

Cultural Control Systems in the Context of New Public Management: An In-depth Case Study of an Australian Public Sector Organization

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Abstract

The main purpose of this study is to explore cultural control systems in the context of New Public Management (NPM) initiatives in Australia. A Government Department in the Australian Capital Territory was selected for the investigation. The selected department has adopted NPM initiatives in recent years and demonstrates considerable improvements in performance. This study used qualitative research methods. In this study, data collection involved a triangulation approach and the data sources were organizational documents, interviews and observations. As cultural 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. The research confirmed that implementation of cultural control systems in the selected organization is the functions of NPM in the key areas of human resources management like code of conduct, duty statement, communication and consultation, workplace diversity, group rewards and recognition etc. These findings are consistent with the view that changes to the Australian public sector promoted a culture of performance.

Keywords: Cultural Control Systems, Public Sector Reforms, New Public Management (NPM), Australian Public Sector, Structuration Theory.

Introduction

Cultural control systems are part of Management Control Systems (MCS) of an organization. Management controls are found in the design of organisational structures, and the policies and procedures used for planning, evaluating and rewarding (Murphy, 2003). Kimura & Mourdoukoutas (2000) argued that management control systems must be expanded to managerial practices that cultivate employee cooperation and creativity in the discovery and exploitation of new business opportunities. Chenhall & Langfield-Smith (2003) pointed out that MCS comprise a variety of control mechanisms, including performance measurement, to align individuals' behaviours with the strategies and goals of the organisation. Chenhall (2003) mentioned that MCS not only focuses on the provision of more formal, financially quantifiable information to assist managerial-decision making but also concentrates on external information related to markets, customers, competitors, non-financial information, a broad array of decision support mechanisms and informal personal and social controls (Chowdhury, 2013).

Scott (1995) also observed that no organisation can be properly understood apart from its wider social and cultural context. The use of any system in an organisation depends on people's interest and over time, these systems are subjected to change (Lawrence et al., 1997). The study reveals that to understand systems in use, it is necessary to understand the social aspects of the organization. Management control systems are not an exception in this regard. Management control systems are not natural phenomena; it is considered as social practices which can be changed by social actors (Neimark & Tinker, 1986). In order to gain a better understanding about the management control systems in an organization, it is necessary to look into the relationship between day-to-day social actions and the various dimensions of social structure. The NPM approach in the public sector creates changes to the structures and processes of public sector organisations with the objective of getting them to run better. The introduction of this new management approach in the public sector is to promote a culture of performance. Against this background, the wide-ranging reforms and NPM approach in the Australian public sector offer a context for the present study. The present study tried to explore in-depth how cultural control systems, a component of management control systems, are implicated in an Australian public sector organisation and in its wider organizational setting with a specific focus on improving performance through human actions.

The Australian public sector is involved in strengthening the culture of continuous improvement and trying to develop a culture that continually seeks to find better ways to achieve desired results (Martin & Coventry, 1994; Core, 1995). The present study tried to explore how this culture has been shaped to achieve the performance goals of the researched organization. A Government Department in the Australian Capital Territory (ACT) has

been selected for this exploration. Specifically, this study tries to answer the following research question.

How have cultural control systems contributed to and shaped new organizational culture of continuous improvements within the selected organization?

Literature Review

During the last 30 years, the Australian Government has implemented a series of reforms in the field of financial and administrative areas linked to NPM initiatives (Chowdhury & Shil, 2016). The term ‘New Public Management’ is used to describe the changing style of governance and administration in the public sector. This new management approach in the public sector creates changes to the structures and processes of public sector organizations with the objective of getting them to run better (Pollitt & Bouckaert, 2004). Motivated from this drive, the Australian public sector has undergone major changes in its philosophy, structure, processes, and orientation and the main objectives of these changes were to establish formal rational management, necessity for clear goals, corporate plans, internal and external accounting systems with clear responsibility lines for output performance measurement (Parker & Guthrie, 1993). Different innovative management control systems are now widely used in the Australian public sector (Chowdhury, 2013). Management control systems consist of formal and informal control systems. Informal management control systems include shared values, loyalties, organisational culture, and norms about acceptable behaviour of managers and employees. In an organization, informal controls are more important than formal controls (Hoque & Hopper, 1994; Abernethy & Brownell, 1997). In this study, an informal management control system -

the cultural control system of the selected organization is explored. It has been argued that organisational culture impacts on the efficacy of management control system design and use. This study will explain how the private sector informal management control systems become embedded in public sector organization which is financially and managerially oriented due to revised management philosophy as adopted by the Australian Government.

