

**MANAGEMENT CONTROL SYSTEMS IN THE CONTEXT OF
NEW PUBLIC MANAGEMENT: A CASE STUDY OF A
GOVERNMENT DEPARTMENT IN AUSTRALIA**

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ANUP CHOWDHURY
B.Com. (Honours), M. Com., CMA

Faculty of Business, Government & Law

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ABSTRACT

This thesis is about the exploration of management control systems in the context of New Public Management (NPM) initiatives. NPM initiatives created the changes to the structure and processes of public sector organisations with the objective of getting them to run better. A new government department, the Department of Disability, Housing and Community Services in the Australian Capital Territory, has been adopted as the field for investigation. The study was designed to understand how private sector management control technologies become embedded in the new financially and managerially oriented selected public sector organisation. The view taken in this thesis is that management control systems are not natural phenomena but are considered as social practices and which can be changed by social actors.

This thesis draws on a single theoretical perspective to understand the management control processes evolved in the researched organisation. The perspective is Giddens's structuration theory. Giddens's structuration theory is concerned with the relationship between the actions of agents and the structuring of social systems in the production, reproduction and regulation of social order. As management control systems are socially constructed, Giddens' structuration theory was adopted in this research to obtain a better understanding of human actions and to explore how these control devices are implicated in the wider social context through time.

The nature of the present research is explorative and the focus of this research is to study in depth particular phenomena. Qualitative research methodology was chosen to obtain a better understanding of the phenomena. Case-based research methods was used in developing a fuller understanding of the relative role of accounting and other controls in the management of organisational performance. To take advantage of this, the case study research method was adopted and was relevant for the problematic of this study. In this study data collection involved a triangulation approach and the three sources were organisational documents, interviews and observation.

In this thesis it is argued that the researched organisation has adopted various management control tools to improve their performance and demonstrate transparency and accountability. Some of the control tools they adopted directly from the private sector, some of them they modified and some of them are the innovations in the public sector which are unique to them. The impetus for adopting these control tools was influenced by Federal and the ACT government's reforms initiatives. It appeared from the case that the adopted management control mechanisms forced the researched organisation towards performance and results and it is a clear sign of adoption of new public management practices. The case highlighted that the management control systems of the DHCS are the modalities of structuration and these control systems are both the medium and the outcome of interaction because in the organisational setting these control devices are constituted by human agency and at the same time are also guided by them.

Key Words: *Management Control Systems, New Public Management, Case Study, Government Department, Structuration Theory.*

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DEDICATION

This thesis is dedicated to my Father Late Khagendra Nath Chowdhury
and

Father- in- law Late Fakir Chand Saha
Who passed away during my PhD study.

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LIST OF ABBREVIATIONS

AAT	Administrative Appeals Tribunal
ABC	Activity Based Costing
ACT	Australian Capital Territory
APS	Australian Public Service
APU	Approved Procurement Unit
BOM	Board of Management
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
CSD	Community Services Directorate
CSR	Corporate Social Responsibility
DHCS	Disability, Housing and Community Services
EAP	Employee Assistance Program
FMIP	Financial Management Improvement Program
FOI	Freedom of Information
MCS	Management Control Systems
NCP	National Competition Policy
NPM	New Public Management
OCYFS	Office for Children, Youth and Family Support
PPPS	Partnerships with the Private sector for the Provision of Public Services
SERBIR	Senior Executive Responsibility for Business Integrity Risk