

# **PRIVATE SECTOR MANAGEMENT TOOLS IN THE PUBLIC SECTOR: ILLUSTRATIVE EVIDENCE OF LITERATURE FROM AUSTRALIAN PUBLIC SECTOR**

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**Abstract:** Public sector reform processes have brought a wide range of improvements in many areas of public service delivery. This study explores the reforms activities initiated by Australian public sector organizations in the context of new public management ideals. New public management ideals believe that management in the public sector is not different from management in the private sector. Since 1980s the Australian public sector has been dominated by the new public management principles as a response to reform initiatives and eventually different private sector management practices have been introduced in public sector. Literature supports that the Australian public sector organizations have changed their structure and operation in line with the private sector to achieve cost-efficiency, budget accountability and an improved customer focus in service delivery. However, this study doesn't intent to generalize any findings rather highlights a summary based on available literature. Though the context of the present research is Australia, it may be equally useful to every policy maker who are engaged in formulating new policies for respective public sector. Moreover, the findings reported in this study would be useful to the public sector managers in their day to day decision-making.

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## **Introduction**

Conventionally public sector organizations are funded by grants raised by government from taxation and other sources and these organizations provide supply services and utilities which is the part of the infrastructure of the society. However, a movement away from this situation has emerged and the new orthodoxy emphasizes on efficiency, effectiveness, cost savings and managerialism in the public sector (Broadbent and Guthrie, 1992; Starling, 2011). These changes have redefined the management paradigm of public sector and have given increased attention to ensuring economy, efficiency and effectiveness (3Es) for the society in a revised transparency and accountability framework. Now the activities of public sector are being evaluated in quite explicit economic terms and 'value for money' has entered into the vocabulary of government (Parker et al. 2019; Hopwood, 1994; Harris, 1995).

It has been observed that public sector reform processes have created a wide range of changes in many different areas of public service delivery. Manning and Parison (2003) reviewed some developments in public administration reform among 14 selected countries namely the Russian Federation government, Australia, Brazil, Canada, Chile, China, Finland, Germany, Hungary, the Netherlands, New Zealand, Poland, the Republic of Korea, the United Kingdom, and the United States of America. This study summarized the elements of reforms that were publicly disclosed by respective governments. Few of the findings are reducing government consumption; reducing patronage; developing flexibility in employment contracts; improving monetary incentives; improving service delivery; building public and private sector confidence; and improving operational inefficiency and poor service delivery. These elements of reforms created a new orthodoxy in the public sector, namely 'new public management' (NPM) (Hood 1991, 1995; Dunleavy and Hood, 1994; Hoque

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2005, 2008; Alam and Nandan, 2008). The NPM movement has emphasized the value of market efficiency in the public sector and stimulated various managerial reinventions (Moon, 2000; Tooley, 2001; Luke, 2008; Christiaens and Rommel, 2008).

Hood (1991) was the first to use the term New Public Management (NPM). He (1991, 1995) explored changes in public sector financial management in a number of OECD countries over the 1980s linking to the NPM. He (1991, 1995) argued that NPM demonstrated a different concept in public accountability with different patterns of trust and distrust and hence a different style of accountability. He (1995) pointed out seven dimensions of change within this NPM which are: a shift towards corporatized units; a shift towards greater competition both between public sector organisations and between public sector organisations and the private sector; a move towards private corporate sector management practices; greater stress on discipline and parsimony in resource use; more emphasis on visible hands on top management; a move towards more explicit and measurable (or at least checkable) standards of performance; and attempts towards output control. In his doctrinal components on NPM, Hood (1995) also showed some possible accounting implications like more cost centre units, identifying costs and understanding cost structures, private sector accounting norms, more stress on the bottom line, more use of financial data for management accountability, performance indicator and audit and broader cost-centre accounting.