Formal management control systems are based on accounting information and sometimes this control system may create a number of side effects (Chowdhury, 2013). Accounting information that is limited to the exercise of control based on just outputs ignores the potential role of behavioural control (Hoque, 2003; Merchant, 1985). A control system can be defined to include all devices that help to ensure proper behaviour of people in the organisation. Tannenbaum (1968) interpreted control as the sum of interpersonal influence and relations in an organisation. Control in an organization includes rules, incentives, monitoring and enforcement. Control can be achieved by having superiors watch and guide the actions of subordinates. In an organization, all of these elements motivate participants to behave in a manner consistent with other participants expect to them. Ouchi (1979) studied the mechanisms through which an organisation can be managed so that it moves towards its objectives. Ouchi (1979) found that organisations vary in the degree to which they are loosely or tightly coupled.

Management control systems are the part of social and organisational control. Simons (1990) defined management control systems as formalized procedures and systems that use information to maintain or alter patterns in organizational activity. Mahama (2006) identified the socialization aspect of management control systems which include values, attitudes, skills and

knowledge that promote goal congruence among organisational members. Ahrens & Chapman (2007) argued that organisational members actively reconstitute their management control systems by drawing on them as a shared resource. It has been observed that management accounting researches have studied accounting-based control and these are typically focused on formal systems. There is still limited understanding of the impact of other types of control such as cultural control. Schein (1997) defined culture as the deep, basic assumptions and beliefs that are shared by organisational members. Culture is not displayed on the surface; instead, it is hidden and often subconscious (Clegg et al., 2005). Schein (1996) argued that understanding culture in organisations have value only when they derive from observation of real behaviour in organisations. O'Reilly & Chatman (1996) considered culture as a form of organizational control and defined it as a system of shared values (that define what is important) and norms that define appropriate attitudes and behaviours for organizational members (how to feel and behave).

Yoash & Yoav (1990) found a relationship between culture as an organisational phenomenon and individual behaviour and motivation. Reigle (2001) argued that organisational culture influences organisation members' perceptions, behaviour and effectiveness. Improper or negative culture affects organisational performance and employee behaviour.

The present study has adopted an interpretive approach and used Giddens's structuration theory to understand how cultural control systems, one of the important components of management control systems, are implicated in their social setting. Giddens (1979) suggested that within the processes of structuration there are three dimensions of social structure: signification (meaning), domination (power) and legitimation (morality). Signification is

the *rules or aspects of rules*. These are *codes* or modes of coding. Domination involves *authorization* and *allocation*. Legitimation is the modes of normative *regulation*. When people act, they draw from these structures. Agents in their actions constantly produce and reproduce the social constructs and Giddens (1979) mentioned that all human interaction is inextricably composed of structure of meaning, power and moral framework. These three dimensions are only analytically separable properties of structures (Giddens, 1979) and are inextricably linked in reality. In every dimension there are modalities through which interactions are made and the main processes of human action during interaction are; communication, the exercising of power and sanctioning of conduct (Giddens, 1979). This study applies qualitative method in case study fashion to understand the cultural control system in a public sector organization in Australia under NPM regime.

Methodology

This study explores in depth the evolution of cultural control systems in the context of NPM initiatives in Australia. A Governmental Department in the Australian Capital Territory was selected for this purpose. The rationale behind the selection was that the department had adopted NPM initiatives as a part of the reform initiatives of the Australian Government. The qualitative research approach was adopted and data was collected in the case study tradition. This study used naturalistic inquiry (Guba & Lincoln, 1981) which has provided a thick description (Geertz, 1973). The main data sources were archival official documents and interviews. The primary interview method used in this study was unstructured and open-ended. Snowball sampling

