

The development of New Public Financial Management scholarship: from global warning to emerging warnings

Journal of Public
Budgeting,
Accounting &
Financial
Management

49

Received 23 January 2025
Revised 9 March 2025
Accepted 13 March 2025

Fabiana Roberto

*Department of Economics, Management, Institutions,
University of Naples Federico II, Naples, Italy*

Giuseppe Grossi

*Department of Business, Kristianstad University,
Kristianstad, Sweden;*

*Department of Economic Analyses and Accounting, Nord University,
Bodø, Norway and*

Department of Accounting, Kozminski University, Warsaw, Poland

James Guthrie

Department of Accounting, Macquarie University, Sydney, Australia, and

Giorgia Mattei

Department of Business Studies, University of Rome 3, Rome, Italy

Abstract

Purpose – New Public Management (NPM) and New Public Financial Management (NPFM) have significantly influenced the transformation of several nation-states' public sectors. This study examines the development of NPFM scholarship over the past 25 years, focusing on 3 foundational works that have substantially shaped this field (i.e. Olson *et al.*, 1998, 2001; Guthrie *et al.*, 1999). The study identifies key research themes within these foundational works and provides insights into the field's emerging warnings and research directions.

Design/methodology/approach – Our structured literature review collected 325 research articles from 1999 to 2024 from the Scopus database. These articles were chosen for their references to three key foundational works and were systematically analysed based on predefined NPFM themes. This was further enhanced by a traditional literature review of selected articles within each NPFM category, offering an analysis of NPFM scholarship and identifying potential future research paths.

Findings – In examining the focus of the sampled articles among the five NPFM themes, we found that the majority have centred on the themes of financial reporting and performance measurement systems. Less attention has been given to auditing and budgetary themes. Various studies examined multiple NPFM themes simultaneously. We also provided valuable insights into both the challenges and opportunities for future scholarship.

Research limitations/implications – The study presents an extensive analysis of 25 years of NPFM research related to three foundational works, highlighting the interconnectedness of various developments. It identifies opportunities for advancing NPFM scholarship by suggesting further integration of interdisciplinary approaches to deal with emerging warnings.

Originality/value – This study offers valuable insights into the development of NPFM scholarship, highlighting the need for further research that broadens the geographical scope, incorporates a more diverse range of

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The authors extend their gratitude to the editor for their excellent follow-up and to the two anonymous reviewers for their invaluable comments, which greatly contributed to the improvement of this paper.



Journal of Public Budgeting, Accounting
& Financial Management
Vol. 37 No. 6, 2025
pp. 49-76
Emerald Publishing Limited
e-ISSN: 1945-1814
p-ISSN: 1096-3367
DOI 10.1108/JPBAFM-01-2025-0021

disciplinary approaches, and addresses emerging warnings related to hybridisation, sustainability and digital transformation.

Keywords New public financial management, Systematic literature review, Public sector accounting, Public budgeting, Public sector auditing, Marketisation

Paper type Research paper

The foreword to Olson *et al.*'s (1998) foundational book by John W. Meyer, Professor of Sociology at Stanford University, concluded that:

This tells a good deal about the real spirit of the development. They are about expanding the role of rational actor-hood in society – in citizens, and in the current case, especially in undercutting the sacral status of the state. They are less about substantive efficiency and effectiveness and more about expanding the rational ontology of the modern than they at first sight seem. Just as great medieval spiritual visions of the human community were worked out in a dull and arcane theological language, modern ones can be developed in a fairly quiet discourse of accounting (Meyer, 1988, p. 13).

1. Introduction

The foundational ideas outlined in Olson *et al.* (1998) and reflected in the preface by Meyer underscore a fundamental shift in public sector governance. Rather than solely improving efficiency and effectiveness, these transformations have sought to expand the role of rational actor-hood in public administration, reshaping the state's identity and functions. As Meyer observed, modern governance mirrors historical ideological shifts, employing technical discourses such as accounting to construct new societal frameworks.

Over the past four decades, the ideology of neoliberalism has driven the development of New Public Management (NPM) and New Public Financial Management (NPFM), prompting widespread reforms in public sector governance. Governments have actively redefined public institutions, adopting market-oriented models that challenge traditional conceptions of public service (Shore and Wright, 2015). The ideological underpinning of NPM promoted a division of labour where operational functions were assigned to the private sector ("rowing"), while strategic oversight remained a public responsibility ("steering") (Broadbent and Guthrie, 1992, 2008). This restructuring emphasised fiscal restraint, privatisation, and market-based models, integrating performance measurement, audit practices, and financial management frameworks into the public sector (Osborne, 2010; Steccolini, 2019). The anticipated outcomes included reduced government intervention, lower taxation, increased efficiency, enhanced accountability, and greater consumer choice (Osborne and Gaebler, 1992). However, this shift has also generated significant debate regarding its impact on democratic accountability, public value, and the financialisation of public services.

Meyer's (1988) reflections highlight tensions within NPFM, particularly the tendency to align accounting reforms with broader political narratives rather than with economic and social imperatives. Institutions such as the OECD, the World Bank, and influential professional bodies, including management consultants, played a central role in promoting these reforms (Adhikari *et al.*, 2013), shaping the public sector to mirror corporate structures. Their influence reinforced the dominance of market-based rationalities, positioning NPM as the prevailing framework for public administration (Mazzucato and Collington, 2023). Public universities, for example, have increasingly adopted accounting systems akin to those of major private accountancy firms, reinforcing the dominance of efficiency-driven reforms (Grossi *et al.*, 2020; Shore and Wright, 2015). However, critics argue that applying private sector logic to the public domain overlooks fundamental differences in purpose. Unlike private enterprises focused on profit, public institutions serve broader social functions that cannot be easily commodified (Broadbent and Guthrie, 1992, 2008).

Public sector financial management (PFM) research has traditionally been driven by concerns of efficiency, effectiveness, and financial accountability, aligning closely with NPM

(Grossi and Argento, 2022; Mattei *et al.*, 2021). However, such efficiency-based frameworks showed limitations in capturing the complexities of public governance and service provision. Scholars started questioning the adequacy of financial indicators alone in assessing the performance of public entities (Broadbent and Guthrie, 2008) and began advocating for more inclusive and socially responsible accounting mechanisms (Lapsley *et al.*, 2009; Bracci *et al.*, 2019). The field has since expanded in ways that reflect deeper societal concerns, challenging the notion that accounting is a purely technical or neutral practice (Barbera *et al.*, 2024). This transformation underscores a broader shift towards examining how accounting systems interact with human values, democratic participation, and ethical requirements (Bracci *et al.*, 2019). This has led to an increased emphasis on publicness in PFM research – the unique characteristics of the public sector that differentiate it from private organisations, including transparency, accountability to stakeholders rather than shareholders, and the pursuit of collective welfare rather than profit maximisation (Broadbent and Guthrie, 1992; Steccolini, 2019). The human and social perspective of NPFM acknowledges that financial information must be contextualised within broader governance structures that incorporate ethical, social, and participatory elements (Grossi and Argento, 2022). This more holistic and socially responsible perspective recognises that accounting in the public sector serves broader societal goals beyond financial efficiency. This is particularly evident in an era of digital transformation and heightened citizen engagement (Bozeman, 2020; Grossi and Argento, 2022), as people increasingly understand how accounting systems shape and are shaped by public values, including fairness, democracy, and social justice (Bracci *et al.*, 2019; Ezzamel *et al.*, 2014).

While much attention has been given to accrual accounting (Bonollo, 2023), International Public Sector Accounting Standards (IPSAS) (Polzer *et al.*, 2021; Schmidhuber *et al.*, 2022), and consolidated financial statements (Santis *et al.*, 2018), the concept of public value within PFM remains underexplored (Bracci *et al.*, 2019). Similarly, research on budgeting has evolved to consider its broader organisational functions, beyond simple financial control (Anessi-Pessina *et al.*, 2016). Performance-based budgeting, while a key feature of NPM, continues to provoke debate regarding its effectiveness and implications (Mauro *et al.*, 2017). Public sector auditing, though extensively studied (Mattei *et al.*, 2021; Hay and Cordery, 2021), has received less attention than accounting, raising questions about its evolving role in governance (Grossi *et al.*, 2023b).

Additionally, while extensive research has been undertaken on NPM, comparatively less attention has been given to systematically reviewing the specific financial management dimensions of these reforms. This gap is particularly striking given the fundamental role that accounting, budgeting, performance measurement, and auditing have played in reshaping public governance over the past quarter-century. Many of the financial control mechanisms embedded in NPFM reforms have had lasting consequences on public budgeting flexibility, the autonomy of public service professionals, and the role of financial accountability in governance decisions. The dominance of efficiency-driven accounting practices, the global diffusion of accrual-based financial reporting, and the increasing reliance on audit cultures (Christensen *et al.*, 2019; Lapsley *et al.*, 2009) highlight the need to treat NPFM as a central research agenda.