According to new public management ideals, management paradigm doesn't take different forms based on sector (public or private) orientation. Since 1980s the Australian public sector has been dominated by the NPM principles and introduced private sector management practices. Broadbent and Guthrie (1992) pointed out that in Australia, the various levels of government have introduced 'market discipline' and 'best commercial management practices' either through commercialization (the process of introducing commercial management principles, practices and accountability regimes); or through corporatization (use of a corporate form of legal, governance, management, accounting and accountability purposes for public sector business activities); or finally through privatization (the selling of part or all of a corporatized public sector entity to

private capital). This study deploys an earnest effort to develop a profile of different reforms activities initiated by Australian public sector in the context of new public management ideals.

The exploration confirms that Australian public sector has embarked on a massive reforms linked to new public management. The process of reforms forced the Australian public sector to move towards a form of managerial revolution. This revolution meant moving away from traditional administrative approach of controlling public sector utilities and services (Broadbent and Guthrie, 1992). The objective in implementing the control mechanisms were to ensure better implementation of accountability, better linkage of financial flexibility, better performance and better management information (Barrett et al., 1994). Therefore, these reforms have strong links to management control systems. Management control literature shows that these control mechanisms are defined and explained in the private sector context initially. In recent times public sector organisations have been increasingly adopting these control mechanisms. It is based on the premise that greater efficiency and lower costs can be achieved by applying these private sector practices in public sector service delivery. By enhancing our understanding of private management control systems within the public sector organisations, this research will provide a better understanding of the management control mechanisms of the public sector organisation in the context of implementing new public management ideals.

## **1. Research Objectives and Methodology**

The prime objective of this study is to develop a profile of management tools applied in public sector in the context of NPM initiatives in Australia. The Australian public sector has implemented a wide range of financial and administrative reforms. These reforms were linked to the NPM. The NPM techniques are the expression of developing new ideas, ideologies which reinvented the public sector management. The reason of selecting Australia is that it is one of the few countries who begins the journey of implementing private sector management philosophy to manage

public sector for ensuring better services to community in a more transparent and accountable manner. The work is conceptualized based on extant literature and major theme of the analysis is derived from content analysis.

## **2. Difference between Private and Public Sector**

Traditionally the private organizations face a host of external controls such as competition, consumer constraints and shareholder interests whereas public organizations have been influenced by political authority and political activities greatly (Parker and Bradley, 2000). Thomson (1992) mentioned that the driving force behind the management of organisation in the public sector is different from that in the private sector. In the private sector the overall intention is to provide a good return on capital invested or return on equity for owner(s) or shareholders but the public sector organizations are purely driven by social welfare and justice.

Stewart and Ranson (1994) differentiated the private and the public sector model and they (1994) felt that the task of management of public domain defined negatively rather than positively. They (1994) pointed out that a public sector organisation can and should have various relationships with the public. Public demands, pressure and protest are the condition of the public domain but on the other hand, it is not a necessary part in the private sector. Stewart and Ranson (1994) argued that political process can be seen as an inherent feature and a basic condition of management in the public domain. But it is quite absent in the private sector. They (1994) claimed that management in the public domain, community values and concepts of public interest are considered strongly. The private sector is concerned with demand for products at a price in the market but the public domain provides services determined by collective choice. The public organisations are accountable to public at large and to individuals but the accountability of the private organizations are found different in the market. Stewart and Ranson (1994) contended that in the private sector, the budget is prepared on the basis of sales forecasted but in the public domain it is an act of political choice. However, Antonsen and Jørgensen (1997) found

that the borderline between the two sectors became ever more blurred in the 1980s and 1990s. Various reforms initiatives in the public sector speeded up this trend by 'exporting' public tasks to the private sector in the guises of contracting out, privatization, and setting up autonomous agencies distanced from politics, and 'importing' private sector management tools in the public sector. The following table provides a summary of the differences between private and public sector models.