technique was used whereby the researchers approached the gatekeeper with the request of collecting required information. This technique identifies respondents who are then used to refer researchers on to other respondents. Such referral resulted a total of 18 respondents relevant to the research theme. To ensure ethics in research, a 'Participant Consent Form' was designed and used to get formal approval from each interviewee before the formal interview. In order to ensure the validity and reliability of data, the interview proceedings were tape-recorded with the consent of the participants. For safety reasons, back-up notes were also taken and checked and compared when the transcriptions were made. The interview tapes were transcribed later word to word. An independent coder confirmed the transcribed interviews. Key interview transcripts were fed back to the respective interviewees to establish the validity of the interview data. In addition, the researcher used direct observation to supplement and corroborate the archival documents and interview data. Data triangulation results had similar outcome which also confirms the reliability and validity of data sources. In qualitative inquiry, data collection is not an end. It requires analysis, interpretation and presentation of findings (Patton, 2002). The researchers analyzed data using the approach provided by Miles & Huberman (1994) which includes data reduction, data display and conclusion drawing and verification.

Analysis and Discussion

The data analysis of this study was made following the method proposed by Miles & Huberman (1994). The analysis results few key themes of cultural control systems surrounding human resources areas. This section explains the cultural control systems across different key themes resulted from data

analysis which are code of conduct, duty statement, communication and consultation, employee assistance program, work-life balance, workplace diversity, performance management, and social arrangements. The selected Government Department is committed in building and sustaining the organizational culture. In line with these improvements, the Department has established a set of cultural control mechanisms which guides its members to strive for the highest standard.

Observations during fieldwork found that the selected Department had developed its values and culture in line with NPM initiatives. The core values of organizational culture are reflected in its operations. The selected Department has given up old fashioned bureaucratic thinking and is committed in utilizing the energy of its human resources. The organisational culture of the Department recognizes that employees have basic rights and supports subordinates' participation in decision- making. Control systems in this organisation are based on trust in subordinates' ability to complete their task. The following quote illustrates this view;

We will value and acknowledge the diversity of our staff, and the significant contribution they make to our workplace (DHCS, 2007a).

The Department believes that a committed and skilled workforce is essential for developing better organizational culture within the organization. In light of NPM of the initiatives and human resource management reform strategies in the Australian public sector, the Department has developed an efficient and effective cultural control system within the organisation. The objective of this control mechanism is to develop and maintain a skilled and committed workforce through the provision of a common package of attractive and competitive terms and conditions of employment for its

employees. The department is committed to change the old public sector values to NPM values among the workforces. This attitude is consistent with the findings observed by Rondeaux (2006) that reforms changed both organisational and human resource management.

In accordance with the human resource reforms initiatives in the Australian public sector, the selected researched Department has established equal employment opportunity and introduced performance management systems for the evaluation of staff skills and work. This view reflects the department's equal opportunity principle. This attitude is consistent with the findings of Dwyer et al. (2003) which revealed that there is an effect of gender diversity on the management control systems which is moderated by the organisational culture in which it resides. The Department developed culture to help staff in achieving desired levels of professional achievement. In its organizational commitment, it has mentioned that:

We aim to support the professionalism of staff members in terms of dedication, accountability, skills, compassion, knowledge and ethical conduct (DHCS, 2007a).

NPM initiatives forced public organisations to concentrate on people within the organisation. It ensures learning environment and professional development. Public organisations are now using a number of people control mechanism similar to private organisations. In an organisation, people control mechanism provides three fundamental purposes. First, it helps to make sure that each employee understands organization's expectations. Second, it helps to make sure that each employee is capable to do a good job. The third purpose is to make sure that each employee will engage in self-monitoring (Merchant & van der Stede, 2012). In line with the NPM initiatives, the Department built a participative and consultative workplace,

where people want to work and stay in the organisation. They provide staff with opportunities for professional development and support learning environments. The following quote illustrates this view:

We will maximize and maintain the Department's human resource capacity. We will support and provide opportunities to our staff and other personnel to provide a responsive and responsible workforce (DHCS, 2007a, p. 15).

The Organizational Services Unit of the Department provides strategic advice in relation to People Management. This unit also prepares human resources planning agendas and develops personnel control systems within the organization. To implement personnel control first, it focuses on staffing the organization. It is the process by which the Department satisfies their human resources needs. In the Department, the strongest influences on culture formation are top management's day-to-day activities, interactions, sentiments and norms. The Department has applied a wide range of cultural control devices which are reflected within its operations. These devices are supported by organisation-wide norms and values and shaped organisational culture within the organisation. Now the discussions on cultural control system as found in the researched organization are presented below in line with the key themes identified.