The foundational critiques of NPFM raised by Olson *et al.* (1998, 2001) and Guthrie *et al.* (1999) highlighted risks such as the over-reliance on performance metrics, the erosion of democratic accountability, and the unintended consequences of financialisation in public services. However, while early critiques framed these risks within the context of marketisation, managerialism, and budgetary constraints, modern governance structures have introduced new complexities related to digitalisation, sustainability, hybrid organisations, and the intersection of financial management with broader socio-political objectives (Cordery and Hay, 2025; Grossi and Argento, 2022). Therefore, 25 years after the early warnings were published, there is a need to reassess the state of NPFM scholarship and to identify research gaps and emerging warnings that may shape future NPFM research.

This study investigates research development on NPFM over the past 25 years since the publication of the three foundational works by Olson *et al.* (1998), Guthrie *et al.* (1999), and Olson *et al.* (2001).

We performed a structured literature review (SLR), followed by a traditional literature review, on a final sample of 325 research articles that referenced any of the three foundational manuscripts from 1999 to 2024 on the Scopus database. The following research questions guide the analysis:

RQ1. How has research on NPFM developed over the last 25 years?

RQ2. What are the main research themes explored in the NPFM literature?

RQ3. What are the potential future research themes and emerging warnings in NPFM?

This study offers valuable insights into the past, present, and future development of NPFM scholarship, highlighting the need for further research that broadens the geographical scope, incorporates a more diverse range of perspectives, and addresses emerging warnings related to hybridisation of public sector governance, sustainability, and digital transformation. By examining the trajectory of PFM research across diverse thematic areas, we aim to provide valuable insights into both the challenges and opportunities for future scholarship.

The paper is organised as follows. [Section 2](#) briefly summarises the three foundational documents underpinning this review. [Section 3](#) outlines the methods of the literature review used to select and analyse the articles. [Section 4](#) discusses the findings of our analysis. [Section 5](#) concludes the study, highlighting avenues for future research and emerging warnings in NPFM.

2. The three foundational documents

The works of [Olson et al. \(1998, 2001\)](#) and [Guthrie et al. \(1999\)](#) remain highly relevant in today's context, as public sector objectives have expanded beyond efficiency and effectiveness. While NPFM sought to enhance transparency and accountability through financial controls and performance measurement, these scholars critically assessed its unintended consequences, many of which continue to shape public sector governance today.

The first, *Global Warning* by [Olson et al. \(1998\)](#), documents the origins and findings of the Global Warning project, which examined NPFM development through 11 country-specific case studies. The project, involving 27 academics from 11 nations – Australia, France, Germany, Japan, Norway, New Zealand, Spain, Sweden, Switzerland, the UK, and the US – was supported by two workshops in Stockholm (1995) and Gothenburg (1996), which facilitated open discussions among project participants on national experiences. [Olson et al. \(1998\)](#) emphasise the influence of internal and external forces driving public sector developments and caution public servants against dismissing financial management due to a lack of expertise. Instead, they advocate for recognising the intrinsic value of public services – delivered by professionals such as teachers, nurses, and police officers – and for balancing cost-effectiveness with broader measures of the impact and effectiveness of these services, such as clinical and educational outcomes. They warn that relying on performance metrics alone risks distorting the essence and quality of public services. For instance, arrest numbers in policing, while helpful, might undermine broader justice goals, such as prosecuting offences or maintaining community trust. [Olson et al. \(1998\)](#) highlighted how NPFM reforms, despite their global promotion, yielded varied national experiences. The key takeaway was that there is no universal NPFM model; rather, its application is shaped by welfare state philosophies, political ideologies, and governance structures. Previous scholars in the 1990s noted NPFM's rise as a global movement, often challenging the legitimacy of alternative public management and governance approaches. Also, further case studies from Australia, Sweden, and Britain ([Humphrey and Guthrie, 1996](#); [Parker and Guthrie, 1993](#)) revealed different paths and attitudes toward NPFM developments. As governments now focus on deeper societal concerns, the challenge of reconciling market-driven efficiency with public values persists. The adoption of performance indicators and accrual accounting has not always translated into better public services, as seen in sectors such as healthcare and education ([Bourmistrov et al., 2025](#);

Lapsley *et al.*, 2009). While transparency is crucial, excessive financial controls have led to administrative overload, bureaucratic inefficiencies, and the erosion of professional autonomy rather than improved public outcomes, which the authors anticipated in 1998.

The second document, by Guthrie *et al.* (1999), provides findings and reflections from a two-year comparative study of NPFM developments. It critiques the use of simplistic explanatory variables to understand these developments and advocates for analyses grounded in the distinct national traditions and values of public service provision. Guthrie *et al.* (1999) also reflected on the two workshops that informed the study, which challenged prior theories and assumptions concerning the global spread and supposed irresistibility of NPFM. Therefore, the project shifted toward a theoretical approach that embraced national differences rather than attempting to erase them. The study revealed significant variations in the type and extent of NPFM activity across countries, underscoring the need to recognise the international complexity and cultural specificity that go unacknowledged in discussions about NPFM developments. This highlighted the importance of addressing cultural differences and the nuances of language in understanding national experiences with NPFM. Additionally, the tendency to frame NPFM as a global, uniform movement often overlooks the legitimacy of alternative public management, accounting, and governance forms and traditions. Finally, the authors ultimately question whether NPFM enhances democracy or undermines the foundational social responsibilities of the public sector. Their critique remains relevant as different national governance models still experience NPFM differently.

Olson *et al.* (2001) critique the unintended consequences of NPFM developments, arguing that public services are ensnared in an evaluatory trap. Despite increasing costs and declining service delivery, NPFM is promoted for efficiency and accountability. The authors contend that these developments prioritise compliance with performance measures over genuine service improvements, questioning the future of public services. The complexity of public sector operations makes it impossible for developments to deliver the promised efficiencies, exacerbating the disconnect between theory and practice. This perpetuates the evaluatory trap, with developments pursued despite limited effectiveness.

Olson *et al.* (2001) critique the adoption of accrual-based accounting systems in the public sector specifically. These systems are justified as superior for measuring costs and assets, but while they are intended to evaluate performance, they prioritise portraying positive financial outcomes, often creating an illusion of gains. This reinforces a misplaced belief in NPFM's efficacy while increasing monitoring costs and service charges; consequently, public services face declining scope and effectiveness, undermining their social role. Despite intentions to improve accountability and value for money, Olson *et al.* (2001) emphasise that the developments' unintended consequences necessitate further initiatives, perpetuating the cycle without resolving core issues.

Additionally, evaluations of NPFM developments often assume universal agreement on their outcomes, yet they are frequently criticised for bias or conflicting interpretations, which challenges their legitimacy. The authors stress that no evaluation can be perfect. Instead, debates about evaluation often centre on persuading others of legitimacy rather than achieving consensus. Their predictions have materialised in many countries where privatisation and outsourcing have eroded traditional public service provision. Olson *et al.* (2001) advocate for a deeper exploration of public services' unique core values, focusing on their social role rather than narrow organisational or financial efficiency metrics to escape this trap. They argue that the public sector should be viewed not as a collection of organisations but as a collective provider of essential services fostering societal cohesion, development, and survival in the nation-state.

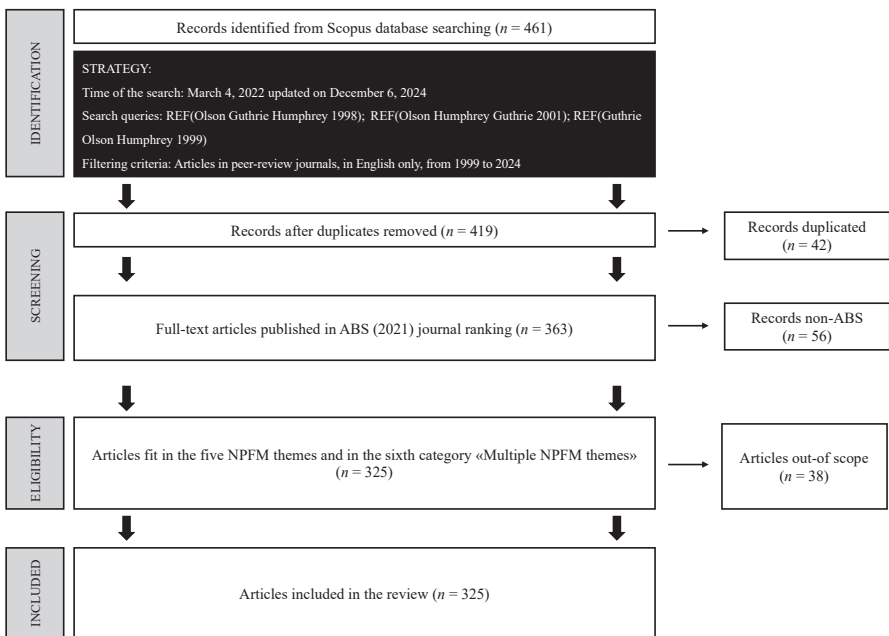
Although initially developed during the rise of NPM reforms, these documents remain significant as they address core themes such as accountability, performance measurement, and accrual accounting and reporting systems, which continue to underpin public sector management today. The foundational critiques regarding the over-reliance on performance metrics, managerial control, and efficiency-driven practices resonate strongly with current

debates surrounding the need for more holistic approaches that incorporate social equity, sustainability, and inclusivity.