*Table 1*  
*Difference between private and public sector models*

<b>Private sector model</b>	<b>Public sector model</b>
Individual choice in the market	Collective choice in the polity
Demand and price	Need for resources
Closure for private action	Openness for public action
The equity of the market	The equity of need
The search for market satisfaction	The search for justice
Customer sovereignty	Citizenship
Competition as the instrument of the market	Collectivism as the instrument of the polity
Exit as the stimulus	Voice as the condition

Source: *Stewart and Ranson, 1994, p. 58*

Hoggett (1996) claimed that in the public sector there has been a substantial development in performance management and monitoring actions which included audits, inspections, quality assessments and reviews. Prothero (1996) also argued that the situations have changed and new mechanisms and approaches have been developed in the public sector for the delivery of public goods and services. These included risk management strategies, operating in a more 'business-like' fashion, focusing on results rather than processes, competition and cost recovery or user pays systems borrowed from private sector.

Hopwood (1994) argued that continued economic restraint put pressure to improve efficiency in management in the public sector and a renewed interest has developed to implement private sector management practices in the public sector. The improved management practices include

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planning and control, improved costing procedures, specific criteria for resource allocation, improved management information systems, investigation of administrative efficiency and better audits. Hopwood (1994) mentioned that these improved management practices not only have assisted in locating the inefficiencies of the past and ensuring that better performance is achieved in the future, but also will make the public sector management and employees accountable for their actions and decisions. Due to these efficiency and effectiveness measures, government organizations have introduced control systems such as those used in private sector. Nevertheless, there is a renewed interest in adapting the private sector model to the public sector. The interest of the adaptation of the private sector model came by way of public sector reform linked with new public management ideals. The next section provides a brief description about public sector reform and the new public management principles.

### **3. Public Sector Reform and the New Public Management**

Aulich et al. (2001) discussed reforming public sector management and presented three basic models of the state which are: traditional administrative state, managerialist state and market state. They mentioned that the first model focuses the traditional theory of public administration dominated by process, inputs, hierarchy and the use of public sector for service delivery. The second model recognizes management as a central operating principle and the focus of the management is on results and outputs instead of process and inputs. In the third model, competition is the dominant value, management focus is on outcomes and the role of private sector has expanded. In recent times the concept of the market state has been particularly influential and sometimes this type of state, termed as 'enabling state', with its role transformed into an 'enabling' organization. Such state delivers services through a range of government and non-government agencies that have been contracted under some form of market process (Aulich et al., 2001). The following table summarizes these models.

Table 2  
*Models of the state*

Characterization	Model 1: Traditional public bureaucracy	Model 2: Public management	Model 3: Market
Dominant values	Administration	Management	Competition
Management focus	Process and inputs	Results and outputs	Outcomes
Role of government	Provider	Provider	Enabler/purchaser
Structure	Centralized and hierarchical	Decentralized	Networked, outsourced
State fiscal policy	Broad	Focused	Narrow; contracted spending
Relative importance of public and private sectors	Public sector dominant	Public/private shared	Private sector dominant

Source: *Aulich et al., 2001, p. 16*

Osborne and Gaebler (1992) differentiated the governmental position between service delivery and policy making, and introduced market mechanisms instead of just service delivery function. Hopwood (1994) pointed out that agencies of the state are being asked to account for their aims, actions and achievements. Public sector organizations are more accountable now-a-days due to increased awareness and citizenship requirements which develop a form of urgency in establishing private sector management tools by public sector.

#### **4. Private Sector Management Tools in the Public Sector: An Australian Perspective**

The existence of handful literature on the area signifies the success of private sector management tools in the public sector in Australia. However, it is not possible to produce an exhaustive list which is not the purpose of this study; rather it brings a supposition that the public sector has undergone significant changes by accommodating private sector management tools in terms of transparency, accountability, efficiency, effectiveness and economy. The time period selected for the review was from early 1990s from when the reform literature was started to come out in



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Australia. A brief illustrative review of the Australian public sector literature on changes is presented in this section which forms the main body of this study.

Parker et al. (2019) explored the rise of public sector performance audit in the Australian public sector in the light of new public management ideals. They argued that Auditors-General is reluctant on government policies. They also observed that direct and indirect recursive relationships emerged between Auditors-General and parliamentarians, the media and the public. They concluded that in public sector accountability setting, now private sector style of auditing become an important vehicle but due to various agendas and style of presentation may detract from public interest.

