Canada does not fit the NWS model well, as outlined by Lindquist and Craft (2024), who propose an alternative approach of a hybrid, pragmatic and negotiated model. Studies also about Germany read the recent developments as a "swinging back of the pendulum" towards hierarchy and public-sector principles (Kuhlmann & Wollmann, 2019), but not fully displacing markets and networks.

Digital-era Governance

Dunleavy et al. (2006) declared NPM "dead" in an influential argument that it had become an exhausted orthodoxy, disaggregating government, hollowing out capabilities and creating contractual obstacles to IT modernization. The authors further suggested a digital era governance (DEG) based on three themes: reintegration of services, a holistic, needs-based approach and the digitalization of administrative processes. Margetts and Dunleavy (2013) described a second wave in which government operated increasingly on the web.

Layering and Hybridity rather than Replacement

A persistent finding is that post-NPM reforms supplement rather than replace NPM. Christensen and Lægreid (2011) analyze the Norwegian labor and welfare administration reform as a hybrid that blends NPM and post-NPM elements and increases complexity as a result. Lodge and Gill (2011) raised doubts about the so-called 'post-NPM era' in New Zealand being a new era in administrative reforms. Lapuente and Van de Walle (2020) summarized the literature in similar terms: post-NPM is better regarded as a complement than as an alternative, reasserting older public administration values and adding coordination and collaboration without abandoning the managerial toolkit. For students of reform, the practical implication is that contemporary administrations are best understood as sediments of several reform generations, each of which leaves institutional deposits that interact with the next.

Comparing the Paradigms

The post-NPM paradigms are easier to compare when their dominant logic of coordination is made explicit. Bouckaert (2023) used a space defined by hierarchy, markets and networks to do this: NPM is driven by markets, new public governance by networks, and the neo-Weberian state by hierarchy. The new public service and public value management are best read as value-based correctives, since they define what public action is for rather than primarily how it should be organized (Bryson et al., 2014; Denhardt & Denhardt, 2000; Moore, 1995). Digital-era governance speaks to this place, suggesting the potential of technology to bring about the reintegration of what disaggregation has split apart (Dunleavy et al., 2006).

In this perspective the paradigms are not competitors but rather partial solutions to various shortcomings of the NPM. Hierarchy is introduced by the neo-Weberian state and digital integration, while purpose is often lost in the logic of the market, public value and the new public service reclaim questions of legitimacy and citizenship, and interdependence is ignored by bilateral contracts, it is emphasized by networks and co-production. Hierarchy can be rigid; accountability may be lost in networks; and technology may centralize power in the hands of the people with the data and systems. The comparative lesson, consistent with Torfing et al. (2020), is that reform design involves choosing a combination of logics that fits a particular political and administrative context, rather than selecting one paradigm to replace another.

The Digital and AI Frontier

The latest wave of reform concerns data science and artificial intelligence. Dunleavy and Margetts (2025) examine DEG considering data-driven technologies and identify four macro-themes that together comprise a third wave of DEG. These include the capacity to store and analyze very large volumes of data, which reduces the need for the data "compression" characteristic of Weberian bureaucracies; the growing ability of robotic devices to extend or substitute for worker capabilities; and new options for partitioning state functions, captured in an "intelligent center, devolved delivery" model within policy sectors. They highlight significant administrative choices about information regimes, state organization, functional allocation and outsourcing arrangements.

The relationship of this wave to NPM is ambiguous, and in the reviewer's reading it deserves more theoretical attention than it has received. AI can be used to help with reintegration and holism and can help correct some of the fragmentation caused by NPM. In contrast, automated decision-making and algorithmic monitoring of performance can perpetuate NPM's emphasis on outputs that are easier to measure, and even greater danger that something that cannot be measured is ignored. Again, the choices of outsourcing arrangements are important: Dunleavy et al. (2006) identified a danger that the contracting out of technological capability undermined the competence of the contracting government, and this is also a danger in the case of a small number of external providers of AI systems. Digital tools could be a solution to enhance transparency and service delivery for developing countries, even in Pakistan, but they will not do away with the need for institutions which are capable and unbiased.

