A Study of Management Accounting and Control in

Governing the State:

Some Lessons from a Local Government

Waste Management Service

By

Laurence Ferry

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Declaration

The thesis is the candidate's own work and does not contain any material that has previously been published towards a formal academic qualification.

Abstract

A Study of Management Accounting and Control in Governing the State: Some Lessons from a Local Government Waste Management Service

Political priorities are represented through accounting, which makes it fundamental to governing Whitehall and Town Hall relationships (Wildavsky 1964, 1975; Hopwood 1984; Hood 1995, 2010).

Public sector research showed accounting has been colonising through coercive institutional processes that can lead to dysfunctional performance (Broadbent and Laughlin 1997). In contrast private sector accounting literature suggested both coercive and enabling bureaucracies (Adler and Borys 1996) can be formalised as management control systems (Ahrens and Chapman 2004) to balance efficiency and flexibility for better performance (Brown and Eisenhardt 1997).

The research question looks to explain how coercive and enabling control can work in a specific Town Hall waste management service, and organisation changes occur between them to manage Whitehall strategic ambitions. A nested research design methodology was employed to undertake a historical study of archaeologies and genealogies of accounting for policies and strategies (Hopwood 1987; Foucault 1972, 1977), which were linked to a case study of sites and practices (Schatzki 2000, 2001, 2002, 2005; Ahrens and Chapman 2005, 2007). Methods included archival research, interviews and observation, with data triangulated to support claims.

It was found that phases of archaeologies were layered representing policies, strategies and practices, but with related genealogies of change. The genealogies illustrate coercive control could be enabling in the public sector, but with changing contexts this can shift from being empowering to constraining and even dysfunctional to performance.

In addition, coercive control could be enabling through system design, system features and implementation context, but changes to the strategic context rather than just the structural context have to occur for enabling control to take on more ensuring notions.

Furthermore, the use of system features (Ahrens and Chapman 2004) and processes (Wouters and Wilderom (2008) are important for coercive procedures to be enabling, but so were practices and the situated functionality of accounting for establishing order, setting and developing current and future agendas, and accomplishing priorities.

Key Words: management accounting and management control, efficiency and flexibility, coercive control and enabling control, public sector, government and non-profit accounting, practice theory

Chapter 1   **Introduction**

1.1   Background to the Research

Under New Public Management the state shifted from merely being a provider of services to act as an enabler (Hood 1991, 1995). In an enabling state the prime role is to energise and support the diversity of groups in society that will drive policy onwards and reach solutions to collective problems.

However, it will be seen that the state can't be only an enabling body, since it has to ensure definite outcomes are achieved. To emphasise the importance of the state's role is not to call for a reversion to centralised planning and top down government. Indeed many ideas and energy will come from localism and the bottom up. States will have to work with a variety of organisations to be effective.

More recently the enabling state has therefore extended into more ensuring forms. The ensuring state has emerged as a stronger notion in theory (Schuppert 2004, 2006), but also in practice (Giddens 2009). For example, the Audit Commission as Local Government regulator ensured through increasing audit and performance management arrangements that Central Government policy was being implemented, with non-performing Local Authorities facing intervention measures. The abolition of the Audit Commission is to commence from 2011, although it will continue with a significantly reduced remit until 2014. However, under localism arrangements targets are to be created and guaranteed by the Local Authorities themselves to

ensure priority based accountability for services being delivered. As a result, ensuring notions remain but at a more localised level of state bureaucracy. Nevertheless, intervention from central government if these compacts are not delivered remains a real option.

The impact and implication is that the state is responsible for monitoring public goals and for trying to make sure they are realised in a visible and acceptable fashion, both from the top down and the bottom up.

The changing role of the state in terms of enabling and its extension into ensuring notions has inherent impacts and implications for control. Social order in the state is expressed in policy preferences and political priorities that are manifested in the budget process and associated performance management arrangements (Hood 1991, 1995, 2010; Wildavsky 1964, 1975; Hopwood 1984; Power 1983, 1987). Political priorities are not static phenomenon, but can be both planned and emergent in realised strategy (Mintzberg 1978, 1985, 1987a, 1987b, 1994, 1998, 2007; Davila 2005). Hence budgets are subject to change and therefore a fundamental part of the politics of governing, and they are controlled in both strategy formulation and implementation.

The colonising power of accounting in the public domain has been linked to coercive institutional processes (Broadbent and Laughlin 1997), which could be undesirable. However, Berry and Oakes (2009) suggest it could also be perceived as positive by managers in a change process. The private sector management accounting literature can help provide insights here through the conceptualisation of coercive control and

enabling control. In the private sector it has been found that balancing efficiency and flexibility together can lead to better performance (Brown and Eisenhardt, 1997; He and Wong 2004; Gibson and Birkinshaw 2004), but an inherent tension exists between efficient control and flexible control within the accounting arrangements (Ahrens and Chapman, 2004; Jorgensen and Messner, 2009; Berry et al, 2009), which is a challenge for achieving priorities.

Simons (1987b, 1990, 1991, 1994, 1995) through a series of linked case studies developed the strategic control levers framework to consider how efficiency and flexibility can be better balanced to strategically achieve priorities. The framework provides useful high level insights into controlling strategy (Abernathy and Brownell, 1999; Henri, 2006a; Widener, 2007; Bruining et al 2004; Collier 2005; Tuomela 2005; Marginson 2002; Frow et al 2005), but it was not intended to explore the mobilisation of accounting for efficiency and flexibility at more detailed and nuanced levels of complexity and intricacy (Ahrens and Chapman 2005).

Adler and Borys (1996) conceptualised coercive and enabling bureaucracies that can be employed for a more detailed analysis. The bureaucracies are differentiated through a triumvirate of system features (repair, flexibility, internal transparency and global transparency), system design and implementation context. In their study, Ahrens and Chapman (2004) formalised the bureaucracies as management control systems and illustrated at more detailed levels that coercive and enabling control could be mobilised together for balancing efficiency and flexibility.

Through the formalisation research has compared and contrasted coercive and enabling control. It has been found that a combination of different control mechanisms can be used to balance efficiency and flexibility through characteristics of system use (Ahrens and Chapman 2004; Free 2007; Jorgenssen and Messner 2009; Chapman and Kihn 2009) and processes (Wouters and Wilderom 2008; Wouters and Roijmans 2010). Furthermore Ahrens and Chapman (2007b) were interested in how enabling control could be embedded in everyday practice and to uncover and describe ways and means of accounting change. To do so through a Schatzki (2000, 2001, 2002, 2005) interpretation of their accounting case study of a restaurant chain they expressed a notion of situated functionality to consider how accounting could function as a management tool to order organisation activities, set and develop agendas and accomplish priorities (Bower 1970; Hopwood 1989; Ahrens and Chapman 2007b). Nevertheless, situated functionality '...constitutes an unrealised potential in management accounting research and in particular field studies' (Ahrens and Chapman 2007b). It is therefore a fairly new area that is not fully formed nor researched.

1.2   Coercive and Enabling Control in the State

From a critical perspective several accounting researchers have applied Habermas (1989) theory of life world to argue that accounting can operate as a steering medium to change the design archetype which may in certain circumstances result in accounting colonisation that proliferate and potentially invade the interpretive schemes (values and culture) of the life-world (Laughlin 1991; Laughlin and Broadbent 1993; Power and Laughlin 1996; Broadbent and Laughlin 1997, 1998).

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This has distorting effects that include a loss of meaning and impoverishment of the life-world which Habermas refers to as reification (Brand 1990). The change is therefore seen as undesirable.

In the public domain accounting's colonising power was linked to coercive institutional processes (Broadbent and Laughlin 1997). However, Berry and Oakes (2009) suggest some aspects of accounting were experienced positively by managers and would not from a managerial perspective be seen as colonising.

Berry and Oakes (2009) propose an extension of Broadbent and Laughlin's (1997) concept of accounting colonisation. The re-theorisation includes a development of Broadbent and Laughlin's (1997) definition of accounting colonisation.

It has been argued that colonisation only occurs when changes to the design archetype (accounting as the steering medium) force through changes to the life-world interpretive schemes (Values or culture) (Broadbent and Laughlin 1997). Berry and Oakes (2009) depart from this suggesting coercion is not usually successful in changing interpretive schemes and the varied responses of managers to accounting discourse suggest that pathological accounting colonisation can arise not merely from coercion, but rather from a wide range of activities in the social field. Expanding upon Broadbent and Laughlin's (1997) model of accounting colonisation as a change process, Berry and Oakes (2009) proposed three idealised forms of accounting colonisation. These were coercive (enforced), instrumental (Incentives, bribery), and discursive.

Public sector management accounting literature has therefore focussed on colonisation through coercive control and its associated forms. It has not considered concepts of control from an enabling bureaucracy perspective (Adler and Borys 1996), never mind ensuring notions (Schuppert 2004, 2006; Giddens 2009).

In private sector management accounting literature coercive control has been seen as enabling (Adler and Borys 1996; Ahrens and Chapman 2004, 2007; Jorgenssen and Messner 2009). These studies are still relatively few in number, but constitute an emerging literature. Enabling concepts have not been applied to the public sector and could provide useful insights into how accounting can both coerce and enable organisation change. This study aims to fill that gap by considering how organisation changes between coercive and enabling control might occur in the public sector.

The existing private sector research illustrates that enabling control has been compared and contrasted with coercive control (Adler and Borys 1996; Ahrens and Chapman 2004), and has highlighted the importance of characteristics of system use (Ahrens and Chapman 2004) and processes (Wouters and Wilderom 2008). However, this research agenda is emerging and little is known about how organisation changes occur between coercive control and enabling control and back to coercive control. In particular no studies of enabling control in the public sector have been undertaken. This is although using coercive and enabling control simultaneously has been shown to balance efficiency and flexibility for better performance in other industries (Ahrens and Chapman 2004). Given that taxpayer funds have pressures to be used in value for money ways, and even more so now

with austerity measures, this is an important area for research. As a result there are a number of gaps in the literature that can be researched.

Firstly, research has considered the archaeology and genealogy of how changes occur in organisations including the state for relationships between accounting and priorities (Hopwood 1984, 1987), but not for how coercive control and enabling control work and changes occur between them for Whitehall and Town Hall relationships.

Secondly, enabling control has been considered in specific sites (Ahrens and Chapman 2007; Jorgenssen and Messner 2009; Chapman and Kihn 2009; Wouters and Wilderom 2008; Wouters and Roijmans 2010) but little has been done on how it can be used on an inter-organisational basis (Free 2007). Research has not been undertaken for how enabling control can be used to achieve political priorities through management accounting as practice and a confederation of sites that involve state and non-state actors. Also research has not focussed down to how enabling control is embedded, how organisation changes occur between coercive control and enabling control, and how enabling control may extend into more ensuring notions for Town Hall implementation of Whitehall strategic ambitions that involves the long term, inter-generational thinking and inter-organisational working practices.

Thirdly, studies have considered the situated functionality of accounting for how organisation changes are contextualised and embedded for ordering activities, making agendas and accomplishing priorities (Bower 1970; Hopwood 1987, 1989; Ahrens and Chapman 2007), but little is known about how such changes occur

between coercive control and enabling control through accounting and political priorities in Whitehall and Town Hall relationships.

1.3   Research Area

The research is interested in how coercive and enabling control work and organisation changes occur between them in the public sector, with particular emphasis on Whitehall and Town Hall relationships. A number of gaps have been identified above in the current literature. To address these gaps, within the site of a waste management service in a Local Authority, the data chapters look to explain:

(1)   An archaeology of enabling control to accomplish priorities in Whitehall and Town Hall relationships from 1979 to 2010;

(2)   Enabling control, and it's ensuring notions, in sites of management accounting as practice for Town Hall implementation of Whitehall strategies from 2005 to 2010; and

(3)   The situated functionality of enabling control in Town Hall management practices to meet Whitehall strategic policy ambitions.

1.4   Methodology

To address the research for the data chapters, the methodology selects a Local Authority in England as the research site for a qualitative study, with particular

emphasis on waste management services. The Local Authority is studied because it provides insights into how Whitehall policy hopes are helped or hindered at the localised implementation level. This is in the spirit of Wildavsky's (1973) study of how great expectations in Washington are dashed in Oakland, with wide ranging implications for how accounting can therefore be used in public sector organisation change. Local Authorities have previously been used as sites for the research of ideas that have more general application to the broader public sector, including Whitehall. In addition, there has been much organisation change in the Local Authority waste management area both to the service and to control practices at a local, national and global level allowing organisation changes to be studied in an environment where access was available and the research could be conducted in a timely and cost effective manner.

A nested research design was employed. Firstly the methodology involved an historical analysis, including archival research and interviews, to cast light on the archaeology of enabling control in the state from 1979 to 2010. The historical analysis employed archival research around accounting for Local Authority waste management services in general, but also focussed on the specific Local Authority in the case study. Interviews were also carried out with senior management and operational staff from the Local Authority case study to capture some of the specific situation within the general context.

Secondly, the methodology included a five year longitudinal case study within the Local Authority waste management service from 2005 to 2010 to explain how for sites of practice changes occurred between coercive and enabling control, and how

enabling control took on more ensuring notions in the state during the emerging political priority of sustainable performance management. This included semi-structured interviews of senior management and operation staff. It also involved observation of activities including meetings on governance, finance and service issues. In addition, documentation review was undertaken including of internal committee reports, budget processes and performance management arrangements and external regulator assessments, joint working agreements and media based commentary.

Finally during the case study the methods comprised detailed semi-structured interviews, observation and documentation review to cast light on the situated functionality of accounting to embed enabling control for ordering activities, making agendas and accomplishing political priorities.

1.5   Findings and Contributions

The historical analysis casted new light on what has previously been found. The Local Authority will be shown to have gone through four phases of cost management, financial performance management, operational performance management, and emerging sustainable performance management from 1979 to 2010. In accordance with previous research findings during each of these phases coercive control could be enabling, but as a contribution it will be shown that contextually this could change from being empowering to constraining and even dysfunctional to performance. Nevertheless, stability could be enhanced during significant change by combining strategic policy renewal with accounting changes.

The case study extends what has previously been found. This is because it goes beyond explaining how organisation changes occur through colonisation and coercive control. It looks at how changes occur between coercive control and enabling control. In addition, it considers how enabling control in the state may extend into more ensuring notions. To achieve its objectives the Local Authority will be shown to have gone through phases of competition against other Local Authorities based on regulatory performance ratings underpinned by targets and indicators, co-operation with other Local Authorities to get a diversity of groups together to deliver outcomes and pan public sector collaboration to make sure outcomes were achieved. Co-production was also evidenced in these phases. During each of these phases control could be used in enabling ways, but could also be used with more ensuring notions such as by changing sites of practices and material arrangements to accomplish different strategies and sub-strategies. It will also demonstrate as a contribution that coercive control, enabling control and ensuring notions are not interdependent or mutually exclusive, but can function independently and together in a portfolio of control to improve both current performance and future political priorities.

The fieldwork from the case study expands previous findings that explain how the use of characteristics of system features including repair, flexibility and transparency (Ahrens and Chapman 2004) and processes (Wouters and Wilderom 2008) are important for coercive procedures to be enabling. This is by illustrating the situated functionality of how accounting is used and embedded as a management tool to achieve strategy and subsets of strategy such as establishing order, setting and

developing current and future agendas and accomplishing priorities through use and processes of the system design, system features and implementation context.

The study data illustrates that accounting only makes part of the picture visible through formal budget control reports and performance management systems. It is also the invisibilities highlighted through discussion in formal and informal meetings that ensures functioning of enabling tendencies. Accounting for change is therefore a process of reports and meetings meshing together for enabling control to function through system features, system design and implementation context.

A controlled process (involving practical knowledge of budgets that constitute rules and objectives which take account of the history of how they came about) is employed to establish order and thereby manage the context for the system being used and how the users of the system operate in their use of system features. It will also be shown that to set and develop current agendas the controlled process attempts to rationalise options to a point where system features can be used, but for the future agenda it extends options under consideration for the implementation context. In addition, the research will explain that coercive control systems can be used in enabling ways to accomplish political priorities, but for that to happen operational routines were used to get traction on strategic discussions, efficiency of system design was used to get multiple things discussed together in the implementation context and controllers also acted as managers through routine meetings and the situated functionality of their rules and procedures to manage risks, including outside the confines of the meeting taking place.

1.6   Organisation of the Thesis

The PhD is organised around seven chapters that establish a theoretical gap in the literature and propose a conceptualisation to close the gap through a historical analysis and case study that involved fieldwork. Data is analysed and synthesised to derive conclusions and highlight areas for further research.

Chapter 2 provides a literature review. This will set out the making of order in the state. It will suggest that the provider state changed to an enabling state under New Public Management. State bureaucracies have been coercive and enabling, and functioned both simultaneously to balance efficiency and flexibility for better performance. However it will be shown that little is known about how organisation changes between coercive control and enabling control occur, in particular for state bodies. Conceptual frames of reference relating to control that will be used in the analysis will then be reviewed. The strategic levers of control (Simons 1995) provides useful high level insights but was not intended to provide more nuanced and complex detailed accounts (Ahrens and Chapman 2005). The concepts of coercive bureaucracies and enabling bureaucracies will therefore be set out (Adler and Borys 1996) and their formalisation as management control systems (Ahrens and Chapman 2004). In addition, enabling bureaucracy and its extension into more ensuring forms will be considered along with what this means at the Local Authority level for control. Furthermore to look at how enabling control could be embedded in everyday practice and uncover and describe ways and means of accounting change the literature will look at the notion of situated functionality. This will consider how accounting could function as a management tool to order organisation activities, set

and develop agendas and accomplish political priorities (Bower 1970; Hopwood 1987, 1989; Ahrens and Chapman 2007b).

Chapter 3 considers the methodology employed in the study. The ontology and epistemology will be outlined. In line with the ontological position, accounting will be viewed as an organisational and social practice. Knowledge will be seen as a social construct established by interpreting archival research, observation and interviews. In accordance with the epistemological position of interpretive research the characteristics to recognise good quality knowledge will be discussed. The interpretive methodological approach will then be outlined. This will cover the research process from site entry, to construction of knowledge claims and on to contribution of robust knowledge. Schatzki's (2000, 2001, 2002, 2005) site ontology and practice as a set of (potential) interlinked teleoaffective structures (objectives and affectivity), rules and understandings will be set out and its relationship to situated functionality (Ahrens and Chapman 2005, 2007) alongside Foucault approaches that reference archaeology and genealogy (Hopwood 1987; Miller and O'Leary 1987). In addition, a map of the terrain will be outlined. This will cover the case selection of an English Local Authority with particular focus on the waste management service, data sources, the identification of key themes through pattern making and how findings are tested for robustness through triangulation of data sources, plausibility, a reflexive and critical approach and discussion of findings and interpretations.

Chapter 4 will go beyond Hopwood's (1984, 1987) archaeology of accounting and efficiency in the public sector to show from the study data how coercive control and

enabling control work and organisation changes occur between them. It will be shown that management accounting in the form of budgets has represented political priorities (Wildavsky 1964, 1975; Hopwood 1984, 1987) through cost management, financial performance management, operational performance management and sustainable performance management. This is by policy preferences being represented in calculative regimes that take the form of financial allocations, performance targets and non-financial information. It will also be shown that bureaucracies of the state have been coercive (Weber 1958), enabling (Hood 1991, 1995) and can be balanced (Adler and Borys 1996), with control practiced accordingly for both efficiency and flexibility (Ahrens and Chapman 2004). However, little is known about how the changes occur from coercive control to enabling control and back again to deal with the decaying and emerging structures. To address this, the study will illustrate that control adapts as bureaucracy structures change. Coercive control can be enabling, but as a contribution it will be shown that as contexts change this can move from being empowering to constraining and dysfunctional. From this, for accounting more generally, it will be learned that accounting can change to provide stability in representing and managing political priorities during significant change, but it has to be aligned with strategic policy renewal to enhance governing and expectations management.

Chapter 5 recognises that under New Public Management the state took on enabling forms (Hood 1991, 1995). It will show from the data how organisation change occurs between coercive control and enabling control. It will also consider enabling control in an ensuring state (Schuppert 2004, 2006; Giddens 2009) and how it extends into more ensuring notions. It will be shown that throughout the five year

case study the Local Authority had to balance the risk of political challenge for maintaining a balanced overall budget with delivering services at acceptable levels for waste management during the business cycle. To do so the Local Authority will be shown to have went through three phases of sites of management accounting as practice to achieve strategy. These included competition against other Local Authorities based on performance ratings, co-operation to get a diverse group of Local Authorities working together to deliver solutions, and pan-public sector collaboration to make sure priorities are achieved. Co-production was also evidenced in these phases. In managing efficiency and flexibility the control process was a representation of how the Local Authority created order, and maintained and changed it, to provide a semblance of stability during significant change at the organisation level. Organisation changes from coercive control to enabling control occurred through system features, system design and implementation context (Ahrens and Chapman 2004) represented by diagnostic control systems in the form of budgets and performance management arrangements. However not all changes were within the structural context of diagnostic control system budgets and interactive control system meetings. For example, so enabling control could take on more ensuring notions to change strategy and subsets of strategy it will be shown that changes occurred to the strategic context of boundary system rules and belief system teleoaffective structures in addition to the structural context. Enabling control extended into more ensuring notions as the strategic context became collaborative to make sure priorities were achieved under sustainable performance management. This involved control changes to boundary systems and belief systems to shape an alternative strategic context for sustainable communities, which employed interactive systems to communicate the changes as part of a controlled process.

During the organisation changes it was also found that coercive control, enabling control and ensuring control could function independently to improve performance and governing, but also in a portfolio of control as they were not mutually exclusive.

Chapter 6 will show from the data that accounting in action is not merely a technical phenomenon but an organisational and social management practice for the context in which it operates (Hopwood 1983), where managerial agency matters (Bower 1970; Hopwood 1989). Ahrens and Chapman (2007) extend this idea through a notion of situated functionality, which expresses that accounting can function as a management tool to make order, set and develop agendas for now and the future, and accomplish priorities. It has been found that organisation changes between coercive control and enabling control occurred through management practice (Ahrens and Chapman 2005), and that coercive procedures could be enabling through the use of system features (Ahrens and Chapman 2004) and processes (Wouters and Wilderom 2008). This study supports such findings, but extends them by illustrating how this occurred in more detail. From the study it will be illustrated that accounting can function as a management tool of the controller in both coercive and enabling ways to understand the past, make sense of the present, talk of the future and accomplish priorities in an orderly manner. As a contribution it will be shown that this is through a controlled process being employed by controllers to establish an order to things and thereby manage the context for the system being used and how the users of the system operate in their use of system features. For the current agenda controllers look to rationalise the position, while for the future agenda they look to extend options to be considered. Coercive control can be enabling to accomplish political priorities, but for that to happen operational routines were used to get traction on

strategic discussions, efficiency of system design was used to get multiple things discussed together in the implementation context and controllers also acted as managers through routine meetings and situated functionality of their rules and procedures to manage risks, including outside confines of the meeting taking place.

Chapter 7 provides an overall discussion, derives conclusions and highlights areas for further research. From the discussion it will be shown that organisation changes between coercive control and enabling control have occurred historically with accounting representing policy renewal to make stability during significant change. The accounting changes between coercive control and enabling control are possible through system features, system design and implementation context, but sometimes changes to the structural context are not enough and the strategic context has to be changed. This may require enabling control to take on more ensuring notions as Local Authorities enter pan public sector collaboration to make sure outcomes are achieved. The organisation changes between coercive control, enabling control and the ensuring forms are not mutually exclusive or interdependent, but can work independently and together in a portfolio of control. To do so, a situated functionality to accounting was found to operate that embeds making order, setting and developing agendas, and accomplishing priorities as a routine and everyday management practice of strategising. This was through managing the context of the control system, as well as the processes and use of the system itself.

The references from academic and relevant professional literature that have been drawn on in the research are included at the end of the thesis, including references to documentation used as part of the longitudinal case study and fieldwork.

Chapter 2   Literature Review

2.1   Introduction

The state has changed from a provider of services to an enabling state. As a result, Local Authorities have undergone significant reforms. Balancing efficiency and flexibility can lead to better performance (He and Wong 2004; Brown and Eisenhardt, 1997; Burns and Stalker, 1961), but an inherent tension exists between efficient and flexible control within accounting arrangements (Ahrens and Chapman 2004; Berry et al, 2009). This is a concern for achieving organisational priorities as the management control system affects managerial behavioural responses of attention for the stewardship of public funds and learning for performance improvement, transformation and innovation to accomplish performance (Widener 2007).

Broadbent and Laughlin (1997) suggest that in the public sector accounting was colonising through coercive institutional processes. Berry and Oakes (2009) build on this work to suggest accounting was not only coercive (enforced), but also instrumental (Incentives, bribery), and discursive. However, the public sector accounting literature has not considered broader concepts of strategic control and enabling control. Drawing on private sector accounting literature an interpretative study of a Local Authority management control system was undertaken to consider how efficiency and flexibility can be better balanced through enabling and coercive

bureaucracies (Adler and Borys 1996) and to strategically control accomplishment of political priorities (Simons 1995).

Within this context, the thesis draws upon the strategic control levers conceptual frame of reference (Simons, 1987b, 1990, 1991, 1994, 1995) for researching accounting's uses to accomplish priorities over a business cycle of growth and decline. However, whilst this framework provides useful high level insights into controlling strategy, it was not intended to explore the mobilisation of accounting for efficiency and flexibility at more detailed and nuanced levels of complexity and intricacy (Ahrens and Chapman 2005). To address this issue, coercive and enabling bureaucracies (Adler and Borys 1996) were formalised as coercive and enabling management control systems (Ahrens and Chapman 2004), which will be the main focus in this thesis.

In addition, the literature will illustrate how enabling control (Adler and Borys 1996) works in a Local Authority context, and whether enabling can be more ensuring (Schuppert 2004, 2006; Giddens 2009). Ensuring debates have been around bureaucracies at a state level rather than in terms of control. The treatment of ensuring will build on the existing academic discussions of enabling control (Ahrens and Chapman 2004; Adler et al 2005; Free 2007; Wouters and Wilderom 2008; Wouters and Roijmans 2010; Chapman and Kihn 2009; Jorgensen and Messner 2009).

Furthermore, for control systems to be used in enabling ways involves intelligibility of practitioners (Adler and Borys 1996). The concept of practical intelligibility is

interested in the end objectives of activities and whether the person thinks it matters enough to try and achieve them (Schatzki 2001, 2002, 2005). Ahrens and Chapman (2005) employed a Schatzki interpretation of their field study to begin looking into theorising management as a practice. From this they conceptualized the notion of situated functionality (Ahrens and Chapman 2007; Ahrens 2009). The PhD is interested in this notion of situated functionality because like intelligibility it focuses on management intention to achieve objectives but is more as considers the use of accounting as a management tool that can be harnessed and handled in the pursuit of achieving strategy or subsets of strategy such as making order, set and develop agendas and accomplish priorities (Ahrens and Chapman 2005, 2007). Through employing situated functionality research wants to uncover and describe ways and means of accounting change. Ahrens and Chapman (2007) claim influential studies have shared similar ideas (Bower 1970; Hopwood 1983, 1987, 1989; Jonsson and Gronlund 1988). In addition, Hopwood's (1984) paper on accounting for efficiency in public policy provides an example of a situated functionality study in the public sector. Since Ahrens and Chapman's (2007) notion of situated functionality support has been tentatively forthcoming to this relatively new research area (Baxter and Chua 2009; Jonsson 2009; Whittington 2011; Faure and Rouleau in press). The PhD suggests there is a clear connection between the works on strategic control (Simons 1995), accounting for efficiency and flexibility (Ahrens and Chapman 2004) and embedding in practice through a notion of situated functionality (Ahrens and Chapman 2005, 2007), which will be set out in more detail in this literature review.

The literature review will therefore explain the making of order in the state and the concept of control. To do so it will set out a background to public sector reforms,

organisation change and accounting implications. This will include how the state changed from a provider of services to be an enabling state through New Public Management doctrines, their formalisation in Local Government and the associated issues. It will then set out conceptual frames of reference on control. From this it will be shown that strategic control levers provides useful high level insights, but to get more complex and nuanced insights the concepts of coercive and enabling bureaucracies are considered within their formalisation as management control systems. In addition, the literature review will look at how an enabling state has extended into an ensuring state, what this means in a Local Authority context, and whether enabling control can extend into more ensuring notions. Finally the literature review considers the situated functionality of accounting to determine how enabling control may be embedded in practice for Town Hall implementation of Whitehall policies.

2.2 Public Sector Reforms, Organisation Changes and Accounting Implications

2.2.1 New Public Management in the State

Prior to 1979 traditional public service organisations were regarded as coercive bureaucracies practicing public administration and cost management in their role as service provider.

From the early 1980's, against the background context of tougher economic conditions and political reforms there was changes to accounting practices (Perrin

1981) and a move towards value for money (Hopwood 1984). Public administration changed focus towards New Public Management (Aucoin 1990; Hood 1987, 1990a, 1990b, 1991, 1995, 2010; Dunsmire & Hood 1989; Hood & Jackson 1991; Pollitt 1993; Pusey 1991; Lapsley 2009) with emphasis from a coercive bureaucracy to an enabling bureaucracy.

The doctrines of New Public Management have been variously described by different commentators (Aucoin 1990; Hood 1991; Pollitt 1993), but there is a lot of overlap. Most commentators associate New Public Management with seven doctrines of change (Hood 1991, 1995), which shift emphasis towards "accountingisation" (Power and Laughlin 1992).

The first doctrine is concerned with unbundling of the public sector into corporate units organised by product. The reason was an attempt to make units manageable, and focus blame. This involved a split between the provider and client functions. It replaced the belief in a uniform and inclusive public sector to avoid under-laps and over-laps in accountability. The operational significance was erosion of single service employment, and towards arms length dealing and devolved budgets. Accounting implications were for most cost centre budgets.

The second doctrine was based on contracts for competitive provision, with internal markets and term contracts. The purpose was for competition to be the key to lower costs and better standards, with contracts as the key to explicating performance. This was to replace unspecified employment contracts, open ended provision and linking of purchase, provision and production to cut transaction costs. The operational

significance was distinction of the primary and secondary public service labour force. The accounting implications included more stress on identifying costs and understanding cost structures, and so cost data became commercially confidential and co-operative behaviour costly.

The third doctrine stressed private sector styles of management practice. The aim of this was to apply proven private sector management tools in the public sector. It replaced stress on public sector ethics, fixed pay and hiring rules, the model of employer orientation towards centralised personnel structure, and jobs for life. The operational significance was a move from public sector pay, career service, un-monetised rewards and employee entitlements. The accounting implications were towards private-sector accounting norms.

The fourth doctrine placed more stress on discipline and frugality in resource use. The justification was to cut direct costs, raise labour discipline, and to do more with less. It replaced the stable base budget and establishment norms, minimum standards, and union vetoes. The operational significance was less primary employment, less job security and a less producer-friendly style. The accounting implications were for more stress on the commercially accounting based bottom line.

The fifth doctrine wanted more emphasis on visible hands-on top management. The rationale was that accountability requires clear assignment of responsibility not diffusion of power. It replaced a paramount stress on policy skills and rules, for active management. The operational significance was more freedom to manage by discretionary power. The accounting implications was fewer general procedural

constraints on handling of contracts, cash and staff coupled with more use of financial data for management accountability.

The sixth doctrine was for explicit formal measurable standards and measures of performance and success. This called for accountability that meant clearly stated aims, efficiency needs, and a hard look at goals. It replaced qualitative and implicit standards and norms. The operational significance was an erosion of self management by professionals. The accounting implications were towards performance indicators and audit.

The seventh doctrine put greater emphasis on output controls. The intention was for greater stress on results. It replaced stress on procedure and control by collaboration. The operational significance was for resources and pay rewards to be based on performance. The accounting implications were for a move away from detailed accounting for particular activities towards broader cost centre accounting, involving a blurring of funds for pay and for activity.

It can be seen that the first four doctrines relate to distinctiveness between the public sector and private sector in their organisation and methods of accountability. Under New Public Management there was essentially a lessening of differences between the sectors. The last three doctrines relate to how far managerial and professional discretion should have boundaries in terms of explicit standards and rules. Under New Public Management emphasis changed from process accountability towards results accountability.

2.2.2   New Public Management Formalisation in Local Government

The enabling state led to private sector management styles and techniques being advocated (Lapsley et al 2001; 2003), with reforms to corporate governance and financial accountability (Ezzamel and Willmott 1993). The New Public Management can therefore be seen in the control and making of order through the formalisation of the private sector management styles and techniques within the modernisation and reform of Local Authorities (Boyne et al 2006; Bouckaert and Halligan 2008).

For example under the Conservative Government Compulsory Competitive Tendering regulations looked to improve efficiency (Hopwood 1984; Boyne 1998), but also a cultural change towards financial performance management within pseudo markets (Boyne 1998; Hood 1991, 1995). There was specific regulation for refuse collection services within the Local Government Act 1988 (Walsh and Davis 1993; Parker 1990). Efficiency and cultural change did happen to some extent (Walsh 1991; Walsh and Davis 1993; Walsh 1995; Wilson 1999).

The Best Value regulations that replaced Compulsory Competitive Tendering had been developed by Labour since their electoral defeat in 1987 (Entwistle and Laffin 2005), from various sources (Keenan 2000). This had specific processes, performance criteria (Boyne 1999) and external regulation (Boyne 2000) for modernisation (Martin 1999) and implementation (Martin 2000), which embraced ideas of New Public Management and affected employee career and organisational attitudes (Iles and Wilson 2002).

Building on Best Value and New Public Management the Labour Government introduced Comprehensive Performance Assessment for Local Government modernisation (Wilson 2005). This was regarded as the most ambitious attempt to monitor performance for a public service organisation (Boyne and Enticott 2004). However while supporters point to Local Authorities that improved under the system, many detractors point out that the real wins came early and that by the time it was replaced it had run its course. Included in such detractors were those who criticised the idea of grading an entire Local Authority that they suggested could be challenged in principle (Broadbent 2003; Cutler and Waine 2003; Wilson 2004) and may lead to gaming (Pollitt 1989).

Comprehensive Performance Assessment regulations were replaced by Comprehensive Area Agreement. This regulation looked to broaden performance management beyond a single Local Authority to the wider area. Before this had time to get started the new Coalition Government (Conservatives and Liberal Democrats) stopped Comprehensive Area Agreement regulations in June 2010. This was part of their stated drive to reduce bureaucracy and call for a big society, which emphasised localism and the role of local people in carrying out more scrutiny as opposed to centralised regulation. In the summer of 2010 to significantly signal the shift in emphasis the Coalition Government announced that the centralised government regulator for Local Government the Audit Commission was to be dismantled.

The literature illustrates that the principles of New Public Management have been broadly adopted in the United Kingdom, but its benefits have been questioned. For example, Lapsley (2009) questioned its benefits and whether it was the "cruellest

invention of the human spirit". He examined the emergence of New Public Management and its adoption based on governments having faith in its deployment to transform their public sectors using private sector performance criteria. From this, he suggests that the widespread use of New Public Management is often a cruel disappointment for governments. The cruelty is based on a comprehensive assessment of what New Public Management seemed to be at the outset, what it purports to be and what it has become.

In the 1990s the initial focus of New Public Management was on management styles and structures. In the early parts of the twenty-first century there are four key issues of New Public Management in action at this stage of its trajectory which have caused concerns. Firstly, the continued reliance on, and debatable impact of, management consultants in public sector transformation. Secondly, the digital revolution and e-government as devices of modernisation having not achieved their potential promises. Thirdly, the entrenchment of the 'audit society' whereby compliance has primacy and may mean what gets measured gets done. Fourthly, and most recently, the increasing significance of risk management in the public sector can constrain social entrepreneurship. Of these issues, Lapsley (2009) suggests that the first three are most embedded in New Public Management initiatives. The final issue, risk management, is an emergent factor in New Public Management implementation. It is suggested that the pressures for New Public Management will not abate. Rather, the evolution of New Public Management will continue to be severely contested (Lapsley 2008).

2.2.3 New Public Management Accounting and Control Implications

Social order is expressed in policy preferences and political priorities (Hopwood 1983, 1984). Traditionally, for the Local Authority, controlling political priorities was conceptualised and manifested itself through the budget process (Wildavsky 1964, 1975, 1986; Heclo and Wildavsky 1974; Wildavsky and Hammond 1965; Wildavsky et al 2006; Edwards et al 1996; Tomkins 1979, 1980, 1981, 1982, 1983, 1984; Jonsson 1982, 1984; Peters 2001).

"The size and shape of the budget is a matter of serious contention in our political life... (Politicians, interest groups and citizens)...vie with one another to have their preferences recorded in the budget. The victories and defeats, the compromises and the bargains, the realms of agreement and the spheres of conflict in regard to the role of government in our society all appear in the budget. In the most integral sense the budget lies at the heart of the political process" (Wildavsky 1979).

Rational techniques may be used in public sector budgeting, but the process inevitably becomes one of repetition and compromise as part of ongoing negotiations, through both discussion and rhetoric, often of a political nature (Covaleski and Dirsmith 1988, 1995, 2002; Covaleski et al 1993).

Incremental budgeting and annuality was the traditional approach in both the state and local government (Wildavsky 1964; 1975; Pendlebury 1985; Skousen 1990; Hyndman, Jones and Pendlebury 2007). This was for increases in periods of growth, but also initially the reaction to budget cuts (Jorgenssen 1982, 1985, 1987). The

primary focus was on the control of inputs to the system rather than the level of services provided, which could lead organisations to place little emphasis on the results achieved both in periods of growth and cutbacks (Hood 2010; Pollitt 2010).