Code of Conduct

The Department takes different approaches to establish principles of organizational conduct. Most of these documents are in written form. It is evident that the Code of Conduct is considered as one of the most important elements of cultural control mechanism within the Department. The employees of the Department are guided by the *Public Sector Management*

Act 1994. This Act and the Standards govern the legislative framework and values within which all employees work in the Department. A mid-level executive explained:

There is a code of conduct throughout the Department and there is also a code of conduct in the Public Sector Management Act and they both mirror each other.

In general, the Department has adopted code of conduct to build a strong organisational culture which includes new values, mission and vision similar to the private sector. For example,

We have different division in our Department and we came from different disciplines also. For that reason, our mental set up and cultural orientations are different. To unify all of these views and establish a strong organisational culture, the Department has implemented a standard Code of Conduct which manifests the new values, mission, and vision of the Department similar to the private sector (An interviewee).

The code of conduct is a written formal document for the Department which includes mission, vision, management philosophies, general statement of organizational values and commitment to stakeholders. The Department's management uses it as a cultural control mechanism and the employees use it as a guide to understand their desired behaviour. Simons (1995) also observed that mission statements, vision statements, credos and statements of purpose are examples of belief systems which convey culture.

The Code of Conduct of the Department is designed to help employees make informed choices about their behaviour and to communicate the department's core values of honesty, respect, confidentiality, professionalism and fairness. Code of conduct became integral to the legitimation system for

the members of the Department (Giddens, 1979, 1984). This legitimation structure is the moral bindings and obligation of the public service. The employees are required to apply these values and code of conduct to perform its all duties. It is evident that the Department prepared its code of conduct to build a participative and consultative workplace where people want to work and stay in the organization. It is the CEO's responsibility to retain employees and provide supports to employees. Borins (2002) also noted that in the public sector, agency heads can create a supportive climate by consulting staff.

Working in some of the areas of the Department is hard and people who are not able to cope with this culture leave the organisation. The Organisational Services Unit of the Department continuously provides strategic advice in relation to cultural orientation of the Department. To implement cultural control, it focuses on staffing of the organization. It is the process by which the Department satisfies their human resources needs. It is also the process through which attitudes are changed.

Duty Statement

What is happening in public sector management is a new pragmatism. This new pragmatism therefore might underpin better functional matching, allowing public managers to select the best for the organisation (O'Flynn, 2007). This is evident in the Department as the managers of the Department adopted many of their management tools from other sectors mainly from the private sector.

The duty statement is considered as a management control tool used as a key cultural control device within the Department. Organizational documents suggest that the duty statement provides information regarding the job. It

includes the position number, position classification or level of the job. It is an outline of the Department, business unit and the business area. It specifies the duties and responsibilities that are to be performed for the job. The Department tries to implement their values, norms and beliefs by this statement. Duty statement in the researched organization may be seen as a control tool for the performance review which is certainly a part of the organizational game. More specifically, it is the allocative resources (Giddens, 1979, 1984) to the employees. It is the facility through which the managers of the Department draw upon the domination structure in the exercise of power (Giddens, 1979, 1984).

According to Giddens (1976, 1979, 1984) the structure of society is like studying the anatomy of the organism; to study its functions is like studying the physiology of the organisms. The duty statement is the physiology of the Department. Giddens' 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. In the Department, the role played by actors and their interaction with the structure and social processes has been identified. The duty statement in the Department can be viewed as the domination structure (Giddens, 1979, 1984).

In the first week, the supervisor discusses the duty statement and major tasks/roles with the new staff. According to this statement, the supervisor also discusses the duties and expectations within the workplace. Organisational documents revealed that the duty statement is kept up-to-date to reflect the profile of the position and it is placed on employees to ensure that they reach required benchmarks in the performance of their functions. To ensure effective control, updating the duty statement is done in

consultation between the Manager, occupant of the position and the Human Resources Section of the Department.

Communication and Consultation

The Department has created a culture of effective consultation and employee participation in the decision process. This control mechanism has played a major role in the organizational culture of the Department. Interviews and examination of the organizational documents support that it has both communicative and constructive roles in the business of the Department. For example, every individual throughout the organization is given an opportunity to take part in the planning process. It helped to improve communication through mutual exchange of ideas and experiences. Farnham et al. (2003) also noted that public management and new forms of human resource management have produced involvement with individual elements in the decision-making process.