Research Gaps and Implications

From this review, there are several gaps identified which are as follows:

Causal Evidence

Although ample research, there is limited evidence of effects. Future studies are necessary that adopt quasi-experimental designs and/or longitudinal designs, and that not only consider NPM as a package of instruments but also make distinction between individual instruments (Lapuente & Van de Walle, 2020; Pollitt & Dan, 2011).

Global South Research

Many theories are still based on the cases of OECD. There is a need for more empirical research on the performance of reform instruments in contexts of weak rule of law, strong patronage, and fiscal constraints, looking at variation at the provincial and local level in Pakistan (Khan & Hussain, 2020).

Conceptual Clarity

Not all NPM has been applied to the concept in the narrow or loose sense as demonstrated by Funck and Karlsson (2020). Research should describe which element(s) of Hood's components they study.

Sequencing and Layering

The interaction of the successive reform generations and the persistence of NPM institutional residues are under-researched (Christensen & Lægreid, 2011; Adhikari et al., 2026).

Digital and AI Governance

There is a need for a systematic investigation of the implications of AI in the public sector for accountability, equity and workforce, alongside its connection to NPM-style performance regimes (Dunleavy & Margetts, 2025).

Motivation of Public Service and Staff

Evidence on the effect of flexible employment and performance-related pay on motivation and retention is still inconclusive, and context-sensitive research is needed.

Practitioners must be given modest but instructional implications. Reforms should be started with an understanding of context and capacity, not with a fad for a paradigm; managerial change within organizations is more likely to be effective than large scale structural change (Hammerschmid et al., 2019); performance measures should be designed with gaming and a focus on measures in mind; and reforms aimed at dispersing delivery must be coupled with investment in the coordination and accountability.

The literature discussed in this study suggests a hierarchy of priorities for Pakistan, which is a synthesis of the literature, and not necessarily the result of any one study. The first is the credibility of the personnel system, which Hanif et al. (2016) pointed out as a weakness and was suggested for reform by the civil servants interviewed by Khan and Hussain (2020), namely merit-based appointment; and a standardized, and politically untouchable, performance evaluation system. The second is the capacity of the states to identify, monitor and enforce contracts prior to the extension of outsourcing and performance contracting, as posited by Manning (2001) and Larbi (1999). The third is – and it is the third way – selective and local design of managerial tools, evaluated in the light of the evidence and not imbued as a package. Digital systems for records, procurement and service delivery can play a role with all three, provided they have accountability for data and algorithm usage. The case provided here serves as a reminder for teaching that the same reform instrument can have very different reaction under various institutional circumstances.

Conclusion

The concept of New Public Management changed the language, methods and organizations of public administration throughout the world. This review has outlined the origins of the review in fiscal crisis, public choice and managerial ideas; the main instruments of disaggregation, performance management, marketisation, customer orientation and flexible human resource management; and the evidence on its effects. Three conclusions are possible. First, the effects of NPM are not necessarily catastrophic, but are dependent on the administrative, political and policy context (Lapiente & Van de Walle, 2020). Secondly, NPM has not attracted a single heir. Partially correctives are offered by the new public service, public value management, new public governance, the neo-Weberian state and digital-era governance, all of which are employed on top of NPM, and on top of each other, resulting in hybrid administrations (Christensen & Lægreid, 2011; Çolak, 2019). Thirdly, the use of NPM in developing countries like Pakistan indicates that managerial tools are as powerful as the institutional structure in which they are embedded (Khan & Hussain, 2020; Manning, 2001).

Data-driven technologies will become the next phase of research and reform, either reinvigorating the logic of NPM, which was fracturing and measuring, or allowing for a more integrated state. The choice of which path to take will be more about institutional decisions on accountability, capacity and public purpose than it will be about technology.

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