These foundational works provided the basis for identifying key themes that underpin NPFM scholarship. These themes emerged directly from the foundational texts' focus on the challenges and developments within PFM, as well as the warnings the texts articulated regarding issues such as accountability, efficiency, and unintended consequences of NPFM reforms.

3. Methods for the literature review

In this paper, to underscore how NPFM research developed over the last 25 years, we performed an SLR combined with a traditional literature review on selected research articles that referred to the early NPFM foundational documents in the Scopus database from 1999 to 2024. We acknowledged acknowledging that one of the authors of this paper contributed to the selected foundational works. SLRs are valuable for generating “insights, critical reflections, future research paths and research questions” (Massaro *et al.*, 2016, p. 767) and for offering a comprehensive understanding of the subject (Petticrew and Roberts, 2006). This methodology also addresses the subjectivity typically associated with traditional literature reviews (Grossi and Argento, 2022). Therefore, combining both methods allowed us to capture the breadth of articles published over decades and the established knowledge, field impacts, and promising paths for future research. To ensure transparency in the selection and analysis of the included papers, we mainly used the strict criteria set out by the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) guidelines, with adjustments tailored to the objectives of this study, as depicted in Figure 1 (Moher *et al.*, 2009). During the identification process, a citation search in the Scopus database spanning the last 25 years



Source(s): Figure created by authors based on PRISMA guidelines (Moher *et al.* (2009))

Figure 1. PRISMA flow diagram

yielded an initial sample of 615 documents. These included 288 documents citing [Olson et al. \(1998\)](#), 209 citing [Guthrie et al. \(1999\)](#), and 118 citing [Olson et al. \(2001\)](#). To maintain consistency, we limited our analysis to research articles written in English and published in peer-reviewed journals. This refinement resulted in a sample of 461 documents, comprising 213 referencing [Olson et al. \(1998\)](#), 156 referencing [Guthrie et al. \(1999\)](#), and 92 referencing [Olson et al. \(2001\)](#). In the screening phase, the database was manually refined by removing duplicates, specifically documents citing more than one seminal work ($n = 42$).

Additionally, to ensure a rigorous academic standard for the document analyses ([Podsakoff et al., 2005](#)), we included only articles that had full-text availability and that were published in journals ranked in the Academic Journal Quality Guide ([CABS, 2021](#)). This refinement resulted in 363 research articles eligible for assessment, with the majority (62%) published in accounting journals, followed by public sector and healthcare journals (27%). The selection of articles was guided by predefined NPFM themes, grounded in the critical insights into different aspects of NPFM development offered by the foundational works of [Olson et al. \(1998, 2001\)](#) and [Guthrie et al. \(1999\)](#). These categories provide an analytical framework for mapping how scholarly discussions have evolved in response to the early warnings and critiques presented in these foundational texts. The themes emerged from an iterative coding process, ensuring alignment with established NPFM conceptual frameworks while allowing for the identification of new research trajectories ([Massaro et al., 2016](#); [Petticrew and Roberts, 2006](#)). The coding and categorisation of articles within these themes involved manual content analysis, allowing for the systematic organisation of literature, revealing both historical trends and emerging themes ([Grossi and Argento, 2022](#); [Steccolini, 2019](#)). To enhance the reliability of the thematic classification, an intercoder reliability check was performed, whereby two researchers independently assessed the thematic alignment of selected articles. This process ensured that the thematic categories were consistent and reflective of the evolving discourse within NPFM scholarship. Through this analysis, five primary themes emerged, reflecting the shifting focus of NPFM scholarship over the past 25 years. The first theme, *changes to financial reporting systems*, is rooted in the concerns raised by [Olson et al. \(1998\)](#) regarding the standardisation of financial management practices across different national governance structures. The second theme, *the development of commercially minded, market-oriented management systems and structures*, aligns with the concerns articulated in [Guthrie et al. \(1999\)](#), which critically examined the global diffusion of NPM ideologies and their financial implications. The third theme, *the development of a performance measurement approach*, is particularly influenced by the arguments set forth in [Olson et al. \(2001\)](#), which introduced the concept of the evaluatory trap. The fourth theme, *devolvement/decentralisation or delegation of budgets*, and the fifth theme, *changes to internal and external public sector audits*, build on critiques from all three foundational works regarding the discussions about how financial control mechanisms have been redistributed across different levels of governments and non-governmental actors and the expansion of audit culture in PFM.

Additionally, to account for relevant articles that either did not fit neatly into any of these themes or addressed multiple themes simultaneously, we introduced a new category labelled “Multiple NPFM themes”, and these papers were assigned accordingly. During this process, 38 articles were excluded due to irrelevance, resulting in a final sample of 325. The allocation of documents to each category, along with a brief explanation of their content and focus, is provided in [Table 1](#).

4. Findings

This section presents the core findings of this study, derived from two complementary approaches: an SLR and a traditional literature review. Together, these approaches provide a comprehensive analysis of the evolution, geographic spread, and thematic focus of research on NPFM. Particularly, [section 4.1](#) highlights trends in NPFM scholarship using insights from the SLR and focusing on publication dynamics, geographic representation, and analytical levels.

Table 1. Macro NPFM categories used to classify the sample

NPFM categories	Description	Papers
1 <i>Changes to financial reporting systems</i>	Promotion of accrual-based financial statements across government departments and sectors and reliance on business professional accounting set accounting standards	n. 85 26%
2 <i>Development of commercially minded, market-oriented management systems and structures</i>	Pricing and provision of public services, emphasising cash management, contracting-out arrangements and internal and external charging/pricing mechanisms	n. 26 8%
3 <i>Development of a performance measurement approach</i>	Implementation of financial and non-financial performance indicators, league tables, benchmarking, and output/outcome-based performance metrics	n. 77 24%
4 <i>Devovement/decentralisation or delegation of budgets</i>	Integration of financial and management accounting systems and financial and non-financial performance results	n. 28 9%
5 <i>Changes to internal and external public sector audits</i>	Monitoring service delivery functions and providing reviews of the efficiency and effectiveness ('value-for-money) of public services, citizen charters and program evaluations	n. 7 2%
6 <i>Multiple NPFM themes</i>	General discussions of NPFM development and articles addressing more than one NPFM theme	n. 102 31%

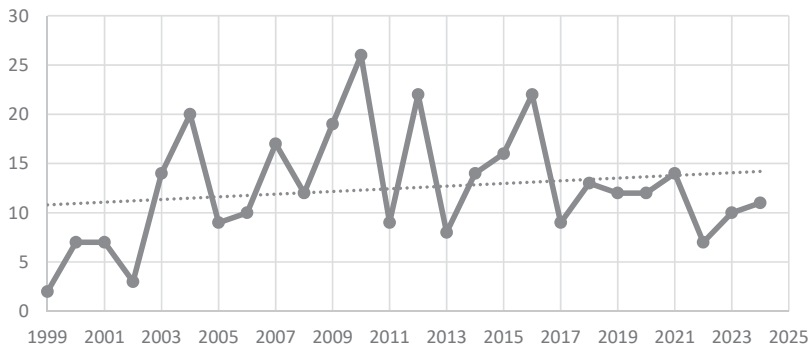
Source(s): Table created by authors based on [Olson et al. \(1998, 2001\)](#) and [Guthrie et al. \(1999\)](#)

Key patterns, such as regional contributions, cross-country analyses, and contextual applications, are explored to illustrate the breadth of the field and emerging opportunities. Additionally, [Section 4.2](#) delves into the most influential contributions through a traditional literature review grounded in a citation analysis. By examining a selected subset of top-cited articles, it explores their thematic contributions and relevance to NPFM developments. The analysis aims to shed light on key research themes and the evolution of discourse within the field. It also provides a foundation for understanding the field's trajectory and identifying emerging research opportunities, which are further elaborated in subsequent sections. Together, these findings provide a multidimensional understanding of how NPFM scholarship has evolved over the past 25 years, setting the stage for critical reflections and recommendations in the study's concluding section.