Under New Public Management, public service reform has been a significant and accelerated process (Hood 1991, 1995, 2010). This is through a managing by numbers culture that embraced the budget process to change the focus from process accountability to accountability for results through performance budgeting, broader performance management arrangements and a targets regime, which have been a central part of the apparatus for change and making of order in controlling political priorities (Hood 2006, 2007; Broadbent 2007; Goddard 2004, 2005; Lapsley et al. 2000, 2003, 2008, 2009; Power 1997, 1999). The budget process and performance management arrangements have been subject to conceptualisation through ideas of "accountingisation" (Power and Laughlin 1992), "the audit society" (Power 1997, 1999), "target world" (Hood 2006), and "New Public Management as the cruellest invention" (Lapsley 2009).

In this thesis the budget process and performance management arrangements are taken to represent in financial and non-financial terms governmental activity, essentially recording the outcome of the struggle as to whose preferences ultimately prevailed in determination of political priorities. The budget and performance management arrangements thereby act as methods by which the Local Authority, and broader public sector, implemented organisational accountability (Wildavsky 1964, 1975, 1978; Hopwood 1983, 1984; Markus & Pfeffer 1983; Power 1997, 1999, 2003; Goddard 2005; Hood 2006, 2007, 2010; Seal 2003; Seal and Ball 2008).

From a critical accounting perspective several accounting researchers have applied Habermas's (1989) theory of colonisation to argue that accounting can operate as a steering medium which may in certain circumstances result in accounting colonisation that proliferate and potentially invade the culture and values of interpretive schemes in the lifeworld.

In the public domain accounting's colonising power was linked to coercive institutional processes (Broadbent and Laughlin 1997). This has distorting effects that include a loss of meaning and impoverishment of the lifeworld which Habermas refers to as reification (Brand 1990). The change is therefore undesirable (Laughlin 1991; Laughlin and Broadbent 1993; Power and Laughlin 1996; Broadbent and Laughlin 1997, 1998).

However, Berry and Oakes (2009) suggest some aspects of accounting were experienced positively by managers in the public sector and would not from a managerial perspective be seen as colonising. As a result, they extend Broadbent and Laughlin's (1997) concept of accounting colonisation. Broadbent and Laughlin (1997) argued that colonisation only occurs when changes to the design archetype of accounting as the steering medium force changes to the values and cultures of the interpretive schemes. Berry and Oakes (2009) depart from this suggesting coercion is not usually successful in changing interpretive schemes and the varied responses of managers to accounting discourse suggest that pathological accounting colonisation can arise not merely from coercion, but rather from a wide range of activities in the social field. For example managers may be required to conform (Alvesson and

Willmott 2002) to accounting discourses and be beaten into submission with audit arrangements but also colonisation may have arisen through persuasion, bargaining or inducement and managers may have voiced support for pathological forms of accounting, complying with accounting rather than really believing in it (Weick 1995).

Broadbent and Laughlin (1997) add a further dimension to their definition of accounting colonisation. They distinguish colonisation from evolutionary change arguing that although both involve changes to the cultures and values of interpretive schemes, evolutionary change arises from discursive processes whereas colonisation arises from non-discursive processes. Berry and Oakes (2009) suggest a different definition of colonisation. They suggest accounting colonisation as a pathological condition does not necessarily entail changes to interpretive schemes and accounting can be discursively agreed by most actors yet still be colonising.

Berry and Oakes (2009) expand upon Broadbent and Laughlin's (1997) model of accounting colonisation as a change process. They propose three idealised forms of accounting colonisation, which are coercive (enforced), instrumental (Incentives, bribery), and discursive. Coercive colonisation occurs where intentions of controllers are realised through enforced practices whilst the ideologies inherent in interpretive schemes of the controlled remain unchanged. Instrumental colonisation occurs where intentions of the controllers may be largely realised through techniques such as incentives, persuasion and propaganda. This may lead to alternative idealised behavioural responses being devious compliance where instructions are enacted without a change to interpretive scheme and dialogic compliance where interpretive

schemes are changed and the majority of the controlled discursively agree with many of the aims of the controllers. Discursive colonisation occurs where intentions are realised, coupled with agreed non-incentivised changes to ideologies.

Seven limitations have been noted with this approach. First, in reality forms of partial colonisation are likely due to uncontrollable events (Otley and Berry 1980). Second, more subtle categories of accounting colonisation may exist, reflecting shades of ideological change and belief. The categories of colonisation should therefore be regarded as a continuum. Third, the processes set in train by the controllers do have time dependent implications for colonisation. Therefore colonisation is shifting a relationship. Fourth, intentions of controllers may not be homogenous or clearly articulated (McSweeney and Duncan 1988), partly because they emerge from shifting networks of interests. Fifth, compliance by the controlled may not be intentional. Sixth, an intentional model of rationality and decision making omits processes of post rationalisation of action (Brunsson 1989; Weick 1995). Seventh, colonisation is not always perceived as a change process. Accounting colonisation can be associated with the inevitable and sometimes imperceptible taken for granted exchange of ideas and practices, as well as with the imposition of ideas and practices.

Public sector management accounting literature has so far focused on colonisation through coercive control and its associated forms. It has not considered concepts of control from an enabling bureaucracy perspective (Adler and Borys 1996), never mind ensuring notions of enabling control that could come from an ensuring bureaucracy perspective (Schuppert 2004, 2006; Giddens 2009).

It is the contention of this thesis that control is much more proactively involved in the public sector than merely colonisation through institutional processes of coercive control represented by diagnostic systems in the form of budgets and performance management arrangements. In private sector management accounting literature coercive control and enabling control have been recognised (Adler and Borys 1996) with coercive control having been used in enabling ways through characteristics of system use (Ahrens and Chapman 2004, 2007; Free 2007; Jorgenssen and Messner 2009; Chapman and Kihn 2009) and characteristics of processes (Wouters and Wilderom 2008; Wouters and Roijmans 2010). These studies are still relatively few in number, but constitute an emerging literature. Enabling concepts have not been applied to the public sector and could provide useful insights into how accounting can both coerce and enable organisation change. This study aims to fill that gap by considering how control can be enabling through system use and process in the public sector, how organisation changes between coercive and enabling control occur, and how enabling may have more ensuring notions. The concepts of strategic control and enabling control from private sector accounting literature will therefore now be reviewed.

2.3   Conceptual Frames of Reference for Control

Traditionally the Local Authority was regarded as a bureaucracy with mechanistic (Burns and Stalker 1961) and coercive (Weber 1958) tendencies. The structure of the organisation would follow its (strategic) plan (Chandler 1962), which was formulated by senior management to deliver political priorities (Andrews 1971). The

plan was implemented through command and control (Anthony 1965) in a cybernetic manner (Ashby 1960; Jonsson 2009).

In their seminal work Burns and Stalker (1961) suggest an organisation is mechanistic or organic, requiring efficient control or flexible control respectively. Indeed whilst it has been suggested bureaucracies are coercive (Weber 1958), it has also been highlighted that they can be enabling (Hood 1991, 1995; Gouldner 1954). In broader terms, Chenhall (2007) provides a comprehensive coverage of the contingency literature that supports a dichotomy (Galbraith 1973; Perrow (1970); Abernethy and Brownell (1997); Ouchi (1977, 1979); Rockness and Shields (1984). Others have also categorised controls separately in their work (Hopwood 1976; Merchant 1985a; Chenhall 2003).

Other theorists have argued bureaucracies can be simultaneously both coercive and enabling (Adler and Borys 1996) and that balancing efficiency and flexibility can lead to better organisational performance (Brown and Eisenhardt 1997; He and Wong 2004; Eisenhardt, Furr and Bingham 2010). They oppose a dichotomy between efficiency and flexibility in that formal controls with efficient elements are used in successful organisations whose strategies theoretically require flexible control (Simons 1995; Chenhall and Morris 1995; Chapman 1998; Mouritsen 1999; Mignon 2003; Ahrens and Chapman 2004; Chapman et al 2005; Frow et al 2005, 2010).

2.3.1 Strategic Levers of Control

It has been suggested that realised strategy has both deliberate and emergent elements (Mintzberg 1978, 1985, 1987a, 1987b, 1994, 1998, 2007) and that strategic control, successfully practiced, is imperative to an organisation's success (Mintzberg 1994).

In accordance with these lines of thought, through a series of linked case studies Simons (1987b, 1990, 1991, 1994, 1995, 2000) developed a seminal framework called the strategic levers of control. This is to assist managers in exercising adequate control in their organisation thereby creating flexibility, innovation and creativity alongside efficiency for achievement of strategic priorities. The framework identified tensions between innovation arising from emergent strategies and the achievement of goals under a planned strategy (Bisbe and Otley 2004). The tension is in accordance with the context of the United Kingdom Local Authority environment within this study, where reforms require innovation at the same time as efficiently achieving pre-established political priorities (Hood 2006, 2007, 2010; Hood et al 2009; Pollitt 2010).

Simons (1995) framework was concerned with using levers for controlling business strategy. Whilst distinguishing diagnostic controls for efficiency and interactive controls for flexibility, he showed that formal management control systems could be used interactively to break out of narrow search routines and encourage emergence of new strategic initiatives. This was later illustrated by Abernathy and Brownell

(1999), who showed the organisation studied used formal management control systems expressed as budgets for their learning capabilities.

Simons (1995) suggests business strategy was made up of four main areas, controlled by respective control levers. Strategy as a plan (Ansoff 1965) was concerned with getting the job done and would use diagnostic control systems to manage critical performance variables (Kaplan and Norton 2008). Strategy as a pattern in action (Mintzberg 1978, 1985, 1987a, 1987b, 1994, 1998, 2007; Bowers 1970; Bowers and Gilbert 2005) was concerned with emergent developments that determine the position for tomorrow, with strategic uncertainties managed through interactive control systems. Strategy as a position (Porter 1980, 1985, 2008) was concerned with staking out the territory and uses boundary systems to manage the risks to be avoided. Finally strategy as a perspective (Andrews 1987) is concerned with obtaining commitment to the organisations grand purpose where core values are managed through belief systems.

2.3.2 Strategic Levers of Control Interaction

Simons (1995) suggestion of dynamic energy controlling strategy is derived from the inherent tensions among and within the strategic control levers. In other words each lever of control has its own purpose in controlling strategy, but also inter-relate together to facilitate strategy, opportunity and attention.

The inter-relation between belief systems and interactive control systems is aimed at expanding opportunity seeking and learning, whilst the inter-relation between

boundary systems and diagnostic control systems focus search and attention. In addition, belief systems empower and expand opportunity seeking, whereas boundary systems set the rules of competition. Together, belief and boundary systems frame the strategic domain for the organisation (Simons 1995). It has been highlighted that these structural features of organisations interact with one another (March and Simon 1958; Lawrence and Lorsch 1967), defining group boundaries that create behaviour and belief boundaries (Williams and Hinings 1988). Furthermore, the use of interactive control systems and diagnostic control systems are necessary for the successful operations of an organisation as they are used for different purposes. Diagnostic control systems serve to measure and monitor outputs and correct deviations from preset measures of performance, thereby focusing attention on the implementation of intended strategies. Interactive control systems expand and guide the opportunity seeking that may result in the emergence of strategies. Together diagnostic control systems and interactive control systems balance inherent organisational tension between stability and change through efficiency and flexibility in control, guiding the formulation and implementation of strategy (Henri 2006; Tuomela 2005; Simons 1995), and facilitating strategising.

2.3.3   Studies of Strategic Control Levers

A number of studies provide support for the strategic control levers framework and have further developed the concept. For example, in support of the framework, Abernathy and Chua's (1996) research recognises the importance of the levers of control interaction and their positive impact on control when operated collectively (Collier, 2005).

Berry et al (2009) suggest survey research has tended to focus on interactive and diagnostic control levers and the use of specific controls including budgets (Abernathy and Brownell, 1999), performance measures (Henri, 2006a) and the interactive use of broader management control systems such as budgets and balanced scorecards in product development (Bisbe and Otley, 2004).

For example, Abernethy and Brownell (1999) studied the role of budgets in strategic change within large public hospitals to assess the learning role of management control systems when decision makers faced uncertainty. They found decision makers in uncertainty should move away from using management control systems as an efficient control answer machine and instead use systems more flexibly to support greater interaction and discussion to encourage learning (Burchell, 1980).

Henri (2006a) studied the role of performance measures and found that the fundamental nature of management control systems was for managing the inherent organisation tension between creative innovation and predictable goal achievement and each lever of control has a specific purpose for managers attempting to balance creativity and control (Simons, 1995). As Abernethy and Brownell (1999) before, this study supports Simons (1995) findings, suggesting the defining feature of the interactive control system is to open organisation discussion and thereby encourage learning. The study also suggests interactive control systems require continuous improvement to ensure frequent and regular attention is placed on the organisation's operations, which allows challenge and debate of current data, assumptions and action plans to take place. In addition, the study states the diagnostic use of control

systems comprises the review of critical performance variables to monitor and coordinate the implementation of intended strategies, which reflects two important features associated with mechanistic controls being the tight control of operations and strategies, and highly structured channels of communication and restricted flows of information. Furthermore, and importantly, the study finds that the joint use of diagnostic and interactive controls to manage inherent organisation tensions creates dynamic tension, which guides the implementation and formulation of strategy (Henri, 2006; Simons, 1995). Kober et al (2007) also holds this view and suggests the levers of control support the strategic agenda of communication and maintain direct attention to the uncertainties that arise as a consequence of pursuing a new strategy. As a result, the strategic control levers can achieve planned strategy and also facilitate strategising and managing emergent patterns in action for situated accomplishment of political priorities.

Bisbe and Otley (2004) also studied the interactive use of broader management control systems in new product development and found they had agency.

However, whilst Berry et al (2009) are accurate in their claims about survey research tending to focus on diagnostic and interactive control systems, Widener (2007) provides a nice and comprehensive example of an empirical analysis from survey research that utilised all the strategic control levers in Simons (1995) framework, within a study of private sector organisations primarily from financial services in the United States of America. The survey included questions around strategic elements (risks and uncertainties), management controls (belief systems, boundary systems, diagnostic control systems, interactive control systems), behavioural responses

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(attention and learning) and performance (organisation performance, profitability and productivity). The study found that whilst the control systems, strategic risks and strategic uncertainties are distinct, there is a correlating relationship that benefits performance.

Ferry (2009, 2010 currently unpublished) also utilised all of the strategic control levers from Simons (1995) framework to consider how Local Authorities in the United Kingdom (with a particular focus on England) control strategy to achieve performance. This called upon a modified form of Widener's (2007) survey. The survey was completed online by over fifty Local Authority directors and senior managers, and analysed through statistical modelling. Follow up interviews of up to two hours were undertaken with twenty of the respondents. A number of findings that were made have been distributed for public policy impact (CIPFA Performance Improvement Network 2010).

The study found that the strategic context constitutes risks and uncertainties (Ferry 2009, 2010 currently unpublished). For strategic risks at the highest levels of criticality safety was the main focus above both efficiency and quality. Reliability was taken as a given once the scope and level of services to be delivered had been decided upon. At first impressions this is not a concern, but it masks an important issue that reputational and perceived risk can, and does, distract from real risk in the allocation and control of resources. In terms of strategic uncertainties the focus of control is on input costs rather than innovation, with information communications technology being seen as delivering benefits but not to the perceived potential. The structural context was largely set through a range of contractual relationships, which

have increased in value, volume and timeframe through public private partnership type arrangements.

Ferry (2009, 2010 currently unpublished) considered the management control systems in terms of the strategic control levers (Simons 1995). Belief systems covering the vision, mission and value statements were found to clearly communicate core values to the workforce, who had an awareness of them. However, these processes were not perceived to inspire staff nor provide the Audit Commission's golden thread between political priorities and operations. Staff understanding their respective roles and how they contribute to targets was seen as more important, through a renewed emphasis on leadership behaviour and culture, in terms of embedding what it means to be a public servant & 'The Local Authority Way'. Boundary systems were found to be in operation. In line with public accountability, Local Authorities are perceived to rely on a code of business conduct to define appropriate workforce behaviour, and especially highlight behaviour that is off limits. However, it is not so accepted that they have a good system to communicate these risks. Nevertheless, staffing is largely regarded as being familiar with the different boundary systems from their experience and whilst staff may not know all the finer details they would know how they apply to their specific role, where to access the information and who to ask in case of problems. In this way boundary systems were regarded as common sense and part of normal behaviour. The main role of diagnostic control systems was found to be tracking, monitoring, comparing and reviewing results. This is effectively coercive control. However, they were also used to facilitate discussion in meetings and continual challenge which took forms of both coercive and enabling control. Surprisingly, controllers perceive

they only use half of diagnostic control system potential to focus on critical success factors and key performance indicators. This was because many only concentrate on critical success factors that are negative and going wrong, rather than also those indicators performing well. Concentration has therefore been on the underperforming measures rather than on an overall holistic strategic delivery and an enabling perspective. For interactive control systems, such as meetings, finance professionals are still seen to play a guardian role of budgets and performance management systems, but see operational managers as having a frequent involvement with the system. This is from determining targets and indicators, to using them for performance improvement. However there remains an issue of whether operations consider themselves to be genuinely involved, and that they are appropriately trained for such interactive meetings.

Behavioural responses constituted learning and attention in the study (Ferry 2009, 2010 currently unpublished). Management where found to achieve a higher level of learning for the amounts of attention focussed on belief, boundary and diagnostic control systems. This was both individually and during interaction, which can be beneficial for performance. Interactive control systems were found to use up more attention for level of learning provided. Nevertheless, there are broader and more complex benefits arising from meetings. In particular they were regarded as critical for managing the order of things, and addressing strategic shifts as part of everyday practice. A deeper understanding of these benefits is necessary. This is especially the case now as layers of both management and meetings may be removed to address austerity measures in the national budget.

The study found overall performance was managed more than productivity, with the focus being on input costs rather than innovation (Ferry 2009, 2010 currently unpublished). This was due to target focused regimes such as comprehensive performance assessment and comprehensive area agreements. However it was questioned whether more emphasis has to be on everyday practice including strategising and operations. To address strategic performance more than a top down management plan implemented through diagnostic control systems was called for by Local Authority staff. Local Authorities and regulatory bodies had to reconsider how accounting and control is actually engaging with the strategising of everyday practices.

Following on from this study, Ferry (2011) has carried out comparable strategic control lever research for Local Authorities in Wales.

Other studies have also considered the other control levers. For example, Bruining et al (2004) through longitudinal case studies illustrated belief and interactive control systems can complement and extend, although not replace, diagnostic control systems. Collier (2005) showed in the context of entrepreneurial organisations that informal controls were more important than formal controls, and the modes of control evolved over time. Tuomela (2005) shows a new strategic performance measurement system was used interactively and diagnostically, but belief and boundary systems were also important. Also he illustrates the importance of context through highlighting resistance to change as new information increased visibility of actions, structures of power moved and amounts of work grew. Batac and Carassus

(2009) showed the importance of interactions between control and organisational learning in a Municipality.

In addition, Marginson (2002) showed the way administrative controls were used in an empowering or restricting way influenced strategy. He also found biases in favour of performance measurement with financials, different measures received attention at different times, and measures were used both diagnostically and interactively by senior managers. Frow et al (2005) highlighted the importance of understanding how formal and informal controls interact in strategic management control systems, finding while managers preferred to influence others informally, the formal procedures facilitated in communication and problem solving where issues could not be easily resolved. Frow et al (2010) looked at continuous budgeting for reconciling budget flexibility with budget control. They found it enabled managers to prioritise revision of plans and reallocation of resources to meet wider strategic organisational objectives. As well as empowering managers, continuous budgeting also imposed accountabilities to ensure managers remained committed to achieving their own and the organisation's financial targets. Far from being an obstacle, budgeting contributed effectively to both the flexibility and the financial discipline required for effective strategy implementation.

Furthermore, while Simons (1995) framework focuses on strategic control, Davila (2005) builds directly on this with ideas of management control systems for strategic change and innovation in the situated accomplishment of priorities. This proposed a framework, consisting of four parts, for analysing the different roles that management control systems play in managing innovation and its effect on business

strategy. The framework is based on the effects of different types of innovation, ways in which innovation emerges and how innovation becomes embedded in the organisation's strategy.

Under Davila's (2005) framework, current strategy has two components. Deliberate strategy forms part of the organisation's structural context and the management control system's role is to support execution of the deliberate strategy and translate it into value. Induced strategic actions are also part of the organisation's structural context, but the role of the management control system is to provide a framework for incremental innovations that refine the current strategy throughout the organisation.

Future strategy also has two components. Autonomous actions form part of the organisation's strategic context, with the role of management control systems providing the context for the creation and growth of radical innovations that fundamentally redefine the strategy. Strategic innovation also forms part of the organisation's strategic context with management control systems supporting the building of new competencies that radically redefine the strategy.

Executing the deliberate strategy and incremental innovations relate to the current strategy and use the structural context, including management control systems, to capture and disseminate emergent and deliberate developments so the realised strategy is anticipated by management. Autonomous strategic actions and strategic innovations on the other hand aim to change the organisations future strategy and therefore have to be managed through the strategic context. Hence, management control systems can be used strategically and for strategising in management practice

during ongoing operations, change and innovation in the situated accomplishment of political priorities.

As well as supporters, the Simons (1995) levers of control framework attracted challenges on some of its assumptions. Gray (1990) suggests the framework under-estimates the relationship between strategic uncertainties and management controls, especially by ignoring the influence of managerial characteristics on control system design. Ferreira and Otley (2005, 2009) also describe the framework as 'making assumptions on the data included within the formal control mechanisms'. Bisbe and Otley (2004) brand the framework 'ambiguous' and challenge the absence of 'cause and effects' of improved performance, whilst Collier (2005) identifies the belief system conceptualisation does not include a number of important controls such as group norms, socialisation and culture. In addition, Berry et al (2009) suggests the control levers were developed at the senior management level and so may only apply there. To overcome this issue, Otley (1999) and Ferreira and Otley (2005, 2009) inductively developed a performance management and control framework, which builds on the levers of control framework, and is based on twelve questions from their case study research at the middle management level. This has featured in empirical studies (Ferreira 2002; Ferreira and Otley 2005, 2009; Collier 2005) and been used to structure case findings (Tuomela, 2005), but remains in its early stages and open to extension. Furthermore, whilst Ahrens and Chapman (2005) suggest the strategic control levers framework does offer an important conceptual framework, they specifically highlight that it was not intended to address how efficiency and flexibility can be embedded into the nuances and complexities of everyday practice (Ahrens and Chapman, 2005).

Nevertheless, despite the challenges, the strategic control levers framework has provided useful conceptual insights (Abernathy and Brownell, 1999; Davila, 2005; Henri, 2006; Widener, 2007) and is a more complex conceptualisation "to the use of management control systems to manage behaviour and effect strategic change" (Langfield-Smith, 2007). Hence it provides a useful indicative starting point to consider accounting and the situated accomplishment of political priorities.

In the Local Authority study it will show that, throughout the five years of the study, funding and the level of services were affected by the economic business cycle. The Local Authority had to carefully use the budget process to strategically control the risk of political challenges with delivering services at acceptable levels. There was effectively strategic risk control though budgeting practices.

The budget process will be shown to a good reflection of how the Local Authority strategically controlled order and provided a semblance of stability during ongoing change (Simons 1995). The data will illustrate the inter-relationship between belief systems, boundary systems, diagnostic control systems and interactive control systems in strategically controlling order (Simons 1995; Tuomela 2005; Henri 2006; Widener 2007; Ferry 2010). Belief systems were represented in terms of the vision, mission, values and political priorities, as well as the 'Local Authority way' embodying the organisational culture and leadership behaviour. Boundary systems were evidenced in the form of the Local Authority Constitution, policies and procedures as well as Central Government imposed statute and regulations. Diagnostic control systems will be seen in terms of regular budgetary control reports

and routine performance management information. Interactive control systems were represented in meetings at all organisational levels involving officers, politicians and other clienteles.

Within this context (Tuomela 2005; Hopwood 1983), the boundary systems and diagnostic control systems focussed search and attention on planned strategy activities that were allocated funding (Simons 1995). This minimised surprise, helped managers take corrective action, and geared effort to a defined portfolio of services.

The study will also show that the advocates and guardians of the budget process jointly used diagnostic control systems in the form of regular reports and interactive control systems in the form of routine meetings to guide the implementation and formulation of strategy (Simons 1995; Tuomela 2005; Henri 2006). This interaction provided flexibility for strategising and encouraged learning (Batac and Carassus 2009; Abernathy and Brownell 1999), as it became obvious that the current waste management service infrastructure was not malleable enough to meet recycling targets (Henri 2006). It was also capable of keeping informal discussions going to support formal meetings during false starts and emerging developments (Collier 2005), such as the self build Material Recycling Facility having the risk of being an increasingly unlikely option to be funded.

Other options for delivering waste management services were necessary to pursue. Boundary systems and belief systems had been used to formulate the strategic context within the budget process (Simons 1995; Tuomela 2005). The Material

Recycling Facility was originally to be a self build for the Local Authority. There was no contention that other Local Authorities or the private sector may want to participate. The budget was constructed accordingly, which had implications for the behaviour and actions of staff (Widener 2007; Abernathy and Brownell 1999; Marginson 2002; Frow et al 2005). Over time through interactive discussion in the budget process, around uncertainty of costs and to reduce risk, the strategic context was gradually changed (Simons 1995; Bisbe and Otley 2004; Kober et al 2007). This directed behaviour to proactively pursue options that involved co-operation with local authorities in partnership and collaboration with the private sector.

The situation was further facilitated through the interaction of belief and interactive control systems (Bruining et al 2004). The organisational political priorities and vision encouraged opportunity seeking behaviour among staff. To further galvanise partnership arrangements the Local Authority's waste management staff thereby adopted stretched recycling targets in the Local Area Agreement (Henri 2006). Through interactive discussion, and learning what was possible together as a group (Abernathy and Brownell 1999; Batac and Carassus 2009), the partnership became more interested in joint arrangements. Over time the private sector became aware of the economically viable opportunity that a potential group of Local Authorities interested in a Material Recycling Facility offered. The private sector expressed an interest in building a Material Recycling Facility, through a formal planning application. This signalled a potential new service provider. The belief existed that what mattered was the facility and not who operated it (Hood 2010). Interactive discussions, both of a formal and informal nature, helped identify the emerging developments (Simons 1995; Collier 2005). The strategic context was changed at the

Local Authority and this was reflected in the budget process as funding for the self build Material Recycling Facility option ceased to exist in formal budget allocations. Instead officers were formally requested in documented budget meetings and committees to further explore partnerships with other local authorities and potential agreements with the private sector.

Furthermore, the budget process reflected emerging developments. For example, it highlighted an intention that the future portfolio of service was to seek an In-Vessel-Composting facility as well as a Material Recycling Facility. This adaptability to simultaneously implement a plan and capture emergent change made the budget process important to controlling an array of activities in a portfolio of stability and change (Haspeslagh 1982; Simons 1995, 2005; Sull 2009). At the same time it remained accountable through routine reporting processes and meetings, the importance of which are often overlooked for their role in making sense of order (Simons 2005). It also illustrates the rich situated functionality of accounting to function as a management tool for dealing in strategy and strategising, both individually and simultaneously, to accomplish political priorities.

The strategic control levers framework (Simons 1995) has provided useful high level insights for managing coercive and enabling bureaucracies (Adler and Borys 1996), but it did not have an intention to show how flexibility and efficiency can be mobilised through accounting and the concepts embedded into everyday management practice (Ahrens and Chapman 2005). To address this, the PhD will now set out coercive and enabling bureaucracies (Adler and Borys 1996), how they are formalised as management control systems (Ahrens and Chapman 2004), and

studies that have used the formalisation to compare and contrast coercive control and enabling control. This will provide a basis to consider how organisation changes occur between coercive control and enabling control, which less is known about.

2.4 Coercive and Enabling Bureaucracies Conceptualised as Management Control Systems

The PhD is interested in how coercive and enabling forms of control work and how organisation changes occur between them. Coercive and enabling bureaucracies (Adler and Borys 1996) have been conceptualised as management control systems to allow organisations to better manage tensions between efficiency and flexibility (Ahrens and Chapman 2004), which is arguably a key issue in many organisations today. This is especially the case for Local Authorities who have to be both efficient and innovative as citizens want more from less resource, which has only been further heightened during current austerity measures (Hood 2010).

A long-running debate has concerned bureaucracy's functions and effects. For decades this has settled into a standoff between supporters of bureaucracy's technical efficiency and those criticising the human consequences. This embodied Weber's (1958) view that bureaucracy is an "iron cage" affording a level of efficiency modern society requires, but it accomplishes that efficiency at the price of alienation. Recently, research has challenged the assumption bureaucracy typically has negative effects on motivation and meaning of work. This was strengthened by ideas originally purported by Gouldner (1954) that bureaucracy can take different forms and be enabling, which are experienced differently by employees.

Current research was motivated by the concern neither the perspective of Weber (1958) nor Gouldner (1954) is entirely satisfying as they cannot account for situations where bureaucracy is experienced by employees as simultaneously enabling and coercive. For example, as argued by Adler and Borys (1996), bureaucracy can be a ceremonial mask (Gouldner's "mock" form), an enabling tool ("representative" form), or a coercive weapon ("punishment" form).

Adler and Borys (1996) differentiated enabling and coercive bureaucracies for formalisation which is achieved through a triumvirate of concepts relating to the features of the system (repair, flexibility, internal transparency, global transparency), design process and implementation context. In this thesis, formalisation is conceptualised as management control systems. The crux is to balance the inherent dilemmas of flexible control that supports performance improvement and transformation through innovation and strategic change with mechanistic control for stewardship, efficiency and bureaucratic speed of operation for achievement of priorities. Also whereas the conceptual framework of Adler and Borys (1996) was primarily internally focused, the PhD broadens the scope by considering the impact and implications of external groups on the coercive or enabling nature of the aspects of the management control systems. The external groups include those other than the Local Authority involved in competition, co-operation, collaboration and co-production. Furthermore the Adler and Borys (1996) framework was based on equipment technology literature, which is primarily related to a general user profile. Here it is applied to management technologies developed for achieving political priorities in a specific Local Authority waste management service context, where

there are general user profiles (such as functional area service users) and specific user profiles (such as controllers). In an unrelated study, Adler et al (1999) also looked at how an organisation could practice flexibility and efficiency simultaneously. To do so they created four mechanisms for making trade-offs which were meta-routines, job enrichment, switching and partitioning. In this context, trade-offs looked to achieve both more and superior flexibility and efficiency, rather than just one or the other.

From the work of Adler and Borys (1996), subsequent private sector research has explored various ways in which the forms of bureaucracy could be differentiated empirically in settings as diverse as a restaurant chain (Ahrens and Chapman 2004), software development (Adler et al. 2005); supply chains in inter-organisational settings (Free 2007), information system integration (Chapman and Kihn 2009), logistics departments (Wouters and Wilderom 2008), and new product development (Wouters and Roijmans 2010; Jorgenssen and Messner 2009). The studies found coercive control systems could be used in enabling ways through characteristics of the system uses (Ahrens and Chapman 2004; Adler et al 2005; Free 2007; Jorgenssen and Messner 2009; Chapman and Kihn 2009) and characteristics of processes (Wouters and Wilderom 2008; Wouters and Roijmans 2010). In addition, for the public services studies of enabling bureaucracies have been undertaken in hospitals (Meirovich et al. 2007; Kwon 2008) and schools (Sinden et al. 2004), but these were not specifically focussed on accounting and control and did not specifically employ the framework of Adler and Borys (1996). The studies will be briefly reviewed.

Ahrens and Chapman (2004) in their study of a restaurant chain called upon the Adler and Borys (1996) framework of coercive and enabling bureaucracies. They formalised this as management control systems and looked at balancing efficiency and flexibility for better performance. Through considering features of the system, system design and implementation context they importantly showed coercive controls could be used in enabling ways. In addition, this was illustrated in detail with inter-relationships between headquarters and operations shown in terms of accounting and managerial practices for costing and pricing in the everyday.

Adler et al (2005) looked at a professional body for computer engineering's model template to improve software development. It was found higher levels of the template imposed considerable paperwork, but team members usually experienced the resulting discipline and use as enabling rather than coercive. Four key factors were found as necessary for template implementation. These were creating strategic impetus to pursue certification in the template, sustaining management investment in time and resources, broad staff participation in defining and refining processes, and facilitating organisational socialisation to get buy in to the template's discipline.

Free (2007) called upon Ahrens and Chapman's (2004) framework and found that managers also tend to use accounting across supply chain in either coercive or enabling ways. It was shown that enabling uses of supply chain accounting helped inter-organisational members to improve the buyer-seller relationship. For example, through joint planning and forecasting, both suppliers and buyers enhanced global transparency as they were made aware of key targets and figures of certain organisational units with wider organisational significance. However, coercive use of

accounting through strict compliance to control measures were also meant to create competition among suppliers and thus resulted in conflicts in the supplier-buyer relationship.

Jorgenssen and Messner (2009) used coercive and enabling bureaucracies (Adler and Borys 1996) to discuss how control system features affected employee attitudes towards control. They detail how enabling control functions in new product development through an in-depth field study in a manufacturing organisation. It illustrates how a combination of different control mechanisms helped the organisation balance efficiency and flexibility. In addition, it explored how strategic change influenced enabling control's operation by focusing on introduction of a new product strategy in the case organisation and employees' repair efforts in adapting the control system to their own needs. This found repair efforts are perceived as not wholly satisfactory, suggesting for important strategic changes repair may require more top-down management intervention.

Chapman and Kihn (2009) focus on one aspect of information system integration in the data architecture, being the single database concept. They suggest whilst this aspect of integration should be related to perceived system success, the ways information may be used in practice means it affords no strong basis for predicting a link to business unit performance. Instead their survey analysis suggests through enabling and coercive bureaucracies (Adler and Borys 1996) the level of information system integration fosters the four design characteristics of an enabling approach to management control. Each of these in turn is related to both perceived system success and business unit performance.

Wouters and Wilderom (2008) undertook a longitudinal study of the logistics department of a medium-sized company in the beverage manufacturing industry. They looked at characteristics of a development process that resulted in the performance measurement system being perceived by employees as enabling of their work, rather than as primarily a control device for use by senior management (Adler and Borys 1996). The study found a development process that is experience-based contributes to the enabling nature of the performance measurement systems, building on existing skills, local practices, and know-how to enrich the system gradually over time. Experimentation with specific performance measures also enhanced the system's enabling nature in testing, reviewing, and refinement of conceptualisations, definitions, data, and presentations of new performance measures. Professionalism was related to a positive attitude toward performance measures, and transparency of the system itself is the crux to enabling its functioning.

Wouters and Roijmans (2010) contrasted performance measurement systems in enabling employee operational daily work, with those used as a senior management control device. Previous accounting research suggested development of enabling performance measurement systems required room for user experimentation and cross-functional knowledge integration, but did not consider how it could be done. New product development literature was used with a longitudinal case study of the process of developing a performance measurement system for transportation costs. In this process, employees from various functions and departments cooperated as no single employee had enough knowledge about operations, accounting and information systems. The process consisted of several experimentation cycles where

prototypes of the new accounting system were used as integrating devices. The prototypes were based on traditional accounting tools, such as variance analysis, and information provided by employees during discussions. The process gave employees new insights and led to a new accepted accounting system.

In terms of the public services there have been relatively few studies of enabling. The studies that have been undertaken include Meirovich et al (2007), Kwon (2008), and Sinden et al (2004). However, these studies did not specifically call upon the framework of Adler and Borys (1996) and did not specifically consider accounting, but have been included here for comprehensiveness.

Meirovich et al (2007) looked at the relationship between two structural dimensions of formalisation and decentralisation, and two quality dimensions of design and conformance. The questionnaire composed of four scales to measure main variables, and was completed by staff members and patients in five hospitals. This found higher levels of decentralisation relate to higher levels of design quality, and higher levels of formalisation relate to higher levels of conformance quality. This suggested hospital managers should skilfully handle the structural conflict between decentralisation and formalisation, and use both dimensions simultaneously to improve hospital performance and patients' service quality. The impact of structural variables on total quality was clarified. A positive relationship between decentralisation and design quality, and between formalisation and conformance quality is confirmed. The study highlights the necessity of simultaneously achieving high levels of both formalisation and decentralisation in order to improve hospital performance in general and both quality components.

Kwon (2008) suggests research on cost effectiveness of standardisation has focused on impact of different degrees of standardisation, but given less attention to processes used to formulate and implement standardised procedures. From organisational decision making literature the study identified key process features in standardisation. It suggests variations in process features across organisations help account for varying success of standardisation in achieving cost effectiveness. The study used hospital drug standardisation to analyse inpatient discharge data from four USA states, plus a survey of over 200 hospital pharmacy directors. The results indicated an increasing degree of standardisation was associated with cost effectiveness when level of formal objectivity in creating standardised procedure was high and when there was due process in resolving disputes about standardised procedure. This broadly supported that cost effectiveness of standardisation depends not just on degree of standardisation but also on the process by which standardised procedures are created and implemented.

Sinden et al (2004) in their qualitative study of six high schools, selected from a large quantitative study, analysed the construct of enabling school structure. This showed performance of principals and teachers and described dynamics of enabling school structures in terms of their formalisation, centralisation, and functioning.

The concepts of enabling bureaucracy have therefore not been widely applied to the public services, and have not specifically used the framework of Adler and Borys (1996) and not specifically been on accounting. The PhD addresses this as the public services represent a significant area of activities in economic, environmental and

social terms. Hence through this thesis, the Local Authority context of everyday practices and a portfolio of both routine and non-routine tasks will provide nuanced insights for the broader public services.