Barrett (2019) presented the major attributes of the recent Review of Governance, Performance and Accountability legislation/framework at the national level of Australian Government. He observed that recent announcement (May 4, 2018) of the Australian Government focused a wide range of independent review of the Australian Public Service. The national and international public and private sector expert emphasized on continuous learning which will improve performance and promote greater public confidence and trust in government. The key focus was on the importance of the developments and application of IT and communication. They also put emphasis on co-operation in program implementation and the delivery of services.

Rana et al. (2019) observed that in 2013, the Australian Public Service implemented a wide range of reforms linked to governance, accountability and performance. The findings of the study revealed that these reforms are very similar to private sector performance measurement and risk management within a broader management control system.

Harrison and Baird (2015) identified organizational culture of public sector organizations in Australia. They provided a comparison of culture over time between public sector and private sector organizations. They observed that local councils follow private sector practices. However, governments department and agencies are lagged behind in terms of cultural factors of outcome, orientation and innovation.

West and Blackman (2015) portrayed performance management in the Australian Public Sector. The main objective of the Australian Public Service is to achieve high performance rather than preventing poor performance. West highlighted the progress by demonstrating the importance of implementation of the process. On the other hand, Blackman concluded that for real improvement in performance management a fundamental shift in thinking is needed instead of processes.

In many countries, the financial accounting aspect of NPM introduced private sector accrual accounting. Christensen and Parker (2010) argued that in terms of its lineage, public sector accrual accounting's early coherent application can be observed in New Zealand, soon followed by the New South Wales Government in Australia in 1993. New South Wales was the first government in Australia to completely adopt public sector accrual accounting. Since then its adoption has become increasingly common around the world. Christensen and Parker (2010) presented a case study of an early adoption of public sector accrual accounting and showed how public sector accrual accounting won over Government Finance Statistics in a contest of ideas about alternative reporting methodologies.

Mir and Rahaman (2007) explored the role of accounting in the reform process of a continuously evolving governmental agency in the Australian state of New South Wales. The study was based on a case study. Multiple methods were used to collect data. The primary sources were observation, interviews and archival materials. The study showed how new accounting and financial management technologies introduced in the researched organisation to anchor the reform process clashed with bureaucratic procedures. Furthermore, the case illustrated that by using private sector management tools, the researched public sector organisation was transformed from a budget-dependent governmental agency to a business-oriented commercialized agency.

Carlin (2006) argued that by the late 1980s a remarkable consensus had formed within the Australian state and Commonwealth public services concerning the ongoing reforms in the existing public management framework. These mechanisms forced the Australian public sector to transform. The study further argued that in Australia, by the

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1990s, an almost unchallenged orthodoxy in favor of public management reforms had arisen. Carlin (2006) observed that the impetus towards the achievements of a new model for public management was guided by the principles of improving efficiency and productivity borrowed from the private sector.

Webster and Hoque (2005) examined the changes in the cost accounting system in a state-owned teaching and research hospital in Australia. They adopted a single-case study approach. Their study revealed that the executive, director and managerial levels of the organisation mainly used cost information. To some extent a limited number of health professionals used cost data. They (2005) observed that new public-sector management concepts based on private sector concepts were slowly being devolved to lower levels of the organisation. They concluded that the health professionals valued their independence and autonomy but at the same time felt threatened by new managerial and costing initiatives.

Crawford et al. (2003) studied project management in the new public management environment in New South Wales, Australia. They observed that public organisations worldwide were under pressure to increase efficiency and improve service delivery. They (2003) argued that NPM reform initiatives forced public organisations to adopt business management models followed by the private sector. Organisations required new strategic management. These strategies were translating into changing organisational structures, capabilities, culture and processes.

Kluvers (2003) studied the accountability for performance in local government in Victoria. The study was based on the responses by councilors and managers to a questionnaire. The result of the study revealed that there was a new understanding of accountability for performance emerged from private sector that both managers and councilors were considered to be accountable for performance but that information asymmetry and accountability relationships were problematic.