4.1 The SLR analysis

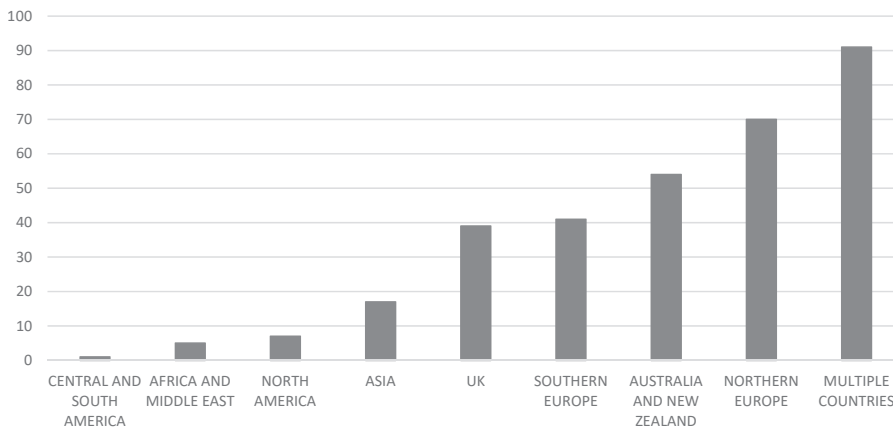
The sampled articles citing the three foundational publications demonstrate a fluctuating interest in NPFM research over the past 25 years, as illustrated in [Figure 2](#). Interest gained momentum in the early 2000s, with a significant increase in articles from 2003, marking the emergence of NPFM as a research area. Another sharp rise in publications was evident in 2009, reaching a peak of 26 articles in 2010, underscoring the heightened scholarly attention to the dynamics of NPFM practices. After 2010, the publication trend exhibited more variability, with notable drops in specific years. However, the overall trend, as depicted by the fitted linear regression line, suggests a gradual increase in scholarly output over the period under study. From 2018 to 2024, the number of publications stabilised to between 7 and 14 per year. This consistent interest underscores the relevance of NPFM themes to public sector challenges and the broader field of public administration research.

[Figure 3](#) shows the geographic representation of author affiliations in the sampled articles. The most prolific areas within the field of NPFM are Europe (34.15%), Australia and New Zealand (16.61%), and the UK (12%). This reflects the dominant role of these regions in



Source(s): Figure created by authors

Figure 2. Publication trend in NPFM scholarship

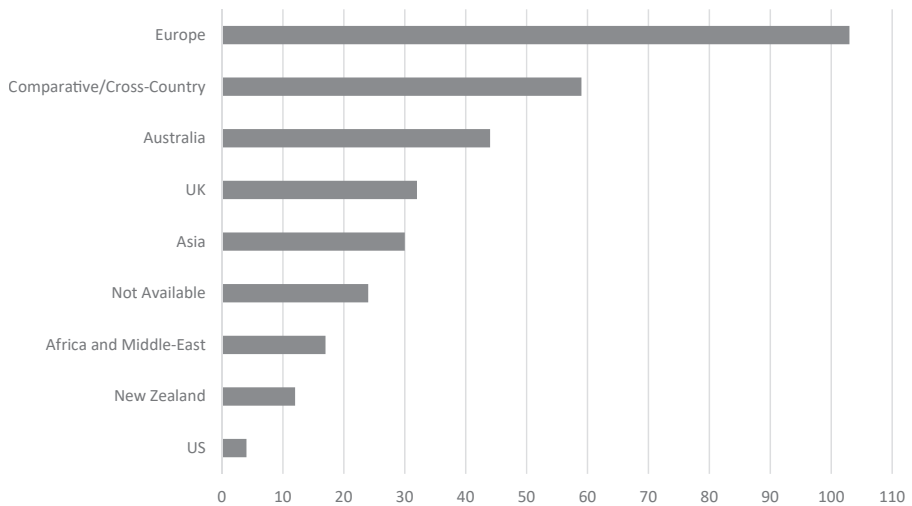


Source(s): Figure created by authors

Figure 3. Affiliated authors' geographical representation

advancing NPFM scholarship, likely due to their strong emphasis on public sector development and adoption of NPFM practices. Notably, scholars affiliated in Northern Europe emerged as the most significant contributors, with 70 publications, reflecting the long-standing academic tradition of the region and substantial developments that align with NPFM development. The combined regions of Africa, the Middle East, America, and Asia have the lowest representation, indicating emerging but underdeveloped research in the field or a nascent stage of adoption of NPFM practices. Furthermore, a substantial proportion of articles (28%) indicate multiple affiliations and collaborative research efforts across different regions, thus reflecting a trend toward comparative and cross-regional analyses. This emphasises the global nature of NPFM scholarship and the value of examining diverse national contexts. These trends reveal opportunities for expanding research activity in underrepresented regions.

The analysis of the geographic focus in the sampled NPFM papers (Figure 4) reveals that many articles adopted a single-country focus on European nations (103 articles), particularly Italy (28), the Netherlands (15), and Sweden (12), reflecting these countries' extensive PFM transformations and academic engagement with NPFM developments. This is followed by



Source(s): Figure created by authors

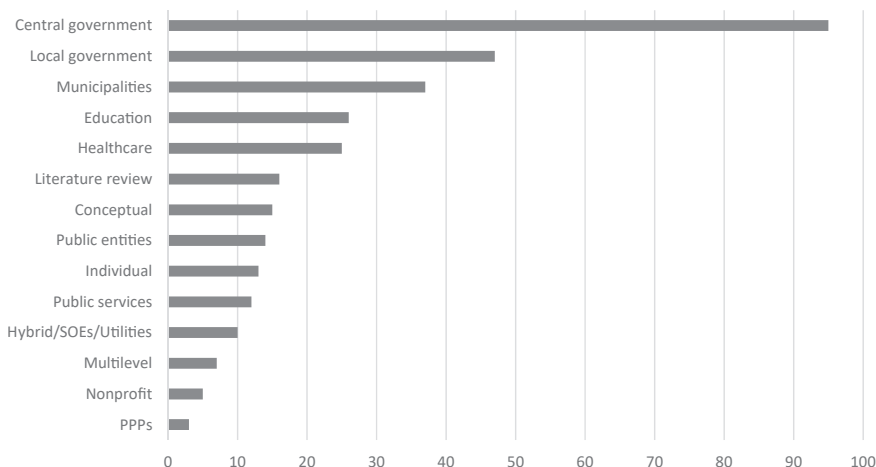
Figure 4. Geographic focus

many studies on Australia (44), likely due to its pioneering role in implementing accrual-based accounting and performance management systems. Other single-country-focused papers include contributions from the UK, Asia, Africa, the Middle East, New Zealand and the US, although these regions exhibit less scholarly activity than Europe and Australia. Additionally, 59 articles focused on comparative or cross-country analyses, reflecting a strong academic interest in identifying patterns and differences in NPFM implementation across various governance systems. These studies frequently draw on diverse national experiences to offer insights into the interplay between contextual, cultural, and institutional factors in shaping NPFM development.

Finally, Figure 5 illustrates the distribution of analytical focus across the sampled papers, revealing that most studies concentrate on the central (29%) and local governments (14%), reflecting the importance of these administrative levels in discussions of NPFM developments and practices. Additionally, substantial research focuses on specific public service sectors, with education and healthcare comprising 16% of the sample, indicating their critical role in public sector reform efforts and their alignment with broader NPFM developments. Beyond these dominant categories, articles also contributed to the conceptual understanding of NPFM, synthesised existing knowledge, providing a foundation for further investigation, and investigated public or hybrid organisations, such as state-owned enterprises (SOEs), public and private partnerships (PPPs) and social enterprises. These results underscore the varied levels and contexts in which NPFM has been applied, emphasising its diverse implications across different organisational and service-oriented frameworks.

4.2 Traditional literature review

This section provides a detailed analysis of the key research themes in NPFM scholarship focusing on the contributions of top-cited papers across six thematic categories. Citation analysis of the sampled papers is a recognised method for identifying influential contributions and mapping research trends within a field (Massaro *et al.*, 2016). To ensure a robust and representative analysis of the selected papers within each category, we applied a ranking based on citations per year (CPY), which normalises citation counts by accounting for the longevity



Source(s): Figure created by authors

Figure 5. Level of analysis

of each article (Dumay and Cai, 2014). In determining the sample size for detailed analysis, we used a proportional selection approach based on the number of papers in each category as this allows for a representative and manageable subset that captures a significant proportion of high-impact works. Specifically, we selected the top 10 papers by CPY in categories with more than 50 papers and the top 5 papers by CPY in categories with fewer than 50 papers (see Appendix). These top-ranked papers were analysed in detail to explore how they address the NPFM themes and how they contribute to the field. This analysis also provides insights into potential future research directions and emerging warnings, as outlined in Section 5.

4.2.1 Category 1: changes to financial reporting systems. Research within the first category delves into various interconnected themes, including public sector accounting developments, the adoption of accrual accounting, international harmonisation, and the impact of austerity measures. A recurring focus in these studies is the transformative potential of NPFM in reshaping public administration, mainly through its emphasis on efficiency, accountability, transparency, and governance. However, while these developments have spurred significant changes, challenges in implementation and the broader implications of these transformations remain the subject of ongoing debate.

One key area of exploration is the transition from cash-based to accrual-based accounting, often viewed as a cornerstone of public sector modernisation. Scholars emphasise its capacity to improve government institutions' transparency, accountability, decision-making, and resource allocation (Adhikari *et al.*, 2013; Lapsley *et al.*, 2009; Christiaens *et al.*, 2015; Pina *et al.*, 2009). The increasing integration of private sector accounting practices into PFM frameworks is frequently framed as an effort to professionalise and streamline public administration (Christensen *et al.*, 2019). Central to these efforts is adopting IPSAS, which aims to standardise practices globally and reduce inconsistencies across jurisdictions (Christiaens *et al.*, 2015; Pina *et al.*, 2009). Nonetheless, comparative studies reveal that reform trajectories differ significantly across contexts. Developed nations, particularly within the OECD, have generally reported success with these initiatives, benefiting from more robust institutional frameworks and resources. In contrast, less developed countries often face systemic barriers, including limited institutional capacity, resource shortages, and resistance from administrative personnel (Adhikari *et al.*, 2013; Pina *et al.*, 2009). Such disparities highlight the critical importance of understanding local contexts when implementing

development. Common obstacles include technical ambiguities and the need for significant capacity building (Oulasvirta, 2014).