Documentary evidence suggests that the Department provides relevant information to assist the employees and the unions to understand the reasons for the proposed changes and the likely impact of these changes so that the employees and the unions are able to contribute to the decision-making process (DHCS, 2007b). The Department's general practice is that if any dispute about the employment arises the employee notifies it to the supervisor or manager. If it is still unsolved, then the relevant employee or the employee representative discusses the matter with management.

Employee Assistance Program

One of the reform initiatives in the Australian public sector is consistent with the requirement for industrial democracy in the workplace. In that provision,

a consultative structure is to be implemented in organizations. The major issue addressed under the new structure was that of stress in the workplace (Martin & Coventry, 1994). According to these initiatives and in line with NPM the Department has introduced the Employee Assistance Program. NPM introduced this new form of human resource management that operates as an early intervention program in the workplace. It provides independent, confidential and professional counselling services. In the Department, this programme is designed to address and improve employees' personal life and work performance which is adversely affected by personal or work-related problems. Arthur (2000) also noted that employee assistance programs increasingly provide benefits to reduce the effects of 'stress' on individuals and organizations; provide a 'management tool' to improve workplace performance and productivity; and respond to critical incidents.

The old bureaucratic tradition of public management dealt with a collective form of employee assistance. However, NPM led to a shift from collective assistance to individual needs (Farnham et al., 2003). The introduction of this new management approach in the public sector is to promote a culture of industrial democracy in the workplace. This is evident in the Department. The Department established a consultative structure that solves individual needs and this program includes communication and interpersonal problems, emotional, marital or family and relationship difficulties, alcohol or substance abuse, career planning and stress management and financial and lifestyle worries. In such situations, the staff member could benefit from this counselling. The Department's Policy Statement stipulates that: 'Department recognizes its responsibility to assist staff during these periods, and is committed to providing appropriate guidance, assistance and counselling'. The Department strongly supports the use of this program and encourages

self-referral. This program has developed as a valuable resource in cases of declining work performance, where personal problems or issues may be contributing factors.

Work-Life Balance

The Department has also developed a work-life balance culture. It recognizes the need to provide sufficient support and flexibility in the workplace to assist employees to achieve balance between work and lifestyle. The Department developed a culture of flexible working arrangements which is helping employees changing their hours of work suited to their situations, job sharing and home-based work. Organizational documents suggest that the Department uses this control mechanism to recognize the needs of its staff to balance work, family and other personal commitments. It provides a framework to assist managers and staff with the negotiation, implementation and review of flexible work options (DHCS, 2006a). This attitude supports the findings observed by Perrons (2003) that flexible working patterns and home working are compatible with a work-life balance and neither of which affected the volume of work. It is the allocative resources which the managers of the Department provide to its employees in the form of command over objects. Most of the employees interviewed believed that the Department has established a work-life balance culture to ensure a supportive workplace culture, along with a healthy and resilient work team, which contributes significantly to a productive work environment.

The top management level revealed that management had adopted this mechanism to change the mindset of the employees. Organizational documents show that the Department has developed a Six-Step Framework for managers to implement a work-life balance control mechanism within the

organisation. These control mechanisms make the employees aware about operational requirements and enable them to assess what needs to be changed or improved; when negotiating flexibility, employees can identify the advantages to the work team/unit as well (DHCS, 2006b, 2006c).

Workplace Diversity

Workplace diversity is another cultural control mechanism of the Department. It has created an organizational culture that recognizes and encourages the contribution of people from diverse backgrounds, experiences and skills which make the workplace better. The Department has created a culture where there is no discrimination in gender, cultural background, physical and intellectual abilities, age, sexual orientation, religion, education and family circumstances (DHCS, 2005-2006). This control mechanism protects inappropriate behaviour which is against the spirit of diversity, such as workplace harassment. Lorbiecki & Jack (2000) also noted that diversity management diminishes the legacy of discrimination in the workplace.

