Both practitioners and scholars are increasingly interested in the idea of public value as a way of understanding government activity, informing policy-making and constructing service delivery. In part this represents a response to the concerns about 'new public management', but it also provides an interesting way of viewing what public sector organisations and public managers actually do. The purpose of this article is to examine this emerging approach by reviewing new public management and contrasting this with a public value paradigm. This provides the basis for a conceptual discussion of differences in approach, but also for pointing to some practical implications for both public sector management and public sector managers.

Key words: new public management, public value, role of managers

Public sector reform has been a common experience across the world despite its different forms and foci (Pollitt and Bouckaert 2004). Commonly as scholars and practitioners we refer to the reforms of the last few decades as ‘new public management’ (NPM) which, for Hood (1991), represented a paradigmatic break from the traditional model of public administration. During this era several countries became exemplars of NPM, in particular New Zealand and Australia which undertook significant public sector change to break from the bureaucratic paradigm of public administration.1 More recently, however, cracks have appeared and the search for a new way of thinking about, and enacting public management practice has begun, in part to address the supposed weaknesses of NPM. This is unlikely to underpin a return to the bureaucratic model, but rather spark a paradigmatic change which attempts to redefine how we think about the state, its purpose and thus, ways of functioning, operating and managing.

Within this search for meaning and direction a ‘public value’ approach is attracting considerable interest, both in practitioner and academic circles (Alford 2002; Bovaird 2004; Bozeman 2002; Carmeli and Kemmet 2006; Hartley 2005; Hefetz and Warner 2004; Horner and Hazel 2005; Kelly, Mulgan and Muers 2002; Moore 1994, 1995; Moore and Braga 2004; Pinnock 2006; Smith 2004; Smith Anderson and Teicher 2004; Stoker 2006). This approach, first articulated by Moore (1994; 1995) represents a way of thinking which is both post-bureaucratic and post-competitive allowing us to move beyond the narrow market versus government failure approaches which were so dominant in the NPM era (Hefetz and Warner 2004). From here, it is argued, a new paradigm for thinking about government activity, policy-making and service delivery may emerge bringing with it important implications for public managers.

The purpose of this article is to articulate this new paradigm and to consider the implications for public managers in practice. In order to do this the article is organised into three key sections. The first section sets out the principles, practices and premises of NPM and this is followed by a discussion of public value. The