In addition to these structural challenges, the resource-intensive nature of accrual accounting implementation has drawn attention. The extent of adoption and its effectiveness varies widely, shaped by differences in political will, technical expertise, and institutional readiness (Jackson and Lapsley, 2003). Moreover, accounting professionals and epistemic communities drive these changes, advocating for business-like developments and fostering global standardisation efforts (Christensen *et al.*, 2010, 2019).

The financial crises of recent decades, coupled with austerity measures, have further intensified scrutiny of NPFM developments. Austerity has reframed accountability as a technical necessity and a concept profoundly intertwined with political and moral considerations (Bracci *et al.*, 2015). As governments navigate fiscal constraints, the calls for efficient and transparent financial reporting have grown, underscoring the broader societal implications of these accounting frameworks.

Institutional theory has provided a lens for much of this literature, shedding light on the external pressures that drive transformations, especially in less developed countries. Mandates from international organisations such as the IMF and World Bank have been instrumental in shaping the agendas, although their one-size-fits-all approach often fails to account for local specificities (Adhikari *et al.*, 2013; Oulasvirta, 2014). Several scholars have critiqued these efforts, questioning whether accrual accounting delivers on its promises of efficiency and accountability or whether it primarily enhances the legitimacy of public administrations without addressing deeper systemic issues (Lapsley *et al.*, 2009; Oulasvirta, 2014).

Studies on public sector accounting developments reveal their dual role as technical instruments for financial management and political tools shaping policy and governance narratives. These studies highlight the tension between global norms, such as IPSAS, and the need for local adaptations, particularly in developing countries. While standardised frameworks aim to harmonise practices, their success often depends on addressing contextual challenges. The influence of professional networks and epistemic communities in legitimising these developments underscores the complex interaction between technical expertise and policy advocacy (Christensen *et al.*, 2019). Additionally, these developments impact broader governance and policy discussions, notably during austerity periods such as the global financial crisis or COVID-19. By aligning accounting practices with governance aims, the success of such modifications relies on balancing global aspirations with local realities, promoting inclusivity in reform processes, and addressing the political and institutional constraints affecting public financial management.

4.2.2 Category 2: development of commercially minded, market-oriented management systems and structures. The research in Category 2 highlights the transformative potential of integrating market-oriented management systems into the public sector while cautioning against the indiscriminate application of private sector models. It advocates for developments that are sensitive to context, balancing efficiency with public service goals. Public-Private Partnerships (PPPs) were key mechanisms for expanding market-oriented systems. Broadbent and Laughlin (2003) describe PPPs as essential for NPFM by sharing risks between sectors, potentially alleviating fiscal constraints. However, due to governance challenges and long-term fiscal risks, they express significant scepticism about aligning private profit motives with public objectives. Similarly, Whiteside (2020) discusses how PPPs embed managerialism within public administration, using a framework of mindsets, models, and methods to show how managerial ideologies and practices become normalised in governance. This shift raises concerns about transparency and achieving value for money, a sentiment echoed by Demirag and Khadaroo (2008). While PPPs offer potential benefits, they pose significant challenges in aligning private interests with public service goals, necessitating careful and context-sensitive implementation.

Accountability emerges as a recurring theme in discussions of market-oriented developments. Demirag and Khadaroo (2008) critically analyse the accountability frameworks underpinning

Private Finance Initiatives (PFIs), highlighting the tension between achieving efficiency-driven goals and meeting the expectations of various stakeholders. While PFIs often promise better value for money, the authors identify challenges such as the opaqueness of contractual arrangements and the complexity of allocating risks between public and private partners. [Nor-Aziah and Scapens \(2007\)](#) contribute to this dialogue by examining the corporatisation of Malaysian public utilities. They argue that, while corporatisation introduced budgeting development and accountability mechanisms, these changes often resulted in loosely coupled practices where the development remained disconnected from the organisations' operational realities. In this context, accounting practices played a transformative yet constrained role, functioning as both a tool for reform and a reflection of broader organisational tensions.

Further complexities were explored by [Laguecir et al. \(2020\)](#) in their study of a public social housing organisation. These authors analyse how NPM development has influenced internal accounting practices, particularly in applying profitability metrics. Their findings highlight a fundamental tension between economic rationality and an organisation's social mission. For instance, treating labour costs within profitability calculations illustrates the inherent difficulties of applying private sector frameworks in a public sector setting. These findings indicate the need for tailored accounting practices that align with the public sector's broader social and ethical objectives.

Across these studies, a broader narrative emerges: while market-oriented developments such as PPPs, corporatisation, and NPM-inspired models aim to enhance efficiency and accountability, they bring significant challenges. A persistent tension exists between the economic rationality of private sector tools and the ethical imperatives of public service objectives. Accountability remains at the core of these debates, with scholars questioning whether private-sector-inspired frameworks can reconcile the dual demands of economic efficiency and public value. Consequently, these studies collectively advocate for more balanced and contextually sensitive approaches that integrate market-oriented developments without compromising the fundamental objectives of public governance.

4.2.3 Category 3: development of a performance measurement approach. Performance measurement systems (PMSs) have become integral to public financial management, providing frameworks to evaluate efficiency, accountability, and service delivery. Within the literature, particularly studies classified under Category 3, the emphasis is on developing multidimensional PMSs encompassing financial and non-financial dimensions. This shift reflects the growing recognition of the complexity and breadth of public sector objectives.

For instance, [Brignall and Modell \(2000\)](#) argue that a multidimensional approach to PMSs is vital, as it balances competing stakeholder interests while incorporating institutional perspectives. Such integration acknowledges the intricate and often conflicting goals within the public sector. Similarly, [Verbeeten \(2008\)](#) underscores the importance of goal-setting and measurable outcomes in improving quantitative and qualitative performance. This suggests that effective PMSs measure output and provide a structure to align objectives across diverse stakeholders.

The role of sustainability measures in public sector reporting, as emphasised by [Adams et al. \(2014\)](#) and [Dumay et al. \(2010\)](#), further illustrates the development of PMS frameworks. By embedding these elements within broader accountability systems, PMSs enhance reporting mechanisms and could promote trust and legitimacy among citizens. [Steccolini et al. \(2020\)](#) further link PMSs to democratic processes, highlighting their role in fostering transparency and accountability. However, these advancements are not without challenges, particularly in implementation, where varying stakeholder priorities and resource limitations act as barriers.

Benchmarking is another critical tool discussed within the literature. [Broadbent and Laughlin \(2009\)](#) identify benchmarking as fostering competition and improving service quality through comparative analysis. [Kurumäki \(2004\)](#) complements this perspective by examining the hybridisation of managerial practices such as benchmarking in professional contexts such as healthcare. Such hybridisation reflects the dynamic adaptation of private sector techniques within public sector environments.

Further broadening the scope of PMSs, [Chenhall et al. \(2010\)](#) introduce the concept of social capital, illustrating how management control systems interact with organisational culture and social networks. This approach moves beyond traditional economic metrics, emphasising the importance of relational and bonding elements for public service delivery. On the other hand, [Modell \(2004\)](#) critiques the uncritical adoption of PMS frameworks, likening them to myths often embraced without adequate contextual adaptation or stakeholder engagement. This critique serves as a reminder of the need for tailored PMS solutions that reflect the unique socio-political contexts in which they operate.

In summary, studies within Category 3 converge on the idea that PMSs, rooted in NPM assumptions, can play a dual role. First, they can enhance accountability by linking performance to measurable aims and improve efficiency through competitive practices and data-driven decision-making. However, their value extends beyond efficiency metrics. Second, the integration of sustainability measures, as noted by [Adams et al. \(2014\)](#), and social capital dimensions, discussed by [Chenhall et al. \(2010\)](#), demonstrates the expanding scope of performance evaluation. Theoretical contributions also highlight the interplay between instrumental rationalities (e.g. data-driven decisions) and communicative rationalities (e.g. stakeholder engagement), positioning the PMS as both a managerial and a socio-political apparatus in the landscape of public administration.

4.2.4 Category 4: devolvement/decentralisation or delegation of budgets. Studies in Category 4 delve into the multifaceted dynamics of budgetary decentralisation, shedding light on its implications for governance, accountability, and the challenges of aligning public financial systems with managerial objectives. This body of research underscores the centrality of budgeting as a technical process and a core organisational practice that shapes perceptions of accountability and decision-making within public institutions.