In terms of enabling control the features of the system (repair, flexibility, internal transparency and global transparency), design process and implementation context will be considered for budgets and performance management arrangements.

For example repair considered the extent that in case of problems with the budget and performance management arrangements staff were allowed or able to solve them, and continue without further interruption to their activities (Ahrens and Chapman 2004; Jorgenssen and Messner 2009). Practices of repair were observed around virement, cash limited budgets, dealing with coding problems, investing cash in activities not linked to political priorities without consultation, recruiting staff to facilitate activities in numbers over and above the agreed establishment, buying new machines, and manipulating input and process controls for value for money.

The other characteristics of use and process will be considered further in the data chapters. Internal transparency will be shown to consider how well users understood the budget system, its logic and best practice with regards to input, process and output controls in their local area. Global transparency will be shown to consider how well users understood the up and down stream implications of their work in terms of the wider area in which their local area was situated. The concept of flexibility will be shown to consider the freedom employees had to use the budget

system, which is affected by system design, the manuals describing how the system should be used, and how strictly managers pursue compliance with performance.

The design process will be shown to consider whether the budget systems and performance management arrangements were designed externally by technical experts or on location with user involvement in the specification, development and testing processes.

The implementation context will be shown to consider whether the budget adapted to the organisation or the organisation adapted to the budget. In the situated context of the Local Authority it was found that budgeting was interwoven with governance (Wildavsky 1964, 1975, 1978; Wildavsky and Pressman 1973; Wildavsky et al 2006; Hopwood 1983, 1984). Changes in one inevitably affected the other.

From this research, the thesis will illustrate that the Local Authority has both coercive and enabling bureaucracy tendencies (Adler and Borys 1996) and address these by coercive and enabling control (Ahrens and Chapman 2004), which could take on ensuring notions through confederations of sites of management accounting as practice to accomplish strategies and sub-strategies.

2.5   Trade Offs Achieving Flexibility and Efficiency: Towards Flexible Business Management

Trade-offs (Adler et al 1999) can also help to understand enabling control better in a Local Authority. This is because trade-offs were practiced by the Local Authority

across a mixed portfolio of routine and non-routine activities that it had to undertake, manage and control to accomplish political priorities (Kaplan and Norton 2008; Sull 2009; Haspeslagh 1982).

Duncan (1976) suggests an ambidextrous organisation can practice efficiency and flexibility in parallel, with routine and non-routine tasks managed in separate units that have their own processes, structures, cultures and other contingent elements. Research conducted by Tushman and O'Reilly (1996) and O'Reilly and Tushman (2004) support this concept. Imai et al. (1985) introduced the concept of subtle control as a balancing act between releasing creativity and maintaining control within new product development, which was supported by Clark and Fujimoto (1992). Brown and Eisenhardt (1995) suggest it is a vaguely defined theoretical construct lacking empirical investigation. Brown and Eisenhardt (1997) instead advocate a semi-structures concept, which is in keeping with Weick's (1979) adaptive routines, to explain management control systems that simultaneously demonstrate aspects of structured mechanistic organisations and unstructured organic organisations. Their data, from a multi-case study using grounded theory, suggests a positive relationship between semi-structures and performance. This is corroborated by Gibson and Birkinshaw (2004) and He and Wong (2004) who find balancing flexibility and efficiency to be positively related to performance and that organisations' with higher levels of simultaneous control perform better than those with lower levels.

The paradox of ambidextrous organisations and semi-structures as concepts to practice flexibility and efficiency simultaneously led Adler et al. (1999) to create

four mechanisms being meta-routines, job enrichment, switching and partitioning. Meta-routines formalised boundaries so non-routine tasks became more routine. Job enrichment considered the ways employees could suggest how to improve the formalisation of the budget and performance management arrangements. Switching considered a formalised process of moving between routine (day job) and non-routine (project) tasks rather than doing them simultaneously. Partitioning considered how routine service tasks such as daily operational delivery were structurally separated from non-routine tasks such as service development. The mechanisms can be used individually and together to facilitate organisations in determining necessary trade-offs. In this context, trade-offs refer to achieving both more and superior flexibility and efficiency, rather than purely one or the other, for higher performance and accomplishing priorities.

For example in the Local Authority partitioning was visible in terms of operational staff such as refuse collectors concentrating on everyday bin collection and policy staff concentrating on waste management developments in terms of recycling. The increased formalisation led to an increase in conformance quality, but the specialisation also enabled decentralisation for given activities increasing design quality. On the other hand switching in the Local Authority had involved generic job descriptions where refuse collection staff and street cleansing staff could perform dual roles as necessary for achieving both superior efficiency and flexibility.

In the data sections the Local Authority will be shown to practice trade-offs that were enabling, and could be extended into more ensuring notions. The concepts of

ensuring bureaucracy and ensuring notions of enabling control will now be discussed.

2.6 Ensuring Bureaucracy and Ensuring Notions of Enabling Control

Traditionally bureaucracies were seen to be coercive (Weber 1958), although other studies had suggested bureaucracies could also be enabling (Gouldner 1954). Subsequent studies showed bureaucracies could be enabling and coercive simultaneously (Adler and Borys 1996), with control being practiced accordingly (Ahrens and Chapman 2004) including through the budget process and performance management arrangements. This research supports such findings, but goes further by highlighting the need for an ensuring bureaucracy with enabling control taking on more ensuring notions. Public sector budgeting must recognise these forms of control and be adjusted accordingly.

2.6.1 The Concept of an Ensuring Bureaucracy

Schuppert (2004, 2006) advocates a concept of an ensuring state. This builds on the foundations of the enabling state that was inherent in New Public Management, which has steered much public service reform in the United Kingdom for more than the last three decades (Hood 2010, 1995, 1991). However, the concept is inherently distinct. This is because the ensuring state accentuates state responsibility in activities where non-state actors play a principal part in public service delivery (Giddens 2009). The ensuring state concept contends public responsibility exists after enabling, and the state has a fundamental moral and political responsibility to

make available guarantees (Schuppert 2004, 2006), within transparent boundary rules and levels of risk (Simons 1995; Beck 1992; Power 1997, 2007; Hood 2010). In this context, even if public services are delivered by private or third sector organisations, the state retains an intrinsically central role in ensuring these public services. This may be by partnership engagements and contractual commitments (Giddens 2009; Hood 2010, 1995, 1991), audit, regulation and funding arrangements (Power 1997, 1999, 2007; Hopwood 1983, 1984; Radcliffe 1998, 1999; Gendron et al 2007; Hood 2010; Seal 2003; Seal and Ball 2008), support and expectations management, and ultimately step in rights (as has unfortunately over recent years been the case for some public private partnerships and private finance initiatives).

The concept of the ensuring state therefore does not suggest the state should withdraw from public service delivery. Instead it takes for granted a continuing state responsibility for the common good, rejecting any idea that changes in statehood reduce state responsibility. In fact, an ensuring state must recognise that changes in statehood actually imply changes in the modes, style and instruments of governance, rather than an abdication of responsibility. Nevertheless, the achievement of guarantees within appropriate boundary rules and risks should not be seen as just the prerogative of the state (Schuppert 2004, 2006). Governments should encourage a shift towards long term and intergenerational thinking (Giddens 2009; Hood 2010; Hopwood 2008) and ensuring public goods are achieved as necessary in an inter-organisational mesh through a confederation of practices (Schatzki 2000) among the Local Authority, other local authorities and public sector organisations, private sector companies, third sector groups and individual citizens (Giddens 2009). Hence,

the concept of an ensuring state can become an ensuring bureaucracy which is all embracing across organisational forms.

2.6.2   The Concept of Ensuring Bureaucracy and Climate Change

Giddens (2009) from his work on the politics of climate change suggests that addressing this phenomenon and the chances of success will depend a great deal upon the state. He questions what the role of the state, as ensuring bureaucracy, should be. He states that its main function must be to act as a catalyst, as an enabler, but certainly as far as climate change is concerned it has to also strive for guarantees within transparent boundary rules and risks. In effect, it is suggested that an ensuring bureaucracy can co-ordinate all areas of policy and practice. For him an ensuring bureaucracy must help all organisational forms and citizens to think ahead; manage climate change in the context of other risks faced by contemporary societies; promote political and economic convergence as the main driving forces of climate change; make interventions in markets to institutionalise the polluter pays principle; act to counter business interests which seek to block climate change initiatives; keep climate change at the top of the political agenda; develop an appropriate economic and financial framework for moving towards a low carbon economy; prepare to adapt to the consequences of climate change; and integrate local, regional, national and international aspects of climate change policy. However, he does not go into any detail about how the concept of control can actually help to order these activities, make agendas for them and accomplish the priorities.

2.6.3 Ensuring Bureaucracy at the Local Authority Level

The concept of an ensuring bureaucracy applied at the Local Authority level would mean an ensuring local authority has to be active in making sure the needs of local communities are met within the context of wider regional, national and global issues (Giddens 2009; Hopwood 2008; Hood 2010; Pollitt 2010) and take the lead in pulling together partners (potentially in co-operation, collaboration and co-production) and resources to make that happen (Giddens 2009; Hood 2010). The call for strategic approaches has become more urgent and visible due to pressing global challenges around environmental sustainability (Giddens 2009; Hopwood 2008), and more lately financial sustainability due to the world recession (Hood et al 2009; Hood 2010; Pollitt 2010; White and Wildavsky 1989; Jorgenssen 1982, 1985, 1987). For England there was also a growing emphasis for Local Authorities on the strategic approach of Total Place to budgets and shared outcomes, and the One Place internet initiative to report Comprehensive Area Agreement results. The new Coalition Government (Conservatives and Liberal Democrats) stopped One Place and Comprehensive Area Agreements in June 2010 as part of their austerity and deficit reduction measures to deal with the national debt, but replaced Total Place with a similar Place Based Budgeting approach all be it that was significantly reduced in scope. In this context, communities require a Local Authority that can balance macro imperatives against micro-dynamics (Giddens 2009; Hopwood 2008; Hood 2010). Under this conceptualisation, local priorities could not go to the wall in the search for solutions to global challenges, nor could pressing global challenges be sacrificed for the local priorities. The local and the global must be balanced (Giddens 2009). Enabling control taking on ensuring notions offers an opportunity to do so

through sites of management accounting as practice and material arrangements that embrace competition, co-operation, collaboration and co-production to accomplish strategies and sub-strategies.

The thesis will illustrate that under the emerging political priority of sustainable performance management (Giddens 2009; Hopwood 2008) tensions existed for the Local Authority between constantly balancing the demands of large scale global challenges with the needs of localised communities. This was especially evidenced when it came to funding large scale capital investment for a solution based on a Materials Recycling Facility over other more localised political priorities. As resources became tighter, these tensions inevitably escalated. For example, working at the Local Authority level involved people in local decisions. This included localised political priorities around financial and environmental sustainability. It therefore helped to achieve results in areas and activities that really mattered to local people such as green issues associated with refuse collection and recycling, but this had to be balanced against council tax charges that are incurred by local citizens. However, the data also illustrates that localised working on its own was not a panacea, as there were limits to what an individual Local Authority could achieve in relation to the bigger issues, such as tackling climate change.

Where conflicts between priorities at the global level and more local level existed, they had to be recognised explicitly and addressed upfront. One of the largest pressures on professionals and politicians in the Local Authority was to manage the interaction between boundaries and belief systems to control the strategic context for the scope of what were appropriate activities in terms of competition, co-operation,

collaboration and co-production to accomplish strategies and sub-strategies (Simons 1995, Davila 2005). This was done through practice features of rules and teleoaffective structures that comprise objectives and affectivity to control what made sense to do (Schatzki 2002, 2005), and understandings of how to do it through practical knowledge. In this context, situated functionality meant accounting was used as a management tool for managing the realised strategy in terms of existing plans and emerging patterns in action. The ways accounting was used and processes and design of the accounting system also helped co-ordinate the necessary levels of intervention across the operational and strategic levels (Bower and Gilbert 2005). This took time to shape through involving public sector partners and the private sector as phases meshed between competition, co-operation and collaboration with varying degrees of co-production. Meetings, both formal and informal, around the budget and performance management arrangements were important to keep the debates ongoing (Ahrens and Chapman 2004; Collier 2005) and for strategy formulation and implementation (Simons 1995; Tuomela 2005; Henri 2006).

2.6.4 Enabling Control in Ensuring Notions

In the private sector enabling provides the adaptability necessary for a commercial orientated organisation in the pursuit of profit through characteristics of system uses (Ahrens and Chapman 2004) and processes (Wouters and Wilderom 2008). However, in the situated context of the public sector enabling control may also have to take on more ensuring notions. This is because an ensuring bureaucracy can sometimes operate in the state that is concerned with making sure guarantees are received and outcomes are achieved for political priorities regardless of who delivers

the public services and public goods (Giddens 2009; Schuppert 2004, 2006). This is within appropriate visible and transparent boundary rules and risks (Power 1997, 1999, 2007; Beck 1992; Hopwood 1984; Simons 1995). In addition, clienteles must be reliably informed and assured in terms of what is and what is not possible in achieving political priorities. Expectations management therefore becomes central to the concept, and is an ongoing activity as situations change and shift (Hood 2010; Pollitt 2010). Transparency is critical to the functioning of the system for it to be enabling (Wouters and Wilderom 2008), and even more so from an ensuring notion whereby citizens can understand what is actually being meant by the guarantees. This is because there will undoubtedly be various boundaries, risks, clauses and exclusions that will form part and parcel of the apparatus.

From the literature review and analysis in this thesis, it will be shown that the concept of enabling can take on more ensuring notions through a number of aspects. These will now be discussed within the microcosm of the Local Authority waste management service. They include the ongoing strategic alignment of policy and practice (Giddens 2009; Hood 2010; Hopwood 1983, 1987, 1989; Simons 1995; Ahrens and Chapman 2004); linking global issues with local needs (Giddens 2009; Hopwood 2008; Hood 2010; Pollitt 2010); harnessing partners and resources to make things happen, which could be on an inter-organisational basis for competition, co-operation and collaboration and with citizens for co-production purposes (Hood 1991, 1995, 2010; Giddens 2009; Pollitt 2010); taking account of long term thinking and equitable intergenerational shifts between current and future citizens (Hopwood 2008; Hood 2010; Giddens 2009); considerations of time (Hopwood 1987; Mintzberg 1994, 2007; Simons 1995; Davila 2005; Bower 1970; Noda and Bower

1996) and space (Hood 1991, 1995, 2010; Pollitt 2010); new genealogies of calculation (Hoskin and Macve 1986; Miller and Kurunmaki 2006; Boyce 2000; Giddens 2009; Hopwood 2008); and expectations management and assurance (Hood 2010; Pollitt 2010; Hopwood 1984; Radcliffe 1998, 1999; Gendron et al 2007; Power 1997, 1999, 2007; Simons 1995, 2005; Wildavsky 1964, 1975).

The first aspect, the strategic alignment of policy and practice, can be seen to be an ongoing and messy activity (Giddens 2009; Hood 2010; Hopwood 1983, 1984, 1987, 1989; Simons 1995; Ahrens and Chapman 2004). It will be shown that the Local Authority used budgeting practice interactively during meetings and diagnostically in reports (Simons 1995; Tuomela 2005; Henri 2006; Ahrens and Chapman 2004; Wouters and Roijmans 2010). During these processes experienced controllers continuously re-established a temporal order between policy and everyday operational actions, as the situation changes.

The second aspect involves linking global issues with local needs (Giddens 2009; Hopwood 2008; Hood 2010; Pollitt 2010). Often local needs and demands may win over global issues given the short term political imperative inherent in democratic institutions and pressures at the Local Authority level to constrain council tax increases (Hood 2010; Pollitt 2010; Jorgenssen 1982, 1985, 1987). After all, votes are a local not a global affair for the Local Authority. It is citizens in the locality that matter, and the here and now is immediate with tomorrow being someone else's problem (Wildavsky 1964, 1975). Ensuring can therefore look to how global issues may be better reconciled with local needs (Giddens 2009). This could be in terms of political convergence whereby the policy in question is locked into other policies of

the Local Authority, economic convergence whereby there are benefits in the global policy for local citizens, and political transcendence whereby the global policy has all party support and therefore is deemed vote neutral to citizens (Giddens 2009). It will be shown that the Local Authority looked to incorporate all of these ideas in its practice.

The third aspect looks at harnessing partners and resources to make things happen (Giddens 2009; Hood 1991, 1995, 2010; Pollitt 2010). This could be through co-production with citizens and on an inter-organisational basis for competition, co-operation and collaboration. To do so, it will be shown that management accounting and performance management arrangements could have managerial agency and a practical character (Hopwood 1987; 1989).

The fourth aspect looks at taking account of long term thinking and equitable intergenerational shifts between current and future citizens (Hopwood 2008; Hood 2010; Giddens 2009). This is interested in the costs that have to be borne now to benefit future generations, or the benefits that are being reaped now that will cost future generations (Hopwood 2008). Long term thinking is important but politically difficult to see into implementation in practice (Hood 2010; Pollitt 2010; Jorgenssen 1982, 1985, 1987; Wildavsky 1964). This is because whilst clienteles stress they are willing to pay for future sustainability, such costs conflict with their immediate concerns around tax rises (Giddens 2009). The problems of the future do not always seem as pressing to the here and now. An equitable situation had to be considered. It will be shown that accounting practices could facilitate this process.

The fifth aspect considers time (Hopwood 1987; Simons 1995) and space (Hood 1991, 1995, 2010). The concept of time is concerned with the fact that many actions cannot be taken immediately and may in fact take several actions over a long period (Hopwood 1987; Bower 1970; Noda and Bower 1996). It will be shown that the Local Authority had to ensure the planned outcomes within boundary rules and risks, and emerging patterns of action are therefore controlled over time, so the realised strategy is beneficial (Mintzberg 1994, 2007; Simons 1995). The concept of space is also concerned with ensuring how services are delivered (Hood 1991, 1995, 2010; Pollitt 2010) and it will be shown that services maybe procured in many ways.

The sixth aspect is the new genealogies of calculation (Boyce 2000; Hoskin and Macve 1986; Hopwood 2008; Giddens 2009). This is concerned with the fact that Local Authorities now have to account more broadly than in only an economic sense expressed in financial and performance terms (Hopwood 1984; Hood 2006). They now have to ensure environment and society based measures are constructed, making visible a different range of issues, which in turn will ensure actions (Hopwood 2008; Giddens 2009; Boyce 2000). It will be shown that budgeting and performance management arrangements can assist this process.

The final aspect of ensuring notions of enabling control relates to the expectations management, assurance around guarantees and risk management (Hood 2010; Pollitt 2010). In the confederation of practices (Schatzki 2000), groups including clienteles have to be brought into supporting the policies and practices and be suitably assured that activities are working otherwise expectations may not be met (Wildavsky 1964, 1975). In addition, groups and clienteles must be assured when activities cannot be

undertaken due to resource pressures and be brought into accepting a lower level in the achievement of objectives and political priorities (Hood 2010; Pollitt 2010; Jorgenssen 1982, 1985, 1987; White and Wildavsky 1989).

It is therefore suggested that organisation changes occur between coercive control and enabling control, but in the situated context of the public sector enabling control may also extend into more ensuring notions to manage the rules and objectives of what makes sense to do and the understanding of how to do it for the long term, inter-generational citizenry and broader social, environmental and economic well being considerations for society that would not be necessary in a commercially orientated private sector organisation that pursues profit as its primary goal.

The research also illustrates that little is known about how the changes to enabling control are embedded in practice. To address this, the situated functionality of accounting for ordering activities, making agendas and accomplishing political priorities will now be considered.

2.7 Management Accounting Practices and the Situated Functionality of Enabling Control

It is claimed accounting in action (Hopwood 1983) and management accounting as practice (Ahrens and Chapman 2005) could be stretched through the notion of situated functionality (Ahrens and Chapman 2007b), which expresses ways accounting may function as a management tool to order organisational activities, set and develop agendas and accomplish political priorities (Bower 1970; Hopwood

1989; Ahrens and Chapman 2007b). The notion of situated functionality may be useful in terms of how enabling control can be embedded in practice, and to uncover and describe ways and means of accounting change. Nevertheless, it is important to note that currently it '...constitutes an unrealised potential in management accounting research and in particular field studies' (Ahrens and Chapman 2007), and is a fairly new research area that is not fully formed.

Ahrens and Chapman (2007) claim seminal studies have employed similar notions to situated functionality (Bower 1970; Hopwood 1987, 1989; Jonsson and Gronlund 1988). Furthermore this PhD suggests that from a public sector context, Hopwood (1984) employed situated functionality to consider the role of accounting and the achievement of public policy in terms of the pursuit of efficiency. This is especially useful as it shifts the context from accounting and control for the achievement of strategic priorities, towards much broader political priorities.

Bower's (1970) seminal research, 'Managing the resource allocation process', provides a nice example of how an early and influential sociologically based situated functionality study of accounting's role in the emergence of an organisation's strategic priorities created a whole new research agenda around the resource allocation process and capital budgeting. In his research, a new politics and process lens was employed to study four investment projects in four business units of a single large United States of America chemical company's resource allocation decisions prior to the event of the actual budget meeting. The focus from a management perspective was on how political, commercial and technical issues were

entangled in accounting, how accounting techniques were actually used, and the possibilities of the techniques.

To get beneath the accounting numbers, to ask how and why they appeared, an original nested research design was adopted across multi-levels of corporate, middle and operating management. Through this original sociologically informed approach, an anomaly was found whereby there is a complex process that leads to the submission and evaluation of budget proposals which is more complex than traditionally observed by capital market theory. This led to the conclusion that resource allocation is a process and not an event and that the structure of this process shapes the realised strategy. In other words realised strategy results from processes around emerging strategy actions, as well as planned content and events associated with deliberate strategy (Mintzberg 1978, 1985, 1987a, 1987b, 1994; 1998, 2007; Simons 1995).

The study also showed how emerging patterns in action and project acceptance or rejection were influenced by different phenomenon including strategies, business environments, organisational and functional area formal structures, policies and procedures, accounting and capital budgeting systems, and individual intentionality for the potential of strategic, commercial, technical and political considerations.

It was found that the particular financial analysis technique was relatively unimportant and the theoretical financial framework only had limited usefulness. However, it highlighted that the investment process can be controlled by management (Bower 1970). The focus of a successful investment proposal was

situated in the work of the organisation to put the projects in contexts that inclined others towards them in a favourable manner (Bower 1970; Hopwood 1983).

The research culminated in a call for a conditional theory of organisation. This essentially requested more research to explain managerial scope and influence regarding the structural context of organisations in particular settings.

From this body of work, Bower (1970) developed the original resource allocation process model, including the importance of structural context (Davila 2005). Over the next four decades various research employed different lens to build on the original resource allocation process model and develop contexts. For example Burgelman (1983) developed the strategic context; Christensen (1997) and Christensen and Bower (1996) highlighted customers shape the resource allocation process and category of disruptive innovation compared to sustaining innovation; Noda and Bower (1996) reinforced the idea that resource allocation is iterative over time; Sull (1999) suggests the capital market shapes the resource allocation process; Eisenmann (2002) and Eisenmann and Bower (2000) illustrates the role of corporate intervention on resource allocation; and Gilbert (2001) shows that cognitive framing shapes resource allocation.

The studies culminated with Bower and Gilbert (2005) constructing a revised resource allocation process framework for capital budgeting. The new model illustrates that resource allocation is affected by and affects the structural, strategic, customer and capital market contexts. Within this setting, it also illustrates that managers at different organisational levels perform different roles in the various

stages of the resource allocation process. Since the conception of this new model, further work has been undertaken by Sull (2009) into agility and absorption in resource allocation for achieving strategic priorities. What this nicely serves to illustrate is the rich and fruitful streams of research that can be carried out from original insights gained from an approach involving a notion of situated functionality to accounting practice.

Hopwood's (1983) seminal work 'On trying to study accounting in the contexts in which it operates' considered accounting as much more than merely being a technical phenomenon. It pushed the boundaries for a broader conception of accounting as also being an organisational, institutional and social practice. In effect a call was being made back to macro level social approaches of accounting (Marx 1974a / 1887, 1974b / 1893; Weber 1992 / 1930, 1978 / 1956; Sombart 1902) combined with the more micro behavioural approaches (Argyris 1952). The outcome was an idea of accounting in perpetual motion, in other words accounting in action, which had situated accomplishment for the achievement of priorities. Implicitly drawing on Foucault (1967, 1972, 1973, 1977a), and in particular ideas of visibility and discipline, this seminal work and Hopwood's subsequent research fundamentally influenced sociologically based accounting research for the next three decades, and is still doing so (See Chapman, Miller, Shields et al 2009). Indeed Llewellyn (2003) adopted Bourdieu's (1988) argument that concepts are the primary means of theorising practice, and that this level of theorising involves the explanation of social, organisational or individual phenomena in their settings and therefore the aim is to understand or explain how wider settings or contexts for activity are socially organised and meaning is created through explaining relationships between

phenomena. Llewellyn specifically attributed the expansion of this kind of theorising in the accounting discipline to Hopwood's (1983) paper.

Building on this seminal research, Hopwood (1987) produced 'The archaeology of accounting systems', which called upon Foucault's (1972, 1977) ideas of archaeology and genealogy. An "archaeology tries to outline particular configurations" (Foucault 1972, p.157) in order to reveal "relations between discursive formations and non-discursive domains (institutional, political events, economic practices and processes)" (p 162) to constitute the basis on which practice is formed, functions and has its effects. A genealogy considers ruptures and transitions where words, categories, practices and institutions acquire new meanings and significances when they are intertwined with new purposes. Hopwood (1987) used the concepts of archaeology and genealogy to study historical layers of accounting systems for further understanding of the detailed relationships between accounting and priorities over time. From this work, the importance of management agency in the relationships was duly recognised. It was found the organisation had various discourses, but the paper focussed on those accounting made visible and that organisation actors regarded as significant. These discourses related to meshing strategy, competitive processes, and accounting systems. The research used them to get insights of accounting's political uses, but also illustrated their linkage to the perceived usefulness of accounting systems to accomplish organisational priorities.

Following on from these studies, Hopwood (1989) looked at accounting's practical nature. He emphasises from the practitioner's perspective both the context of dependency of practice and its normative character, suggesting researching

accounting practices as finely graded and highly specific contingencies in an organisation actor's consciousness that uses them for their specific priorities. From three short case studies he illustrated '(...) a deep interpenetration between the technical practices of accounting, the meanings and significances that are attributed to them, and the other organisational practices and processes in which they are embedded'. Within the organisations studied, he considered manifestations of accounting implications in the operational processes, whilst recognising priorities and concerns of both accountants and management, and how existing accounting systems had shaped them. This showed a fit between accounting, operations, and strategic priorities, which is different to the contingency literature that considers whether the links are between generic strategic positions and general accounting system characteristics. Instead, he showed a more practical appreciation from the organisation actor's sense that their accountings make visible key operational aspects so that they are enabled (Ahrens and Chapman 2004), with evaluation and intervention as deemed necessary. This provided a notion of situated functionality, which was effectively an inherently normative conceptualisation of accounting in action. Organisation actors were viewed as building and evaluating shared understandings of processes in both an accounting and organisation sense. This could affect notions of site and practices that are a linked set of (potential) teleoaffective structures (objectives and affectivity), rules and understandings (Schatzki 2000, 2001, 2002, 2005), with implications for management actions to realise organisation priorities.

Jonsson and Gronlund (1988) researched a factory making vehicle components in Sweden. They considered organisation problems that emerged from costing issues

and their solution. It specifically considered the uses of costing information constructed for regular standard reports, but highlighted how shifting local issues could shape local information that was later discarded when the problem was perceived as having been sorted. In other words, accounting information had localised situated functionality as well as centralised standardised purposes, even if in some cases this was only a temporary assemblage of order for a short duration until a problem was perceived remedied. This was in keeping with the idea of strategies and tactics (Ahrens 2009; de Certeau 1984) and illustrated the situated functionality of accounting information as being in a perpetual motion (Hopwood 1983).

Furthermore Ahrens and Chapman (2002, 2004, 2005, 2007) analysed management control in a restaurant chain. The initial paper was on accountability (Ahrens and Chapman 2002). They then considered balancing efficiency and flexibility through employing concepts of enabling and coercive bureaucracies (Adler and Borys 1996) that they conceptualised as management control systems (Ahrens and Chapman 2004). Following this, they then tentatively began looking at how to embed accounting and enabling control into practice (Ahrens and Chapman 2005), and through a Schatzki (2000a, 2000b, 2000c 2001, 2002, 2005) interpretation of their field study introduced the notion of situated functionality (Ahrens and Chapman 2007; Ahrens 2009).

Through situated functionality notions of activities and strategy as organisational practice, the focus of Ahrens and Chapman (2005, 2007) was to explain everyday practices of organisational activities by referring to the technical properties of

accounting calculations and in particular financial, operational and customer service related practices. The study researched across organisational levels and included the practice of management control by senior management, those developing the chain-wide menu, and those responsible for daily restaurant routines. Hence, it enabled a view of accounting around the ways teleoaffective structures in terms of objectives and affectivity for appropriate ends, uses of resources and even emotions that are acceptable are drawn on and constituted as practice arrangement bundles, with rules and understandings during continuous situated activities (Schatzki 2002).

'Rather than see tactics as nested snugly within layers of overarching strategies, a practice view would emphasise the potential innovations of skilful situated actors and their subsequent impact on organisational strategy' (Ahrens and Chapman 2005). This could be through management accounting as practice in terms of the teleoaffective structures, rules and understandings that constitute practices (Schatzki 2002, 2005) and the situated functionality of accounting as a management tool to achieve strategy and its subsets (Ahrens and Chapman 2007).

From a public service perspective, Hopwood (1984) considered accounting for efficiency in public policy. He called implicitly on Foucault's (1977a) ideas on discipline and punishment suggesting the role of accounting in the public sector was to promote selective visibility, standardisation and disciplining performance so accountability can be demanded, policed and enforced. In addition, this study provides an insight into how accounting and control can be embedded in practice for the situated accomplishment of political priorities, rather than mere strategic priorities. It also serves to illustrate the more complex, more intricate and in some

ways more interesting context of accounting in the public sector. For example, the interest of Hopwood's (1984) paper in public sector accounting is not purely a technical one. Accounting is explicitly implicated in developing strategic and political interests and concerns, which are dealing with questions of the particular and specific. Rhetoric of value for money, especially in terms of economy and efficiency, is used to call for a detailed concern with the specific accounting innovations that can service these wider ends. In my thesis the rhetoric, and associated discourse, from the archaeology study is of cost management, financial performance management, operational performance management and an emerging sustainable performance management to achieve political priorities. In addition, in my study of management accounting as practice it is of competition, co-operation, collaboration and co-production meshed through a confederation of sites but linked to the situated context of the waste management service of the Local Authority for accomplishment of its objectives. In the same way as Hopwood's (1984) study it was found that change from general to specific affects understanding and directing the practical process of accounting reform in the public sector. Generality and ambiguity of notions must be recognised. This is because still very little is known about not only the practice of public accountings, but also the wider impacts that stem from an intensification of economic visibility in the public domain and audit society (Power 1997, 1999) in times of economic growth but also decline that can be encountered with austerity measures (Hood 2010; Hood et al 2009; Pollitt 2010). For Hopwood (1984) accountings for efficiency and value for money were advanced in name of their presumed potential rather than their practical possibility or actual consequences.

The studies of situated functionality have tentatively begun to create a more holistic account of the complex and intricate nature of organisation actions through combining accounting systems, organisational contexts and behavioural motives in achievement of priorities (Bower 1970; Hopwood 1983, 1984, 1987, 1989; Jonsson and Gronlund 1988; Ahrens and Chapman 2005, 2007). Enabling bureaucracies (Adler and Borys 1996) conceptualised as management control systems (Ahrens and Chapman 2004) can be embedded in practice through the notion of situated functionality (Ahrens and Chapman 2007), which can highlight the use of accounting as a management tool in advancing political priorities (Hopwood 1984).

The main focus of the thesis is on control, but this has implications for accountability and corporate governance. The scope of the thesis does not intend to go into detail on accountability, but the literature will now be briefly acknowledged for when reference is made to the concept in the analysis sections.

2.8   Acknowledging Accountability

Accountability can be used to theorise management accounting as practice (Ahrens and Chapman 2007). This concept provides a style for conduct, legitimating action and communicating what is acceptable from a society and institutional context (Burchell et al 1985) for the exercise of power and trust in controlling practices (Ahrens and Chapman 2002). Accounting can put styles of accountability into something that is seen as visible, concrete and tangible as an expression of reality, although it is actually an imperfect representation (Roberts 1991). Accounting therefore reflects styles of accountability, which has implications for practices

(Ahrens 1996). As a result through different forms of use accounting also shapes organisational reality (Roberts and Scapens 1995). However, as it is not an ideal representation of accountability it can have unintended consequences. Hence accounting is not purely rational and expectations management is necessary through organisational political interplays to overcome the inherent weaknesses. In accounting literature, the accountability concept was used by Roberts and Scapens (1985) to explore the relationships between accounting systems and the role they play in the production and re-production of systems of accountability in organisations stretched over time and space. To do so they drew upon Giddens (1976, 1979, 1984, 1993) theory of the duality of structure. This explores the structuring of interaction in terms of three fundamental elements. These involve the (attempted) communication of actions to signify meaning, legitimation of actions through moral relations and domination through power and trust. These ideas on the relationship between individual action and the production, reproduction and regulation of social order have been debated in the accounting literature (Boland 1996; Macintosh 1994; Macintosh and Scapens 1990; Roberts and Scapens 1985; Scapens and Macintosh 1996) and informed management accounting field studies on accountability both directly (Roberts 1990; Ahrens 1996; Ahrens and Chapman 2002; Seal et al 2004) and indirectly (Dent 1991; Baxter and Chua 2003; Conrad 2005). The concept has implications for practices, as it provides the basis for how accounting represents reality and accounting is used as a practice.

Accountability research has also taken place in a public sector context, which is applicable to the Local Government context. Pinch et al (1989) drew on actor network theory, Llewellyn (1998) on professional ideologies and boundary work and

Kurunmaki (1999) and Oakes et al (1998) on Bourdieu's notion of fields and social capital. The research showed how accounting both impinged public service ethics and compromised professional judgment but at the same time could contribute to a better understanding of the economics of professional service delivery to initiate a better use of resources. Miller and Kurunmaki (2006) illustrated this point again succinctly in showing how accounting practices, in this case pooled budgets between Health Organisations and Adult Services, could improve delivery but due to different cultures, accounting practices and rules between the organisations, negatively influenced professional praxis and behaviour.

2.9   Discussion

From the literature review it has been shown that a number of gaps exist to be explained. In public sector accounting research, accounting has been shown to be colonising through coercive institutional processes that affect values (Broadbent and Laughlin 1997). Berry and Oakes (2009) built on this work to suggest control is not only coercive but also instrumental and discursive to affect values. However, this line of research takes no account of the conceptualisation of enabling control. In the private sector accounting research literature coercive control and enabling control have been compared and contrasted providing useful insights of characteristics of system use (Ahrens and Chapman 2004; Free 1997; Jorgenssen and Messner 2009; Chapman and Kihn 2009) and characteristics of process (Wouters and Wilderom 2008; Wouters and Roijmans 2010). Nevertheless, still relatively little is known about how organisation changes occur between coercive control and enabling

control, never mind how they extend into more ensuring notions and are embedded in everyday practice through accounting for the public sector.

The gaps will be addressed in the methodology and data chapters of this thesis, which consider how enabling control can function in the public sector through management accounting in the Town Hall practices for implementation of Whitehall strategies that relate to waste management.

Chapter 3   Methodology

3.1   Introduction

The research is interested in how enabling control can work in the public sector and organisation changes occur between coercive control and enabling control. A number of gaps have been identified in the current literature. To address the gaps research set out in the data chapters attempts to explain an archaeology of enabling control in the state from 1979 to 2010; sites of management accounting as practice and ensuring notions of enabling control in the state from 2005 to 2010; and the situated functionality of enabling control in the state.

To study this phenomenon it was necessary to decide upon research strategies to employ (Morgan 1983). This is because they have inherent ontological and epistemological assumptions, which require consistency with methodological choices (Burrell and Morgan 1979).

The chapter discusses research strategies employed including ontological and epistemological assumptions underlying the research. It also considers methodology implementation processes for exploring the research questions addressed in the data chapters. In addition, it maps the terrain, identifies key themes and tests for robustness of findings.

3.2 Ontology and Epistemology

The ontology and epistemology determines the notion of accounting practices in the everyday, organisations, institutions and society. In other words, they situate what reality is and enable consideration of how this contributes to theoretical and practice based accounting knowledge by studying Local Authority management accounting and control practices for governing in the state.

3.2.1 Social Reality and Structure

The focus is interpretive research (Ahrens et al 2008). Contextual foundations for human social reality and actions are based upon past knowledge and experience, plus context specific meanings and interpretations (Denzin 1983). Actions help construction of social reality which is a subjective construct, and order is made by objectified practices in social interaction through signs and symbols (Berger and Luckmann 1966).

It is assumed structures are experienced inter-subjectively. This attempts to understand how organisational actors interpret and action management accounting and control practices for governing in the state. Social structures are a paradox. As a result structures may be considered to be ontologically objective entities and researched synchronically and objectively (Denzin 1983), but at the same time focuses on inter-subjective experiences as lived within a specific context by individuals. This is in accordance with calls to study everyday accounting practice

(Hopwood 1983; Tomkins and Groves 1983; Ahrens and Chapman 2007; Ahrens 2009; Jonsson 2009).