Performance Management

To implement a congenial workplace culture, the department has a policy of performance management. It helps to transmit culture by improving the performance of employees throughout the organization. To assist managers and staff in implementing performance management, the Department developed its *Guide to Performance Management*. This was clear from the comments made by the Chief Executive of the Department:

The Introduction of a Performance Management Programme in the Department is an integral step to ensure that we meet our

strategic goals and performance measures. I strongly support the introduction of the programme as I believe that employees have the right to receive regular feedback on their performance and to understand how their work helps the Department to achieve its strategic goals and ensure the ongoing development of staff (DHCS, 2007c).

The Department's documents show that according to this guideline, a key driver in implementing the performance management program is to encourage managers/supervisors to talk to staff in a more formal process to ensure ongoing communication, expectations, development and the alignment of individual goals with departmental goals and performance measures (DHCS, 2007c). The performance management programme of the Department is intertwined with the legitimation structure. Legitimation involves the moral constitution of interaction (Giddens, 1979, 1984). In the Department, this legitimation structure is mediated through normative values and ideals about approve and disapprove behaviour. Evidence from the field suggests that for poor performance, there is a punishment system but no performance-based cash reward for good work. It is the common practice in the ACT Public Sector.

Group Rewards and Recognition

The Department has established a culture of group rewards and a recognition system. In a participatory organization, groups and teams are empowered. Groups and teams provide a forum for making decisions, sharing information, improving functional coordination, building trust, and smoothing interpersonal relations. It creates vital links between different individuals, functions, departments, and levels of the organization. Group

rewards and recognition is considered as a management control tool and used as a key cultural control device within the Department. According to Giddens (1976, 1979, 1984) group rewards and recognition is the allocative resources in the Department. The Department promotes groups and teams and this linking is evident at the various levels in the Department. The following quote illustrates this view:

We will provide organisational systems, practices, procedures and policies which encourage staff to perform at their highest level in an effective team environment (DHCS, 2007a).

This finding supports the arguments of Chenhall & Langfield-Smith (2003) that team-based structures enhance employee enthusiasm to work towards sustaining strategic change. In the Department, there are formal groups whose purpose and tasks are directly related to the attainment of organizational objectives. Special purpose teams are also established within the Department to handle the special situation. Observations during fieldwork revealed that the Department developed group-based rewards and recognition for its groups and teams. It is evident that to encourage the groups or teams, the Department has introduced Chief Executive Awards for Excellence and Certificates of Commendation. This indicates the implementing of private-sector culture in the public sector.

In the Department, the role played by actors and their interaction with the structure and social processes has been identified. Recognition and rewards are the allocative resources (Giddens, 1979, 1984) which the Department provides to its members. Many of the staff interviewed conveyed views similar to the following, expressed by a mid-level executive of the Department:

We have celebrations within outcomes such as the Chief Executive Awards and it's done to reward groups who have performed good jobs. The Department established this type of rewards to promote private sector performance culture throughout the organisation. It is a recognition which increases the morale of the employees also.

O'Reilly & Chatman (1996) also revealed that organizations provide group rewards to retain employees and encourage cultural control. This reward is given in the form of non-monetary incentives. A junior staff of Finance and Budget Division elaborated this view:

I think management may provide some financial incentives. For example, in our division at the end of the financial year, we all go out for a congratulatory lunch or something like that. But that's not really an incentive, it's more of a moral thing than anything else. We have Chief Executive Awards but the rewards side of monetary-based benefits is not there. It's more of an in-lieu arrangement and we are recognized for our hard work in getting something done.

The reason behind introducing Chief Executive Awards is to build effective teams within the Department and to increase employee morale as well. It has also been observed that the Department participates in the Commissioner for Public Administration Awards. It recognizes high achievement in the ACT Public Service and they showcase the quality and dedication of ACT Public Service employees.

Social Arrangements

To build an effective team, the Department has provided different facilities for its staff. The Department provides different social arrangements to its staff and these arrangements shape the organizational culture within the organization. The Department has established a systematic process in which socialization is improved and the Department brings its staff into its new culture. Under these social arrangements, the staff learns the beliefs and values held by the Department. This observation is consistent with Ouchi's (1979) view that individuals are exposed to a socialisation process that instils in them a set of skills and values. Sometimes the Department makes informal attempts to mold new employees and they can accept certain desired attitudes and be able to find out the ways of dealing with others and their job. It can be viewed as facilities which the management provides to achieve outcomes.