For instance, [Goddard \(2004\)](#) provides foundational insights into how budgetary systems function as mechanisms for fostering accountability in UK local governments. By exploring the interplay of trust, power, and habitus, the study illustrates the variability in budgetary practices across organisations, emphasising their embeddedness in organisational culture and relationships. This understanding highlights how accountability is constructed through budgeting processes' routines and power dynamics.

Complementing these findings, [Ter Bogt and Van Helden \(2000\)](#) and [Ter Bogt et al. \(2015\)](#) investigate decentralisation efforts within the Dutch government, offering contrasting perspectives on accounting development over time. Their 2000 study critiques the disconnect between the theoretical ideals and practical implementation of accounting changes. It reveals persistent reliance on traditional, input-oriented budgeting practices and limited integration of economic analyses in decision-making processes. The 2015 study, however, challenges NPM norms by proposing performance budgets tailored to the complexities of specific programmes. Though met with mixed reactions from policymakers, this innovative approach underscores the need to adapt budgeting systems to context-specific demands rather than applying standardised NPM solutions.

[Andrew et al. \(2020, 2021\)](#) critique the impact of neoliberal ideologies on public budgeting, particularly in crisis contexts such as the COVID-19 pandemic. The 2020 study examines Australia's constrained fiscal responses, attributing their rigidity to decades of neoliberal policies that have eroded governments' capacity to implement flexible and crisis-responsive budgets. The 2021 study explores how inequality shapes budgetary measures, advocating for accounting research prioritising social and economic equity. Together, these studies extend the traditional focus of NPFM to encompass ethical and societal dimensions, urging policymakers to address systemic inequities through budgetary development.

Collectively, studies in this category emphasise the need to integrate budgeting with broader management systems while addressing the socio-political contexts in which these systems operate. Structural developments such as accrual accounting and decentralised controls are frequently proposed, but their success often hinges on overcoming persistent implementation gaps. Challenges such as limited managerial commitment, inadequate training, and structural inertia hinder the realisation of these developments.

Performance budgeting emerges as a recurring theme in this body of research, with scholars debating its effectiveness in enhancing transparency and accountability. While tailored approaches to performance-oriented budgeting show promise in addressing programme-specific complexities, their success varies significantly across different contexts, often shaped by external pressures such as economic crises and public scrutiny. Moreover, by incorporating critical discussions on inequality and neoliberalism, recent studies expand the scope of NPFM to include pressing ethical and societal concerns. These contributions challenge researchers and policymakers alike to reevaluate budgetary practices through a lens of social justice and equity.

4.2.5 Category 5: changes to internal and external public sector audits. Public sector auditing has undergone significant transformation in recent decades, driven by the rise of NPM and NPFM developments and, more recently, by the emergence of New Public Governance (NPG) frameworks (Mattei *et al.*, 2021). These shifts have redefined the role of audits, elevating them from mere compliance checks to tools for assessing performance, efficiency, and value for money. Studies under this theme provide significant insights into how auditing practices adapt to the demands for transparency, accountability, and effectiveness in the public sector. Central to these discussions are changes in accountability mechanisms, the integration of risk management practices, and the development of performance audits for value-for-money purposes.

A recurring theme in the literature is the interplay between accountability and transparency, increasingly recognised as cornerstones of public sector governance. For instance, Bakar and Ismail (2011) and Justesen and Skærbæk (2010) examine how performance audits and financial accountability frameworks reinforce public accountability while fostering competition for improved service delivery. Bakar and Ismail's (2011) study on Malaysia's national audit department highlights the potential of formalised financial accountability frameworks to enhance institutional effectiveness and public trust by driving healthy competition among government agencies.

Performance auditing, an innovation in modern public sector audits, extends beyond measuring outputs to reshaping the roles and responsibilities of public agencies. This is evident in Justesen and Skærbæk's (2010) analysis of the Danish Ministry of Transport. This demonstrates how performance audits – often promoted as catalysts for organisational change – can create unintended challenges, such as tensions and discomfort within audited entities. Audit reports, amplified by media and political narratives, can frame public organisations as failing to meet expectations, thus redefining what it means for these entities to be accountable.

By emphasising efficiency and effectiveness in line with NPM aspirations, performance audits evaluate technical performance, shaping the identities and accountabilities of auditors and auditees. Jeppesen (2012) highlights the professional dynamics of public sector auditors in Denmark, who sought to establish their identity as performance auditing experts amidst growing competition from private sector auditors. This professionalisation process, which included the introduction of specialised qualifications, underscores the jurisdictional tensions between public and private auditors in an era of privatisation, marketisation, and accrual financial statements. Such competition raises essential questions about the future of public auditing. Will public auditors maintain their relevance, or will the corporatisation of auditing erode their jurisdiction entirely? These concerns are especially pressing in the sustainability and digital auditing practices.

Vinnari and Skærbæk (2014) address risk management practices in internal audits and offer a critical perspective on auditors' challenges. The authors explore how introducing risk management systems to mitigate uncertainties often paradoxically generates new ambiguities. These include definitions of risk, questions surrounding the legal status of audit documentation, and the resource-intensive nature of implementing comprehensive risk frameworks. Their analysis underscores the socio-technical nature of these systems, highlighting how technical tools, organisational priorities, and human actors interact to shape risk management practices.

[Mattei et al. \(2021\)](#) provide a comprehensive review of the development of public sector auditing, tracing its journey from compliance-based practices under traditional public administration to performance-oriented approaches under NPM and, more recently, to stakeholder-inclusive paradigms under NPG. The NPG framework emphasises inter-organisational relationships, stakeholder engagement, and broader societal objectives, reflecting a shift in public sector auditing toward more adaptive and collaborative approaches. As a result, public sector auditing has become a vital instrument for fostering public trust, improving institutional effectiveness, and ensuring value for money in public sector governance.

Studies in Category 5 highlight developments of public sector auditing, which mirror broader governance changes. Initially focused on compliance under traditional public administration, public sector auditing has shifted towards performance-oriented approaches with NPM and now emphasises stakeholder-focused paradigms under NPG. This transformation has expanded the audit role from mere oversight to the use of comprehensive tools that could enhance transparency, accountability, and value for money. However, challenges remain, such as limited public access to audit findings, jurisdictional disputes between public and private auditors, and the complexity of implementing risk management systems. The rise of NPG underscores a shift towards inclusive and adaptive auditing practices, prioritising inter-organisational cooperation, stakeholder engagement, and sustainability matters. These approaches position public sector auditing as crucial for fostering public trust and meeting modern governance demands.

4.2.6 Category 6: multiple NPFM themes. Studies in Category 6 illustrate a multidisciplinary approach, drawing on perspectives from accounting, public administration, and organisational studies. In the past, [Broadbent and Guthrie \(2008\)](#) underscored the pivotal role of contextual accounting research in driving public sector modernisation. Their work highlights how such research transcends national boundaries, revealing global patterns such as the privatisation and hybridisation of public services, trends further elaborated by [Parker \(2012\)](#). These transformations reflect shifts in service delivery and broader changes in the relationship between governments, markets, and citizens. A recurring theme in this discourse is the tension between global governance and local accountability frameworks. Institutions such as the World Bank promote social accountability initiatives, which, as [Alawattage and Azure \(2021\)](#) point out, may prioritise fiscal discipline over meaningful democratisation in developing contexts like Ghana. This critique is echoed by [Everett et al. \(2007\)](#), who explore accounting's ambiguous role in global anti-corruption efforts. On the one hand, accounting can serve as a mechanism for promoting transparency and accountability; on the other, it may reinforce systems that constrain broader economic and social accountability.

Within the framework of NPFM, performance measurement and market-oriented development have emerged as dominant paradigms. [Funck and Karlsson \(2020\)](#) trace the development of performance-based management under NPFM, pointing out its focus on financial efficiency, often at the expense of fundamental public values such as equity and inclusivity. [Parker \(2012\)](#) illustrates this dynamic through the corporatisation of higher education, where financial imperatives increasingly overshadow educational and social goals, exemplifying the tensions inherent in market-driven financial management. [Steccolini \(2019\)](#) and [Grossi and Argento \(2022\)](#) call attention to the limitations of NPM and advocate for more inclusive public governance models. These models emphasise co-production, inclusivity, and the creation of public value, signalling a move away from the narrowly defined efficiency metrics of NPFM. Emerging paradigms such as network collaborative and digital governance are reshaping the landscape of public sector financial management tools. [Grossi et al. \(2023b\)](#) explore how digitalisation offers transformative opportunities despite introducing new complexities. Open government and digital technologies enable enhanced accountability and foster deeper citizen engagement, paving the way for more participatory forms of governance. The field is changing toward approaches emphasising equity and responsiveness, recognising

the need to integrate financial accountability with broader public values. This ongoing transition reflects a growing awareness of the limitations of traditional accrual financial models and the potential of new governance frameworks to address the complexities of modern public administration.