The ontological position taken on social reality and structures requires understanding of how they are involved in local contextual practices and shaped by broader political, social, economic and environmental contexts. Within this context it is therefore explored how enabling control can work in the public sector and organisation changes occur between coercive and enabling control.

3.2.2 Accounting as Social Practice

For consistency with ontological assumptions, accounting is considered as a social and institutional practice (Hopwood and Miller 1994). This affects realities of organisational actors, symbolically provides calculative practice with meanings and legitimises organisation attributes that transform situated social contexts. As a result, accounting practices are not only technical tools of computation, but have meanings and rationalities that shape and are shaped by the everyday, organisational, institutional and social contexts (Miller 1994; Miller and O'Leary 1994; Ahrens 2009). This is in terms of the use of accounting for general strategic and programmatic ambitions (Miller and O'Leary 1987; Hoskin and Macve 1986; Miller and Rose 1990, 1991) with inter-relations between accounting and the state (Miller 1990) and how accounting functions for the situated making of order, setting agendas and accomplishment of political priorities (Ahrens and Chapman 2007), through managerial agency (Hopwood 1987) and practical character (Hopwood

1989). These are different approaches to history in accounting research, but can be complementary to understanding.

More specifically in public sector accounting research the Foucault perspective has been very influential at a highly theorised level, with less theorised work still commonly making references to the work of Miller and O'Leary (1987) and Hoskin and Macve (1986). Miller and O'Leary (1987) in their accounting history paper drew on Foucault's (1967, 1972, 1973, 1977, 1981) work on the history of the emergence of human sciences. This highlighted three important issues. Firstly, genealogical issues consider how contemporary received notions emerged and reflect particular conditions and rationales. Secondly, archaeological issues concern the relationship between legitimated forms of contemporary discourse and the objects to which they refer. Thirdly, the relationship between bodies of knowledge and power relations concerns where bodies of knowledge and associated institutions are presented as techniques for the supervision, administration and disciplining of people to the end of constructing the governable person. From this work Miller and O'Leary (1987) made reference to governmentality, which Miller and Rose (1991) and Burchell, Miller and Gordon (1991) broadened. Hoskin and Macve (1986) also reflected interest in the link between power and knowledge and the practice of surveillance and discipline.

In the early 1990s public sector accounting research followed the focus of Hoskin and Macve (1986) and Miller and O'Leary (1987) on Foucault's notions of genealogy, visibility, surveillance and gaze (Preston 1992; Arnold and Oakes 1995; Bloomfield and Vurdubakis 1997; Preston et al. 1997; Mouritsen and Bekke 1997;

Edwards et al 1999). From the mid-1990s governmentality became the established approach to use Foucault theory, with less emphasis on genealogy and gaze (Radcliffe 1998, 1999). More recently, a stream of work reflects a general shift towards ideas of governmentality and technologies of government (Stein 2008; Sargiacomo 2008; Kurunmaki and Miller 2006). The approaches focussed on where accounting was specifically implicated in production of social order. This meant governmentality's study of conditions under which 'accounting was made practical' (Miller and O'Leary 1990) avoided the macrostructure and micro-action distinction. However it also avoided inquiring into practices through which accounting was mobilised by organisation actors (Ahrens and Chapman 2007). The practice notion of governmentality was concerned with generic strategic and programmatic origins of action and not action itself (Miller 2001; Miller and O'Leary 1994).

Another stream of research reflects an interest in post-Foucault perspectives and blending Foucault ideas with other perspectives to get more nuanced insights (Radcliffe 2008; Miller, Kurunmaki and O'Leary 2008); Ezzamel et al 2007). This considers action itself, but within the more generic origins of action.

In public sector accounting research, Hopwood (1984) highlighted that the language and practices of accounting had entered more frequently and forcibly into debates about public sector activities and that there were demands for accounting to become more implicated in public sector management and policy. He suggested that the role of accounting in the public sector was to promote selective visibility, standardisation and disciplining performance so accountability can be demanded, policed and enforced. This statement reflected an implicit link to Foucault (1967, 1977a) ideas of

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discipline and visibility. Hopwood (1984, 1987) does not dispute that there are generic strategic programmatic origins of action, but specifically recognises and focuses on the impact of action itself. Hopwood (1987), called upon Foucault (1972) concepts of archaeology and genealogy, to consider the archaeology between discourse and non-discourse particularly in terms of relationships between accounting and priorities and the genealogy of change, which illustrated managers have agency. An emphasis on accounting's role in action itself was made. Accounting could therefore be implicated in production of social order from a governmentality perspective but also have situated functionality to be used in ways through managerial agency to make order, set agendas and accomplish political priorities (Ahrens and Chapman 2007). In addition, Hopwood (1989) makes further reference to accounting's practical character in achieving priorities.

Bourdieu (1977, 1986, 1988, 1990, 1991, 1992, 1998, 2000) has been used to study public sector practices and accountings role in action itself. For example, Goddard (2004, 2005) combined the habitus concept with grounded methodology in the sense of a taken for granted routine, habit or practice. Kurunmaki (1999a) looked at health care to study the struggles between the professional and financial capital in terms of the redistribution of power and control. This study explicitly cited notions of field and capital and the nature of both symbolic and economic capital (Bourdieu and Wacquant 1992). Kurunmaki (1999b) researched making an accounting entity through the case of a hospital in Finland's health care reforms by a concept of symbolic power (Bourdieu, 1984). In Canada researchers used Bourdieu to theorise their public sector accounting research. Oakes et al (1998) presented concepts of field and capital as an enrichment of neo-institutional theory, exploring business

planning as a pedagogic practice which alters organisational values. Everett (2003) shifted the focus onto the process of comprehensive auditing, using language, capital and symbolic violence (Bourdieu 1986, 1991) to illustrate accountability is a site of struggle or manoeuvre over resources, reflecting and legitimating an unequal distribution of capital. Neu (2006) drew on concepts from Foucault theory and governmentality, but argued Bourdieu's concepts of field, capital and habitus provided vocabulary to understand the organisation and dynamics of institutional fields in which governance is attempted. This was used to explore the interaction between accounting and public space in the context of Canadian education reforms in Alberta. Rahaman, Neu and Everett (2007) and Neu et al (2008) reflected a mix of governmentality and Bourdieu in their studies of water privatisation in Ghana and the impact of the World Bank on South American higher education.

The ideas of de Certeau (1984) on strategies and tactics provide a nuanced take on Foucault and Bourdieu, but have not been widely used to study accounting and practices and not in the public sector. However, the ideas could complement the more broadly used theories that they build upon (Ahrens 2009).

The PhD will not explicitly refer to Foucault ideas of governmentality, Bourdieu's practices and de Certeau's strategies and tactics in the analysis and synthesis chapters. However, it has been influenced by such ideas in its notion of accounting as a social practice and therefore acknowledges the insights they can provide.

However, Foucault's (1972) concepts of archaeology and genealogy are called upon in the spirit of Hopwood's (1987) paper into the archaeology of accounting systems.

This then provides an historical perspective for the practice based insights that call on Schatzki's (2000, 2001, 2002, 2005) concepts of site and practice and Ahrens and Chapman's (2005, 2007) notion of situated functionality.

3.2.3 Sites and Practices toward Notions of Situated Functionality

The writings of Schatzki (2000a, 2000b, 2000c, 2001, 2002, 2005), a practice theorist, are helpful for considering situated functionality studies (Ahrens and Chapman 2005, 2007; Ahrens 2009; Baxter and Chua 2009; Jonsson 2009). For example, Jonsson (2009) suggests that for theorising situated management, 'After decades of suffering of an inferiority complex, because of the sense of being at a pre-paradigmatic stage (Kuhn 1962) for most social sciences, there seems to be a stabilising development toward an ontological basis for some of the social sciences (Bourdieu 1998, 2000; Schatzki 2000, 2002, 2005), particularly for those who deal with management (and their) intentional efforts to influence and direct activities in and between organisations'.

Schatzki's (2002, 2005) notion of 'site ontology' in particular is useful as it suggests the site of the social is a complex mesh of practices and material arrangements. Ahrens and Chapman (2005, 2007) suggest this site ontology is useful to study management control practice as it puts a focus on structures of management intentionality (Jonsson 2009; Ahrens 2009).

3.2.3.1 The Site of the Social

Hopwood (1983), in an agenda for management accounting research, called for studies of accounting in the context it operates, and determined a concept of accounting in perpetual motion.

Schatzki (2000a) from a practice theory perspective argues 'perpetually metamorphosing' practices found in social life, such as the doing of management accounting in different organisations, are highly 'contingent' on their situation (p. 103).

Schatzki (2000b: 22) uses the term 'site' (2000b: 22) to describe a particular context that informs specific practices. He states 'A site is a kind of context. To analyse sociality via a site is to hold, inter alia, that the nature and transformation of social life are inherently as well as decisively, tied to the context in which it takes place' (2000b: 22). He develops the notion of site by outlining various 'genres' (p. 23) of site, arguing for the need to mobilise multiple senses of site, and suggesting researchers attend to where practices take place in terms of location in space, time, teleology, or layout of their local performance.

In addition, he encourages researchers to be aware of more general sites where practices are embedded, such as fields of activities (such as within a particular industry or profession). By implication, a research challenge involves mapping various constitutions of site integrally connected to accomplishment of specific

management accounting practices. This brings up issues of how to configure larger 'confederations' (Schatzki 2000c: 195) of practices, whilst recognising the situatedness of practices.

3.2.3.2   Practices

From a Schatzki (2002) practice perspective and within a site context accounting is an array of activities with every practice constituted and ordered by a set of (possible) acts linked together by (1) Understandings (related to the acts), (2) Rules (Explicit prescriptions) and (3) Teleoaffective structures (Objectives of appropriate ends and uses of resources, and even acceptable emotions). These form a nexus of practices together with management and control, commercial, reporting, and bookkeeping practices.

The practice features of explicit rules (legal rules and rules of thumb etc) and teleoaffective structures (teleology in terms of end objectives and affectivity in terms of does it matter to the person that has to do the activity and their emotions) determine the personal feature of practical intelligibility (being whether it makes sense to a person to do something). Understanding (being practical knowledge) does not determine practical intelligibility but helps in determining the know how to do what makes sense to do. These features subtend activity.

By analysing key components and influences on practices and the various ways they interact with other practices, a practice view emphasises the complexity of mundane

everyday accounting. It also underlines accounting's variability and thereby the highly specific ways of practice in different places and times.

Nevertheless, from a practice perspective everyday accounting is not tantamount to routine accounting from the sense of automatic repetition. It does acknowledge repetition and its potential to order activities, but practices are considered to be broad 'tangle(s) of sameness and similarities' (Schatzki 2001). A break in the series of repetitions may mean an interrupted or ceased routine, but for a practice such a break maybe an internal element demonstrating practice is changing with the times and remaining relevant. Practices are therefore ongoing achievements and the result of skilful accomplishment. To contribute to a practice it is essential to want to contribute, as mindless repetition signals a practice maybe in the process of disintegration or has not formed yet as being meaningful.

In this view temporary social constructs arise from everyday accounting practices, but without more profound historical inevitability. Accounting is more than technical phenomenon as it can construct and be constructed by broad social, institutional and organisational influences.

3.2.3.3 Notions of Situated Functionality

Ahrens and Chapman (2007) from a Schatzki interpretation of their case study of a restaurant chain determined a notion of situated functionality as an alternative practice based approach to study accounting alongside governmentality, actor network theory and accountability. From this work situated functionality can be

found to consider management intention like practical intelligibility, but it is more and builds on practices to consider the ways accounting can be used as a management tool to achieve strategy, or at least subsets of strategy such as to make order, set and develop agendas, and accomplish priorities. The importance of such managerial agency in the use of accounting to achieve objectives has also been shown in other earlier seminal studies (Bower 1970; Hopwood 1987, 1989), including for the public sector (Hopwood 1984; Wildavsky 1965; 1979). However, such studies did not have the opportunity afforded to them for using a Schatzki practice theory approach (Ahrens and Chapman 2005, 2007). No public sector studies of accounting using a Schatzki practice theory approach have been undertaken, and not specifically drawing on the notion of situated functionality (Ahrens and Chapman 2005, 2007) and enabling control (Ahrens and Chapman 2004).

The PhD is interested in practice based insights through situated functionality of enabling control. It therefore calls upon concepts of site ontology and practice (Schatzki 2000, 2001, 2002, 2005), the notion of situated functionality (Ahrens and Chapman 2005, 2007) and enabling bureaucracies (Adler and Borys 1996) conceptualised as management control systems (Ahrens and Chapman 2004). In addition, the concepts of archaeology and genealogy are called upon (Foucault 1972, 1977; Hopwood 1987) for getting a broader socio-historical perspective to situate the management accounting practices of the study.

3.2.4   Nature of Knowledge

The thesis regards knowledge as a social construct established by interpreting information from archival research, observation and interviews. Research questions, a priori knowledge and experience shape interpretation and consequently emerging themes and theories.

The knowledge is not independent from the researcher or individuals in the research process, does not provide generalisable causal relationships between contexts, and represents one of various interpretations.

As a result the quality of knowledge emerging from interpretive research has to be addressed, especially for usefulness when it is context specific.

3.2.5   Quality of Knowledge

In accordance with the epistemology, characteristics to construct good knowledge are highlighted. The positivist evaluative criteria based on objectivity, reliability and generalisability are not appropriate for interpretive research (Morgan 1983; Ahrens and Chapman 2006). However, consistent with its underlying assumptions it needs levels of rigorous quality (Morgan 1983). The literature has no set criteria for evaluating interpretive studies (Cooper and Morgan 2008), but several research articles (For example Ahrens and Dent 1998; Ahrens and Chapman 2006; Cooper and Morgan 2008) highlight good characteristics that can be used.

The aim of this interpretive research is contributing further theoretical understanding and practice based insights of how individuals in Local Authority contexts interpret management accounting and control practices for governing and associate meanings used in actions. This is by developing conceptual significance of different images that capture ways accounting infuses action (Ahrens and Chapman 2006). In addition emerging concepts, themes and patterns must be original, plausible and trustworthy (Ahrens and Chapman 2006).

Interpretive research makes sense of knowledge that field actors have of their activities, but it is not just a description of what people do and say through interpretation from practical concerns, theoretical interests and research questions.

"The researcher's skill in showing how accounting infuses action lies to a large part in the positioning of the data to make a theoretical contribution because the 'infusing of action' must refer to some activity of theoretical concern. Otherwise the researcher is confronted with the so-what question. At the heart of qualitative management accounting field research practices is the engagement of multifaceted understanding of the field with management accounting theory. Through this engagement rich data (Ahrens and Dent 1998) that is often generated through interviews and observations is gradually thinned out and positioned just so that the researcher's key theoretical points can be convincingly presented within the confines of a journal article" (Ahrens and Chapman 2006). In addition to a theoretical contribution, from this thesis the researcher also looks to take account of the more practical policy impacts and implications.

The activity of theoretical concern and practical consideration is how enabling control can work in the public sector. This includes how organisation changes occur between coercive control and enabling control historically through accounting, extend into more ensuring notions and are embedded in everyday practices of accounting. To study this, sense had to be made of archives, observation and interviews with conceptual presentation of emerging themes or a theory that a reader can assess for originality, plausibility and trustworthiness.

The assessment process is by rigor and richness of descriptions, which balances flexibility to capture field work emerging patterns and new insights (Ahrens and Chapman 2006) with systematic inclusion of theoretically relevant and practice based data sources.

As plausibility, trustworthiness and originality of knowledge that emerge are judged by readers, theories from the research and policy impacts and implications are only 'knowledge claims' (Arrington and Schweiker 1992) until the intended academic and practitioner audiences accept them. The reader is ultimate judge of knowledge quality. This is consistent with Morgan's (1997) reliance on generalising the "Ah ha" effect. The PhD does not make claims about generalisability of context specific theories emerging from it, but conducts rigorous research and provides thick descriptions supporting knowledge claims hoping they be warranted as knowledge (Arrington and Schweiker 1992).

Given the social aspect of accounting as practice, the research presents its knowledge claims after considering rhetoric's role in accounting knowledge construction (Arrington and Schweiker 1992). Good understanding of target audience expectations is necessary to ensure rhetoric used in making knowledge claims is effective. The importance of persuasion is recognised by Humphrey and Scapens (1996) who highlight the subjectivity involved in acceptance of what counts as accounting knowledge.

3.3   Interpretive Methodology

The methodological approach is now outlined. This covers the research process from site entry, to construction of knowledge claims, and on to contribution of robust knowledge. The steps are merely for representational purposes, with the actual research process being more iterative and flexible.

3.3.1   Get Inside the Situation

For the researcher it was necessary to get inside the situation for understanding it on its own terms. The site was the waste management service of a Local Authority in England. Entry to the site consisted of three phases.

Firstly, exploration of the Local Authority research site was through publicly available information including on websites of the Council itself, the Audit Commission (Regulatory body for Councils in England and Wales) and the Department for Communities and Local Government including its forerunners

(Central Government Whitehall Department responsible for Local Government administration). This allowed data collection on organisational and institutional aspects of the Local Authority, on broad political, social, economic and environmental issues surrounding the Local Government sector, and to familiarise the researcher specifically with organisational vocabulary including for accounting and state governance in that particular Local Authority.

Secondly, contact was made with Local Authority staff. This included the Chief Executive Officer, Senior Management Team and Finance Director. They provided a mini case study of the situation, arranged access to available data sources and obtained approval for access to staff for archival research, observation and interviews. This gave information on the role of management accounting and control, but also explained how it interweaved broader issues and particularly the challenge of state governance. These preliminary discussions resulted in the PhD research topic: 'A Study of Management Accounting and Control in Governing the State: Some Lessons from a Local Government Waste Management Service'.

Thirdly, the research got into the local contexts. This involved data collection from the Local Authority, and in particular on the meanings and interpretations of accounting and waste management. However, these meanings and interpretations were linked back to the broader organisational, institutional and social context.

3.3.2   Balancing the Roles of Expert and Learner

The approach to information sources and data collection affects methodological choices (Morgan 1983). From the ontological and epistemological position taken the research could not be undertaken as a distant observer separated from data and findings. Close engagement was necessary with the data and site. This required active involvement in knowledge construction.

In this instance the researcher had to balance the role of being a learner in knowledge construction with also being considered to be an expert. The researcher had a learner role whereby they were to be theoretically informed, but flexible enough to accept emerging field evidence (Ahrens and Chapman 2006). The researcher was also considered to be an expert on both accounting and the public sector. This is because the researcher was a qualified Chartered Public Finance Accountant and has held senior management positions in both Central Government and Local Government, including as Head of Finance and Resources. Furthermore the researcher has provided high level training and consultancy to government, non-profit, and business organisations from Europe, Asia and Africa. In knowledge construction the researcher was therefore practically informed but flexible enough to adapt as an action researcher with emerging field evidence even although on occasions this may contravene previous training, existing orthodoxy and contemporary mindsets (Kaplan 1998; Argyris 1998). The researcher therefore was both theoretically and practically informed but with flexibility to challenge orthodoxy through emerging field evidence.

3.3.3   The Role of A Priori Theory in Interpretive Research

The role of a priori theory and the researcher's mind set during data collection and the interview process are important to conduct quality interpretive research.

Interpretive research literature has highlighted the problems on the role of a priori theory (For example Eisenhardt 1989; Dyer and Wilkins 1991; Ahrens and Dent 1998; Ahrens and Chapman 2006), which affects a researcher's ability to see emerging patterns from the data without being limited consciously or subconsciously by preconceived notions, which for the researcher in this case were both theoretically informed and based on previous expert experience. Degrees of a priori theorising are found within the group of good interpretive research studies (Ahrens and Dent 1998). Ultimately, given a lack of rules on the level of desirable a priori theorising, the researcher decides on the degree of a priori theorising knowing it has to be a well thought decision consistent with the overall research strategy (Laughlin 1995).

The 'middle-range thinking' is adopted for the 'theory' and 'methodology' (Laughlin 1995). This differentiates theories pertaining to the nature of empirical observations and methodology (see also Lukka 2005 for a similar distinction). As stated by Laughlin (1995), "On the "theory" dimension we can express the amalgam of concern in relation to the level of prior theorising and prior theories that can legitimately be brought to the empirical investigation". He states that at the extreme of 'high' theorising we find positivistic approaches and at the 'low' end prior theories are perceived to be irrelevant to the "diversity and detail of the present

study". About the 'methodology' dimension, he argues that: "…the actual way of conducting the investigation can either be defined according to some theoretical model of how the observer should see or is more reliant on the implicit perceptual powers of the individual observer…"

From these dimensions, the PhD is situated in the middle of the a priori theorising continuums. Theory, and previous expert practitioner experience, provides focus for empirical inquiry but allows patterns to emerge from observations in action research (Kaplan 1998; Argyris 1998). As it is not possible to assimilate and process all information from the field, a priori knowledge on management accounting and control provides a certain attention and helps ensure not getting lost in the rich and complex site empirics.

Middle range theorising is supported by several interpretive researchers. Ahrens and Dent (1998) argue "no well-informed researchers can deny their theoretical training, nor would they want to, for theoretical sensitivity is essential to good field research". Ahrens and Chapman (2006) also state that, "Doing qualitative field studies is not simply empirical but a profoundly theoretical activity. (…) With qualitative methodology goes an acknowledgement that the field is itself not just part of the empirical world but is shaped by the theoretical interests of the researcher". At the same time, whilst being a practical expert is not essential to good field research, no researcher would want to deny such competencies. This is because such practical expert sensitivity can, rightly or wrongly, add to the credibility of the researcher in the eyes of respondents and also to the depth of insights that can be obtained, especially in action research (Kaplan 1998; Argyris 1998).

The study focuses on the interaction of meanings, actions and actors. A priori theorising on the existence of multiple rationalities and meanings provides a direction for entering the site and formulating research questions. However, this does not prevent openness to alternative ways of navigating through the site and revising research questions.

3.3.4   The Interview Approach

Interviews, as a data collection method, give focus on interaction between meanings, actions and actors and existence of different rationalities. The research conducts analytical interviews (Kreiner and Mouritsen 2005), consistent with the ontological and epistemological assumptions. The purpose is not to learn about "a priori knowledge" but to engage in knowledge construction with the respondent in action research. As stated by Kreiner and Mouritsen (2005) "when the analytical interviewing succeeds, the interviewer and the interviewee are both theorists, collaborating on construction of new knowledge"… "the analytical interview aims to get findings "beyond" common sense, and it aims to create new insight rather than confirm what was already known before the interview". So, while adopting role of "learner" in asking about meanings and rationalities associated with Local Authority management accounting and control practices for governing, the research draws on a priori theoretical knowledge to probe counterfactuals and initiate discussion with the informant on dilemmas and complexities involved in taken for granted practices (Kreiner and Mouritsen 2005). In addition, while adopting the role of expert, the

researcher draws on previous practical experience to understand further the insights that emerge during discussion.

In the research a critical stance is taken to the knowledge that emerges while engaging in a discussion with the informant to understand the meanings and rationalities. In addition, the discussion is approached from different theoretical positions and practical concerns to consider the robustness of the knowledge in the process. Indicative interview guides were used to conduct reflexive and analytical interviews, to ensure the informants did not go off topic but with enough flexibility to allow for new insights to emerge. Kreiner and Mouritsen (2005) highlight the importance of follow up questions in assisting the informant to reflect on their experience and understandings, and go beyond the obvious. The PhD followed this approach, but went further as part of the action research with up to three follow up interviews on given issues in some cases.

3.4   Map of the Terrain Surveyed

The next step is identifying field data sources. This requires description of the rationale for case selection and different data sources.

3.4.1   Case Selection

A Local Authority was selected with particular focus on the waste management service. The premise is that meanings associated with governing are shaped by and

shape accountings and calculative practices through political, social, economic and environmental embedded contexts of the Local Authority.

From this theoretical perspective, to explore accounting practices in local contexts a nested research design methodology was employed that incorporated a series of interlinked in-depth studies that were constructed to illustrate rich slices of action from the macro to micro levels of detail. This included a thirty year archaeological study of enabling control in the state from 1979 to 2010, a five year case study of enabling control and its more ensuring notions, and in-depth field research as part of the case study into the situated functionality of enabling control in everyday practices. The rationale was to better understand the linkage between generic strategic programmatic ambitions and everyday practices for the situated functionality of management accounting and control in governing to make order, set and develop agendas and accomplish political priorities.

Given the ontological, epistemological and methodological choices described previously the case was selected on a theoretical basis (Eisenhardt 1989; Ahrens and Chapman 2006) to provide insights rather than randomly. Practical considerations and experience were also taken into account as part of the action research (Kaplan 1998). However, it is not claimed the case is representative of a general population but that it is an empirically rich site to observe practices. Furthermore, although a larger number of cases would provide more breadth of information (Eisenhardt 1989), given the complexities inherent within a single case (for example the multi level embeddedness of actors and impact of everyday, organisational, institutional and social issues), the option chosen was an in depth case analysis. This concurs

with Ahrens and Dent (1998) who state constraints of space and time generally dictate that "breadth comes at the expense of depth - the more contexts studied, the less contextual insight can be communicated. It is difficult to expect much insight about individual cases when, say, five or more cases are considered in a journal-length article."

3.4.2 Sources of Data

In line with quality criteria for conducting good interpretive research, data is collected and documented to ensure emergent themes are plausible and trustworthy. This means theoretically relevant data is considered in theory construction and the process of empirical evidence being abstracted into themes is documented. A rigorous and reflexive approach to data collection and interpretation is taken ensuring relevant empirics are considered and not filtered by a priori biases. Thoughts and interpretations are important, but are documented separately from informant thoughts and interpretations and other information sources (Morgan 1997).

To manage these challenges, Morgan (1997) suggests data classification into three categories. Class 1 data are objective facts of a situation including for example historical data, numbers of people employed and finances. Class 2 data are collected through interviews and conversation including what people say about situations and other people, and how they interpret what is happening. Class 3 data refers to the researcher's social constructions of reality. Given the constructivist approach adopted, the distinction between the three classes of data is arbitrary, but is a useful

way to minimise researcher bias and premature interpretation. Appendix 1 includes an overview of desk data that was called upon in the study. Appendix 2 includes an overview of interviews and observations.

For each of the nested research design study levels, information is collected on accounting and the context in which the Local Authority operates. A combination of archival, observation and interview based research methods were employed.

Triangulation of the data is carried out to provide a basis on which claims are made (Yin 1984; Ahrens and Dent 1998). Triangulation in Yin's (1984) terms is a metaphor for the corroboration of evidence for certain assumptions about the object of study. Further data can support or question the relation made between the initial data and the argument.

The triangulation can also be supported in qualitative field studies to help ensure knowledge claims have plausibility through not only using multiple methods and observations but also spending more time in the field and controlling ones behaviour as a field researcher (McKinnon 1988). The PhD employed these strategies. Various data sources were used including interviews, observation and documentation review, a longitudinal field study was undertaken and the researcher followed due process in their behaviour.

3.4.3   Identify the Key Themes

Data collected through various sources constituted different patterns that emerged to make sense of all field data collected. This pattern making began with initial data collection stages (Ahrens and Dent 1998; Baxter and Chua 1998) as empirical information drawing on a priori knowledge, expert experience and constructs was conceptualised. As additional data was collected and analysed, emerging conceptual patterns were further modified and triangulated. The challenge was to keep the pattern making process continuous as additional data was collected and to remain open to emergent field evidence. This was achieved through extensive note taking, documenting data classes, triangulation and consideration of plausibility.

In addition to continuous analysis in the field, a more detailed and systematic analysis was undertaken of transcribed interviews and archival documents ensuring all information was considered in the emergent patterns and triangulated. Any information not fitting into the constructs developed was followed up. This was consistent with the analytical approach of interpretive research as opposed to the statistical approach of positivist tradition (Ahrens and Dent 1998). In other words, research outliers were important for pattern making and had to be accounted for in the analysis. Constructs, theories, expert experiences and patterns were modified to include all events and observations relevant to phenomenon explored.

Pattern making was completed when no additional information was found, challenging concepts were developed and explanatory relationships established. This was the saturation point in theory construction (Strauss and Corbin 1998), which was

reached only when the concepts and theories developed made sense of all information and the claims were triangulated from various data sources.

3.4.4 Robustness of Findings

Explanatory relationships emerging from the data contributed to understanding and the robustness of findings determined how plausible and trustworthy they were.

To ensure findings were robust, firstly a reflexive and critical approach was adopted and secondly findings and interpretations were discussed and triangulated. This made sure all data related to the study had been collected, but also different theoretical and practical ways to interpret it had been considered and the most robust theory in face of different empirical evidence employed.

A 'logic of refutation' (Morgan, 1983) was adopted to engage an iterative process of going from data to theory and back looking for evidence to shape emerging patterns. This provided some certainty that all possible steps had been taken to minimise limiting effects of consciously accessible preconceived ideas on developing empirically grounded theories.

In addition, findings were discussed with other academics and practitioners to overcome researcher blind spots (Pronin 2006). In other words, seeking feedback from insightful individuals on the theorising and practical impacts and implications based on empirical observations limited the undesirable effects of preconceived ideas that might be operating at a subconscious level.

Robust theories are developed by engaging in continuous consideration of the hypothesis in the field and subsequently through detailed data analysis. In the beginning, hypotheses are mostly shaped by preconceived notions. They are however continuously reformulated in the field in light of new empirical evidence until a fit between the research question, theory, data and field is obtained (Ahrens and Chapman 2006). Hence the goal is to conduct a good field study that "is the outcome of ongoing theoretical repositioning together with redefinitions of the concepts used within qualitative methodology, the development of new and discarding of old hypotheses, changes to the method, and redrawing of the boundaries of the field. The purpose of those adjustments is the forging of the kinds of connections between research questions and data that can make a contribution to the literature" (Ahrens and Chapman 2006).

3.5 Discussion

The chapter provided a description of the research strategy employed in the PhD for looking at management accounting and control in governing the state. This included the ontology and epistemology, interpretive methodology and map of the terrain surveyed.

Based on the ontological and epistemological assumptions, a nested research design methodology was constructed to show rich slices of interlinked levels for organisational life in a Local Authority waste management service.

The purpose was to consider how enabling control could work in the public sector and how organisation changes occur between coercive control and enabling control for governing in the state.

In chapter four, over a thirty year period from 1979 to 2010, the PhD will consider the archaeology of enabling control in the state. In chapter five, through a five year case study, it is considered how enabling control can work and potentially for the situated context of the public sector extend into more ensuring notions. In chapter six, through field research from the case study, consideration is given to the situated functionality of enabling control for making order, setting and developing agendas and accomplishing priorities.

Chapter 4   Archaeology of Enabling Control in Whitehall and Town Hall Relations

4.1   Introduction

In the public sector management accounting in the form of budgets represents political priorities (Wildavsky 1964, 1975; Wildavsky et al 2006; Hopwood 1984; Power 1997). This is because, "The size and shape of the budget is a matter of serious contention in our political life... (Politicians, interest groups and citizens)...vie with one another to have their preferences recorded in the budget. The victories and defeats, the compromises and the bargains, the realms of agreement and the spheres of conflict in regard to the role of government in our society all appear in the budget. In the most integral sense the budget lies at the heart of the political process" (Wildavsky 1979).

The colonising power of accounting in the public sector has been linked to coercive institutional processes (Broadbent and Laughlin 1997), which could be undesirable. However, Berry and Oakes (2009) suggest colonisation could also be perceived as positive by managers in a change process and take on both instrumental and discursive forms.

Enabling control has not been considered within public sector accounting research, but there has been recent private sector literature that can provide insights. Organisations have to balance efficiency and flexibility for better performance (Brown and Eisenhardt 1997; He and Wong 2004). This can be achieved through

coercive and enabling bureaucracies (Adler and Borys 1996), which have been formalised as management control systems (Ahrens and Chapman 2004). Subsequent studies compared and contrasted coercive and enabling control, but still little is known about how organisation changes occur between them.

The research question in this chapter looks at an archaeology of how enabling control works in the public sector, and a genealogy of how organisation changes occur between coercive and enabling control. This is through a historical study of enabling in a Local Authority waste management service between 1979 and 2010. To do so the chapter implicitly mobilises Foucault's ideas of archaeology and genealogy (Hopwood 1987; Miller and O'Leary 1987; Hoskin and Macve 1986).

The study will illustrate how Central Government policy expectations in Whitehall are represented in Local Government accounting arrangements in Town Halls. From this study it will be shown that there were four phases of government policy represented in accounting. These included cost management, financial performance management, operational performance management and sustainable performance management. As a contribution it will be shown that enabling control is evidenced in public sector accounting alongside coercive control across all phases.

It will be shown that enabling control is also implicated in the genealogy of organisation change. This is because during these phases coercive control could be enabling, but with changing contexts this can shift from being empowering to constraining and even dysfunctional to performance. Strategic policy renewal

therefore has to recognise this archaeology and genealogy in accounting practices that are to underpin change.

4.2 Controlling Coercive and Enabling Bureaucracies

Under New Public Management the state shifted from being a provider to an enabler of services. The language of accounting and markets became more prevalent (Hood 1991, 1995). Hopwood (1984) highlighted accounting language and practices became more frequent and forcible in debates about public sector activities, with demands for accounting to be more implicated in public sector management and policy. With an implicit link to Foucault's ideas, it was suggested accounting's role in the public sector was to promote selective visibility, standardisation and disciplining performance so accountability can be demanded, policed and enforced. Broadbent and Laughlin (1997) from a critical perspective suggest accounting as a steering medium has been colonising in the public sector through coercive institutional processes of control, which could be dysfunctional to organisation cultures and values (Laughlin 1991; Laughlin and Broadbent 1993; Power and Laughlin 1996; Broadbent and Laughlin 1997, 1998). Berry and Oakes (2009) extend this analysis of colonisation. They suggest control is coercive, but can also be perceived positively by managers through institutional and discursive forms.

The purpose of this chapter is not to look only at coercive control, but rather also how enabling control can occur. Enabling control has not been considered in public sector accounting research. Private sector literature is therefore called upon. It has been found that organisations have to balance efficiency and flexibility for better

performance (Brown and Eisenhardt 1997; He and Wong 2004). This can be addressed through enabling and coercive bureaucracies that can be differentiated through a triumvirate of concepts relating to features of the system (repair, internal transparency, global transparency and flexibility), design process and implementation context (Adler and Borys 1996), which can be formalised as management control systems (Ahrens and Chapman 2004). Through this formalisation research has compared and contrasted coercive and enabling control. It has been found that a combination of different control mechanisms can be used to balance efficiency and flexibility and coercive procedures can be used in enabling ways (Ahrens and Chapman 2004), both within an organisation (Jorgenssen and Messner 2009; Chapman and Kihn 2009) and on an inter-organisational basis for supply chains (Free 2007). This can be through strategic impetus, buy in, participation and sustained management investment in both time and resources (Adler et al 2005). Enabling can also be enhanced through development and implementation processes (Wouters and Wilderom 2008; Wouters and Roijmans 2010). In addition, transparency of the system itself has been found as key to enabling its functioning (Wouters and Wilderom 2008). However despite these insights of the importance of characteristics of system use (Ahrens and Chapman 2004; Free 2007; Jorgenssen and Messner 2009; Chapman and Kihn 2009) and processes (Wouters and Wilderom 2008; Wouters and Roijmans 2010) for enabling management control systems, the enabling literature is still relatively emerging and little is known about how organisation changes occur between coercive and enabling control and no studies have been undertaken in the public sector.

4.3 Accounting for the Archaeology and Genealogy of Control in the State

To explain enabling control in the state over thirty years the study mobilised features of both an archaeology and a genealogy as Foucault (1972, 1977) used the terms, and they were employed by Hopwood (1987) in looking at an archaeology of accounting systems.

An "archaeology tries to outline particular configurations" (Foucault 1972, p.157) in order to reveal "relations between discursive formations and non-discursive domains (institutional, political events, economic practices and processes)" (p 162) to constitute the basis on which practice is formed, functions and has its effects.

A genealogy considers ruptures and transitions where words, categories, practices and institutions acquire new meanings and significances when they are intertwined with new purposes. The focus on change means genealogy can highlight problems in assuming an underlying coherence, tendency or logic, such as progress, mobilising, patterns of historical and organisational transformation towards some ultimate accomplishment. As Foucault (1977, p.146) states, genealogy "does not pretend to go back in time to restore an unbroken continuity that operates beyond the dispersion of forgotten things".

The study is more focussed and constrained than both Foucault's historical inquiries and Hopwood's accounting study, but nevertheless provides an appreciation of some ways accounting can be transformed by and serve for the transformation of broader organisation, institution and social ends. In this case the text is a literature-based

history of control in Town Hall waste management services that are intertwined with Whitehall strategic ambitions, but there is a drift from general history to the documented situation at the Local Authority waste management service studied. This acts as an example to illustrate how among the decaying and emerging structures of history accounting can help manage the impacts and implications of changing political priorities for now and the future. It will also help to show how organisation changes occur between coercive control and enabling control. Archival research was therefore carried out together with interviews of staff at the Local Authority who had experienced different aspects of the changes, which captured some of the specificity of the situation within the more general and fluid context.