Coventry and Nutley (2001) described change management in the Australian public sector. They mentioned that change had become a permanent feature in the public sector landscape in Australia. They added that prior to 1980s change in the Australian public sector was mainly in the

form of incremental expansion. After this period, in line with the private management, radical changes had occurred which affected financial management, budgetary reforms, structural change, senior executive appointments, commercialization, corporatization and some privatization of government programs.

Moll and Hoque (2000) explored accounting for managing change in an Australian local government organisation and found that there had been several forms of change in the researched city council: the change from the amalgamation, the change in reporting structure and the change with the introduction of Environment and Quality Certification. They argued that the organizational structure had changed largely because of external institutional pressures. They observed that National Competition Policy was the key driver for organisational change. Their study revealed that change had significant behavioral implications on the employees of local government, such as reduced employee morale and employee resistance.

Brown et al. (2000) examined the implementation of the commercialization program in public sector service delivery in Australia. They conducted four case studies, three of which were in the Queensland state government departments and the fourth case was Brisbane City Council which is a local government authority in Queensland. Their study suggested that it would be possible to achieve improved outcomes in terms of efficiency by implementing new management tools borrowed from the private sector such as client focus, transparency and accountability without adopting the more extreme alternatives of privatization and corporatization or by contracting out large sections of an organization's activities.

Parker and Bradley (2000) conducted a survey to examine public sector organisations in Queensland, which faced pressure to change in accordance with the prescription of the NPM. The research focused on six organisations in the Queensland public sector. Their survey revealed that public organisations were fundamentally different from private organisations and a hierarchical culture was seen as the norm in these organisations regardless of policy prescriptions designed to achieve organisational change.

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Ryan (1998) studied the introduction of private sector accrual reporting policy in the Australian public sector and examined how general-purpose financial reporting became a significant issue for governments in Australia. The study showed that public sector accounting changes were underpinned by a managerialist philosophy and that there was a link between broader changes in the public sector and changes in accounting techniques.

Dixon and Kouzmin (1994) studied private sector commercialization aspect in the Australian public sector and mentioned that management development was expected to help managers to gain a better understanding of organisational change process. This was achievable through:

- commitment to reform and to making necessary changes, specially at the middle manager level;
- desire to achieve successful organisational goal realignment to ensure that reform is taken on board and institutionalized at the middle management level;
- ability to identify how it can best maintain, in the face of change, its organizational integrity and its professional or technical standards of task performance; and
- ability to make the structural and procedural changes needed and to communicate with personnel about the precise nature of reform proposals; likely organisational effects involved; the extent of organisational change envisaged; personal behavioral changes required; and support that will be provided to those coping with change.

Parker and Guthrie (1993) analyzed the implications for accounting, auditing and accountability relationships and practices in Australian public sector organisations. They mentioned that since the early 1980s the Australian public sector had been undergoing major changes in its philosophy, structure, processes, and orientation. They argued that the main objectives of these changes were to establish formal rational management, necessity for clear goal, corporate plans, internal and external accounting systems with clear responsibility lines for output performance measurement. The following table summarizes the findings of these previous studies.

*Table 3  
Summary of study findings in implementing private management tools in  
the public sector –Australian perspective*

<b>Authors (Date)</b>	<b>Research Topic</b>	<b>Findings</b>
Parker et al. (2019)	Public sector performance audit in the Australian public sector in the light of new public management ideals.	Direct and indirect recursive relationships emerged between Auditors-General and parliamentarians, the media and the public. In public sector accountability setting, now auditing become an important vehicle but due to various agendas and style of presentation this function may detract from public interest.
Barrett (2019)	Elements of the recent Review of Governance, Performance and Accountability, legislation/framework at the national level of Australian Government.	Continuous learning will improve performance and promote greater public confidence and trust in government.
Rana et al. (2019)	Reforms linked to governance, accountability and performance.	The findings of the study revealed that these reforms are focused to performance measurement and risk management within a broader management control system.
Harrison and Baird (2015)	Organizational culture of public sector organizations in Australia.	Local councils follow private sector practices. However, governments department and agencies are lagged behind in terms of cultural factors of outcome, orientation and innovation.
West and Blackman (2015)	Performance management in the Australian Public Sector.	West highlights the progress by demonstrating the importance of implementation of the process. On the other hand, Blackman concluded that for real improvement in performance management a fundamental shift in thinking is needed instead of processes.