5. Conclusions and emerging warnings

The research trajectory within the selected sample highlights a steady, though not constant, interest in the development of NPFM over the past 25 years. This enduring attention underscores the field's relevance in adapting to changing public sector demands, even decades after the inception of key developments. Geographically, the research has predominantly been conducted in Northern Europe, Australasia, the UK, and Southern Europe, with researchers exploring NPFM developments within their national contexts. However, significant research gaps remain in Africa, the Middle East, the Americas, and Eastern Europe. Future research would benefit from addressing these geographical disparities, broadening the global understanding of NPFM reform dynamics. Emerging economies represent fertile ground for further exploration. For example, contextualisation of IPSAS within broader administrative development in such settings requires deeper analysis (Polzer *et al.*, 2021; Schmidhuber *et al.*, 2022). Future research could also delve into the unique challenges these economies face in implementing IPSAS, including organisational capacity, data availability, and political conditions (Scannell and Tawiah, 2024). Comparative analyses of NPFM development across and within countries (e.g. comparing national, regional, and local governments) represent a promising avenue for future exploration (Humphrey and Miller, 2012). This approach would allow researchers to uncover patterns that could better inform NPFM reform adoption strategies.

In examining the focus of the sampled articles among the five NPFM themes identified by Olson *et al.* (1998, 2001) and Guthrie *et al.* (1999), we found that the majority have centred on financial reporting (Category 1) and performance measurement systems (Category 3) developments. Less attention has been given to other areas, such as transforming public sector auditing, adopting private sector models into PFM, and the multifaceted budgetary dynamics (Categories 5, 2 and 4). Interestingly, various studies opted for a broader scope, examining multiple NPFM themes simultaneously (Category 6). Our literature review introduced Category 6 – “Multiples NPFM themes” – to capture studies that address these interconnected and dynamic aspects of NPFM developments, showcasing their potential to drive transformation while highlighting their challenges. NPFM scholarship must adapt to public sector challenges, integrate interdisciplinary approaches, and address emerging governance paradigms. These emerging developments requires to integrate diverse disciplinary perspectives from accounting, economics, sociology, political science, urban studies, information technology, and environmental studies, useful to ensure that financial controls serve democratic, inclusive, and future-oriented policy objectives. The trajectory of NPFM over the past 25 years reveals a persistent tension between its intended objectives and unintended consequences. If early warnings from Olson *et al.* (1998), Guthrie *et al.* (1999), and Olson *et al.* (2001) cautioned against the rise of managerialism, the erosion of professional discretion, and the evaluatory trap, contemporary NPFM scholarship must confront emerging warnings associated with hybridity, sustainability, and digital transformation. These emerging developments, while promising in some respects, carry serious implications that demand critical interrogation rather than uncritical adoption.

The first warning concerns hybridisation of the public sector as a result of public governance changes. Scholars increasingly advocate a shift from focusing solely on organisational-level dynamics to inter-organisational frameworks. Public services are now often delivered through collaborative efforts involving public sector organisations and various types of hybrid entities, such SOEs, public-private partnerships, and social enterprises (Almqvist *et al.*, 2013; Grossi and Argento, 2022). This shift emerges from studies in Category

2 of NPFM, reflecting the growing interconnectedness of governance structures and the need for PMSs that account for these relationships. Therefore, hybrid organisations use different resources, governance models, and institutional logics derived from public, private, for-profit, and non-profit organisations (Grossi *et al.*, 2015, 2017, 2024). While hybrid governance models have been justified as mechanisms for improving efficiency and resource sharing, they risk creating blurred accountability structures, where financial responsibility is fragmented across multiple actors and no single entity assumes full liability for service outcomes (Johanson and Vakkuri, 2017; Vakkuri *et al.*, 2021). Accountability tensions can be related to single hybrid organisations or networks operating at different levels (macro, meso, and micro), multiple values and expectations of audiences/forums (Grossi *et al.*, 2024). The danger is that traditional public accountability mechanisms are being weakened, with democratic oversight giving way to contractual obligations and financial risk management strategies modelled on the private sector. Therefore, the expansion of hybrid governance structures without a corresponding adaptation of performance measurement and accountability frameworks risks undermining transparency and eroding public trust in service delivery. This is a clear threat to public sector governance that requires scholarly attention. Future research could critically assess whether hybridisation is enhancing or eroding public accountability, and whether PFM systems remain fit for purpose in an era of fragmented governance.

Scholars advocate for a shift from NPM's efficiency-driven ethos to public governance models that prioritise sustainability measures, inclusivity, and public value creation (Steccolini, 2019; Grossi *et al.*, 2023b). The incorporation of environmental sustainability metrics into performance measurement frameworks is increasingly aligning PFM with global sustainability development goals (Dumay *et al.*, 2010; Adams *et al.*, 2014; Funck and Karlsson, 2020). The second warning is therefore related to the integration of sustainability into PFM frameworks. Without explicit integration of sustainability metrics into NPFM systems, public sector accounting risks becoming an enabler of short-term financial efficiency at the expense of long-term environmental and social resilience. This second warning also relates to the financialisation of sustainability, a trend that threatens to reduce environmental, social, and governance (ESG) concerns to a mere reporting exercise rather than a substantive commitment to long-term sustainability. Public sector organisations are increasingly being pressured to integrate sustainability metrics into budgeting, reporting, and performance evaluation, yet there is little agreement on how these measures translate into concrete governance outcomes (Manes Rossi *et al.*, 2020). Sustainability accounting risks becoming a symbolic practice that can generate unintended effects and different forms of decoupling (such as green, pink, and blue washing) rather than a transformative tool that reshapes public decision-making (Talpur *et al.*, 2024). Just as performance measurement under NPFM created an illusion of control without necessarily improving service quality (Olson *et al.*, 2001), sustainability reporting risks becoming a checkbox exercise that satisfies external stakeholders without driving real policy changes. Research must therefore interrogate the extent to which current sustainability frameworks align with the financial and political realities of emerging public governance, and whether they serve as meaningful public accountability mechanisms or merely reinforce managerialist control. Similarly, budgeting practices must also adapt to address sustainability and social issues. The future debate on budgeting is expected to emphasise and investigate the role of multiple actors in the pursuit of public value, going beyond the traditional reference to citizens to include other public sector entities, private organisations, or non-profit entities (Sicilia and Steccolini, 2017). This shift has prompted a rethinking of budgeting practices, with calls for the adoption of public value budgeting, green budgeting, and gender-responsive budgeting as mechanisms to align public finance with broader societal objectives (Aleksandrov and Mauro, 2023; Bartocci *et al.*, 2023, 2024; Polzer *et al.*, 2023; McDonald *et al.*, 2024). Future studies could investigate how budgeting practices can promote social equity and address systemic inequalities. This requires integrating interdisciplinary approaches from ethics, sociology, and public administration to design frameworks that prioritise inclusivity and fairness. Exploring the intersection of budgeting

with social justice initiatives could further enhance the relevance of NPFM in addressing contemporary challenges. Additionally, previous research on public sector auditing mainly focused on performance auditing (Justesen and Skærbæk, 2010; Mattei et al., 2021). Supreme Audit Institutions have started implementing different types of sustainability and SDG auditing (Cordery and Hay, 2025). More studies are needed on how the national audit office attempts to address these challenges of conducting SDG audits (Grossi et al., 2023a).

The third warning relates to digitalisation, as governments are increasingly leveraging digital technologies (such as artificial intelligence, big data analytics, and blockchain) to enhance budgeting reporting, auditing, and performance measurement systems (Grossi et al., 2023b). Moreover, open government initiatives and digital technologies enhance accountability, transparency, fraud detection and citizen engagement by enabling real-time data analysis and predictive insights (Grossi and Argento, 2022). However, digital technologies also present challenges and concerns about data security, and privacy, which could exacerbate rather than mitigate inequalities (Gamage, 2016). The growing use of digital technologies in budgeting and performance measurement also raise concerns about algorithmic biases, the loss of human discretion in decision-making, and the opacity of digital accountability mechanisms. The expansion of digital governance, big data analytics, and algorithmic accountability mechanisms has intensified the quantification of public service performance, often reinforcing the very concerns raised by Olson et al. (2001) about misplaced trust in evaluative metrics. If public governance is increasingly driven by digital metrics rather than democratic deliberation, there is a risk that NPFM will shift further away from its public accountability foundations, reinforcing financial control mechanisms that prioritise efficiency over equity and inclusion. Future research must critically evaluate who controls digital financial management systems, how these technologies shape public governance, and whether they enhance or erode public accountability. Future research could also investigate the impact of digitalisation on transparency, citizen engagement, and the mitigation of digital risks (Grossi and Argento, 2022). Empirical studies are particularly needed to assess how these technologies are implemented in public accounting, auditing and accountability, by exploring not just opportunities, but also challenges, and unintended outcomes of their applications (Volodina and Grossi, 2024; Argento et al., 2025).

Beyond these specific emerging warnings, a broader concern persists regarding the continued dominance of financial rationality in public governance, despite decades of critiques related to the lack of social equity, long-term sustainability, and the intrinsic values of public service. The foundational critique of Olson et al. (1998), Guthrie et al. (1999), and Olson et al. (2001) remain still relevant because the core logics of NPFM have not been fundamentally challenged but rather have extended into emerging warning such as hybridisation sustainability and digital transformation.