4.3.1   Archaeologies of Accounting Change

The archaeology study will show that over three decades accounting at Town Halls to accomplish political priorities and Whitehall strategic ambitions went through four main phases of change, although these were overlapping and not neatly delineated or mutually exclusive (Conrad 2005; Dent 1991). The first phase was cost management. The accounting employed expenditure budgets (Tomkins 1979, 1981, 1982, 1983, 1984; Hopwood 1984). The second phase was financial performance management. The accounting employed trading accounts, return on capital employed and surplus (Hopwood 1984; Hood 1991, 1995). The third phase was operational performance management. The accounting employed targets, reviews and assessment regimes (Hood 1991, 1995, 2006, 2010; Hood et al 2009; Pollitt 2010; Boyne et al 2006; Bouckaert and Halligan 2008). The fourth phase was an emerging sustainable performance management. The accounting employed carbon accounting,

participatory budgeting and affordable, balanced and sustainable budgets (Giddens 2009; Hopwood 2008). Discrete accounting therefore underpinned these phases and how the organisation changes from coercive control to enabling control occurred.

4.3.2 Genealogies of Accounting Change

From this analysis and in support of the existing private sector literature it was found that coercive control can be enabling for accomplishing priorities (Ahrens and Chapman 2004), but the historical process casts new light illustrating that over time the genealogy of enabling tendencies frequently moved from being empowering to constraining and even dysfunctional to performance for the given archaeological phases.

For example under financial performance management Compulsory Competitive Tendering procedures for surplus and return on capital employed in trading accounts enabled "accountingisation" (Power and Laughlin 1992). Later under operational performance management Best Value, Comprehensive Performance Assessment and Comprehensive Area Agreements enabled the "target world" (Hood 2006) and "audit society" (Power 1997, 1999) to function more comprehensively. Initially for both phases the coercive procedures were enabling in an empowering way, but after a point the coercive procedures of the accounting tools were perceived to change with the enabling becoming severely constraining rather than empowering, and in some cases led to dysfunctional behaviour. This led to a lack of trust in the system and the transparency of its functioning was no longer perceived as credible. Sustained management investment in time and resources, buy in, participation and strategic

impetus were lost. This can be seen with Compulsory Competitive Tendering after a period, and more so with the backlash at Comprehensive Performance Assessment. In part it led not just to the replacement of the accounting tools as was the case with Compulsory Competitive Tendering, but with Comprehensive Performance Assessment also undermined the Audit Commission's role as regulator (Ultimately to its demise). This was because the performance programmes were seen by the Coalition Government (Conservatives and Liberal Democrats) as a political motivation of the previous New Labour Government's policies. Accounting was used to drive central government strategic and programmatic ambitions from Whitehall on to Town Halls at the Local Government level, with the Audit Commission being an active player in the change. As the Coalition Government's rhetoric was for localism not centralisation the Audit Commission's place for operational performance management regulation was deemed more unnecessary.

As a contribution the chapter suggests accounting can provide stability during significant change through strategic policy renewal being combined with shifting accounting tools between coercive and enabling practices to balance tensions in accomplishing political priorities. This will help to ensure that the enabling tendencies of control are and remain empowering during changing contexts. Governance can then deal with the decaying structures when the benefits of productivity and innovation from an archaeological phase dissipate, and the emerging constellations that will replace them.

4.4   Analysis and Findings

The analysis and findings will cover the changing political priorities, how they are controlled and the phases of change.

4.4.1   Continuously Changing Political Priorities

The archaeology study found that over the past three decades in the Local Authority waste management service political priorities have changed through four main phases, underpinned by discrete accounting practices. The first phase cost management involved accounting for operational delivery within budgeted cost constraints (Tomkins 1979, 1981, 1982, 1983, 1984; Hopwood 1984; Wildavsky 1964, 1975; Jonsson 1982, 1984; Perrin 1981; Pendlebury 1985; Skousen 1990). The second phase financial performance management involved accounting for return on capital employed and surplus within trading accounts as part of Compulsory Competitive Tendering regulations (Hood 1991, 1995, Hopwood 1984; Boyne 1998; Seal 1997; Walsh 1991, 1995; Walsh and Davis 1993; Wilson 1999; Parker 1990; Iles and Wilson 2002). The third phase operational performance management involved accounting for targets, reviews and assessment regimes (Seal 2003; Seal and Ball 2008; Hood 1991, 1995, 2006, 2010; Pollitt 2010; Kurunmaki and Miller 2006; Goddard 2005; Lapsley 2009) under regulations for Best Value (Seal 2003; Seal and Ball 2008; Boyne 1999, 2000; Iles and Wilson 2002; Wilson 1999; Keenan 2000; Entwistle and Laffin 2005; Martin 1999, 2000), Comprehensive Performance Assessment (Seal and Ball 2008; Boyne and Enticott 2004; Broadbent 2003; Wilson

2004, 2005) and Comprehensive Area Assessments. The fourth phase sustainable performance management was emerging and involved broader and more politically encompassing ways of accounting for environmental and social considerations (Giddens 2009; Hopwood 2008).

Each of the four stages, although not neatly delineated and marked out chronologically, had its own signification, legitimation and domination structures of accountability (Giddens 1976, 1979, 1984; Dent 1991; Conrad 2005). This had implications for how activities were ordered, agendas were made and political priorities accomplished, which affected the situated functionality of everyday budget practices and the context they operate in (Bower 1970; Hopwood 1983, 1984, 1987, 1989; Ahrens and Chapman 2007, Ahrens 2009). The changes in political priorities created Schatzkian (2002, 2005) meshes in the archaeology of calculation genealogies (Hoskin and Macve 1986). In everyday budget practice, emerging orders coincided with both decaying orders and fragmented remnants of past orders (Hopwood 1987; Miller and O'Leary 1987; Miller and Rose 1991).

The first phase was the political priority of cost management. Under this phase communication through accounting numbers was based on budgeted expenditure (Tomkins 1979, 1981, 1982, 1983, 1984; Hopwood 1984). As long as a budget was not breached a service could be provided. Legitimation was through the concepts of public service ethics and professionalism, which would be impinged by later political priorities and associated budgeting and performance management practices (Pinch et al 1989; Llewellyn 1998; Kurunmaki 1999; Miller and Kurunmaki 2006). Under the concept of public service ethics, if a service was within the remit of the functional

area and funding was available it was provided. This was even if it was not critical to the core function. Power was exercised in the budget allocation, but trust based on professionalism played a major role in how funding was actually spent at the localised operational level (Dent 1991; Conrad 2005; Wouters and Wilderom 2008). Accountability was for managers to deliver services within budget. Service performance was not actively considered (Pendlebury 1985; Tomkins 1982; Hopwood 1984). As part of the waste management service residents expected their bin emptied and had experienced both positives of having extra free services such as bulky collections and the negatives of quality not being a consideration, whereby rubbish may fall out of the bin and be left behind in the street during bin collection.

The second phase was financial performance management. The introduction of Compulsory Competitive Tendering regulations by the Central Government looked to engender cultural change within the institution of Local Government (Boyne 1998). Compulsory Competitive Tendering, alongside value for money that was most focussed on efficiency (Hopwood 1984; Radcliffe 1998, 1999), brought a new financial performance management agenda for political priorities (Seal 1997). This embraced ideas of New Public Management (Hood 1991, 1995) with a focus on pseudo markets and "accountingisation" (Power and Laughlin 1992). The concentration was on surplus (profit) measured through operational trading accounts. This changed the focus of accounting communication from budgeted cost to break even, surplus and return on capital employed concepts (Boyne 1998; Walsh and Davis 1993; Parker 1990). Legitimation of projects was whether or not they contributed to the bottom line surplus, rather than public service ethics and professionalism. Only projects that met the surplus criteria were accepted, unless

required for health and safety reasons. There was little choice. Accountability was a source of Central Government power and control. Trust was limited as Local Authorities had to open up services to pseudo-markets and private providers (Boyne 1998; Parker 1990; Walsh and Davis 1993; Hood 1991, 1995). Residents' expectations remained basic in having their bins emptied weekly. They realised that now anything outside of this level of service would be charged for. For example, bulky collections were now chargeable to residents.

The third phase was a political priority of operational performance management. This called upon ideas of New Public Management, but in different ways to Compulsory Competitive Tendering. During this phase operational performance management embraced Central Government regulations from Best Value to Comprehensive Performance Assessment and on to Comprehensive Area Agreements (Seal 2003; Seal and Ball 2008; Hood 1991, 1995, 2006, 2010; Pollitt 2010).

The Labour administration had been working on a conception of Best Value since their electoral defeat in 1987 (Entwistle and Laffin 2005), which existed in various forms and under different names around the world (Keenan 2000). Best Value had its own processes, performance criteria and regulation (Boyne 1999, 2000) and was seen as New Public Management with community and local governance grafted on (Iles and Wilson 2002). Engagement and consultation with the public were seen as important to Best Value (Martin 1999, 2000). Accounting represented and communicated the political priorities through financial and non-financial information flows mainly in the form of Best Value Performance Indicators that reflected top

down national Central Government targets and bottom up localism targets. Dual accountability to customers and Central Government fostered more trust all be it within a framework that reported to Central Government on the basis of power and to customers through BVPP's. Legitimation was as much about quality and effectiveness as economy and efficiency and was therefore seen as more fair to Local Authorities than Compulsory Competitive Tendering which primarily competed on cost (Iles and Wilson 2002). Stakeholder expectations for Local Authorities to achieve political priorities were therefore increased, even if resources could not keep pace with the perceived increases in demand (Hood 2010; Hood et al 2009; Pollitt 2010; Jorgensen 1982, 1985, 1987; Wildavsky 1964, 1975). An audit society had begun to emerge (Power 1997, 1999), but this was in broader and more politically encompassing ways than merely of a financial nature. It was supported by a "target world" that included non-financial information (Hood 2006). At the waste management service level recycling also began to emerge and new forms of bin were being provided, along with basic education about waste streams.

Best Value was replaced by new Central Government regulation for Comprehensive Performance Assessment, which extended the third phase political priority of operational performance management. This was regarded as the most ambitious attempt to measure performance in public service organisations (Boyne and Enticott 2004). Comprehensive Performance Assessment evolved into a "Harder Test". Under the Audit Commission regulator the genealogies of calculation that Local Authorities had to prepare and be assessed upon became much more holistic (Boyne and Enticott 2004; Broadbent 2003; Wilson 2004, 2005). These included an annual use of resources assessment, various service assessments, corporate assessments and

a future direction of travel judgment regarding whether the Local Authorities plans were credible to focus on key local issues for its residents and deliver strong services. The world of targets had become all consuming for individual Local Authorities within their actions (Hood 2006).

The Comprehensive Performance Assessment itself was replaced with Central Government regulation for a Comprehensive Area Assessment. This extended the political priority of operational performance management. It did not only look at a Local Authority's local issues for residents but required more co-operation and partnership working with other public sector bodies to improve whole areas (Giddens 2009; Hood 1991, 1995, 2010; Pollitt 2010). Hence in November 2009 the Comprehensive Area Agreement was provided with its own reporting website for detailed target reporting known as 'One Place', and a 'Total Place' concept for looking at the overall level of public funding for an area and what could be done with it collectively rather than by individual institutions.

A fourth phase represented political priorities as sustainable performance management. This had been emerging for some time. The Central Government regulated for Local Authorities and public sector in general to have a new calculative process for budget practices (Hoskin and Macve 1986), which could measure and make decisions based on sustainable performance management (Giddens 2009; Hopwood 2008) rather than cost management (Tomkins 1979, 1981, 1982, 1983, 1984; Hopwood 1984) or value for money (Hopwood 1984; Power 1997, 1999; Radcliffe 1998, 1999). This did not suggest cost management and value for money would not play a part in decisions and actions, but would be considered along with

carbon accounting and participatory budgeting to help manage social, economic and environmental sustainability issues together. In accordance with Central Government policy, Audit Commission directives through the use of resources section of the Comprehensive Performance Assessment demanded budget practice link longevity of sustainability with short term cost decisions. This meant Local Authority strategy had to account for longevity of sustainability for future generations with short term cost pressures facing current generations. In addition, Central Government regulations had already introduced affordable, balanced and sustainable budgets that were to be produced on an annual and medium term basis within a medium term planning and strategy framework to simultaneously address short term and long term issues for the Local Authority.

The developments that took place illustrate that the enabling state (Hood 1991, 1995) was extending into a broader and more politically encompassing reality. The concept of an ensuring state captures that reality (Schuppert 2004, 2006). This is because the state looked to balance policy with practice on an ongoing basis to address its responsibility after enabling which is to make sure outcomes are achieved for the longer term. This has been referred to in climate change discussions (Giddens 2009). In the Local Government context (Hopwood 1983, 1984; Tuomela 2005) this would require the Local Authority to align global concerns around climate change with local needs of refuse collection and the associated waste management (Giddens 2009; Hopwood 2008; Hood 2010; Pollitt 2010) to pursue sustainable communities as the strategic context (Davila 2005). Enabling control (Adler and Borys 1996) could become more ensuring (Schuppert 2004, 2006; Giddens 2009) through

determining trade-offs between local affordability and global costs of a financial and non-financial nature (Giddens 2009; Hopwood 2008; Hood 2010).

As this research will show, different conceptions of time (Hopwood 1983, 1984, 1987) and space (Hood 1991, 1995, 2010; Pollitt 2010) have also affected delivery of political priorities (Conrad 2005; Dent 1991). The different conceptions have to be understood so they can be managed. In managing public services from a sustainable performance viewpoint, rather than service perspective, an extended conception of time and space is required. For example, the importance of passing on to the next generation and custodianship of the area, rather than short-term operational efficiency and financial performance, has to be taken into account. This is because today's consumption impacts on the environment and society and our relative economic position, and so generational sustainable performance management is an issue and emerging political priority (Giddens 2009; Hopwood 2008). Budget practices have to make sense of it and enable in ensuring ways the making of an order.

4.4.2 Controlling Changing Political Priorities

Political priorities are subject to continuous change. Political programmes tend to come with ready-made controls attached, but also go on to grow their own specific control practices and regimes. The data will illustrate that the conception of control has changed as bureaucracy structures shifted (Hood 1991, 1995; Hopwood 1983, 1987). Bureaucracies can be seen to display both coercive and enabling forms often with one more to the fore (Adler and Borys 1996). Control has likewise followed this

path (Ahrens and Chapman 2004). Ensuring forms of bureaucracy have also been recognised (Schuppert 2004, 2006; Giddens 2009), with enabling control operating in ensuring notions for a public sector situated context.

Political priorities represented as cost management involved primarily the practice of coercive control (Tomkins 1979, 1981, 1982, 1983, 1984; Hopwood 1984). For example, budget heads could not be broken at the objective level of expenditure, such as a specific refuse collection operational depot. Management in the headquarters thereby used the budgeted cost information for monitoring and centralized control of functional areas (Wildavsky 1964, 1975; Jonsson 1982, 1984; Tomkins 1981, 1982, 1983; Hopwood 1984). Outside of the formal budget system, the functional areas changed the format and presentation of data for localized decision making (Jonsson and Gronlund 1988). It was found that this was through system features of repair and flexibility. This meant that there was a centralized order and a temporary assemblage of order operating in tandem.

Under Compulsory Competitive Tendering regulations, the political priorities represented as financial performance management involved coercive control as part of practicing efficiency in contractual operational costs (Boyne 1998; Hopwood 1984; Power 1997; Power and Laughlin 1992; Radcliffe 1998, 1999; Seal 1997). However, enabling control was also beginning to enter practices as operational managers had to be more familiar with financial procedures and practices of the system features, system design and implementation context (Adler and Borys 1996; Ahrens and Chapman 2004). This was because now managers had to use the situated functionality of accounting to order activities, make agendas and accomplish

political priorities (Hopwood 1984; Ahrens and Chapman 2007) not for cost centre management but surplus (profit) centre management. Compulsory Competitive Tendering regulation was therefore not just about efficiency and economy, but also cultural change for a surplus (profit) motive (Boyne 1998; Walsh 1991; Walsh and Davis 1993; Wilson 1999).

Under Best Value (Boyne 1999, 2000) and later Comprehensive Performance Assessment (Boyne and Enticott 2004), the political priorities shifted more formally towards performance management (Hood 1991, 1995, 2006). At the budgetary control level coercive control was still underlying practice, but enabling control was now much more visible both from coercive practices and in its own right as operational and financial concerns had to be balanced at both local and national levels (Ahrens and Chapman 2004; Adler et al 2005).

Comprehensive Area Assessment alongside concepts of total place budgeting and one place reporting began to tentatively shift control beyond an enabling focus, although that remained dominant. The shift was because Comprehensive Area Assessment looked for Local Authorities to actively work with local partners as a way to ensure a better deal for an area (Giddens 2009). This therefore was an initial step towards a form of enabling control in an ensuring form.

Enabling control becoming more ensuring was further bolstered by the emerging political priority of sustainable performance management (Giddens 2009; Hopwood 2008) that considered environmental and social considerations, as well as financial issues (Boyce 2000). This had been emerging for some time, initially in an

environmental guise, but was now formally moved from the background to the fore of political priorities and organisational agendas (Hopwood 2008; Giddens 2009). For example, climate change has important implications for policy to be put into practice. This involves an ensuring state (Schuppert 2004, 2006), whereby Local Authorities have to balance the micro level local needs of waste management with global macro policy imperatives on climate change (Giddens 2009).

It will be shown that the forms of bureaucracy and control are not mutually exclusive (Adler and Borys 1996; Ahrens and Chapman 2004). The types of control are meshed together and contextually embedded in practices (Ahrens and Chapman 2005). As political priorities shift different facets of control can then come to the fore, with others moving to the background or becoming dormant for now (Hopwood 1983, 1987). Development processes are therefore experience based and incremental over time (Wouters and Wilderom 2008), with cross functional knowledge and user experimentation enabling the control system to operate and transparency being central to its functioning (Wouters and Roijmans 2010).

In addition, the shifts in control are overlapping and not as neatly delineated as will appear. Instead structures of control emerged as others decayed, with fragments having to be accounted for in real time as part of the archaeological legacy afforded to the organisation (Hopwood 1987; Miller and O'Leary 1987; Hopwood and Miller 1994). It is therefore not always the control system but the way it is used that is important (Chapman and Kihn 2009) for empowering or constraining behaviour (Marginson 2002; Simons 1995).

Furthermore, the shifts in control evolved over long periods and were not instantaneous events (Hopwood 1987; Wouters and Wilderom 2008). Indeed even changes in statute took time to be enacted and then embedded (Hopwood 1984). Local Authorities were active before, during and after this period to manage the change. One form of control was not switched off as another was switched on, but were simultaneous (Conrad 2005).

Control has to be embedded into practice to manage efficiency and flexibility (Adler and Borys 1996) for better performance (Brown and Eisenhardt 1997). To do so it has to recognise different contexts (Hopwood 1983, 1984, 1987; Tuomela 2005; Bower and Gilbert 2005). Contexts can include the structural context (Bower 1970; Davila 2005) that is embodied in the organisations structure, targets regime and legal remits of responsibility that make it visible, and strategic context (Burgelman 1983; Davila 2005) that represents its planned, emerging, and decaying activities within its archaeology. These contexts are similar to those advocated in boundary systems and belief systems that are used to forge a strategic domain (Simons 1995). In addition contexts can include customers (Christensen 1997; Christensen and Bower 1996) and funding (Sull 1999), which affect revenues and service delivery. Furthermore context is shaped through iterations over time (Noda and Bower (1996), corporate intervention (Eisenman 2000), cognitive frames (Gilbert 2001), management levels and roles (Bower and Gilbert 2005), and agility and absorption in project portfolios (Sull 2009; Haspeslagh 1982).

4.5   Phases in the Archaeology

The public sector budget process has to take account of changing political priorities, and employ accounting and control to function in their situated accomplishment. It is therefore important to understand the archaeology of how organisation changes from coercive control to enabling control occur in the state. This will be considered across the thirty years of the archaeology studied for the four phases of cost management, financial performance management, operational performance management and sustainable performance management.

4.5.1   Political Priorities Represented as Cost Management

Before 1979 and Thatcher's Conservative Government, the traditional role of Local Authorities was to identify the local needs for which they were legally responsible and provide services directly to meet those needs (Hood 1991, 1995). The objective in the public services was to obtain the maximum amount of work from whatever budget was set (Tomkins 1979, 1981, 1982, 1984; Perrin 1981; Hopwood 1984). This was mainly through the use of a directly employed workforce to deliver services, with the private sector being a supplier of goods or source of specific expertise (Hood 1991, 1995; Wilson 2005).

Historical documentation and interviewee recollections of what they heard from former colleagues over their careers confirmed that this was reflective of the situation within Local Authorities at that time. The refuse collection service was delivered in-house, within a pre-determined expenditure budget, through weekly

collection of household bins and sending the waste to landfill. No alternative delivery mechanisms were considered (Hood 1991, 1995; Wilson 2005). Central Government policy expressed a political priority based on cost management in terms of stewardship of public funds, with accounting systems visibly focussed on monthly budgetary control of costs, which was internally communicated through a coercive control regime (Adler and Borys 1996) of routine reports and meetings to infuse management action not to overspend (Simons 1995) due to the implications for balancing the broader Council budget and impact on local taxation (Jonsson 1982, 1984; Tomkins 1982). Provided bins were collected within budget, it was considered a success. As a result, the focus on keeping within annual budgeted cost drove action and little consideration was given to longer term waste management issues. The service was legitimated on the basis that household bin collection was the statutory duty for the Local Authority to discharge. The domination structure was a hierarchy based on power internally enforced through rigid staff roles and responsibilities (Tomkins 1982; Tomkins and Rosenberg 1983).

The Finance Director in his reflections sums up the situation. These were based upon his own early experiences working for the Local Authority in a different capacity, and then over his career from trainee accountant to Finance Director in terms of documentation and discourses with managers referring to that time. "...in the 1970's...the environment was very different...the focus of the refuse collection service was on weekly collection of rubbish by bin-men and then sending the waste to landfill. The expenditure budget for the service was set at the start of the financial year and the only accounting emphasis was to manage within that cost and for the council overall to balance the annual budget. Little consideration was given to the

future from a strategic perspective of managing the waste streams or potential revenue. The political priority, and inherent accountability, was only to deliver the weekly bin collection within predetermined expenditure budgets. This was visible at monthly budget monitoring meetings. Value for money and outcomes of the service were not visible. No benchmarks existed. Collecting the bin once per week within the budget cost was all that mattered. This is what the service was held to account on. If someone's (a resident's) bin was not collected they would contact the Council and it was sorted out. Complaints were not actively monitored or followed up to improve service processes. Performance management in that context was not happening."

Within such an environment political priorities were constrained through the structural context (Bower 1970; Davila 2005) embodied in cost management of the existing expenditure budget (Tomkins 1979, 1980, 1981, 1983, 1984) and a delivery operational model of emptying the weekly in-house bin collection which was the remit of responsibility that make it visible (Hopwood 1984). A targets regime (Hood 1991, 1995, 2006; Henri 2006) for other areas of performance was not yet a part of the structural context (Bower 1970; Davila 2005). The organisation structure, staff roles and responsibilities and accounting cost centre structure, monthly budget control reports and meetings were geared to this coercive bureaucracy (Adler and Borys 1996; Hood 2010; Jorgenssen 1982, 1985, 1987; Pendlebury 1985; Skousen 1990). The process of resource allocation reinforced this situation. Resource allocation was often an incremental process from one year to the next, with the only iterations building on last year's incremental budget (Wildavsky 1964, 1975; Hopwood 1984; Seal 2003; Bower 1970; Noda and Bower 1996). Once the budget

was set, it had to be adhered to. Accountability therefore focussed purely on the expenditure budget, which became highly visible and infused management action (Hopwood 1984; Tomkins 1982). Other issues were largely invisible and so received little, if any, management attention. These invisible issues included the strategic context (Burgelman 1983; Davila 2005), end user customers (Christensen 1997) and operational management input into strategy (Sull 1999). Revenue streams were also invisible and so were not managed. This is because the emphasis was the budgeted expenditure. In addition, performance was restricted to bin collection on the set dates with little consideration to efficiency, effectiveness and quality (Hopwood 1984; Power 1997, 1999). Furthermore landfill only enabled dealing with waste for the current generation, with no consideration for future generations and long term sustainability issues (Giddens 2009; Hopwood 2008; Hood 2010).

During this period, the bureaucracy was more coercive (Adler and Borys 1996) and the cost management practiced primarily coercive control (Ahrens and Chapman 2004). The system was designed in a coercive manner for centralised finance staff and their stewardship duties. The system features were not enabling for operational staff in terms of repair and flexibility, with little to no internal and global transparency. The implementation context was in terms of constraining rather than empowering behaviour (Adler and Borys 1996; Ahrens and Chapman 2004). For example budgets were set at an objective level of expenditure such as a specific refuse collection depot. This budget could not be breached. Budgetary control was diagnostic (Simons 1995) in a cybernetic manner (Ashby 1960; Jonsson 2009) to achieve a preset senior management plan (Andrews 1971).

4.5.2 Political Priorities Represented as Financial Performance Management

During the period 1979 to 1997 successive Conservative Governments looked to reduce the role and size of the state and achieve a cultural change in public service delivery. This was primarily by exposing activities to pseudo market competition (Hood 1991), accountingisation (Power and Laughlin 1992) and value for money drives focussed on efficiency (Hopwood 1984). However, the agenda was not only about driving efficiency in delivering local services by introducing private sector competition, but also to change the raison d'être of public service organisations as part of the emerging New Public Management (Hood 1991).

From 1980 the context within which Local Authorities operated began to change (Hopwood 1983, 1984, 1987; Tuomela 2005; Bower 1970; Davila 2005). To improve efficiency and economy Central Government introduced legislation (Local Government Planning and Land Act 1980, Local Government Act 1988, Local Government Act 1992) to require Local Authorities to subject certain functions to Compulsory Competitive Tendering (Boyne 1998; Walsh 1991; Parker 1990; Walsh and Davis 1993; Wilson 1999). This meant a Local Authority's central role would be to enable services to be provided, rather than necessarily to directly provide them itself in-house (Wilson 2005). Further regulation and the Citizens Charter extended the principle to all services.

The Local Government Act 1988 was the second piece of legislation and extended the concept of competition to the defined activity of refuse collection. Central Government policy desired commercialisation and fair competition between private

sector bidders and in-house teams (Hood 1991, 1995). A political priority of financial performance, which was surplus (profit) based, emerged within a culture of markets (Hood 1991, 1995; Hopwood 1984). Accounting made this reality through the introduction of trading accounts for Local Authority services (Parker 1990; Walsh and Davis 1993).

To manage these changes, the Local Authority changed their organisational structure and divided their waste management service activities into a client and contractor split (Hood 1991, 1995; Boyne 1998). It was the role of the client to draw up specifications for packages of work to be put to tender, award the contract and monitor performance. The contractor, being either the in-house team or private sector operator, who successfully bid for the contract delivered the work for an agreed charge (Wilson 2005). Within the Local Authority, the in-house contractor successfully bid for the work and became known as the Refuse Collection Direct Service Organisation (DSO) (Parker 1990; Walsh and Davis 1993).

The legislation also had financial implications. The Local Authority's main criteria for determining the award of a contract became value for money (Hopwood 1984), but the Compulsory Competitive Tendering process mainly acted as a catalyst for economy and efficiency rather than effectiveness (Iles and Wilson 2002). This is expressed by The White Paper 1991, which states '…competition (in terms of Compulsory Competitive Tendering) would expose the true cost of carrying out the work and lead to greater efficiency in the use of resources…'. The Head of the Waste Management Service also suggests, that 'The Compulsory Competitive Tendering process inevitably led to the most economical bid or lowest cost tender

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being accepted. The contractor then had to be efficient to stay within those costs and its financial targets.'

The machinations of this were played out in the arrays of activities associated with budget practices. As in Dent's (1991) study of railways, the waste management service within the Local Authority experienced significant transformation of its political priorities through changes in both budget practices and systems of accountability.

In accordance with Compulsory Competitive Tendering legislation, once the contract was awarded the Local Authority's Direct Service Organisation had to keep a separate statutory Direct Service Organisation revenue trading account for refuse collection (Parker 1990; Walsh and Davis 1993). This was based on commercial practice from the private sector (Hood 1991, 1995) and was required to meet statutory financial targets otherwise the organisation risked being closed down. Revenue had to be at least equal to expenditure in each year. Before 1994/95 where a Direct Service Organisation employed capital it had to make a set Return on Capital Employed (ROCE) of 5%. In April 1994 this was replaced with the capital accounting system and the objective was to break even after all charges were taken into account. This included a capital financing charge of 6% on the total value of fixed assets, a depreciation charge based on the replacement value of such assets and an interest charge of 6% on stock balances. If a Direct Service Organisation failed to achieve the target rate in any category for three successive years the Secretary of State could require the Direct Service Organisation to be closed down. As a result projects were now selected to help the Direct Service Organisation to break even and

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achieve a ROCE ratio (Parker 1990; Walsh and Davis 1993), rather than to maintain spend within budgeted cost. Efficiency, rather than just economy, was playing a bigger role (Iles and Wilson 2002; Hopwood 1984; Boyne 1998). The focus of budget practices shifted to include revenue management, as well as cost management, with the Direct Service Organisation setting charges in return for a given service level agreement. The Local Authority became surplus (profit) conscious (Parker 1990; Walsh and Davis 1993). In addition with capital accounting came accounting for capital charges (depreciation and notional interest) and adjustments for actual interest and a minimum revenue provision to actually set aside funds for replacement of physical fixed assets. The service emphasis was still on household bin collection and the visibility of budget practices was restricted to costs and revenues of that area (Hopwood 1984).

It was found that the budget practice measures, more than the terminology, were fundamental to the emergence of the new commercial culture and shift from a predetermined cost to surplus based political priorities (Hood 1991, 1995; Dent 1991). Changing visions of refuse collection led to changing organisational practices, with new budget practices and systems central to facilitating the changes (Kurunmaki and Miller 2006). For example, managers now needed weekly and monthly budget figures so they could actively monitor the trading position. Financial management became a central component of DSO management to ensure survival and success (Boyne 1998; Parker 1990; Walsh and Davis 1993; Hopwood 1984). With a service level agreement, management could not just cut the service levels to come in on budget. Accounts could therefore no longer be incomprehensible figures, produced annually by an accountant in the Town Hall central offices who was

concerned only with balancing the books. The accounts became more flexible and responsive to everything happening in the Direct Service Organisation to help management who were working in a more commercially orientated culture (Hopwood 1983, 1984, 1987, 1989; Dent 1991; Conrad 2005; Hood 1991, 1995). Managers needed good management accounting information to monitor efficiency, submit and win tenders and monitor the progress of work against budgets (Boyne 1998; Hopwood 1984; Hood 1991). To monitor efficiency, managers needed to know which jobs were making losses and the most profitable types of work. They also wanted to be able to compare the performance of sections of their workforce. Through new budget practices, Direct Service Organisation managers gained contexts to interact with others (Hopwood 1984; Hood 1991). In these contexts, they changed discourse and debate from a waste management service language of operations around bin collection and disposal to a more commercial language of pseudo-markets and surpluses (profits) (Hood 1991, 1995). Over time what was an appropriate activity was separated from the previous refuse collection mentality and instead channelled through the new processes of charging and revenue management, ROCE and surplus thereby establishing a new commercial influence on daily actions (Hood 1991, 1995). For example, prior to the change the Local Authority would collect any number of bulk items of rubbish free of charge from residents e.g. old beds, television sets etc. This is because it was regarded as rubbish and the technical and operational credibility of the waste management service was disposing of the waste for residents. However with commercial financial performance and conceptions of surplus becoming the emerging political priority (Hopwood 1984; Hood 1991, 1995), the Local Authority began to charge for this service. The political priority of surplus had become the new reality for action rather than purely the

operational side of waste removal (Parker 1990; Walsh and Davis 1993). As a result, the traditional culture began to change as the waste management service came to terms with the implications of a pseudo-market approach and return ratios (Hood 1991, 1995; Boyne 1998; Walsh 1991; Walsh and Davis 1993; Wilson 1999). In the same way that Baxter and Chua (2003) commented on Dent's (1991) study, this research found that the change in budget practices was technically unremarkable (from cost management to surplus management), but demonstrates the significance of the introduction of new budget practices into resource allocation on actions that were previously subject to different analysis, noticeably those used by refuse collection specialists (Hopwood 1984; Boyne 1998; Hood 1991, 1995).

The overall effect was that Direct Service Organisation legislation meant it was no longer legitimate for a Local Authority to spend a budget based solely on the social objective of emptying household bins. A service now had to prove market competitiveness of public services against commercial providers (Hood 1991, 1995), especially on economy and efficiency (Hopwood 1984). Contracts and trading account measures infused such action at both the bidding and delivery stages. The contract bid communicated an intention to improve the economy of the service and the trading account communicated whether the contractor delivered a competitive service efficiently (Boyne 1998; Walsh and Davis 1993; Parker 1990). The domination structures were based on power. Central government used the legislation and accounting to drive Local Government towards commercialism and away from a traditional public service ethos (Hood 1991, 1995; Dent 1991; Conrad 2005). The process took time but gradually due to day to day interactions, '…the culture began to change and decisions were made on financial criteria as much as, if not more than,

refuse collection criteria' (Finance Director talking about the situation from his early career as an accountant. This situated context was confirmed through historical documentation in the form of Committee Papers). The routine accountability of everyday action was therefore permeated with the new political priority (Boyne 1998; Walsh and Davis 1993; Parker 1990) of financial performance (Hopwood 1984; Hood 1991, 1995). It was evident that there was a shifting use of accounting and accountability processes (Hopwood 1983, 1984, 1987) for the situated accomplishment of this political priority (Hopwood 1989).

Within this new commercial environment resource allocation remained an iterative process (Wildavsky 1964, 1975; Bower 1970; Noda and Bower 1996), although the process was largely driven by the service level agreement and charging mechanisms set out in the contract (Hood 1991, 1995; Seal 1997, 2003). Performance monitoring during the year, associated ratios and implications for the trading account often drove further resource allocation actions around funding and staffing (e.g. Controlling staff sickness to keep service levels up and costs under control) (Parker 1990; Walsh and Davis 1993). The structural context (Bower 1970; Davila 2005) changed to a client and contractor split with highly designated roles. Budget practices allowed the Local Authority to simultaneously enable a service to take place through the client side and if the Local Authority was the successful bidder to deliver the service through the contractor function. Accountability was especially based on break even and ROCE measures, which were visible through the trading account. This drove resource allocation and managerial actions to manage costs but also proactively to begin managing revenue and pricing structures (Boyne 1998; Walsh and Davis 1993; Parker 1990; Walsh 1991; Wilson 1999). Performance

management also began to emerge from its contextually embedded hibernation, all be it tentatively through contracts and service level agreements (Hood 1991, 1995; Boyne 1998). Other issues were less visible but began to surface more due to the competitive nature of the service. For instance the strategic context (Burgelman 1983; Davila 2005) became important. It was necessary to know what competitors were doing and this shaped resource allocation and investment to remain competitive for the next tender (Hood 1991, 1995). However, other areas still remained largely invisible (Hopwood 1984). For example, end user customers were largely ignored as success depended on economy and efficiency more than effectiveness (Christensen 1997; Boyne 1998; Hopwood 1984). In addition, operational management remained limited in their input into strategy as the schedule of rates and service level agreement were contractually set (Walsh and Davis 1993; Parker 1990). Furthermore, economy and efficiency were at the expense of long term sustainability issues (Hopwood 2008). 'It has to be remembered that at this time landfill was still seen to be a cost effective option (for the treatment of waste)' (Finance Director commenting on his past experience, with the situation confirmed through historical documentation such as Committee Papers).

As part of accounting for greater value for money and in particular efficiency (Hopwood 1984; Radcliffe 1998, 1999; Boyne 1998) bureaucracies remained coercive (Adler and Borys 1996) as did control (Ahrens and Chapman 2004). However, enabling control was emerging simultaneously alongside coercion in practices (Adler and Borys 1996) as operational management familiarised themselves more with financial procedures and practices (Adler et al 2005) to accomplish a political priority of surplus under Compulsory Competitive Tendering

(Hopwood 1984; Boyne 1998; Walsh and Davis 1993). For example the system design was still primarily financial based, but could enable operational management to become more accountingised (Power and Laughlin 1992; Ahrens and Chapman 2004). System features enabled some repair and flexibility, but within the operational constraints of the trading account (Jorgenssen and Messner 2009). Internal and global transparency remained low (Ahrens and Chapman 2004; Wouters and Wilderom 2008). The implementation context was still largely coercive, but there was enabling within the confines of the way the system was used in terms of accounting discourse of ROCE and Surplus (Dent 1991; Conrad 2005; Chapman and Kihn 2009). The increased paperwork of Compulsive Competitive Tendering was therefore coercive, but did facilitate the new accounting systems to function in an enabling manner (Adler et al 2005) for efficiency and financial performance (Hopwood 1984).

4.5.3 Political Priorities Represented as Operational Performance Management

The contextual embedded nature of accounting in political priorities was to shift from financial performance management and more towards operational performance management with a "target world" (Hood 2006) of performance indicators, and regulations in the form of Best Value Reviews (Seal 2003; Boyne 1999, 2000), Comprehensive Performance Assessment (Seal and Ball 2008; Boyne and Enticott 2004; Iles and Wilson 2002) and Comprehensive Area Agreements. Accounting numbers of break even, surplus and return on capital employed were to be replaced with performance targets and indicators that concentrated on non-financial

information, as well as financial numbers (Hood 2006; Boyne et al 2006; Bouckaert and Halligan 2008). An increased audit society measuring ever more aspects of Local Authority performance (Power 1997, 1999), consultation on services, and formal narrative reporting for citizens as well as Central Government engendered a major cultural move in budget and performance management practices (Boyne 1999, 2000; Iles and Wilson 2002; Wilson 2005; Boyne et al 2006). In addition, Local Authorities began to be compared holistically with one another as well as at service levels (Boyne and Enticott 2004). This increased pressure to perform up to given benchmarks on a service and organisation basis, on both financial and non-financial issues. The principle of grading an entire Local Authority on a set of performance criteria was challenged (Boyne and Enticott 2004; Broadbent 2003; Wilson 2004), and there were concerns that it could encourage gaming (Pollitt 1989).