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Christensen and Parker (2010)	Adoption of public sector accrual accounting.	Private sector accrual accounting won over Government Finance Statistics in a contest of ideas about alternative reporting methodologies
Mir and Rahaman (2007)	Reforms in a government department.	By using new private sector accounting and financial management technologies the researched public sector organisation has transformed itself from a budget dependent government agency to a business oriented commercialized agency.
Carlin (2006)	Ongoing reforms of the existing public management framework.	The impetus towards the achievements of a new model for public management was guided by the principles of improving efficiency and productivity borrowed from private sector.
Webster and Hoque (2005)	Changes in the cost accounting system in a state-owned teaching and research hospital.	New public sector management concepts based on private sector management are slowly being developed to lower levels of the organisation.
Crawford et al. (2003)	Project management in the new public management environment.	New public management reform initiatives forced public organisations to adopt business management models like private sector.
Kluvers (2003)	Accountability for performance.	Organisational members are accountable for performance like private sector but that information asymmetry and accountability relationships are problematic.
Coventry and Nutley (2001)	Changed management in the Australian public sector.	Prior to 1980s change in the Australian public sector was mainly incremental expansion. After this period radical changes has been occurred which affected financial management, budgetary reforms, structural change, senior executive appointments, commercialization, corporatization and privatization of some government programs.

Moll and Hoque (2000)	Accounting for managing change in a local government organization.	Organisational structure of the researched organisation has changed because of institutional pressures. National Competition Policy has been the key driver for change.
Brown et al. (2000)	Implementation of commercialization program in public sector service delivery.	It is possible to achieve improved outcomes in terms of efficiency, client focus, transparency and accountability by using private management concepts without adopting the more extreme alternatives of privatization and corporatization or by contracting out.
Parker and Bradley (2000)	New public management and change.	Public organisations are fundamentally different from private organisations and a hierarchical culture is seen in these organisations regardless of policy prescriptions designed to achieve organisational change.
Ryan (1998)	Introduction of accrual reporting policy.	Public sector accounting changes are underpinned by a managerialist philosophy adopted from private sector. There is a link between broader changes in the public sector and changes in accounting techniques.
Dixon and Kouzmin (1994)	Commercialization of the Australian public sector.	Management development using private sector tools is expected to help managers to gain a better understanding of organisational process.
Parker and Guthrie (1993)	Accounting, auditing and accountability relationships in the Australian public sector.	The main objectives of changes in the public sector were to establish formal rational management, necessity for clear goal, corporate plans, internal and external accounting systems and performance management with clear responsibility lines for output based on private management style

Source: Authors personal compilation



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From the above discussion we can see that over the last two decades in Australia the public sector has come under increasing pressure to improve performance and demonstrate transparency. As a consequence of these pressures in a changing environment, public sector organisations have adopted management techniques and control strategies that were borrowed from the private sector.

This section reviewed the illustrative literature on management control systems in Australian public sectors. The review of management control literature suggests that there is significant scope and opportunity for understanding management control systems in the public sector. It has also been observed that the reforms undertaken by Australian public sector had concentrated on management reform during the 1980s, and increasingly accepted the need for market-oriented reforms. It is evident that in a changing environment, public sector organisations have adopted management techniques and control strategies that were linked to private sector management.

### **5. Contribution**

The study doesn't bring anything new to research fraternity; however, it brings the success stories of Australian public sectors as demonstrated in different researches done addressing different types of reforms. It will surely be helpful to fresh researchers to understand the logics of applying private sector management tools in public sector in the context of NPM ideals and support them to develop new research agenda for further exploration.

