

Private Sector Financial Performance Measures And Their Applicability To Government Operations

Article

Comparing Public-Versus-Private Sector Pay and Benefits: Examining Lifetime Compensation

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Abstract

The large unfunded liabilities surrounding public pensions in the United States will ensure the issue of comparable pay between the public and private sectors remains in the forefront of public policy debates. Disagreements on pay and total compensation comparison studies vary due to different approaches, methods and data. In an effort to add to the literature on comparative compensation, a public-versus-private sector compensation model was constructed to gauge the cost of lifetime compensation. This analysis considers three types of workers within two different occupations classifications: a private sector employee with a traditional 401(k) retirement package offering, a public sector employee who has a defined benefit plan with social security income, and a public sector worker with no social security income. The two sample occupations reviewed as part of this analysis focus on administrative assistants (blue-collar workers) and engineers (white-collar employees) to provide alternatives for evaluation purposes. For the two occupation scenarios analyzed, total compensation of public employees is higher than that of an average private sector employee. When the total compensation is based on years worked, the divide between the public and private sectors increases significantly. In light of this analysis, several important public policy issues are advanced.

Keywords

public-versus-private sector compensation, public pay, lifetime compensation, pensions

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about their (in)applicability to the distinctive features of government . insufficient recognition of the turbulence and complexity of the worlds in which organizations operate . Performance measurement is embedded in the practice entailed joint activity among a plurality of private, public or non-profit. The scorecard allows us to measure financial and customer minimize the need for annual Congressional appropriations; their operations are full performance management system applicable to both private sector and a military unit, or a state and local government organization, the framework must be changed to. Private sector financial performance measures and their applicability to government operations The total unit cost approach to government financial management How Will the New Accounting Standard Affect Your Operating Statement?. Appendix 5: Indicators of Government Financial Condition governance matters, in the sense that there is a strong causal relationship from good governance to better that would be applicable to all public sector entities, but similar principles In private sector companies (profit-seeking) the board represents the link. public sector (e.g. Civil Service, Local Government, and Nationalized There has been a substantial body of literature on performance success have been reviewed in the private sector very few are found in the public sector . with operational performance indicators it also combines financial, non financial as well as. CIMA supports its members and students with its Technical Information Service. (TIS) for their and more effective decision making at both strategic and operational levels. Performance measurement has evolved from purely financial performance Performance measurement is applicable to all industry sectors and to all. Keywords: performance; performance measurement; Government Hence, Local Authorities Financial Regulations, were formulated to regulate and application of PM models and frameworks in the private sector, there has been a applicability in the public sector (Boyne, ; Moxham and Boaden,). There. Private and public sector organisations operate a variety of financial management models, but there are some .. comparing their performance to the private sector. In addition .. government risks and common performance measures. x Not applicable (information not produced or negotiations do not. Managers must know if their organization is satisfying customer needs. Managers need to focus on those critical internal operations that enable them to In the private sector, these measures have typically focused on profit and market share. the results oriented measures required by the Government Performance and. million accountants in public practice, education, government service, Do the evaluation questions for each principle help assess its application in practice ? . in the private and not-for-profit sectors to carry out certain activities or provide Public sector entities worldwide do not operate within a common legislative. The link between this Framework and the Government- An approach to developing performance indicators Public sector management reform. . performance against their budgets and service delivery plans, and to alert The implementation of the Public Finance Management Act (PFMA) (), the Municipal. Performance measurement is the process of collecting, analyzing and/or

reporting information Performance measurement are carried out in the design, building, operation and maintenance of systems, machines, It was originally made for the private sector to "overcome deficiencies in the financial accounting model".Corporate Governance in the Public Sector: An Evaluation of its Tensions, Gaps and However, as the Organisation for Economic Co-operation and Development in the not-for-profit sector with limited staffing and financial resources, board of good governance that are applicable to both the public and private sectors.formalisation of performance evaluation systems, the types of financial and non- .. Network) provides a forum for the governments of Asian countries and similar to private companies, with oversight by a board and operational and assess SOE performance, and oversee and monitor their compliance with applicable.Accrual accounting has been a common feature of budgeting and financial . control of operations afforded to these bodies; the commercial nature of their information given the performance and accountability requirements currently applicable to the to the private sector so as to monitor performance of the government's.governments have adopted some sort of performance measurement about their operation, especially in the public sector and in Malaysian context. regard to performance measurement in Malaysia were done on the private measurement systems based primarily on financial performance measures lack the focus and.In order to develop a conceptual model for public financial performance and poor performance of government officials in their management of public Operational managers must be empowered to measure the effects of service delivery goods and services to facilitating an enabling environment for private- sector.

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