The Local Government Act (1999) set out Best Value legislation, which repealed Compulsory Competitive Tendering regulations and provided transition guidance. The Act stated as a duty: 'A Best Value authority must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.' It also enacted the principle (originally set out in 1997 and reiterated in a Consultation Paper in 1998) that Best Value would be achieved in part through economy and efficiency and in part through effectiveness and quality (Wilson 2005). The emphasis of Best Value was shifting away from Compulsory Competitive Tendering to embrace effectiveness and quality (Iles and Wilson 2002), with accountability of political priorities centred on financial and non-financial performance management that had associated implications for budget practices. In addition, another principle provided

for a duty to local people, as taxpayers and customers, and that local accountability would be represented through Best Value Performance Plans. Best Value was to be achieved through increased public engagement and modernisation (Martin 1999, 2000). Hence services had to be responsive to citizen needs, not delivered for the convenience of service providers (Hood 1991, 1995). This local accountability was also underpinned by a robust national framework and so Best Value Local Authorities had dual accountability to the local electorate and Central Government (Boyne 1999, 2000; Iles and Wilson 2002). This means a shift in accountability for the political priorities had occurred. Pre 1980 accountability for the political priority of cost management was localised but not responsive to customers. Financial performance accountability, based on Compulsory Competitive Tendering, was to Central Government. Performance management accountability, based on Best Value and later Comprehensive Performance Assessment, was dual with both national and local priorities. Various changes to budget practices and performance management arrangements were introduced to support the new accountabilities, which had significant implications for the Local Authority waste management service (Hood 1991, 1995; Boyne et al 2006; Bouckaert and Halligan 2008; Boyne 1999, 2000; Seal 2003). The Local Authority had to set its own political priorities to balance local and national priorities. The waste management service had to understand this strategic context (Davila 2005; Burgelman 1983) and take action accordingly.

The Local Government Act (1999) specifically specified that Best Value Performance Indicators and standards to measure performance had to be used, which were introduced in 2000/01. These reflected the new dual accountability, in terms of both local and national priorities. From interviews it was found that managers within

the Local Authority allocated resources with a view on how planned and actual indicators would visibly appear to both local and national stakeholders (Hopwood 1983, 1984, 1987; Hood 2006, 2010). The indicators included non-financial factors, but cost and incremental budgeting continued to play a big role as it is relatively more consistent in terms of a measurement for national comparisons and benchmarks (Boyne et al 2006; Bouckaert and Halligan 2008; Seal 2003). As a result, although Best Value concentrates on effectiveness and quality of service, a lot of the information was cost orientated (Boyne 1999, 2000). Best Value was therefore underpinned by a common financial and management accounting framework which identified the full cost of individual services. The framework was provided by the Chartered Institute of Public Finance and Accountancy (CIPFA) code of practice on Local Authority Accounting in the UK: Statement of Recommended Practice (SORP) and CIPFA's Best Value Accounting Code of Practice (BVACOP) that establishes proper practice for consistent reporting. Visibility is of areas that can be more easily measured or of activities that are related to and act as a proxy for something that cannot be measured with as much accuracy itself (Hopwood 1984; Roberts 1990; Power 1997, 1999; Boyne 1999, 2000). This means costing information remains a prime means of making an activity visible and is a key driver of actions (Hopwood 1984). Other arrays of activities remain relatively invisible and so receive less attention and resources. Visibility (Hopwood 1983, 1984) and accountability (Roberts 1990; Dent 1991; Conrad 2005) were key factors in determining public sector budget allocations.

The Local Government Act (1999) also required Local Authorities to conduct Best Value Reviews that must consider 'Four C's' of continuous improvement (Wilson

2005). This includes challenging why and how the service is provided, comparing performance with others including non-Local Authority providers, consulting local service users and residents on their expectations about the service, and considering competition and alternative delivery mechanisms (Boyne 1999, 2000; Seal 2003). The Local Authority service reviews led to a re-allocation of resources in the name of performance management progress (Hood 1991, 1995; Hopwood 1984). Within this process simplified zero based budgeting exercises, as part of modified incremental budgeting practices, were undertaken and savings re-invested or transferred to manage performance (Wildavsky 1975; Hyndman, Jones and Pendlebury 2007). Again this is evidence that the visibility and accountability brought on to an activity area, through in this case the Best Value Reviews and zero based budgeting practices, can affect political priorities and allocation of resources.

In addition, the Local Government Act (1999) requires preparation of a Best Value Performance Plan, which is a public document and subject to audit processes that are now more than just traditional financial stewardship (Power 1997, 1999; Hood 1991; Boyne 2000) but aim to increase local public engagement to achieve Best Value (Martin 1999, 2000). The visibility and accountability on services and performance monitoring through the communication and legitimation of Best Value Performance Plan information by the audit process provides the document with added power to manage stakeholder expectations (Power 1997, 1999; Radcliffe 1998, 1999; Gendron et al 2007). However, it also gives customers and central government enormous power in return to hold the Local Authority to account (Power 1997, 1999; Boyne 2000). Through interviews, it was found that the Local Authority management viewed the Best Value Performance Plan as having this dual role and as a means to

effectively manage the process of resource allocation before, after and during delivery. Once again the visibility and accountability of this information had a major impact on both the political priorities and allocation of resources through lending and making a sense of order to the proceedings (Hopwood 1983, 1987).

Furthermore organisation structures and budget practices had to change (Seal 2003). This was because although the Local Authority's waste management service maintained the client and contractor split to make the roles divisible, they no longer had a statutory obligation to put services out to tender (Iles and Wilson 2002). Instead the interactions between budget practices and Best Value reviews made resource allocation an active and iterative process with periodic fundamental reappraisals of certain resource allocations for achievement of a broader performance management conception (Bower 1970; Noda and Bower 1996).

Through Best Value reviews the structural context (Bower 1970; Davila 2005) was designed to consider, as part of competition, multiple service delivery options to improve performance and challenge whether services should even be delivered (Hood 1991, 1995, 2010). Comparisons and benchmarks could also lead to structural change either in organisation structure, costing methodology or service delivery vehicle (Seal 2003).

The strategic context (Burgelman 1983; Davila 2005) of Best Value was influenced by consultation through grafting community and local governance onto New Public Management (Hood 1991, 1995). This was externally with customers (Christensen 1997), partners (Hood 1991) and Central Government (Hood 1991; Power 1997,

1999) or internally with operations (Burgelman 1983). Hence operational management had input into the strategy process (Bower and Gilbert 2005).

From interviews it was found that revenue streams began to be discussed with more impetus. This was because charges were now flexible, rather than fixed to service level agreements under Compulsory Competitive Tendering (Ahrens and Chapman 2004; Dent 1991; Conrad 2005). The range and type of work that could be undertaken was also more open to discourse (Ahrens and Chapman 2004). This made revenue more visible (Hopwood 1984) and so managers could be more accountable for it and so began to try proactively managing it (Dent 1991; Conrad 2005). As a result, operations attempted to become more commercialised (Hood 1991, 1995; Dent 1991; Conrad 2005). For example, contracts for waste paper and metal were scrutinised and put out to tender resulting in scrap merchants providing a revenue stream to the Local Authority waste management service. In addition, discussions began around providing a commercial waste service and charging accordingly, but it was not mobilised due to the conception that accountability for the waste management service remained primarily for residents and this is what the Local Authority was responsible for (Roberts 1991). Revenue was therefore largely constrained in reality, but the discourse had opened up the commercial waste environment to greater scrutiny (Hopwood 1983, 1987; Simons 1995, 2005; Abernathy and Brownell 1999; Tuomela 2005; Henri 2006; Ahrens and Chapman 2004; Wouters and Roijmans 2010).

The change to the operational performance managed service under Best Value was significant when compared to the financially managed service that had to make a

surplus under Compulsory Competitive Tendering. Accounting for the operational performance managed service placed effectiveness and quality of provision more to the fore of managerial attention (Simons 1995; Widener 2007), rather than efficiency and economy (Boyne 1999, 2000; Seal 2003). So the emphasis on specific elements of value for money had changed (Hopwood 1984). Central Government Best Value Performance Indicators measured success on non-financial as well as financial criteria (Hood 1991, 1995, 2006; Boyne et al 2006; Bouckaert and Halligan 2008). Break even and return on capital employed accounting calculations were now no more important than the technical credibility of operations. Allocation of resources embraced this situation (Seal 2003). Nevertheless, the pressure of the political priorities was still on short term performance for resident waste through Best Value Performance Indicators (Hood 2006, 2010). As a result long term performance and sustainability, especially around commercial waste, still did not receive as much attention when it came to budget practices for allocating resources (Hood 2010; Giddens 2009; Hopwood 2008).

Budget practices and political priorities again began to shift with Comprehensive Performance Assessment, which was unveiled by the Audit Commission for single tier Local Authorities and County Councils in October 2002. The Comprehensive Performance Assessment was the most ambitious attempt to measure performance of public service organisations (Boyne and Enticott 2004). Local Authorities were graded based on assessment of core service performance and corporate capacity to improve. This methodology was also reflective of the District Council Comprehensive Performance Assessment, although its implementation took place on a County by County basis with self assessment and accredited peer challenge

informing a corporate assessment. The ability to grade an entire Local Authority was challenged on principle (Broadbent 2003; Wilson 2004) and concerns were raised about gaming (Pollitt 1989). For the Local Authority waste management service, Best Value Performance Indicators continued to provide the basis for service performance assessment, with cost playing a central role in the content of many of the indicators. Assessment of corporate capacity reviewed senior management's ability to improve organisation performance. Peer and self assessment discourses highlighted an emerging link between budget practices, systems and corporate capacity as a central factor to improve service performance. This visibility on the role of budget practices meant activities they highlighted were more likely to receive increased attention during the process of allocating and controlling resources (Hopwood 1983, 1984; Wildavsky 1964, 1975). The roles in political and managerial terms were therefore changing for Comprehensive Performance Assessment (Wilson 2005). In some cases the focus could be shifted to short term performance measures that were fixated on overall performance as measured by the Comprehensive Performance Assessment, rather than local priorities and productivity and innovation for long term benefits. The Local Authority looked to mitigate this risk through transparent discourses within the organisation and with the Audit Commission.

A new Comprehensive Performance Assessment, 'The Harder Test', was operated between 2005 and 2008 for single tier Local Authorities and County Councils. This built on the previous framework but with a greater emphasis on service users and value for money and much less on inspection of services as part of the Audit Commission's drive towards strategic regulation. The new Comprehensive

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Performance Assessment for District Councils was different to the 'Harder Test' in terms of content, but had the same emphasis and a number of generic features. These included an annual use of resources assessment from 2005/06 (which assessed financial reporting, financial management, financial standing, internal control and value for money), adoption of the principles agreed by all inspectorates in the Local Services Inspectorate Forum for any service assessments including a common 1 to 4 scoring scale, direction of travel judgments (focussing on both now and the future), continued use of five categories (ambition, prioritisation, capacity, performance management and achievement) and corporate assessments that provided a means of assessing the ability of the Local Authority to focus on key local issues for its residents and deliver strong services to meet those needs.

The change had major implications for the Local Authority in terms of its budget practices and processes of resource allocation. In particular, the new CEO immediately realised the importance of direction of travel statements as a legitimate communication tool of the Local Authority's ability to deliver services across time (Hopwood 1987; Simons 1995) and space (Hood 1991, 1995, 2010) to both current and future communities (Hopwood 2008; Giddens 2009; Hood 2010) and the role of budget practices in meeting the changing accountabilities of current and emerging political priorities (Hopwood 1987, 1983; Simons 1995). The use of resources assessment looked at the broader role of accounting systems and budget practices in the resource allocation process, as a means to align strategy and operations that the Audit Commission refer to as the 'golden thread'. This broad visibility meant more than value for money was now being considered in the allocation of resource decisions (Hopwood 1984, 2008).

For example, during Best Value and Comprehensive Performance Assessment, recycling had begun to emerge and new forms of bin were being provided, along with basic education around waste streams. Sustainability, in terms of the environment in particular, was therefore emerging within organisational cognitive frames (Gilbert 2001). The use of resources assessment then began to include the concept within its measures and this made it more central to budget practices as a visible driver of action (Hopwood 1983, 1984, 1987), with implications for resource allocation. Local Authority officers anticipated this development and made sustainability a major theme in organisational strategies, including the impact on current and future generations (Hopwood 2008; Giddens 2009; Hood 2010). A broader conception of sustainability beyond the purely environmental was employed. This included an affordable, balanced and sustainable budget that also recognised the need for financial sustainability in both the immediate and longer term (Hopwood 2008; Giddens 2009; Boyce 2000). Sustainability of economic, environmental and social issues now had to be considered in organisational actions, rather than merely cost and value for money. This began to create and maintain a new form of political priority, with implications for budget practices and accountability (Hopwood 1987). Waste management which was a core function and highly visible service in Local Authorities was no exception to these changes.

For all Local Authorities political priorities had changed more firmly towards operational performance management as part of accounting arrangements for Best Value and Comprehensive Performance Assessment (Boyne et al 2006; Bouckaert and Halligan 2008; Hood 2010). Operational and financial concerns had to be

balanced at local and national levels. Enabling control (Adler and Borys 1996) and practices of New Public Management (Hood 1991, 1995) became more visible (Hopwood 1983, 1987), but coercive control still often underpinned practice at the level of budgetary control (Ahrens and Chapman 2004).

For example, in the Local Authority waste management service, in terms of enabling control (Adler and Borys 1996) the system design now included operational performance management data as well as financial data. Risk management information also became more communicated. Functional area management used the information, as well as centralised finance professionals. System features increased flexibility and repair (Jorgenssen and Messner 2009), but internal and global transparency remained relatively at more senior management levels (Ahrens and Chapman 2004; Wouters and Wilderom 2008). The waste management service reflected broader developments for Local Authorities. From detailed interviews over the longitudinal field study it was found that the implementation context through the increased coercive paperwork could be enabling (Adler et al 2005), but through time the paperwork increased too much becoming constraining and costly for the Local Authority. Chapman and Kihn (2009) have highlighted that the way the system was used was at least as important, if not more so, than the system itself for it functioning in an enabling way. They specifically refer to system features, but this research extends that by highlighting it is also the way the implementation context is used that is important, as well as the implementation process itself. In addition, it can be constraining as well as enabling. Furthermore, interviewees confirmed that improvements from regulations relating to operational performance management had been received early in the process (Boyne and Enticott 2004; Broadbent 2003). Now

incremental improvements from the system were small, making it difficult to maintain a sustained management investment in time and resources (Adler et al 2005; Simons 1995). Issues of gaming had been previously raised by Pollitt (1989). This research provides additional insight finding when the enabling control becomes constraining and delivers little benefit anymore that dysfunctional behaviour will arise. However, this dysfunctional behaviour can be for reasons that accord better with local priorities as the top down rules from the state are now having unintended consequences and not leading to the best perceived use of resources for Local Authorities.

4.5.4 Political Priorities Represented as Sustainable Performance Management

For some time the calls for environment sustainability to be balanced with economic growth and social requirements have led governments globally to consider how to change the behaviour of society (Kyoto 1997; Davos 2008; Copenhagen 2009). The United Kingdom Government has made its positive commitment to sustainable development clear through the waste management policy of reduce, re-use, recycle and recover (UK National Waste Strategy 2007) and targets (Hood 2006) on carbon reduction to combat climate change that are to be set in law, making the United Kingdom the first country in the world to do so (Climate Change Parliamentary Bill 2008). Accounting for public service organisations has also been considered in terms of social, environmental and economic elements (Boyce 2000; Giddens 2009; Hopwood 2008).

At the Local Authority level impetus has been working for fundamental waste management reforms. On a financial level, the shift towards sustainability has seen Local Authorities faced with rising landfill taxes, coupled with heavy penalties from the European Union for landfill waste. In the United Kingdom a landfill tax escalator was introduced and under this regime the cost of dumping waste goes up by £8 per tonne each year until 2011. To deal with this changing political and financial situation, Local Authorities have to consider a broader conception than environmental sustainability. They have to consider the emerging political priority of sustainable performance management (Giddens 2009; Hopwood 2008) by looking at social, environmental and economic aspects (Boyce 2000) within the strategic context (Davila 2005) for their area and communities when making resource allocation decisions. This involves managing the communities and area for current and future citizens (Hopwood 2008; Giddens 2009; Hood 2010). The political priority of sustainable performance management (Giddens 2009) therefore involves budget practices that account for generations across time (Hopwood 1987; Simons 1995; Bower 1970) and space (Hood 1991, 1995, 2010) rather than short term economic calculations (Hopwood 2008). To do so Local Authorities have considered placing sustainable performance management at the centre of their strategic context (Davila 2005). Strategic themes have been used and portfolios of projects selected (Haspeslagh 1982; Kaplan and Norton 2008) that provide adaptability and accountability (Simons 2005; Sull 2009) to balance the levels of stability and change inherent in delivering sustainable performance. Carbon accounting has been used to account for environmental implications (Giddens 2009). Participatory budgeting has also been used to consult current citizens on resource allocation to benefit not just themselves, but also future generations (Giddens 2009; Hood 2010; Hopwood 2008).

However, the results from consultations would have to be considered alongside the financial imperatives so expectations are managed (Hood 2010; Pollitt 2010; Hopwood 1984; Simons 1995; Power 1997, 1999).

Local Authorities anticipated the emerging shift in political priorities towards sustainable performance management and the potential accounting system changes. For example, during the study a detailed discussion between senior management on budget processes in general and the waste management service in particular was observed. The CEO stated, "The Local Authority needs a new mindset…to place social, environmental and economic well being at the centre of its decision making apparatus, to balance economic growth with social and environmental sustainability…I need budgets that can recognise social and environmental well being, in addition to the economic issues, so we can select projects to meet political priorities on a basis other than just cost or efficiency… This would require a change to how our public services have been managed…"

The archaeology study found Local Authorities had aimed to select projects to accomplish political priorities on a range of economic, environment and social information through various means for a number of years. For example Local Authorities created long term visions. These strategic documents broadly communicated the gap and formed a belief system (Simons 1995) through a broad 'definition' against which to plan a more detailed corporate strategy and make project selection decisions (Kaplan and Norton 2008). To further flesh it out, Local Authorities also undertook a process to establish strategic themes to underpin the vision.

In the Local Authority studied, one of the strategic themes was 'To create and sustain a green and pleasant environment'. The waste management service was expected to provide and enable an important stream of activities that could contribute to the achievement of this strategic theme. In terms of a strategic gap, the visible problem for the Local Authority waste management service was how to fund and resource such projects that included alternative collection schemes and better recycling facilities (Hopwood 1983, 1984; Roberts 1990). During an interview that formed part of the archaeology study, the CEO summed up the waste management situation by stating "It will be a challenge to afford, never mind deliver, the levels of strategic change and transformation demanded by the Central Government and customers what with inherited positions, timeframes and the capability and capacity of resources at our disposal". This was not only a local situation, but represented the context for other Local Authorities nationally. For Local Authorities harnessing resources was therefore an issue (Hood 1991, 1995, 2010; Giddens 2009; Pollitt 2010) as was expectations management (Hood 2010; Hopwood 1984; Simons 1995, 2005; Power 1997, 1999).

Under Best Value (Boyne 1999, 2000) and Comprehensive Performance Assessment (Boyne and Enticott 2004), Central Government adopted the practice of targets in the form of performance indicators (Hood 2006; Henri 2006) to drive behaviour and performance (Widener 2007) of Local Authorities and hold them to account for the way they discharge their waste management duties and increase household recycling rates. To give an account for stewardship purposes, the Local Authority published targets for household recycling alongside their performance in a Best Value

Performance Plan (Boyne 1999, 2000; Boyne and Enticott 2004). This communicated and legitimated their actions and provided a basis for power in terms of how they invested their funds or incurred expenditure (Roberts 1991; Giddens 1984, 1993). The increased visibility (Hopwood 1983, 1984) and accountability (Dent 1991, Conrad 2005) of the political priorities for household recycling through "accountingisation" (Power and Laughlin 1992), "the audit society" (Power 1997, 1999) and "target world" (Hood 2006) practices for budget and performance management arrangements meant Local Authorities responded by considering increasing capital investment and revenue expenditure on this area.

Incremental initiatives (Davila 2005; Wildavsky 1964, 1975) for recycling such as bottle banks, household recycling bins for residents to separate waste streams and basic educational policies to change end user behaviour were used to reduce waste but were not enough to enable landfill to be curtailed to financially affordable and acceptable environmental levels. This required investment in new technologies (Davila 2005) such as a Materials Recycling Facility that would enable significant transformation of recycling. In the Local Authority studied, as part of the historical analysis, it was found that previously operational management had proposed investment in new technologies for waste management, but it was turned down under the political priority of financial performance management due to the focus being primarily fixated with short term surplus (profit) (Walsh and Davis 1993). It was also turned down under the operational performance management political priority which was focussed on what got measured got done (Hood 2006; Boyne et al 2006). Short term targets were more measurable and visible for Best Value ratings than the potential benefits of long term investments. Comprehensive Performance

Assessment ratings did incorporate longer term investments into a general direction of travel judgment by the Audit Commission, but this was still not as measurable or visible as short term targets. The emphasis of decision making had been on current performance improvement in terms of costs that underpinned measurable targets, rather than long term financial implications, sustainability and change for future generations (Giddens 2009; Hopwood 2008; Hood 2010).

Nevertheless sustainable performance management (Giddens 2009; Hopwood 2008) was beginning to enter the cognitive frame of Local Authorities (Gilbert 2001) in terms of an emerging archaeology, genealogy (Hopwood 1987) and political priority (Giddens 2009). The cognitive frame for action was changing (Gilbert 2001). In the Local Authority studied as part of the historical analysis this was explicit when in co-operation with other Local Authorities in the area (Hood 1991, 1995, 2010; Giddens 2009; Pollitt 2010) they signed up to higher waste management service targets in the Local Area Agreement (LAA) than were legally necessary (Henri 2006). This was documented with the Government Office for that area. Nationally, the visibility of elements of sustainable performance management through budget practices, performance management arrangements and for co-operation between Local Authorities was beginning to drive action, with implications for resource allocation processes (Hopwood 1983, 1984, 1987; Roberts 1990).

The use of budget practices and their interactions with systems of accountability had set in motion accounting to function as sense making for the situated accomplishment (Ahrens and Chapman 2002, 2007) of an emerging archaeology for political priorities based on sustainable performance management (Giddens 2009;

Hopwood 2008). The budget practices communicated and legitimated that landfill taxes could not be accommodated in medium term financial plans and that the Local Authority would not be able to set an affordable, balanced and sustainable budget due to the prohibitively expensive and increasing landfill cost. This gave a financial imperative to change (Bower 1970; Sull 2009). Furthermore consultation through the participatory budget process showed citizens wanted more environmental sustainability for their areas (Boyne 1999, 2000; Boyne and Enticott 2004), not just for themselves (current generation) but also for their children (future generations) (Hood 2010; Giddens 2009; Hopwood 2008). This meant enabling control took on more ensuring forms (Schuppert 2004, 2006; Giddens 2009) by considering long term implications and co-operation with other Local Authorities that extended into pan public sector collaboration. This communication process provided further legitimation (Simons 1995; Wouters and Roijmans 2010) for sustainable performance management.

Localism decisions to increase Local Area Agreement targets for waste management and Central Government moves for carbon accounting were changes in system design (Adler and Borys 1996; Adler et al 2005). They had an associated funding requirement (Bower 1970; Sull 2009) to be managed through the budget process (Wildavsky 1964, 1975). This provided impetus for action (Bower and Gilbert 2005). Together the budget processes enabled Local Authorities to control the situation (Hopwood 1983, 1984; Wildavsky 1964, 1975; Bower 1970; Hood 2010; Jorgenssen 1982, 1985, 1987). This was because they made visible (Hopwood 1983, 1987) the need for an integrated portfolio of projects to be selected (Haspeslagh 1982; Sull 2009) to achieve the Local Area Agreement targets (Hood 2006) and the

waste management related strategic theme of the political priorities (Kaplan and Norton 2008). Effectively the actions drove a form of strategic theme based budgeting to align operations and realised strategy for control purposes.

The archaeology and genealogy study, combined with the insights from the analysis of the Local Authority, illustrates how accounting systems are changed to take account of new accountabilities (Hopwood 1983, 1987; Simons 1995, 2005; Ahrens and Chapman 2002), but also how organisations use everyday budget practices to anticipate and develop changing accountabilities around emerging political priorities in a pattern of action (Hopwood 1983, 1987; Simons 1995, 2005; Bower 1970; Noda and Bower 1996; Ahrens and Chapman 2004). However, it goes further by showing how enabling control could be used in much broader and politically encompassing ways that are ensuring (Schuppert 2004, 2006; Giddens 2009). It also highlights that this is normally in reality a messy interaction, involving interlinking across time (Hopwood 1987; Bower 1970; Simons 1995) and space (Hood 1991, 1995, 2010; Pollitt 2010). For example, as highlighted earlier, Compulsory Competitive Tendering brought in new accounting practices that changed the Local Authority's political priorities, culture and accountability (Boyne 1998; Wilson 1999; Walsh and Davis 1993). However, in terms of sustainable performance management (Giddens 2009; Hopwood 2008) Local Authorities took account of the changing political priorities and associated accountabilities through their budget processes before a formal external policy change (Giddens 2009; Hopwood 1983, 1984, 1987, 2008; Bower 1970). For example, this can be seen for the Local Authority in the historical study which entered proactive discourses for a relatively large scale capital investment in a Material Recycling Facility to help meet Local Area Agreement

targets for waste management (Hood 2006) and to be more conscious in terms of sustainable performance management (Giddens 2009).

In April 2009 a new Comprehensive Area Assessment regime replaced the target-driven (Hood 2006) and heavily audited (Power 1997, 1999) Comprehensive Performance Assessment (Boyne et al 2006; Broadbent 2003). The approach to Comprehensive Area Assessment took Local Area Agreements and Sustainable Community Strategies as the starting point for their strategic context (Davila 2005). Under the new approach, assessments aimed to establish how far each area is meeting its own locally set political priorities. An organisational assessment focuses on Local Authorities and public bodies, while an area assessment examines outcomes (Hood 1991, 1995, 2010). Good and bad performance was signalled by a diagnostic control system of green and red flags (Simons 1995; Kaplan and Norton 2008). The audit regime that had become all pervasive (Power 1997, 1999) was now beginning to take on a relatively less detailed approach as part of the Audit Commission's strategic regulation drive to save costs. The changes to political priorities that further embrace sustainable communities and procedures, whilst relatively significant, were already being taken account of in the cognitive frame of Local Authorities (Gilbert 2001) and everyday budget processes (Bower 1970; Hopwood 1987, 1989; Ahrens and Chapman 2007; Wildavsky 1964). This further serves to illustrate how everyday budgeting practices are interlinked with organisational, institutional and societal developments in a form of accounting in action (Hopwood 1983).

Prior to Comprehensive Area Agreements, Local Authority waste management services had already signed up to Local Area Agreement targets (Henri 2006) as an expression of their desire to help their geographical area meet its environmental outcomes (Giddens 2009). In the case of the Local Authority in this historical study the Local Area Agreement targets were at a level higher than the Local Authority's own internal targets (Hood 2006). Internally within the Local Authority, the visibility given to Local Area Agreement targets through budget processes (Hopwood 1983, 1984, 1987; Bower 1970) thereby helped to highlight a political priority of sustainable performance management (Giddens 2009; Hopwood 2008) in terms of internal transparency and global transparency (Adler and Borys 1996; Ahrens and Chapman 2004; Wouters and Wilderom 2008). This changed the basis for resource allocation and associated funding of the Materials Recycling Facility. Visibility (Hopwood 1984) and accountability (Roberts 1991) were therefore fundamental parts of the public sector budgeting process.

Budgeting is again reflecting the emergence of new political priorities and dealing with the decaying structures of the past orders (Hopwood 1983, 1984, 1987; Miller and O'Leary1987; Hoskin and Macve 1986; Miller and Kurunmaki 2006). It is shown that enabling control (Adler and Borys 1996) can be used in ensuring ways (Giddens 2009) by functioning through accounting (Hopwood 1987) for situated accomplishment of political priorities (Bower 1970; Hopwood 1987, 1989; Ahrens and Chapman 2007). For example, the structural context (Bower 1970; Davila 2005; Bower and Gilbert 2005) had to change to deliver a political priority of sustainable performance management (Giddens 2009; Hopwood 2008), with the Local Area Agreement needing partners to work together more effectively (Hood 1991, 1995,

2010) if area outcomes were to be realised (Hood 2010; Boyne et al 2006) and the Comprehensive Area Agreement was to be positive. In November 2009, partly although not exclusively in recognition of this, the Comprehensive Area Agreement was provided with a reporting website by the Audit Commission known as 'One Place'. At the Local Authority level discourses were also taking place about forms of pooled budgets that may be necessary with Local Authority partners and associated governance arrangements (Miller and Kurunmaki 2006), extending into considerations of pan public sector collaborations. This further highlighted that Local Authorities are now part of a larger landscape. The traditional institutional structure of public sector budgeting (Wildavsky 1964, 1975; Jonsson 1982, 1984) therefore adapted to recognise potential co-operation with Local Authority partners and collaboration with the private sector.

The strategic context (Davila 2005; Burgelman 1983) of the budget process and performance management arrangements also had to recognise the idea of sustainability of communities and the emerging political priority of sustainable performance management (Giddens 2009; Hopwood 2008), which puts further pressure upon traditional public sector budgeting. Strategic contexts have been recognised in broader resource allocation processes involving capital expenditure outlay (Burgelman 1983) and in management control systems for strategic change and innovation (Davila 2005), but not in the everyday strategising for public sector budgeting. This is important as public sector accounting and budgeting processes have to recognise social and environmental considerations, as well as financial concerns (Boyce 2000). In addition, budget practices have to take account of broader multiple overlapping and intersecting socio-spatial networks of power that includes

public sector and private sector partners (Hood 1991, 1995, 2010; Giddens 2009; Pollitt 2010), supply chains (Seal 2003), Central Government (Boyne et al 2006; Hood 2006, 2010) and customers (Christensen 1997; Hood 2010; Pollitt 2010). Nevertheless, in Local Authorities funding processes remained incremental and iterative (Wildavsky 1964, 1975, 1978; Bower 1970; Noda and Bower 1996) and supported the status quo operations. It was the cognitive frame change in the context of the organisation that helped focus attention for action onto an allocation in resources for waste management and drive towards strategic change and transformation (Davila 2005).

Hence the budgeting process in the public sector with its division of labour between advocates and guardians and rules of thumb (Wildavsky 1964, 1975; Jonsson 1982, 1984) had to take account of other contextual factors (Hopwood 1983; Tuomela 2005). This is in terms of the structural context (Davila 2005; Bower 1970), strategic context (Davila 2005; Burgelman 1983), service market for customers (Christensen 1997) and broader funding context (Sull 1999). It also had to take account of how organisation changes from coercive control to enabling control operated (Adler and Borys 1996), and the extension into more ensuring forms (Giddens 2009), through due process and governance arrangements. This was because such changes in archaeology fundamentally expressed a difference in the form of governing (Wildavsky 1964, 1975; Wildavsky et al 2006; Hopwood 1984, 1987), where it was necessary to recognise the strategic context (Davila 2005) of sustainable communities and emerging political priority of sustainable performance management (Giddens 2009; Hopwood 2008).

Despite Local Authority budget changes to govern for a political priority of more sustainable performance management (Giddens 2009; Hopwood 2008), an invisible and larger waste stream exists (Hopwood 1983, 1984, 1987). To date Local Authorities have mainly concentrated their effort on recycling domestic waste in accordance with the existing structural context (Davila 2005; Bower 1970) embodied in the targets regime (Hood 2006) and legal remits of responsibility that make it visible (Hopwood 1984). This is although industrial and commercial waste, which has comparably remained more invisible, could ruin the drive to significantly cut landfill (Lords Science Sub-Committee Report 2008). Nevertheless Local Authorities, despite popular belief, are not directly responsible for this business waste. Budgets are not therefore a perfect representation of situations and perceived accountabilities (Roberts 1991).

Commercial and industrial waste is significantly higher than rubbish produced by residents, with over 90% of Britain's waste produced by shops, factories and offices rather than households. During an interview with a waste manger, from the Local Authority that forms part of the archaeology study, it was commented that, 'The focus of Central Government is on the wrong target. We (the Local Authority) are mainly responsible for household waste (recycling). Much more landfill (of waste) is from business. The targets system and funding for Local Authorities has to change so the role of business becomes more visible and accountable (within the strategic context of sustainable communities). However with internal financial pressures the (Local Authority) will focus on households, which it is directly responsible for. The broader (invisible) accountability towards business waste inevitability suffers as it is not properly funded through Local Authorities and is not a direct responsibility'.

The Local Authority is focussed on household waste (Giddens 2009). This is legitimated and communicated by the use of targets (Hood 2006; Henri 2006). Funding of capital investment was therefore more likely to occur on the basis of whether or not it could improve the means for household waste recycling for legitimate customers (Dent 1991; Conrad 2005; Christensen 1997; Hood 2006). For the political priority of sustainable performance management (Giddens 2009; Hopwood 2008) the accountability regime was visible and appeared successful at a localised household level, but on its own actually made invisible (Roberts 1991; Hopwood 1984, 1987) a problem that significantly constrained the ability to cut landfill and improve the political priority of sustainable performance management nationally.

The process of budgeting through targets as an issue highlights a misunderstanding or lack of appreciation of the Local Authority role in waste management. The Local Authority identification of the issue and willingness to want to do something about industrial and commercial waste was constrained by the targets in the world they found themselves a part of (Hood 2006), which defined their responsibility and the availability of funding for strategic investment in broader accountability projects for national sustainable performance management (Giddens 2009). The budget and performance management practices had narrowed focus and the Central Government were being challenged by Local Authorities to consider changing their political priorities to encompass industrial and commercial waste in the same way as household waste. The waste manager from the Local Authority that forms part of the archaeology study makes reference to this in an interview, 'With a broader remit (to

include business waste) and the necessary investment, we (the Local Authority) and partners (in the Local Area Agreement) could champion (the political priority of) sustainability better for the area'. As a result, in the course of Central Government developing policy preferences meant to focus Local Authorities on their waste management for sustainable performance management, they have led them to question Central Government policy because they notice that the key to sustainable performance management really lies outside their own area of responsibility. The emerging political priority of sustainable performance management (Giddens 2009; Hopwood 2008) and reality of the interaction with everyday budget processes on the ground in their situated functionality (Bower 1970; Hopwood 1987, 1989; Ahrens and Chapman 2007) has led to the unintended, but positive, consequence of making a much bigger problem of commercial and industrial waste more visible for action (Hopwood 1983, 1984, 1987; Giddens 2009).

In early June 2010 Central Government abandoned the Comprehensive Area Agreement, Local Area Agreement and One Place reporting website. The idea of Total Place for managing area funding was expected to continue, but through a reformed process. The abandonment was deemed part of national deficit reduction measures for saving money to balance the United Kingdom's finances, and effectively scaled back the audit society of regulation and performance management (Power 1997, 1999). In a move to save costs, the emphasis of reporting and assessment shifted to the statement of accounts. This concentrated on the stewardship of financial performance, with narrative reporting dealing with other areas such as value for money (Hopwood 1984) and through a potential form of value added (Burchell et al 1985). Hence operational performance management as

the political priority and the targets regime that were so dominant from 1997 to 2010 began to be dismantled.

Nevertheless, by the end of 2010 reforms included work on place based budgeting and productivity programmes to replace Total Place. In addition, to replace the top down targets with bottom up targets development of unit costing by Local Authorities as part of a localism agenda were underway. This was to be supplemented by a greatly reduced number of centrally imposed targets by Central Government.

Cost cutting, and not just paper based efficiency savings that can be reinvested, is becoming an important discourse (Hood 2010; Hood et al 2009; Pollitt 2010; Hopwood 1984). Initially the cost cutting has been part of a phoney war as Central Government rhetoric requests different scenarios around funding cuts to be considered by Local Authorities, and clienteles attempt to get their priorities recognised above others (Hood 2010; Pollitt 2010; Wildavsky 1964, 1975; Jonsson 1982, 1984; Hopwood 1984). Following the Spending Review in the latter part of 2010 Local Authorities now know where funding will be cut and savings have to be made. Implementation of cost cutting then began through the budget process, signalling changing priorities and governing (Jorgenssen 1982, 1985, 1987; Wildavsky 1964, 1975). Expectations management is therefore evident before, during and after the implementation of cuts (Hood 2010; Hopwood 1984), as budgeting for sustainable performance management (Giddens 2009; Hopwood 2008) but within deficit reduction becomes an emerging political priority and accounting archaeology in itself. Hence, enabling control (Adler and Borys 1996) is being used

through expectations management in ensuring ways (Schuppert 2004, 2006; Giddens 2009).