Various business units of the Department hold informal gatherings such as morning teas or birthday celebrations. 'Happy Hour' was also an event instituted as part of the socialization programme of the Department in which business units welcome their new executives and staff. This type of arrangements creates emotional ties among group members. This type of control works by establishing values and beliefs through the ceremonies and rituals of the groups. The Department encourages this type of informal arrangements to control its employees culturally. To strengthen the social bonding among staff the Department formed a Social Club which has a formal committee. The objective of the Department's Social Club is to organize fitness and sporting activities that encourage employees' fitness and well-being (DHCS, 2007-2008, p. 91). The Department organizes these types of arrangements to maintain harmony in the group and to foster a strong

corporate culture and in turn, this ensures a participative and consultative workplace.

Conclusion and Direction for Future Research

In this study different cultural control mechanisms of the Department have been explored. It is evident both from documents and interviews that in the Department, these control devices were implemented and prompted by the NPM initiatives introduced by both the Australian Capital Territory Government and the Australian Commonwealth Government.

Cultural control system was found to be an integral part of the management control systems at the researched organization. Empirical evidence collected on the organization showed that the Department implemented a wide range of cultural control mechanisms to attain the economic rationality of the NPM. The Department spent a considerable time in building its strengths by spreading private sector culture in a new public sector organization in line with NPM. These cultural control mechanisms have brought economic logic into the Department's new type of management. These control devices not only supported the business culture in the Department but has also reshaped the general orientation of the people in the Department. The findings of this study are consistent with the view of Otley & Berry (1980):

An organization acts only by way of the actions of the individuals who comprise it. Thus, for organizational control to be effective, not only must feasible control actions be possible but individuals must also be persuaded to implement the required actions.

There are several implications of this study for future research. The present research explored how cultural control technologies were implicated in a NPM environment. The insight that was gained is that there are not enough

in-depth studies that have addressed and focused on these issues. Another area is to examine the success of these practices from this public sector organization. Other organizations who are planning to implement NPM may take these examples. Hence, there are many research possibilities in this area which will strengthen our knowledge and understanding.

It has been argued that in a single case study, findings cannot be generalized to a wider population. An interpretive study could be done incorporating another three or four Government Departments. A comparison of experiences of reforms on those Government Departments who have responded to various NPM initiatives could prove useful for policymakers.

This study has argued that the researched organisation adopted private-sector cultural control systems and changed their structures and behaviours to implement managerial reforms. The ultimate goal was to instill a culture of continuous improvements. A comparative case study of the cultural control systems of a private company and a reformed Government Department could be an interesting area for future research. It could considerably extend the stock of knowledge in this area.

The present research adopted a particular theoretical framework to analyze and understand data. This framework was used to explore and gain an understanding of the control process that evolved in the selected organization. Similar studies could be conducted adopting other social or political theories and undoubtedly which would enhance our current understanding of the theoretical and methodological perspectives in the context of NPM.

The study was focused on a developed country. A useful contribution to this research topic could be exploring public sector reform initiatives in developing countries. A similar study could be conducted adopting a single

case in a developing country and would increase our understanding about the factors that play a vital role in designing cultural control systems in a developing world's public sector organisation. In addition to that, a comparative study could also be done to explore the role of cultural control systems in the context of NPM initiatives in both developing and developed countries. It might also be fruitful to compare and will provide an opportunity to disseminate information on cultural control systems in the changing public sector environments worldwide.

Limitations of the Study

The present study is limited to the success of these practices of cultural control systems in a government department in Australia. The characteristics of the government sector generally differ from the private sector in terms of profit motives, proprietary versus political interests, users and resource allocation process, external scrutiny, employee characteristics and legal constraints etc.

Another limitation of the present research is that it is a single case study and the findings cannot be generalized to a wider population. However, in this research, the single case study was the preferred method because the study was an attempt to understand in-depth how cultural control systems were implicated in the wider organizational setting. It was not the objective to express the general overview of other organizations. In the present research, the researchers were interested to use a single site because it fits with the research questions also.

Acknowledgement

This work is based on PhD Thesis titled “Management Control Systems in the Context of New Public Management: A Case Study of a New Government Department in Australia” which is available in archival repository of University of Canberra, Australia.

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