### **6. Conclusion and Discussion**

The present study contributes to our understanding about the private sector management tools emerging in the public sector and the issues surrounding their implementation. The findings from this study reveal that the Australian public sector organizations have been operating within the context of a range of reformed government policies, strategies and laws as well as Commonwealth-State/Territory Multilateral and

Bilateral agreements. Therefore, the primary catalyst in implementing these control tools in the public sector is a number of government regulatory policies. These policies forced the public sector to adopt more private sector managerialist approach.

Literature also supports that in line with the private sector the Australian public organizations have changed their structure and operation to achieve cost-efficiency, budget accountability and an improved customer focus in service delivery. This attitude is consistent with the findings observed by Carlin (2006) that the impetus towards the achievements of a new model for public management was guided by the principles of improving efficiency and productivity. In the light of these reforms initiatives the public sector organizations promoted entrepreneurial management practices through partnership with the private sector. The main reason for adopting this view is to obtain value for money which is a major agenda of the public sector reforms in Australia.

Based on some research findings, this study differentiates public sector and private sector, explicates new public management ideals and highlights some successful stories of implementation of private sector management tools to public sector successfully. Management control systems of public sector have been transformed from traditional bureaucratic system to market system as a response to market pressure. The long year's successful private sector management paradigms like managerialism, corporatization, privatization etc. have been successfully applied in public sector. Similarly, different areas of management control systems like accounting, auditing, budgeting, and performance measurement systems have also been reformed significantly to give the public sector operations a completely new look. This study validates these developments with the help of some key illustrative literatures.

## **7. Recommendations and Limitations**

The application of NPM ideals changed the way of managing public sector greatly. The requirements from public sector have been revised and the transparency and accountability framework has also been reformed to

ensure trust and social welfare. This study accommodates the findings of some researches done on the area to make the young researcher's literate so that they can go for new researches. The study just targets to easing the policy makers, academics, researchers and anybody who have an interest to know the applicability of private sector management tools in public sector. This study just considers the studies from Australia and thus the findings of these studies cannot be generalized rather should be read with the underlying context. At the same time, the work is conceptual based on existing literature. Thus, the findings are specific and may be applicable to particular form of organizations. The policy makers, regulators, researchers need to be careful in suggesting any particular private sector management tools in respective public sector which may require another detailed study.

### **8. Suggestions and Policy Implications**

This study has demonstrated how and why new public management ideals were implemented in public sector environment. Therefore, the evidence in this study offers a number of practical implications. The findings of this study are expected to increase our understanding about the private sector control devices used in a public sector context and this study will be of value to the practitioners. The study may be useful to the policy makers who are engaged in formulating new public sector policies. The academic view of the study is specifically the accumulation of current body of knowledge in a single platform with educative and research focus.

It appears that the Australian public sector has adopted private management practices and has been transformed into a new kind of organization. Australia's experience demonstrates that changes in structure and management styles can set the climate for change in a public sector organization. Other public sector organizations may consider the Australia's experience in implementing their new management control tools. The policy makers should consider the thought that reform policies are not final; they should also take into considerations the involvement of the actors who will implement the policies.

One important lesson can be learned from Australia's reforms is that the education process is important in introducing new management systems. It is evident that the new professionals or the managers of the Australian public sector are very much informed about the outcome of the public sector reforms. Australia's managers have given up the old-fashioned bureaucratic thinking and have shown they are committed in utilizing the energy of the human resources. This may be an example to other organizations.

In light of the reform initiatives, Australian public sector has developed its values and culture. The core values of organizational culture are reflected within their organization. The public organizations have applied a wide range of cultural control devices. These devices are supported by organization-wide norms and values. The cultural experience of the Australian public sector indicates that in addition to formal rules shared meanings, beliefs, attitudes, rituals and symbols are important in a new public sector environment.

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## **PRIVATE SECTOR MANAGEMENT TOOLS IN THE PUBLIC SECTOR: ...**

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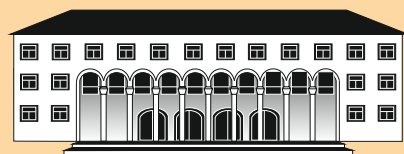
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