In deficit reduction financial concerns have now become a more visible priority (Hood 2010; Hood et al 2009; Pollitt 2010) ahead of environmental and social considerations in the budgeting process for achieving sustainable performance management. This does not necessarily mean control will be more coercive, or enabling control will become less ensuring. On the contrary partnerships between Local Authorities and in the form of outsourcing arrangements (Hood 2010; Pollitt 2010) that can provide a sustainable performance management (Giddens 2009) but reduce costs in line with deficit reduction are becoming more visible in discourse (Hopwood 1983, 1984, 1987). This is to the extent that some Local Authorities have called for consideration of such arrangements to be made mandatory. Local Authorities will not be able to negate responsibility for outputs and outcomes to the contractor in the same way as under Compulsory Competitive Tendering, although this was still seen as a potential governance risk by citizens. The enablement (Adler and Borys 1996) will have to be in much more ensuring ways (Schuppert 2004, 2006; Giddens 2009). As a result, accounting (Hopwood 1987) for sustainable performance management (Giddens 2009; Hopwood 2008) will embrace contract and performance management arrangements in ways that express longer term outcomes, rather than just short term inputs and outputs (Hood 2010; Giddens 2009; Hopwood 2008). In addition, such arrangements will be for areas rather than individual Local Authorities. They are also likely to involve co-operation between Local Authorities and pan public sector collaboration. This will be a challenge for accounting and control (Hopwood 1987) within the public sector (Hopwood 1984).

During this period the archaeology study has shown that enabling control continued to be embedded in practice (Adler and Borys 1996). The system design included non-financial as well as financial information and was to support functional area managers as much if not more than financial managers (Hood 1991, 1995). The features of the system had increased the operational use of repair and flexibility (Jorgenssen and Messner 2009), with internal transparency being extended in terms of understanding more implications of actions (Ahrens and Chapman 2004; Wouters and Wilderom 2008). Global transparency was visible in discourse, but not widely understood outside of senior management levels in terms of linkages of accounting and strategy (Ahrens and Chapman 2004). The implementation context had increased paperwork. This coercion was initially enabling (Adler et al 2005), but through time and after a point of perceived further increases in paperwork it became constraining rather than empowering (Marginson 2002). The Audit Commission then found itself under Local Authority pressure for there to be less sustained management investment in terms of time and resources (Adler et al 2005).

Enabling control (Adler and Borys 1996) can also be seen to change focus towards ensuring forms (Schuppert 2004, 2006; Giddens 2009) through Comprehensive Area Agreements, alongside concepts of total place and one place. This was because Comprehensive Area Agreements expected Local Authorities to not only enable better services for their citizens through its own resources but to work with partners to ensure a better deal for the broader area and to put in place arrangements so political priorities could be achieved (Hood 1991, 1995, 2010; Giddens 2009; Pollitt 2010). Whilst enabling control remained dominant (Adler and Borys 1996), the

archaeology showed a schism of an emerging order (Hopwood 1987) as it became more ensuring (Giddens 2009). In addition, political priorities emerged towards sustainable performance management (Giddens 2009; Hopwood 2008) further bolstering the movement for enabling control to take on more ensuring notions. This shift to sustainable performance management had been underway for some time. In fact the well being powers of the mid 1990's referred to social, economic and environmental sustainability, but it now much more significantly and formally moved from the background to the fore of political priorities and organisational agendas. Although the concept is so much broader and politically encompassing in its reach, environmental issues provide a good example of this shift whereby enabling control took on more ensuring forms. This is because climate change had important implications for policy preferences to be practiced (Hopwood 2008). An ensuring state bureaucracy was now more necessary, as Local Authorities had to balance local waste management requirements with global policies on climate change (Giddens 2009). Nevertheless, with deficit reduction financial concerns are coming to the fore of sustainable performance management, but environmental and social issues are still visibly in the mix. The accounting process is therefore looking to manage this change so political priorities can be achieved and expectations managed.

4.6   Discussion

The historical study found that over three decades accounting to accomplish political priorities went through four main archaeological phases. These were cost management, financial performance management, operational performance management and an emerging sustainable performance management. Previous studies have recognised parts of these phases, but not how the organisation genealogies changed between them in terms of control. It was found that discrete accounting practices underpinned the phases and how the organisation changes occur from coercive control to enabling control, although these were overlapping and not neatly delineated or mutually exclusive.

Private sector research has compared and contrasted coercive control and enabling control in an organisational context. From this it has been documented that coercive procedures can be enabling through system use (Ahrens and Chapman 2004; Free 2007; Jorgensen and Messner 2009; Chapman and Kihn) and processes (Wouters and Wilderom 2008; Wouters and Roijmans 2010).

The findings from this historical study of over 30 years have shown coercive procedures can be enabling in the public sector, and can be renewed over significant periods of time. For example, accountingisation (Power and Laughlin 1992) was enabled to be embedded in everyday Local Government routine calculative practices. This enabling was through coercive financial performance management procedures for surplus and return on capital employed in a trading account under Compulsory Competitive Tendering regulations. In a similar way, a target world (Hood 2006)

was enabled to be embedded. This enabling was through top down inspection regimes such as the Audit Commission that covered targets and non-financial performance indicators, alongside financial indicators, to function more comprehensively as part of Best Value and Comprehensive Performance Assessment regulation.

The coercive regulations for Compulsory Competitive Tendering, Best Value and Comprehensive Performance Assessment were enabling, but after a point the coercive procedures were perceived to become constraining rather than empowering, and in some cases led to dysfunctional behaviour.

Wouters and Wilderom (2008) have highlighted that a systems transparency was key to its functioning, but this study also found the opposite to be the case. This is because the constraints and dysfunctional behaviour in turn led to a lack of trust in the system, and thereby the transparency of its functioning was no longer perceived to be what it was meant to be.

Sustained management investment in time and resources, impetus, buy in and participation in the regulations is necessary for coercive procedures to be enabling (Adler et al 2005), but this study showed that the lack of trust in the regulations compromised this situation and led to conflict between Local Government and Central Government regulators in the form of the Audit Commission and the myriad of other inspection regimes.

Under the political priority of financial performance management there was enabling and some initial efficiency from the coercive Compulsory Competitive Tendering regulations. When the efficiency subsided some Local Authorities began to manipulate their calculative practices and resulting accounting figures. This was especially for central administration recharges to smooth out surplus positions in the trading account and to build up reserves through cross subsidisation from other services. Accounting standards were brought in to minimise this risk, but subsequent gaming resulted.

The position was amplified for the demise of Comprehensive Performance Assessment. The lack of trust in the system led to the replacement of the accounting tools and regulation in the same way as Compulsory Competitive Tendering, but also contributed to the undermining of the Audit Commission in its role as regulator for the political priority of operational performance management. This was because the performance programmes were seen as a political motivation that used calculative practices of accounting to drive Central Government changes, with the Audit Commission being an active player. As a result, the Audit Commission was seen as too implicated with New Labour Government policies by the Coalition Government. The Coalition Government found it opportune to push for more localism and less centralisation. This is because then expenditure cuts would have to be decided upon and implemented at the Local Authority level of governance, which would lead to dispersed practices and different activities being cut across the country and so reduces the abilities to raise national based resistance against the overall cuts. As a result, the place of the Audit Commission as a top down regime for assessment of operational performance management rather than just financial performance

management became less necessary and tenable. The lack of trust that eventually enveloped the performance ratings in the Comprehensive Performance Assessment therefore undoubtedly led not just to the accounting tools being changed, but also to the demise of the Audit Commission as a regulator of operational performance management.

It has been shown that accounting can become constraining and dysfunctional, but nevertheless it is suggested that accounting can provide stability during significant change. This is because the calculative practices can function with renewal capabilities. Strategic policy renewal can therefore be combined with shifting accounting tools between coercive and enabling practices to balance tensions in accomplishing political priorities. This will help to make sure that the enabling tendencies of control are and remain empowering during changing contexts. Governance can then deal with the decaying structures when the benefits of productivity and innovation from a phase dissipate, and the structures that will replace it begin to emerge.

Chapter 5   Enabling Control in Sites of Management Accounting as Practice

for Town Hall Implementation of Whitehall Strategies

5.1   Introduction

Under New Public Management the state shifted from being a provider to an enabler of services (Hood 1991, 1995). The private sector could therefore also become the responsible body for public sector service delivery with corporate governance determined by markets, hierarchies and accounting arrangements (Ezzamel and Willmott 1993).

Recently the ensuring state has emerged as a stronger notion both in theory (Schuppert 2004, 2006) and practice (Giddens 2009) to capture the state's role. In corporate governance terms of regulating, managing and controlling it means the state is responsible for monitoring public goals but also for trying to make sure delivery of outcomes are realised in a visible and acceptable way. This recognises changes in statehood actually imply changes in the modes, style and instruments of governance, rather than an abdication of responsibility.

Under an ensuring state the achievement of guarantees within appropriate boundary rules and risks should not be regarded as just the prerogative of the state (Schuppert 2004, 2006). Governments should encourage a shift towards long term and intergenerational thinking (Hood 2010; Hopwood 2008) and ensuring public goods are achieved among public sector organisations, private sector companies, third

sector groups and individual citizens (Giddens 2009). The concept of an ensuring state can therefore become an ensuring bureaucracy which is all embracing across organisational forms.

Changes in statehood have impacts and implications for management accounting practices within sites (Schatzki 2000b: 22). This brings up issues of how to configure larger confederations of practices over time for state and non-state actors such as through competition, co-operation with local authority partners, collaboration with the private sector and co-production with citizens, whilst recognising the situatedness of practices at the waste management service of the Local Authority (Schatzki 2000c: 195). Within the sites, practices constitute a set of linked teleoaffective structures, rules and understandings (Schatzki 2002, 2005). Rules and teleoaffective structures determine practical intelligibility of what makes sense to do. Understanding, through practical knowledge, is then used to consider the know how to do it. Such practices can be supported by the situated functionality of ways accounting is used as a management tool to achieve political priorities (Ahrens and Chapman 2007).

Central Government strategic and programmatic ambitions of policies are represented in the calculative practices of Town Halls (Miller and Kurunmaki 2006) in the form of budgets and performance management arrangements (Hopwood 1984; Wildavsky 1964, 1975). In public sector research accounting has been regarded as colonising of the lifeworld through coercive institutional processes (Laughlin and Broadbent 1997) that has been extended to instrumental and discursive forms (Berry and Oakes 2009), but it has not considered enabling control.

The private sector accounting literature on enabling control can provide insights for public sector accounting research. Organisations have to balance efficiency and flexibility for better performance (Brown and Eisenhardt 1997). This can be achieved through coercive and enabling bureaucracies (Adler and Borys 1996) formalised as management control systems (Ahrens and Chapman 2004). It has been found that coercive control can be used in enabling ways through uses of system feature characteristics (Ahrens and Chapman 2004; Jorgenssen and Messner 2009; Free 2007; Chapman and Kihn 2009) and processes (Wouters and Wilderom 2008; Wouters and Roijmans 2010).

From a five year case study between 2005 and 2010 of a Local Authority waste management service the research question in this chapter is interested in how Whitehall strategies for waste management are implemented at Town Hall level through larger 'confederations' (Schatzki 2000c: 195) of practices in terms of competition, co-operation, collaboration and co-production, whilst recognising the situatedness of management accounting practices at the Local Authority. In particular it considers how coercive and enabling control work within the public sector context.

It was found that Central Government strategic ambitions are manifested in the Town Hall notion of practices. As in the private sector literature the accounting includes the use of coercive control and enabling control through system design, system features and implementation context. However, it could also take on more ensuring notions that meshed broader ideas of the long term and intergenerational

thinking on an inter-organisational basis between the Local Authority and state and non-state actors for delivery of outcomes. This involved configuring larger 'confederations' (Schatzki 2000c: 195) of practices, whilst recognising the situatedness of practices in the Local Authority waste management service. For example three phases of management accounting as practice for competition, co-operation and collaboration are visible for achieving strategic ambition through discrete accounting and performance management arrangements, but are overlapping and not neatly delineated. In addition, co-production was also explicit within these phases. Changes to the strategic context were therefore required through practices involving rules and teleoaffective structures for what made sense to do. It was then understood for practical intelligibility that changes in statehood could be met with new styles of governance that don't reject responsibility, and so the situated functionality of accounting could be used as a management tool in ways to accomplish political priorities.

5.2   Site, Practice and Situated Functionality

Hopwood (1983) called for studies of accounting in the context it operates, and determined a concept of accounting in perpetual motion. Schatzki (2000a) from a practice theory perspective argues 'perpetually metamorphosing' practices found in social life, such as the doing of management accounting in different organisations, are highly 'contingent' on their situation (p. 103). Schatzki's (2002, 2005) notion of 'site ontology' suggests the site of the social is a complex mesh of practices and material arrangements. For Schatzki (2000b: 22) 'site' (2000b: 22) describes a particular context that informs specific practices. He outlines various 'genres' (p. 23)

of site, arguing for the need to mobilise multiple senses of site, and suggesting researchers attend to where practices take place in terms of location in space, time, teleology, or layout of their local performance. He also suggests researchers recognise more general sites where practices are embedded, such as fields of activities (particular industry or profession). A research challenge therefore involves mapping various constitutions of site integrally connected to accomplishment of specific management accounting practices, which highlights issues of how to configure larger 'confederations' (Schatzki 2000c: 195) of practices, whilst recognising the situatedness of practices.

In this study the confederation constituted the waste management service itself and the Local Authority that the waste management service was situated within. In addition, more general sites for fields of activity being embedded included competition and co-operation with other local authorities, collaboration with the private sector and co-production with citizens. In other words, the confederation of practices could include all of these state and non-state actors.

From a Schatzki (2002) practice perspective and within a site context accounting is an array of activities with every practice constituted and ordered by a set of (possible) acts linked together by understandings, rules and teleoaffective structures. These form a nexus of practices together with management and control, commercial, reporting, and bookkeeping practices.

The practice features of explicit rules (being legal rules and rules of thumb etc) and teleoaffective structures (being teleology in terms of end objectives and affectivity in

terms of does it matter to the person that has to do the activity and their emotions) determine the personal feature of practical intelligibility (being whether it makes sense to a person to do something). Understanding (being practical knowledge) does not determine practical intelligibility but helps through know how for determining how to do what made sense to do. They therefore subtend activity.

In this regard the concept of situated functionality considers management intention in the same way as practical intelligibility, but is more as considers the way accounting can be used to achieve strategy or subsets of strategy (Ahrens and Chapman 2007).

In the case of the Local Authority waste management service the teleoaffective structure was to manage waste through reducing, reusing and recycling. It had affectivity as social, environmental and economic well being all infiltrated accounting practice. European Union landfill taxes and penalties had also influenced Central Government rules that were manifested in recycling targets. From the teleoaffective structures and rules, practical intelligibility meant it made sense to attempt and increase recycling. Through understanding, by practical knowledge and abilities, it will be shown that this was approached by management accounting as practice for competition with other local authorities, co-operation with other local authorities, collaboration with the private sector and varying degrees of co-production with citizens.

The everyday accounting used was not mere routine. Repetition and its potential to order activities are acknowledged but practices are broad tangles of sameness and

similarities (Schatzki 2001). A break in a series of repetitions may mean an interrupted or ceased routine, but for a practice such a break may demonstrate the ability of accounting to adapt with the times and remain relevant to the situatedness of practices at the waste management service of the Local Authority meshed with confederations of practices over time relating to competition, co-operation, collaboration and co-production. Management accounting as practice is therefore an ongoing achievement and the result of skilful accomplishment.

From the study it will be shown that in response to Central Government strategic ambitions the Local Authority wanted to both process the recycling material and improve its recycling rates. Phases of competition, co-operation and collaboration became visible. Each phase had its own practices (teleoaffective structures, rules and understandings) but there were similarities and sameness. Discrete accounting underpinned each phase. However, the phases were not neatly delineated and overlapped one another. Corporate governance was therefore different for each phase, but had sameness and similarities in terms of regulating, managing and controlling.

5.3   The Situated Functionality of Coercive Control and Enabling Control

The situated functionality of the ways accounting is used as a management tool to achieve priorities can be considered in terms of coercive control and enabling control. Private sector accounting literature can provide insights for public sector research.

5.3.1   Enabling Control in Private Sector Accounting Research

Coercive and enabling bureaucracies have been differentiated through system features (repair, flexibility, internal transparency and global transparency), the design process of the system, and the uses of the system (Adler and Borys 1996). Consideration of features and uses can therefore define a system as either coercive or enabling. Features are influenced by the design process and objectives governing it. In addition, there were four integrated design principles of the enabling formalisation. Repair acknowledges workers' capabilities to respond to surprises and contingencies and so demands creativity. Flexibility recognises employee discretion over control system use. Local transparency is interested in availability of manual processes to understand the local context. Global transparency refers to worker's understanding of particular operational tasks relative to the overall system for increasing participation levels.

Ahrens and Chapman (2004) formalised coercive and enabling bureaucracies as management control systems. It has been found that coercive procedures can be enabling through uses of system feature characteristics (Ahrens and Chapman 2004; Adler et al 2005; Free 2007; Chapman and Kihn 2009; Jorgenssen and Messner 2009) and processes (Wouters and Wilderom 2008; Wouters and Roijmans 2010).

For example, Chapman and Kihn (2009) detailed it was not just the technical systems but the way they were used in practice that affects enabling control levels. Information system integration levels can therefore foster system features of an enabling approach to management control, with each being related to perceived

system success and business unit performance. Jorgenssen and Messner (2009) illustrate different controls can be combined and used to balance efficiency and flexibility. Adler et al (2005) show combinations can be enhanced through strategic impetus, buy in, participation and sustained management investment in time and resources.

On the other hand, Wouters and Wilderom (2008) point out that enabling can also be enhanced through development and implementation processes being experience based, employing experimentation and grounded in professionalism. System transparency is central to enabling its functioning. In addition, Wouters and Roijmans (2010) highlight that interdisciplinary cooperation is necessary as no single employee has enough knowledge about operations, accounting and information systems. Processes consist of several experimentation cycles. Prototypes of new accounting systems are used as integrating devices, and are based on traditional accounting tools and information from discussions.

Private sector accounting research has therefore provided initial insights but this is an emerging research agenda, and public sector accounting research has no studies of enabling control that employ the Adler and Borys (1996) framework.

5.3.2 Enabling Control Extending into More Ensuring Notions

In the public sector the state was traditionally seen as a service provider, but was meshed with the enabling state that encouraged markets, hierarchies and accounting

arrangements to achieve value for money (Hood 1991, 1995; Ezzamel and Willmott 1993).

Building on foundations of the enabling state the concept of an ensuring state has been advocated for governance (Schuppert 2004, 2006; Giddens 2009), and so the concept of enabling control has to be considered within this context.

The ensuring state is inherently distinct as it accentuates state responsibility in activities where non-state actors play a principal part in public service delivery (Giddens 2009). The ensuring state concept contends public responsibility exists after enabling, and the state has a fundamental moral and political responsibility to make available guarantees (Schuppert 2004, 2006), within transparent boundary rules and levels of risk in terms of affectivity to achieve objectives.

In this context, regardless if public services are delivered by the public sector, private sector, third sector organisations or even citizens, the rules and teleoaffective structures suggest it makes sense for the state to retain an intrinsically central role in ensuring these public services. This may be by partnership engagements and contractual commitments; through audit, regulation and funding arrangements; persuasion, support and expectations management; and ultimately step in rights (For example this has already happened to ensure certain banks continued as going concerns after the financial crisis, and public private partnerships did not collapse). Under such a context it is proposed that the budget processes and use of accounting maybe in enabling ways but also with more ensuring notions to embrace these broader relationships in the public interest.

More specifically for the waste management industry, Giddens (2009) from his work on the politics of climate change questions what the role of the state as ensuring bureaucracy should be. He states that its main function must be to act as a catalyst, as an enabler, but certainly as far as climate change is concerned it has to also strive for guarantees within transparent boundary rules and risks. In effect, it is suggested that an ensuring bureaucracy can amongst other things co-ordinate all areas of policy and practice; help all organisational forms and citizens to think ahead; manage climate change in the context of other risks faced by contemporary societies; and integrate local, regional, national and international aspects of climate change policy. However, Giddens (2009) does not go into any detail about how the concepts of practice and control can actually be used to achieve the priorities.

The concept of an ensuring bureaucracy applied at the Local Authority level would mean an ensuring local authority has to be active in making sure the needs of local communities are met within the context of wider regional, national and global issues and take the lead in pulling together organisations for co-operation and collaboration and resources to make that happen. The call for strategic approaches has become more urgent and visible due to pressing global challenges around environmental sustainability (Giddens 2009; Hopwood 2008), and more lately financial sustainability due to the world recession (Hood et al 2009; Hood 2010; Pollitt 2010; White and Wildavsky 1989; Jorgenssen 1982, 1985, 1987). In this context, communities require a Local Authority that can balance macro imperatives against micro-dynamics in a broader public interest. Under this conceptualisation, local priorities could not go to the wall in the search for solutions to global challenges, nor

should pressing global challenges be sacrificed for the local priorities. The local and the global must be balanced. As resources became tighter, these tensions inevitably escalated.

Enabling control taking on ensuring notions offers an opportunity. This would involve meshing broader ideas of the long term and intergenerational thinking on an inter-organisational basis. In this study it involves mapping various constitutions of site integrally connected to accomplishment of specific management accounting practices. This includes configuring larger 'confederations' (Schatzki 2000c: 195) of practices for strategies of competition, co-operation and collaboration across the public and private sectors, whilst recognising the situatedness of practices in the waste management service of the Local Authority itself.

5.4   Analysis and Findings

The analysis is taken from a five year case study of a waste management service in a Local Authority. The larger 'confederations' (Schatzki 2000c: 195) of practices will be shown to go through phases of competition, co-operation and collaboration with state and non-state actors, whilst recognising the situatedness of practices in the Local Authority waste management service. Each of the phases will be shown to have their own discrete practices (teleoaffective structures, rules and understandings) and situated functionality of accounting, but they were overlapping and not neatly delineated. The processes and use of coercive and enabling control will be illustrated including changes between them through concepts of system features, system design

and implementation context. However, it will also be shown that enabling control can function in more ensuring notions.

5.4.1 'Management Accounting as Practice for Competition'

For the District Council waste management was the most visible service and took up a significant part of the budget allocation. Explicit rules stated waste collection was a statutory duty for residential properties. Recycling comprised of a fortnightly service, but could only accommodate 36,000 of the existing 40,000 residential households. It also relied on householder participation to separate waste streams of paper, cans and glass, which was a form of citizen co-production. In addition, no commercial recycling service existed as the Local Authority had no statutory duty set out in explicit rules to do so and no funding was set aside. The explicit rules meant it only made sense to recycle for residential properties as scope of the Local Authority activities and funding was constrained to this area.

Committee reports, leading up to Financial Year 2005/06, highlighted that other external drivers were also becoming more visible for change in waste management. These increased affectivity to the waste management activity and the importance of an objective of residential waste recycling as a political priority for the Local Authority (Hopwood 1984, 1987). For example, the European Union had instigated higher landfill taxes and penalties that although initially fell on the County Council ultimately had implications for District Council Tax Payers and so created a localised financial pressure. In addition, pressure was intensified through increased media attention and public concern over the environment and climate change

(Giddens 2009; Hopwood 2008). Partially in response, Central Government had published a Waste Recycling Bill and put in place published league tables for local authorities on recycling performance. The phase leading up to and including financial year 2005/06 was therefore characterised by a teleoaffective structure for the Local Authority that was based on competition with other local authorities through accounting practice manifested in published league tables of recycling targets that were benchmarked.

Committee reports illustrate from the rules and teleoaffective structures it was determined by Local Authority officers and councillors that it made sense for the visible challenges to be addressed and options for change considered. To divert maximum recyclables from the waste stream alternative methods of collection, storage and disposal were considered that involved shifting power structures and varying workloads. To understand how this could be done and improve practical knowledge and abilities officers investigated what other top performing Local Authorities did, how they did it and the potential financial implications from documentation, official statistics and site visits. Through the use of system feature characteristics of internal transparency and global transparency it became clear that the current method of collection could not cope with the tonnages required to be collected for its own local residents and more globally if the Local Authority was to achieve the progressively stretched strategic and programmatic ambitions on recycling that were now a Local Authority objective. From this the Local Authority made a strategic decision that they did not want to achieve minimum standards for residents but to be above the competition as a top quartile performer in the benchmarked published league tables. Affectivity for the recycling objective was

therefore strong and combined with the explicit rules for residential waste and recycling determined a practical intelligibility where it made sense to undertake a formal options appraisal.

Understandings, through practical knowledge in terms of know how pertaining to both waste management and accounting, was employed to consider how to do what made sense. In the formal options appraisal a 'Do nothing - No changes at all' approach was compared with four options for change. Each option had significant financial implications, but detailed cost estimates were not known. Indicative rules of thumb were used for revenue budget provision and capital implications. The options could not be considered in isolation. This was because the Local Authority would need investment that diverted funds from other political priorities and at the waste management functional area level a fundamental part of two options was the use of a Material Recycling Facility, which could be operated by the Local Authority itself, public sector, private sector or as a partnership.

Under the option appraisal the situated functionality for the way accounting was used to achieve priorities at this time meant there was a bias to financial performance measures, but other measures did receive attention. For example key non-financial factors were considered including sustainability (although it was primarily concerned with environmental issues rather than broader economic and social considerations), technology and public relations. Practical knowledge of both financial and waste management professionals was therefore employed to understand how to do the recycling improvements.

Option (D) 'Weekly Collection – 3 Bin System' was determined to be the most cost effective in its approach to control recycling and work to targets which were higher than Central Government requirements. This would therefore help the Local Authority to not just meet the minimum targets, but to be in competition against its benchmarked local authority peers in published league tables.

In February 2005, prior to the new financial year 2005/06, the Local Authority's politicians in the formal Cabinet meeting decided to introduce Option (D) as a new recycling service. In March 2005, the Full Council of politicians at its budget-setting meeting approved capital funding of £1.210M.

At this point, immediately prior to Financial Year 2005/06, it can be observed that the structural context of the waste management service in terms of physical operational infrastructure to compete with other local authorities in the published performance league tables was being addressed and backed up with earmarked funding. This was although no operational work had physically commenced.

The system design of the option appraisal was mainly coercive in use. For example the option appraisal had strict criteria based primarily on financial numbers for a decision to be made, provided a target recycling level could be achieved. However, the use of system feature characteristics of internal transparency and global transparency enabled the localised operational and budget position to be understood and how the investment fitted into the broader overall Local Authority budget and service planning framework. This signalled objectives that mattered, and as the

waste management option became part of the budget it was subjected to detailed rules of accounting for situated accomplishment.

The corporate governance processes in system design were also initially coercive as the option appraisal process undertaken by executive officers had to be formally agreed by politicians. However, the formal meeting allowed the use of the system feature characteristic of repair to reduce or increase the budget and flexibility to change the service specification in line with political aspirations rather than mainly technical considerations. What made sense to be done was therefore being done through the use of practical knowledge and the situated functionality of accounting.

During financial year 2005/06, the Local Authority came under increased pressure around falling short of meeting its political priorities. This was exacerbated by not spending up to budget the previous financial year although overspend had been predicted. Coercive control had been practiced by centralised finance with budget forecast overspending throughout the financial year, which constrained functional area spending to achieve the political priorities (Wildavsky 1964, 1975; Jonsson 1982, 1984).

The broader budget concerns continued to be exacerbated politically by the lack of high level visible projects on key political priorities actually getting off the ground. Key stakeholders had affectivity for the waste management project to meet objectives on recycling. Here the context rather than acting as a resistance for change provided an impetus to change as part of practice. This was due to new coercive information around the budget issues providing visibility of inactivity around

projects. For example, questions were asked in budget monitoring meetings and committees about how the Local Authority was to compete against other local authorities in published performance league tables on recycling when investment in a Material Recycling Facility had not progressed. This increased visibility to use the system feature characteristics of internal transparency and global transparency to highlight localised budgets had not been utilised and so led to global issues for performance management in external league tables. In addition, the system feature characteristic of repair was now to be used to enable the budget and service planning requirements to be revisited. This enabled a change in the power structures and associated accountabilities between financial and functional area managers as to whose demands were more vocal in discussion and what now made sense to do. Organisation changes therefore occurred with coercive control being used in more enabling ways through practical knowledge and ability of those engaged in the budget process and the situated functionality of the accounting system.

Affectivity was high among politicians and officers for the recycling objective. Whilst funding had been approved for a Material Recycling Facility in March 2005, plans to build the plant were not well formulated. For example no land had been procured, with previous offers rejected. Land prices had been rising and the time taken from identifying the land to getting approval for the Material Recycling Facility and associated budget saw land prices and building costs increase above the original allocation of funds.

Progress on the Material Recycling Facility continued to be an issue for the remainder of the financial year. For example in February 2006 Environment Panel

Minutes illustrated those Councillors on the panel questioned the Local Authority officers about the progress in procuring a suitable Material Recycling Facility. A number of options were discussed. Councillors noted progress in looking for a suitable site to locate the Material Recycling Facility.

The teleoaffective structures and rules meant it still made sense for practical intelligibility purposes to do the capital investment and so the Panel remained confident that the scheme should continue to be pursued despite the slow start and recommended to the Cabinet of Councillors that the capital budget for the new recycling scheme in 2005/06 be rolled forward to 2006/07.

However, practical knowledge meant it was understood that progress was necessary given the importance attached to competition with other local authorities in Central Government published league tables for recycling rates. Councillors therefore asked officers to work up short, medium and long term options as a contingency to manage risk in case the Material Recycling Facility did not materialise (Beck 1992; Power 1997, 2007), which they did through the use of the system feature characteristic of flexibility. This was especially important, the scheme had already been stalled and given its visibility councillors were keen to use the option generation process to both signal their support for the Material Recycling Facility but to also manage expectations by highlighting alternatives that needed to be actively considered. Meetings were opening up organisation discussion and thereby also encouraged the use of the system feature characteristic of repair that allowed challenge and debate of current data, assumptions and action plans to take place. This helped to make sure

emerging developments were taken account of in budgets and objectives could be progressed.

In terms of system design the financial management system was primarily centralised for finance staff and their stewardship responsibilities, rather than functional area managers for performance improvement. Hence for practical knowledge it was more of a senior management control device and did not have broad operational staff participation or buy in outside of that coerced. Performance management and risk management systems were not formalised. However, employees from various functional areas did co-operate formally and informally as no single employee had enough knowledge about operations, accounting, information systems and political priorities. This was therefore a mesh of practices across fields and professions. The implementation context regarded the budget process as essentially governing (Hopwood 1984; Wildavsky 1964, 1975) for the arrays of activities that formed practices.

During this period waste continued to be sent to landfill. Investment in a recycling solution remained an active discussion. The budget process was centralised control of functional areas by headquarters. However the new coercive information on options actually enabled changes in power structures and accountabilities through the use of system feature characteristics of internal transparency and global transparency by highlighting budget issues and lack of progress on projects. Options other than a self build were being requested by councillors and senior management for consideration. Therefore while control of budgets and performance management arrangements were largely coercive, the process for option generation called on use

of the system feature characteristic of flexibility. This allowed the system feature characteristic of repair to be used in challenging existing budget assumptions.

From a practice perspective, in Financial Year 2005/06 management accounting as practice for competition has therefore been illustrated. For example, the legal rules are for collection and recycling by the Local Authority of residential waste and not commercial waste. European Union landfill taxes and penalties have led the central government to put in place published league tables for local authorities on recycling that are benchmarked to assess performance. Teleoaffective structures comprise objectives and affectivity. The objective of the Local Authority is to be a top quartile performer in the league tables, which matters for affectivity due to the implications of the Local Authority's Comprehensive Performance Assessment score. The rules and teleoaffective structures determined practical intelligibility whereby it made sense to focus on residential waste streams and to compete against other local authorities with regards to those waste streams. To do this the Local Authority had understanding through their practical knowledge of waste management and accounting on how to achieve high performance in the waste recycling performance indicator. This required capital investment in a material recycling facility. The Local Authority therefore through situated functionality in their use of accounting to achieve strategy set aside capital investment in the budget.

5.4.2 'Management Accounting as Practice from Competition to Co-operation'

Budget issues again dominated Financial Year 2006/07. Councillors and functional area service managers who advocated more spend during the year were unhappy that political priorities and objectives they had affectivity for again did not receive the funding they thought necessary and wanted organisation changes to budget rules so more power was passed to functional areas for decisions on what made sense to take forward and then for how to do so as they had the functional understanding. In essence they wanted coercive control to be used in more enabling ways.

A new CEO was appointed to begin office at the end of May 2006, following the retirement and departure of the previous CEO. This appointment coincided with a report in late May to the Councillors on the Environment Panel that set out the ongoing Material Recycling Facility options, which was to go to Councillors on Scrutiny Panel in June 2006. Governance practices continued despite personnel changes and the CEO recalls being told by the Head of Waste Management and the Finance Director in their first meeting that the Material Recycling Facility was politically significant for both its budget size and importance in visibly achieving political priorities.

Documentation showed that when Councillors on the Scrutiny Panel met at the end of June 2006, they requested the options for waste management services to be further firmed up in budgets as earlier figures were at best indicative. The use of the system

feature characteristic of repair was used so the situated functionality of accounting could enable objectives to be accomplished.

Overall Local Authority budget concerns around in-year overspend had surfaced and council tax rises to fund a waste management project when the budget position was unclear was a significant concern and a political risk.

A Budget Task and Finish Group were established to report on financial procedures and the budget outlook for this year and the medium term. A detailed options report was formulated for the Environment Panel and passed for consideration by the Cabinet in September 2006. The recommended option was similar to the February 2005 option but capital costs had significantly increased to £2.047M with additional ongoing revenue costs. This meant a potential loss of investment interest through using accumulated capital receipts to fund the additional capital investment requirements and the increased running costs meant there was a potential impact on council tax levels for 2007/08 and beyond.

The Budget Task and Finish Group had to consider two significant objectives. The first objective was could the Local Authority set an affordable, balanced and sustainable budget and the second objective was should it invest in the new recycling and collection service to accomplish its political priorities. They were to formally report to Full Council in October 2006, when a decision on increasing waste management funding was also to be made. The use of the system feature characteristics of internal transparency and global transparency were therefore necessary for considering the localised waste management budget and performance

for local residents, and also the Local Authority overall budget and external performance reporting. Affectivity for waste management recycling was high, but regulations meant under legal rules a balanced budget for the Local Authority had to be given priority.

The Full Council discussed an overview of the draft General Fund Revenue Budget for 2007/08 compared to the 2006/07 original estimate position and the reasons for any changes. An indicative revenue budget gap was identified of around £1.800M to find for 2007/08 budget and Council Tax setting in March 2007 on a net general revenue fund budget of £13.624M. The Finance Director reported that it would be extremely difficult to close the funding gap for 2007/08 without significant additional use of General Revenue Fund balances, reductions in base revenue expenditure and increase in fees and charges for services. Use of General Revenue Fund balances could only be viewed as a short-term expedient. The position led to questions around being able to come in on budget for 2006/07, set a balanced budget for 2007/08, and be sustainable through the Medium Term Financial Plan up to 2010/11 while managing expectations of increasing recycling targets for benchmarked competition purposes and delivering other services in line with the corporate strategy. In particular, the understanding from these discussions led to fundamental questions about the necessity of the proposed recycling and collection service that had made sense from previous rules and teleoaffective structures.

Coercively balancing the General Revenue Fund position was being discussed in the same context as using the system feature characteristics of repair and flexibility to enable capital expenditure on a long term recycling solution. Practical intelligibility

was therefore being determined by rules and affectivity to objectives. A strategic investment fund was also made available. This included strategic expenditure that was to achieve more than just enabling delivery. It was to ensure not only the structural context of the organisation could be changed through a revision of the organisation structure but also that the strategic context could be adapted. This could be through consultation and co-production with citizens, co-operation with Local Authority partners and investigation of potential pan-public sector collaboration. The use of system feature characteristics could therefore take on more ensuring notions in practices. This illustrates that coercive control, enabling control and extension into more ensuring notions were not mutually exclusive or interdependent, but could function separately and together in a portfolio of control to balance current performance with future political priorities.

On the same agenda, the Budget Task and Finish Group Report supported the Material Recycling Facility in principle, but it considered that there was an affordability issue and that the cost of the facility could not be justified given the Local Authority's budget pressures for 2007/08. The overall rules on a balanced budget for the Local Authority were therefore stronger than the affectivity for the waste management objective on recycling. In discussions the Budget Task and Finish Group was unconvinced by the business case for the Local Authority providing a Material Recycling Facility based service itself, as an increase in Council Tax would be required to fund the scheme unless equivalent savings or alternative sources of funding were found from elsewhere in the Local Authority's draft budget. However, there would be penalties introduced in 2009/10 for Local Authorities who did not offer dry materials collection to all households. The changes

to procedures, practices and penalties were coercive, but this could be enabling for behaviour especially with regards to the system feature characteristic of flexibility being used for getting local authorities to consider more co-operation. The rules were driving what made sense to do. The Budget Task and Finish Group therefore considered that the Local Authority should investigate sharing the cost of providing a Material Recycling Facility with other Local Authorities, as this would be an expensive exercise for the Local Authority to undertake independently. Through the use of the system feature characteristic of flexibility co-operation was proposed rather than competition to attempt and meet the strategic ambition for recycling. The teleoaffective structure had therefore adapted towards co-operation to accomplish the recycling objective as part of an ongoing everyday practice and the situated functionality of accounting.

A change in strategic context was necessary so organisation changes from coercive control to enabling control could occur through co-operation with partners. Officers also pointed out that a deal with the private sector for pan-public sector collaboration would be unlikely, at that time, as the private sector tended to operate Material Recycling Facilities for groups of Local Authorities rather than an individual Local Authority.