In conclusion, the future of NPFM scholarship must move beyond assessing PFM tools in isolation and instead critically engage with the broader governance implications of hybridisation, sustainability and digitalisation. Scholars must interrogate whether emerging NPFM developments (related to sustainability and digitalisation) serve democratic accountability or merely reinforce technocratic control. Without such critical engagement, the public sector risks being locked into governance models that prioritise efficiency and bureaucracy over democracy, control over participation, and short-term financial stability over long-term social resilience. These emerging warnings should serve as a call for renewed scrutiny of NPFM's evolution, ensuring that future financial management reforms do not simply replicate the limitations of the past but instead address the emerging social, environmental, and democratic challenges of contemporary public governance.

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(The Appendix follows overleaf)

Table A1. Top 10 articles by CPY in category 1 “Changes to financial reporting systems”

Author(s) and year	Title	Source	CPY
Bracci <i>et al.</i> (2015)	Public sector accounting, accountability and austerity: More than balancing the books?	<i>Accounting, Auditing and Accountability Journal</i>	16.56
Christiaens <i>et al.</i> (2015)	The effect of IPSAS on reforming governmental financial reporting: an international comparison	<i>International Review of Administrative Sciences</i>	13.78
Lapsley <i>et al.</i> (2009)	On the adoption of accrual accounting in the public sector: A self-evident and problematic reform	<i>European Accounting Review</i>	10.87
Pina <i>et al.</i> (2009)	Accrual accounting in EU local governments: One method, several approaches	<i>European Accounting Review</i>	10.67
Oulasvirta (2014)	The reluctance of a developed country to choose International Public Sector Accounting Standards of the IFAC. A critical case study	<i>Critical Perspectives on Accounting</i>	10.20
Adhikari and Gärseth-Nesbakk (2016)	Implementing public sector accruals in OECD member states: Major issues and challenges	<i>Accounting Forum</i>	8.75
Christensen <i>et al.</i> (2019)	Enabling global accounting change: Epistemic communities and the creation of a “more business-like” public sector	<i>Critical Perspectives on Accounting</i>	8.00
Christiaens <i>et al.</i> (2010)	Impact of IPSAS on reforming governmental financial information systems: A comparative study	<i>International Review of Administrative Sciences</i>	7.21
Adhikari <i>et al.</i> (2013)	Dissemination and institutionalisation of public sector accounting development in less developed countries: A comparative study of the Nepalese and Sri Lankan central governments	<i>Accounting Forum</i>	6.55
Jackson and Lapsley (2003)	The diffusion of accounting practices in the new “managerial” public sector	<i>International Journal of Public Sector Management</i>	6.19

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Table A2. Top 5 articles by CPY in Category 2 “Development of commercially minded, market-oriented management systems and structures”

Author(s) and year	Title	Source	CPY
Whiteside (2020)	Public-private partnerships: market development through management reform	<i>Review of International Political Economy</i>	8.50
Nor-Aziah and Scapens (2007)	Corporatisation and accounting change. The role of accounting and accountants in a Malaysian public utility	<i>Management Accounting Research</i>	8.00
Broadbent and Laughlin (2009)	Public private partnerships: An introduction	<i>Accounting, Auditing and Accountability Journal</i>	7.90
Laguecir <i>et al.</i> (2020)	Profitability calculations under trial of strength: Insights into intra-accounting variation in a social housing organisation	<i>Accounting, Auditing and Accountability Journal</i>	4.00
Demirag and Khadaroo (2008)	Accountability and value for money in private finance initiative contracts	<i>Financial Accountability and Management</i>	3.63

Source(s): Created by authors

Table A3. Top 10 articles by CPY in Category 3 “Development of a performance measurement approaches”

Author(s) and year	Title	Source	CPY
Brignall and Modell (2000)	An institutional perspective on performance measurement and management in the “new public sector”	<i>Management Accounting Research</i>	20.75
Dumay et al. (2010)	GRI sustainability reporting guidelines for public and third sector organisations: A critical review	<i>Public Management Review</i>	18.14
Kurunmäki (2004)	A hybrid profession—The acquisition of management accounting expertise by medical professionals	<i>Accounting, Organisations and Society</i>	16.40
Broadbent and Laughlin (2009)	Performance management systems: A conceptual model	<i>Management Accounting Research</i>	15.87
Adams et al. (2014)	Measurement of sustainability performance in the public sector	<i>Sustainability Accounting, Management and Policy Journal</i>	14.90
Steccolini et al. (2020)	The role(s) of accounting and performance measurement systems in contemporary public administration	<i>Public Administration</i>	13.25
Martin-Sardesai et al. (2021)	The neoliberal reality of higher education in Australia: how accountingisation is corporatising knowledge	<i>Meditari Accountancy Research</i>	13.00
Chenhall et al. (2010)	Social capital and management control systems: A study of a non-government organisation	<i>Accounting, Organisations and Society</i>	11.93
Verbeeten (2008)	Performance management practices in public sector organisations: Impact on performance	<i>Accounting, Auditing and Accountability Journal</i>	11.75
Modell (2004)	Performance Measurement Myths in the Public Sector: A Research Note	<i>Financial Accountability and Management</i>	8.90

Source(s). Created by authors

Table A4. Top 5 articles by CPY in category 4 “Development/decentralisation or delegation of budgets”

Author(s) and year	Title	Source	CPY
Andrew et al. (2020)	Australia’s COVID-19 public budgeting response: the straitjacket of neoliberalism	<i>Journal of Public Budgeting, Accounting and Financial Management</i>	18.25
Andrew et al. (2021)	Accounting, inequality and COVID-19 in Australia	<i>Accounting, Auditing and Accountability Journal</i>	11.33
Ter Bogt et al. (2015)	Challenging the NPM ideas about performance management: Selectivity and differentiation in outcome-oriented performance budgeting	<i>Financial Accountability and Management</i>	5.56
Ter Bogt and Jan Van Helden (2000)	Accounting change in Dutch government: Exploring the gap between expectations and realisations	<i>Management Accounting Research</i>	4.58
Goddard (2004)	Budgetary practices and accountability habitus: A grounded theory	<i>Accounting, Auditing and Accountability Journal</i>	3.80

Source(s): Table created by authors

Table A5. Top 5 articles by CPY in category 5 “Changes to internal and external public sector audits”

Author(s) and year	Title	Source	CPY
Mattei <i>et al.</i> (2021)	Exploring past, present and future trends in public sector auditing research: a literature review	<i>Meditari Accountancy Research</i>	17.67
Vinnari and Skærbæk (2014)	The uncertainties of risk management: A field study on risk management internal audit practices in a Finnish municipality	<i>Accounting, Auditing and Accountability Journal</i>	7.20
Justesen and Skærbæk (2010)	Performance auditing and the narrating of a new auditee identity	<i>Financial Accountability and Management</i>	3.29
Bakar and Ismail (2011)	Financial Management Accountability Index (FMAI) in the Malaysian public sector: A way forward	<i>International Review of Administrative Sciences</i>	1.08
Jeppesen (2012)	Jurisdictional Competition Between Private and Public Sector Auditors: The Case of the Danish Certified Public Sector Auditor Qualification	<i>Financial Accountability and Management</i>	0.83

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Table A6. Top 10 articles by CPY in category 6 “Multiple NPFM themes”

Author(s) and year	Title	Source	CPY
Steccolini (2019)	Accounting and the post-new public management: Re-considering publicness in accounting research	<i>Accounting, Auditing and Accountability Journal</i>	33.40
Grossi <i>et al.</i> (2023b)	The future of public sector accounting research. A polyphonic debate	<i>Qualitative Research in Accounting and Management</i>	26.00
Broadbent and Guthrie (2008)	Public sector to public services: 20 years of “contextual” accounting research	<i>Accounting, Auditing and Accountability Journal</i>	22.75
Brunsson and Sahlin-Andersson (2000)	Constructing organisations: The example of public sector reform	<i>Organisation Studies</i>	22.75
Grossi and Argento (2022)	The fate of accounting for public governance development	<i>Accounting, Auditing and Accountability Journal</i>	20.50
Funck and Karlsson (2020)	Twenty-five years of studying new public management in public administration: Accomplishments and limitations	<i>Financial Accountability and Management</i>	14.25
Alawattage and Azure (2021)	Behind the World Bank’s ringing declarations of “social accountability”: Ghana’s public financial management reform	<i>Critical Perspectives on Accounting</i>	13.33
Conrath-Hargreaves and Wüstemann (2019)	Multiple institutional logics and their impact on accounting in higher education: The case of a German foundation university	<i>Accounting, Auditing and Accountability Journal</i>	10.40
Parker (2012)	From Privatised to Hybrid Corporatised Higher Education: A Global Financial Management Discourse	<i>Financial Accountability and Management</i>	10.17
Everett <i>et al.</i> (2007)	Accounting and the global fight against corruption	<i>Accounting, Organisations and Society</i>	9.53

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Corresponding authorGiuseppe Grossi can be contacted at: giuseppe.grossi@hkr.se

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