At the end of financial year 2006/07, despite all the discussions, the new recycling and collection proposal had still not been approved and therefore the capital budget had not been increased to cover the £2.047M. It remained at £1.203M. As in 2006/07, no revenue budget provision was made in 2007/08 for the Material Recycling Facility.

During this time the system design was changing. A performance management system and risk management system began to emerge, alongside the financial management system. These new systems were to be used by functional area managers for monitoring both local priorities and central government priorities (Hood 2006). This facilitated user experimentation and cross functional knowledge integration and the coercive control in the budget and performance management arrangements could therefore be used as an enabling performance management system. In the process employees across functional areas began to co-operate more formally to get the necessary knowledge. The systems were largely based on traditional management accounting tools and information provided by employees through reports and meetings, but the process led to a new accepted accounting system with a broader focus on risks and performance management giving employees more nuanced and complex insights.

The implementation context now had more strategic impetus to pursue a new management control system with management investment in time and resources, broader staff participation in defining and refining the processes, and getting their buy in. In addition, the design process of the new management control system was experience based contributing to its enabling manner, and building on existing standard localised practices and know how to enrich the system gradually over time (Wouters and Wilderom 2008). Understanding through practical knowledge in terms of know how to take forward what made sense to do was therefore enhanced by the use of the system and situated functionality of accounting to accomplish objectives.

However it was the use of the process, rather than just the new system itself, that provided more flexibility and repair (Chapman and Kihn 2009), even if only in discussions through meetings (Ahrens and Chapman 2005). Enabling control was therefore emerging tentatively, and infiltrating and extending into the backdrop of coercive practices (Ahrens and Chapman 2004). From this it became apparent for centralised finance and functional area waste management that co-operation would have to be followed rather than competition to meet strategic and programmatic ambitions for recycling performance, as the overall Local Authority budget had to be balanced.

As a result, the system feature characteristic of global transparency was used to set an affordable, balanced and sustainable budget that took into account the implications of investing in a Material Recycling Facility. The system feature characteristic of internal transparency was used to reflect what this meant for the localised waste management budget. The system feature characteristic of flexibility was used to consider co-operation with other Local Authorities rather than to compete against them. The system feature characteristic of repair could then be used to highlight in budget monitoring meetings the shift in focus for what made sense within the rules.

During this phase waste continued to go to landfill without a recycling solution materialising. Recycling looked in difficulties, with the formal budget showing a funding shortfall. However, the meetings of the Budget Task and Finish Group had highlighted the Materials Recycling Facility as an important and recurring theme not only through the use of internal transparency for the localised context of the waste

management budget and performance management arrangements but along with balancing the overall Local Authority budget and strategic ambition through the use of the system feature characteristic of global transparency. Discussions around the budget process were establishing an assemblage of order for budgetary demands (Wildavsky 1964, 1975; Hopwood 1984, 1987), and facilitating learning (Abernathy and Brownell 1999). The Material Recycling Facility remained an important and visible part of the context of control for that order. Organisation changes from coercive control to enabling control were occurring through the interactive discussions in meetings around the budget process. In places enabling control was extending into ensuring notions as broader inter-organisational co-operation and long term solutions were being considered as sites of practice, rather than competition between local authorities, to accomplish strategic ambitions for recycling in the public interest.

From a practice perspective, in Financial Year 2006/07 management accounting as practice from competition to co-operation has been illustrated. For example, the legal rules were for residential not commercial waste and local authorities now had to work together on Local Strategic Partnerships through governance on an area basis not an individual local authority basis. For the Local Authority the legal rule was to set a balanced budget. For rules of thumb the budget pressures meant the Local Authority may not be able to undertake the capital investment alone and therefore co-operation could be considered through the governance of the Local Strategic Partnership. The private sector was not interested at this phase as co-operation between local authorities was not well established to make it feasible for a commercial profit. Teleoaffective structures were made up of objectives and

affectivity. The objective was for recycling to increase and this was now for the area and not just the individual Local Authority, but this had to be considered against setting a balanced budget. Affectivity wanted recycling to increase for the Local Authority, but now also for the area. Together the rules and teleoaffective structures determine the practical intelligibility of what made sense to do. The Local Authority wanted to increase recycling, but had to balance the overall Local Authority budget as the primary regulatory requirement. It therefore made sense to consider co-operation as opposed to just a self build. It was understood that to do what made sense required practical knowledge of accounting and waste management to be channeled through the Local Strategic Partnership with the situated functionality of accounting used to investigate how to co-operate for achieving higher recycling.

5.4.3 'Management Accounting as Practice for Co-operation'

An organisation restructure was underway and budget issues continued to dominate discussions. During such organisation change the new recycling service could have easily been sidelined. This was especially as no revenue funding provision had been built into the 2007/08 budget from which to action it. Legal rules meant funding had to be allocated in the budget before expenditure could be incurred. Nevertheless, committee reports illustrated that management regarded the project as critical to furthering accomplishment of political priorities, especially the emerging sustainable performance and environmental considerations and so rules of thumb showed it was part of practical intelligibility in terms of what made sense to do.

In July 2007, the senior management requested the waste management functional area to produce for councillors a renewed and updated menu of choices for what would happen to recycling performance with and without the Material Recycling Facility investment. The corporate intervention of senior management provided a timely impetus. This is because it was backed in part by a survey of residents that was carried out in September 2007, which showed that over 95% of residents thought that recycling was important, 70% wanted to recycle more and over 60% wanted an easier to use service. The consultation underpinned a participatory budgeting approach that senior management was keen on using to manage expectations around political priorities. The explicit budget rules were changing and meshing with how affectivity for objectives was established. This helped solidify a grounded support among citizenry for recycling.

In November 2007 Full Council considered a report of the CEO on the new recycling service. Macro economic uncertainty was evident at this time as the global economy, and in particular the United Kingdom, clearly shifted from prosperity onto a downward spiral. The Local Authority management identified more risk over future funding streams for public services. Balancing the overall Local Authority budget and affectivity to undertake the recycling investment for meeting waste management objectives was considered when analysing the renewed option list. It was resolved that the Local Authority no longer pursue a self build, but Officers were authorised to undertake negotiations and actively seek to procure a long term outlet for the processing of recyclables via a co-mingled Material Recycling Facility and In-Vessel-Composting facility (or similar waste treatment facilities), if possible in co-operation with other neighbouring Local Authorities as a partnership to accomplish

outcomes. The system feature characteristic of flexibility was therefore not only enabling but extending into more ensuring notions embedding concepts of the long term, partnerships and outcomes into its use.

Ensuring a long term recycling solution would not be immediate. In the mean time, the system feature characteristics of repair and flexibility in the budget allocation were used to identify and fund three short term solutions to be implemented with immediate effect. These were expansion of red box scheme, expansion of mini-recycling centres and expansion of green waste service. A committed revenue growth item of £0.264M was approved for 2008/09 to meet the costs of implementing all three short term solutions. Enabling control and its more ensuring notions were therefore not mutually exclusive but could be simultaneous to achieve outcomes at different levels of strategic uncertainty and complexity through engendering activity across time and space.

In addition, the system feature characteristic of flexibility was also used to get support for the roll out of a small scale pilot of a commercial recycling scheme provided there was no net cost to the Local Authority. This was important as whilst the Local Authority had no statutory duty for recycling business waste, it was part of being able to meet their emerging political priorities around a clean and green environment which was expressed in their belief systems to complement the other controls. To enable impetus, and manage expectations in more ensuring forms, the Local Authority Full Council also requested that a detailed report was to be brought back to them on the full financial implications for coercive control purposes and precise nature of the overall waste management service for 2008/09 as soon as

possible. Organisation changes were therefore embracing coercive control, enabling control and ensuring control simultaneously. This time it was outside of its direct strategic context through embracing commercial waste that is not part of the Local Authority statutory duty, but it could nonetheless impact on its emerging political priorities for future strategy on waste management.

The Local Authority pushed by senior management and an active waste management functional area had been taking a progressively leading role in co-operation with partners on the County Wide Waste Management Partnership and this was starting to bear fruit with increasing affectivity and municipal interest from potential partnering local authorities in some form of shared facility to meet recycling objectives. The practical intelligibility of what made sense to do and the strength of wanting to do something and understanding of how to do it was visibly reflected in the use of performance measures through the Local Area Agreement targets for the partners, including the Local Authority, being higher than they had to sign up to and was manifested in the sub-regional strategy. Hence the positive context in the situated functionality use of accounting performance measures, rather than just the negative context of cost constraints, represented a cognitive frame for action to achieve objectives. As a result, the budget process was providing a dynamic tension whereby the emerging political priority of sustainable performance management could be pursued by the Local Authority and risks managed at the same time. This was through learning that costs could be controlled through inter-organisational working and performance improved. The system feature characteristic of global transparency was therefore considering inter-organisational budget and performance management arrangements rather than just internal transparency of the Local Authority

performance and budget. Flexibility of options and repair of budget allocation also took place in this setting. Control was therefore not only enabling but took on ensuring notions in the public interest.

The private sector had recognised the increased desire of the Local Authorities to want to do something. This was because the Local Authority had used the system feature characteristic of global transparency through the Local Area Agreement as a formalised public document being lodged with the regional Government Office. A group of Local Authorities potentially interested in utilising a Material Recycling Facility could be economically viable and potentially profitable. A private sector company had submitted a proposal for planning permission. The meshing of rules and teleoaffective structures meant it made sense for the Local Authority to continue and be proactive in seeking out a long term solution to enable delivery of waste management as they had been requested to, whilst understanding from practical knowledge also meant it was important to keep an eye on such potential pan public sector collaboration in the background to make sure outcomes were achieved. The use of the system feature characteristic of global transparency had therefore been used in enabling ways, but functioning within the context of the situation it took on ensuring notions to get inter-organisational collaboration in the public interest.

In December 2007, the private company announced that it had received planning permission to build a Material Recycling Facility within the County geographical area. In early 2008 with the economic recession worsening, the Local Authority had to consider its options. The Local Authority could again look at self building a Materials Recycling Facility if the strategic context remained competitive in nature

around targets, urge Local Authority partners to co-operate and enter a joint venture or collaborate in a pan public sector development. Whilst they considered options, events were already emerging. One of the other District Councils in the County Wide Waste Partnership, after a tendering process, passed a resolution to be a client of the new private operator. Rules of thumb around viable options meant the competition and co-operation alternatives were becoming less likely as other Local Authorities also considered the long term solution of a pan public sector collaboration to make sure outcomes were achieved.

During this phase the features of the system remained largely unchanged in technical terms, but did formally incorporate the performance and risk management information as a practice in the system design. For example, an integrated performance management system had now been formally established with a dashboard based on data from the financial management, performance management and risk management systems. This data was to be multi-functional for use by finance specialists and functional area managers. The management control system had therefore went through several experimentation cycles since financial year 2006/07 and the transparency of the system itself had improved which was important to enabling its better functioning.

The higher levels of management control system associated with financial, performance and risk information did impose more paperwork, but team members usually experienced the resulting coercive discipline as enabling. This is because the information helped in the use of enabling system feature characteristics for repair of budgets and flexibility to explore options. In addition, to see if what made sense to

do was viable, it increased practical knowledge of the localised waste management budget, performance and risks through the use of internal transparency, but also increased global transparency of how this fitted into the broader Local Authority budget and performance and with inter-organisational partners.

The Local Authority now considered potential co-operation with Local Authority partners or pan public sector collaboration between the Local Authority and a private sector operator, preferably involving other local authorities. Coercive control, enabling control and ensuring notions were shown not to be mutually exclusive but could be used simultaneously. This was inside the strategic context for a material recycling facility to deal with residential waste under statutory requirements, but also outside the strategic context for investment in commercial waste that was not a statutory duty.

From a practice perspective, in Financial Year 2007/08 management accounting as practice for co-operation has been illustrated. For example, explicit rules were made up of legal rules and rules of thumb. The legal rules meant the Local Authority overall had a regulatory requirement to set a balanced budget. Due to the financial situation there was therefore pressure on available funds for capital investment and the ongoing revenue implications for a Material Recycling Facility. Targets had been set by Central Government as a minimum the Local Authority had to achieve for residential waste, with commercial waste still being outside the scope of statutory activities. As a rule of thumb it was recognised that budget allocations for a recycling self build were now unlikely to emerge, but there was potential for co-operation as targets were now for areas and not just individual local authorities.

Teleoaffective structures were made up of objectives and affectivity. The objective was now focused on area targets for governance, which strengthened the affectivity as groups of local authorities rather than a single local authority were behind it.

The teleoaffective structures and rules determined the practical intelligibility of what made sense to do. Due to the balanced budget requirement it was decided not feasible to do a self build by the Local Authority, but there was an impetus for change in the Local Strategic Partnership although not to the necessary level for upfront capital investment to come from them. It therefore made sense to consider collaboration with the private sector where a group of local authorities could turn a potential commercial profit.

It was understood from practical knowledge that the private sector would require a signal that collaboration was possible.

Through situated functionality accounting was used for the Local Authorities to sign up to higher targets than those legally required for the area and these were made public in the sub-regional strategy.

The private sector was therefore made aware of management intention through the due process of visible accounting and governance arrangements.

5.4.4 'Management Accounting as Practice from Co-operation to Collaboration'

The 2008/09 budget was set against a background of austerity (Hood et al 2009; Hood 2010; Pollitt 2010). Future projections from the medium term financial plan were gloomy. In part this was existing pressures, but these had been compounded by the global economic climate getting progressively worse and public services bracing themselves for future cuts.

For the Local Authority waste management service a multitude of potential service delivery solutions had been discussed in the November 2007 report and the Full Council had requested further investigation. At a Full Council meeting held in July 2008 the CEO's report concerning recycling and the way forward was considered. Only two options were now considered feasible. All other previous options had now been excluded as making sense to do from rules and affectivity to recycling objectives.

The preferred option was a single co-mingled recycling service, where the resident is not required to pre-sort as the separation of materials is achieved through a Material Recycling Facility. This was preferred over a kerbside sorted solution as its achievable recycling rate was higher and allowed for housing growth. It therefore not only enabled performance but ensured future waste could be accommodated. The targets could be met for Central Government, Local Area Agreement and County Waste Partnership, plus would enable the Local Authority upper quartile benchmarked performance. The net additional capital costs were lower than the

alternative and the revenue savings higher. The option could commence at April 2009. From a control of risk perspective it had stable and foreseeable service costs for budgets as it was isolated from price variations in commodity markets. The alternative had unstable and variable service costs for budgets as they were tied to price variations in commodity markets. As part of the decision, the report noted that the County Council had confirmed their intention to have an In Vessel Composting facility available for the District Council to use in April 2009, subject to planning approval. This would enable food waste to be collected every week either in the residual waste bin or the green (organic) waste bin under the first option. For the preferred option it was expected that over the five year life of the contract, after deductions for anticipated partnership funding and additional capital receipts from sale of vehicles it may approach a cost neutral position.

As well as support for the co-mingled recycling service within the report, there were also several reasons specifically noted for discounting kerbside collection. Firstly, costs were higher. Secondly Whitehall's Department for Environment, Food and Rural Affairs had highlighted in published league tables the relative superior performance of co-mingled over kerbside collection services which increased the affectivity for a co-mingled solution. Thirdly, as a rule of thumb, in view of manual handling issues caused by lifting recycling boxes and sorting onto vehicles the Health and Safety Executive recommended against kerbside collections. From a social consideration and as a rule of thumb they are also not as easy or convenient for residents to use and would likely result in potentially lower participation levels, which impacts on co-production and affectivity as a way to achieve the recycling objectives.

On consideration of the report and discussion, Councillors unanimously approved the first proposal for a 'Single co-mingled recycling service' to become the planned strategy as this made sense for practical intelligibility purposes from the rules and teleoaffective structures. The Full Council resolved that officers be authorised to proceed with the development and implementation of the outlined three bin collection system through their practical knowledge of how to do so. The context had therefore been created through practice and activity to get the necessary co-operation and collaboration in place to make this a viable alternative. The technical legal and accounting rules would now determine what made sense to do, and this would be understood by the practitioners that carried out the due process of the tender. Accounting therefore had situated functionality in the investment process.

The changes, which whilst taking a long time in coming and a number of false starts, were designed to significantly improve the Local Authority's recycling rate performance measures. After July 2008, officers understood that they had to use their practical knowledge to consider how to do what made sense to do. They therefore began to quickly make arrangements through the situated functionality in use of accounting to purchase the waste collection vehicles and wheeled bins needed under the proposal to achieve objectives. They also had to use accounting to go through tendering to confirm the selected contractor to provide a Material Recycling Facility, which would be used to sort the recyclable waste. The service was planned to be up and running by April 2009.

After a competitive tendering process, in late October 2008 the Local Authority announced that it had awarded a five-year recycling contract, with the option of a five year extension, to a local Private Limited Company, which was part of a larger Waste Management Group. The contract was officially signed at the Town Hall at the beginning of November 2008 and was to commence in April 2009. It involved sending around 8,000 tonnes of recyclable material a year to an £8M Material Recycling Facility being developed on the outskirts of the County. The facility had received planning permission in December 2007. It was a 39,000 tonnes capacity plant and already had a commitment to take 10,000 tonnes of material a year from another District Council in the area. The Local Authority had therefore strategically controlled and enabled a Material Recycling Facility to develop through its use of Local Area Agreement targets, and empowering leadership behaviour on the County Waste Partnership to change the strategic context towards sustainable communities and make it conducive for pan public sector collaboration. The system feature characteristic of flexibility therefore used coercive targets set in the Local Area Agreement in enabling ways to not only highlight a desire to improve recycling but with ensuring notions regarding partners for focus on outcomes and the long term that attracted the private sector investment and collaboration.

However, in January 2009 it was reported to Cabinet that immediately after Full Council approved the introduction of the three bin collection system it was learned that some costs would increase for wheeled bin infrastructure. Rather than again consider options it was decided to manage changes through using the system feature characteristic of repair in discussion of quarterly financial reports that go to Cabinet meetings.

In March 2009, the Audit Commission highlighted that the Local Authority was improving well, with services based on performance measures improving at a rate better than average and value for money had also improved. The restructure had increased capacity to deliver the strategy by improving the control of communication and decision making. The Audit Commission also noted recycling was a specific area that had improved, which had been something the Local Authority had prioritised. It was anticipated that the 'three bin' system of waste collection due to start in April 2009 would more than double recycling rates and make a further step change. The Local Authority was pleased to be given independent confirmation by the audit regulator that they were delivering their priorities, including the plans for a new waste collection system that would boost recycling to meet environmental and social considerations, as well as economic concerns (Hopwood 2008). Sustainable performance management had emerged as the political priority to be addressed in the budget process for governing, rather than merely operational performance management.

During this phase it was shown that a decision had to be made on which recycling option to undertake. The rules and teleoaffective structures meant concentration of control was focused on the risk around costs and their potential to vary for what made sense in terms of practical intelligibility. The enabling use of system feature characteristics of flexibility and repair had increased as risk management was more broadly practiced as an inherent part of system design. Coercion did still underpin the base practices of budgetary control, but they were now extended and stretched into more enablement including by discussion in meetings that gave employees new

insights from the accounting system. The use of global transparency and internal transparency for operations were broadened as the system design began to formalise more social and environmental considerations alongside financial concerns on the dashboard. In addition, it took account of not only the localised waste management budget and overall Local Authority budget, but inter-organisational issues for both co-operation with partners and for potential collaboration with the private sector. The implementation context internally remained largely the same with sustained management investment, broad staff participation and buy in, but externally budget and performance management arrangements were subject to discussion around a more area based focus for governing rather than just a Local Authority focus. In the meantime the development process remained experience based, which contributed to the enabling nature of the system by building on existing know how for gradual improvement over time and enhancing transparency. However, this was now not just within the Local Authority or even with public sector partners, but pan public sector collaboration with the private sector.

From a practice perspective, in Financial Year 2008/09 management accounting as practice from co-operation to collaboration has been illustrated. For example, the rules comprised of legal rules and rules of thumb. The legal rules continued to focus on residential waste with area based targets for waste management. The Local Authority had to achieve this within an overall balanced budget. Permission had been achieved through internal governance structures to pursue a private sector solution. The rules of thumb suggested that area issues could now be approached in both co-operation and collaboration. The teleoaffective structures comprised of objectives and affectivity. The objective was to achieve area targets. A material

recycling facility was a preferred option but now with an in-vessel composting facility. This was preferably in co-operation with partners, but also collaboration with the private sector to get the necessary upfront capital investment. Affectivity was high due to the ongoing levels of co-operation with other local authorities and the potential for collaboration with the private sector. The teleoaffective structures and rules determined practical intelligibility of what made sense to do. Co-operation was able to agree recycling targets, but collaboration was potentially the way forward for the necessary capital investment. It was therefore understood through practical knowledge that the activities required could be scoped but funding would most probably have to be secured from the private sector. The situated functionality in the use of accounting for the option appraisal and tendering process was therefore important to secure the option to move forward and appoint a contractor.

5.4.5 'Management Accounting as Practice for Collaboration'

In April 2009 the new Material Recycling Facility contract began. Congratulation messages and photo opportunities adorned the local press, which through reporting of strategic priority achievement and meetings strategically signalled progress was being made. The Material Recycling Facility and what it would mean for recycling performance was seen as an expression that a significant political priority was being addressed after a long period of trying and getting false starts.

Sustainable performance in terms of environmental, social and financial aspects was considered to have been achieved by officers and politicians, but it was merely an assemblage of the temporal order of things. Stability and change go hand in hand and

issues need to be constantly addressed administratively to control the portfolio of existing and potential activities (Haspeslagh 1982).

Three major issues identified by the Local Authority remained challenges for the waste management budget in particular, and would impact on rules, objectives and affectivity for what made sense to do, the practical intelligibility of understanding how to do it and the situated functionality in the use of accounting to achieve the strategy. The issues were collapsed prices in the waste market, commercial waste and garden waste.

During the earlier part of the 21st Century, United Kingdom Central Government urged Local Authorities to increase collection rates of residential and other recyclable goods. Prices had increased throughout 2002 to 2008 and it was not since the 1990's they had went in the opposite direction when the market was a significantly smaller part of the United Kingdom economy. Since autumn 2008 some sectors of the United Kingdom waste recovery market crashed, even in comparison to other commodity markets. As 2008 ended and the recovered materials markets experienced their worst conditions for several years, the question arose about which organisations would be under greatest pressure in 2009/10. Both existing Material Recycling Facility operations and future investments in the infrastructure could be the types of businesses that may experience increasing difficulties. Firstly, heavy new investments on a large scale did not seem feasible until banks stabilised and the waste industry became a more matured risk. This constrained the sustainability of increasing recycling rates at least in the short run. Secondly many Material Recycling Facility operations were dependent on export markets, in particular

emerging economies. The slowdown in the world economy restricted this revenue and meant the reclaimed waste had to be stored at a cost. Thirdly, Material Recycling Facility operations separate materials before either reprocessing it themselves or selling it on to re-processors. Consequently they may get the greatest margin squeeze as they have the least control over buying and sales prices. The change in context highlights a resistance to do business as new information increased visibility of actions, and structures of power shifted for rules, objectives and affectivity. The diagnostic control systems and interactive control systems were used through budgets and meetings to both formulate and implement a different strategy to deal with the risks (Ferry 2010). Boundary systems and belief systems were also important to signal a change in the strategic domain of operations and manage expectations around what context of sustainable performance was now politically feasible and achievable from a performance and funding perspective in this Local Authority (Ferry 2010). The controls were therefore used separately, and together to benefit performance (Widener 2007; Ferry 2010; Simons 1995; Tuomela 2005), but also for more politically encompassing and broader forms of governing in the public interest. The use of budgets for governing is well known (Hopwood 1984; Wildavsky 1964, 1975), but here it illustrates the importance of the other strategic controls.

In addition, system feature characteristics were used separately and together. The system feature characteristics of repair and flexibility were integral to changing budgets and operations during meeting discussions as strategy was formulated and implemented. Furthermore, the system feature characteristics of internal transparency and global transparency were used to enable highlighting the impact of

changes on the waste management budget and operations, but also for the broader Local Authority budget and operations beyond waste management. Also the enabling took on more ensuring notions to consider the impacts and implications for inter-organisational partners and service providers and consider the Local Authority role if the private sector and partners should fail or renege on agreements. Risks could then be identified and managed.

Commercial waste is in far greater amounts than domestic waste. The Local Authority highlighted this issue in February 2005, but under explicit legal rules they do not have a statutory duty for commercial waste and have no funding. The Local Authority therefore has to prioritise residential waste in accordance with their duty for which they are visibly accountable, and so it has higher affectivity in meeting their objectives. The Local Authority only consider commercial waste if it is cost neutral. The United Kingdom Central Government will undoubtedly have to tackle this relatively invisible issue (Hopwood 1984, 1987) if recycling is to make a significant impact (Giddens 2009) in accomplishing sustainable performance management (Hopwood 2008). Making the invisible waste more visible will be a challenge for enabling control to take on a more ensuring notion, and changing explicit rules to get more affectivity. This is because it will not just be about repair of the budget but a shift in the boundary systems and belief systems in forging what is the new strategic context for sustainable performance management in the Local Authority, with the strategic context including commercial waste alongside residential waste.

Finally, it is debateable whether garden waste collections when introduced by Local Authorities have created a new waste stream or facilitate composting. Further attention on this activity is occurring through a coercive control of costs, but also by use of the system feature characteristic of repair for enabling environment considerations in accounting practices. Tensions therefore exist in the means of calculative practices and uses of accounting.

From April 2009, which is the beginning of financial year 2009/10, the Comprehensive Area Assessment and Local Area Agreement were implemented with sustainable community strategies being put at their centre. This affected the strategic context of the Local Authority with implications for control. The use of system feature characteristics of internal and global transparency had now taken on social and environmental considerations, as well as financial concerns, in more formal ways. The development process of the system design for the management control system was improved gradually over time to include the social and environmental considerations, and the transparency of the system for these elements enabled its functioning. The process therefore now formally was giving employees these new insights. System feature characteristics of flexibility and repair were also used to recognise and respond to these issues when operational managers justified virements or learned how to account for the broader considerations, although for strategic change repair still required more senior management authorisation through the formal Local Authority constitution and manual of accounting procedures. The implementation context was still represented in the budget and performance management arrangements for governing with sustained management investment, broad staff participation and buy in continuing. However, strategic impetus was now

more geared towards the political priority of sustainable performance management for the area rather than merely operational performance management for the Local Authority's own recycling targets. This included considerations of partnering and co-operation with other Local Authorities in the area and pan public sector collaboration with the private sector. Discussions continued around processes for how this may be formalised.

From this phase it can be observed that organisation changes from coercive control to enabling control that extended into more ensuring notions and back again had occurred through the uses (Ahrens and Chapman 2004) and processes (Wouters and Wilderom 2008) of everyday budget practices and performance management arrangements to put in place and operate recycling facilities. This is although the operational recycling facility that now formed part of the structural context was pan public sector collaboration, and thereby different from the self build initially envisaged. It had also taken a number of extra years to realise. In addition, the strategic context had changed to be based on managing recycling for local authorities in a geographic area across timespace rather than individual Local Authority targets.

From a practice perspective, in Financial Year 2009/10 management accounting as practice for collaboration has been illustrated. For example, the rules comprised of legal rules and rules of thumb. The legal rules were set with a collaboration agreement signed with a private sector contractor for a material recycling facility to recycle the residential waste to meet area targets and an in-vessel composting facility was established by the County Council. The recycling service had to be contained within the constraints of a balanced budget for the Local Authority. Rules of thumb

were also used to gauge variations occurring in the waste market such as collapses in waste prices and increases in the green waste streams. Teleoaffective structures included objectives to collaborate to increase area recycling targets and affectivity across the area for higher recycling. The teleoaffective structure and rules determined the practical intelligibility of what made sense to do. Collaboration was progressed as the way to get the upfront capital investment necessary for a material recycling facility in a timely manner, but at the same time it was sensible to monitor risks around activities such as collapses in recycled waste market and emerging opportunities such as for commercial waste. The situated functionality was shown in the way accounting was used to monitor the contract and ongoing developments for calculative practices that broadened across social, environment and economic well being.

However, the Local Authority waste management service still had to deal with many challenging issues. For example in June 2010, of financial year 2010/11, the Comprehensive Area Agreement and Local Area Agreement were aborted for all Local Authorities by Central Government. The political priority remained sustainable performance management, but now against a background of balancing the national budget deficit. The economic concern now took the fore, although environmental and social considerations were still visibly in the mesh of practices. The system design and implementation context gave recognition to this shift. Administrative behaviour around features of the system was constrained more than the previous financial year. In general there was a move towards localism and away from central government policies for investment, co-operation and collaboration that were administered from the top down. Ongoing practices in terms of teleoaffective

structures, rules and understandings continued to accommodate both the routine and change in the everyday of management intention, managerial agency and situated functionality of accounting to achieve priorities.

5.5   Discussion

The five year case study illustrated that the Local Authority had to balance risk of political challenge for setting an overall balanced budget with delivering services at acceptable levels during the business cycle, which included for the waste management service.

Management accounting as practice at the Town Hall went through three phases of Whitehall strategic ambition for waste management. These included competition against other Local Authorities based on regulatory performance ratings underpinned by targets and indicators, co-operation with other Local Authorities to get a diversity of groups together to deliver outcomes and pan public sector collaboration to make sure outcomes were achieved. In addition, co-production with citizens was meshed into the practices to varying degrees.

The case study showed that to meet Whitehall strategic and programmatic ambitions meant the Local Authority had to both process recycling material and improve its recycling rates. Initially this was in competition with other Local Authorities that was attempted to be enabled through an increased allocation to self build a recycling solution, which was visible in formal budget reports. However the recycling solution did not materialise as it was based on competition with other Local Authorities on

recycling targets and the perceived risk around spiralling costs became prohibitive for a self build against other priorities and balancing of the overall Local Authority budget. In addition there was over-reliance among Local Authorities on working alone for competition purposes, and primarily changing the structural context of service delivery rather than the broader strategic context.

Co-operation involved the Local Authority joining together with other Local Authorities on the Local Strategic Partnership to form a Local Area Agreement and discuss recycling. The Local Strategic Partnership and Local Area Agreement enabled co-operation to get the diversity of groups together to discuss delivery, but it was not enough to ensure outcomes were achieved.

More collaboration was necessary to achieve outcomes in line with Central Government strategic ambitions. This is because while relatively easy decisions with quick implementation could accelerate benefits from initiatives, more difficult decisions around recycling required long term capital funding and resources that were not then available in the public sector and therefore required pan-public sector collaboration.

In managing efficiency and flexibility the control process was a constitutive means for how the Local Authority created order, and maintained and changed it, to provide a semblance of stability during significant change at the organisation level in response to Central Government strategic ambitions.

Previous private sector research has shown that coercive control could be enabling through characteristics of system use (Ahrens and Chapman 2004) and process (Wouters and Wilderom 2008). This was found during each of the phases in this public sector case. However, the study also illustrated how enabling control extended into more ensuring notions.

Organisation changes occurred from coercive control to enabling control through system features, system design and implementation context represented by diagnostic control systems in the form of budgets and performance management arrangements.

However not all changes were within the existing structural context. Changes to the strategic context rather than just the structural context had to occur for enabling control to become a more ensuring notion. The strategic context was changed with strategies of competition, co-operation, collaboration and co-production being used to accomplish priorities. This involved control changes to boundary systems and belief systems to shape an alternative strategic context for sustainable communities, which employed interactive systems to communicate the changes as part of a controlled process.

For example, in the background ongoing discussions took place around recycling targets. All Local Authorities agreed to sign up to higher targets than required by Central Government, which were made formal in the Government Office submission. This was to make visible their desire to achieve Central Government's strategic ambition for recycling and to signal a viable level of waste throughput that

would make it attractive to potential private sector collaborators. Formal budget allocations had not been determined but there was a visible impetus that a stream of revenue funds over successive financial years would be made available to pay for a service. This localism based move enticed the private sector.

The strategic context of belief systems in terms of objectives and affectivity towards them and boundary systems in terms of rules was changed from mere co-operation towards a pan public sector collaboration to make sure recycling targets would be accomplished. This demonstrates how organisation changes occur from enabling control extending into more ensuring notions. It also demonstrates that coercive control, enabling control and ensuring are not interdependent or mutually exclusive, but can function independently and together in a portfolio of control to improve present performance within the context of past history and future political priorities as part of governing.

It has therefore been illustrated that the site describes a particular context that informs specific practices. In this study within the state the waste management service of the Local Authority was the site where specific practices took place in terms of location in space, time, teleology and layout of their local performance. In addition, there were more general sites where practices are embedded, such as fields of activities for the particular industry of waste management that involved both state and non-state actors.

The research attempted to map various constitutions of site integrally connected to accomplishment of specific management accounting practices. It thereby attempted

to configure larger confederations of practices, while giving recognition to the situated practices at the waste management service level of the Local Authority. To do so it considered how waste management's own situated practices were temporal and over time meshed with larger confederations of practices in terms of competition with local authorities, co-operation with local authorities in the area, collaboration with the private sector and co-production with citizens. The temporal situated practices of the present were affected by the history of the past that had to be understood in terms of rules and resources that were now at hand and the objectives of the future and affectivity towards them.

Practices were constituted by rules and teleoaffective structures that determined the personal feature of practical intelligibility for what made sense to do for the Local Authority officers and councilors to manage waste. Understandings, through a mesh of practical knowledge and abilities concerning accounting and waste management, were then employed as a practice feature to consider how to do it. The features subtend activity and can change in response to emerging developments and also change them.

Situated functionality also considered management intention, but was more as used accounting as a management tool to achieve strategy or subsets of it. In this way through accounting and performance management the control was coercive, but as in earlier private sector studies could also be enabling through characteristics of system use and process.

In the situated context of the public sector the study illustrated that the enabling control could take on more ensuring notions as larger confederations of practices were meshed together intentionally by management through the use and process of accounting in competition, co-operation, collaboration and co-production to manage waste across space and time from the situated practices of the waste management service at the Local Authority.

Chapter 6   Situated Functionality of Enabling Control in Town Hall Management Practices to Meet Whitehall Strategic Policy Ambitions

6.1   Introduction

Balancing efficiency and flexibility can lead to better organisation performance (Brown and Eisenhardt 1997), which can be achieved through coercive and enabling bureaucracies (Adler and Borys 1996) formalised as management control systems (Ahrens and Chapman 2004).

A coercive control system is based on detailed rules to control employee behaviour, contrasted with an enabling control system which provides organisational memory that captures workers' intelligibility so employees can respond to uncertainties and stimulate decision making.

For Schatzki (2001, 2002, 2005) practical intelligibility determines if something makes sense for a person to do and is a personal issue. The operation of management control systems involves practice. A person can be a carrier of a practice but the practice itself is not the addition of simply what people do. It is determined by a set of acts linked by teleoaffective structures (what is the end objective and does it matter to the person doing the action), rules (explicit prescriptions) and understanding (practical knowledge). These are known as practice features, and none of them are personal features (Schatzki 2002, 2005).

Ahrens and Chapman (2005, 2007) through a Schatzki (2002, 2005) interpretation of their longitudinal field study of accounting in a restaurant chain derived a notion of situated functionality. Like practical intelligibility this was interested in management intention in terms of what makes sense for people to do to achieve objectives, but is more as considers the use of accounting by specific organisational members as a management tool to achieve strategy or at least specific subsets of organisational objectives such as to make order, set and develop agendas and accomplish priorities (Bower 1970; Hopwood 1987, 1989; Ahrens and Chapman 2005, 2007). Management intention is therefore important, but so is the use of accounting as a management tool to realise such intentions.

Recently studies of enabling control that involve intelligibility of workers have emerged in the private sector accounting literature for commercially orientated firms in pursuit of profit. These have highlighted the importance of characteristics of system use (Ahrens and Chapman 2004; Free 2007; Jorgenssen and Messner 2009) and characteristics of processes (Wouters and Wilderom 2008; Wouters and Roijmans 2010). However, despite the lessons learned, little research has been undertaken into how organisation changes occur between coercive control and enabling control. In addition, research has not considered how such controls are contextualised and embedded in everyday management practice through situated functionality (Jonsson 2009). Furthermore, no enabling control research concentrating on accounting practices has been undertaken in a public sector setting. The purpose of this paper is to consider how control can be used in enabling ways in Town Hall management practices to meet Whitehall strategic policy ambitions. It

will be shown that similarities exist with the private sector for the uses and processes of enabling control in the public sector, but the context is different in governing for the citizen than profit making for business owners. Consequently coercive control systems can be used in enabling ways, but with different organisational and social emphases of boundaries and risks that are more appropriate for public accountability. In addition, it was not just the practical intelligibility of practitioners (controllers and functional area managers) but the situated functionality of accounting when embedded that could function to make sense for order, set and develop agendas and accomplish priorities. In other words, a controlled process was employed. This involved practical knowledge of budgets being meshed with detailed legal rules and rules of thumb that are aligned to teleoaffective structures which constitute political objectives and a social, political and historical understanding of how they evolved. The organisation use of coercive control and enabling control could therefore have programmatic ambitions of top down planned strategies underpinned with practices of strategising from the operational level upwards in the everyday for governing.

6.2 Practical intelligibility, Practices and Situated Functionality

The concepts of practical intelligibility, practice and situated functionality will be compared to highlight in more detail the relationship between them and differences.

6.2.1 Practical Intelligibility and Practices

Schatzki (2002) suggests a practice is a set of doings and sayings. Practical intelligibility is what makes sense to a person to do and governs action by specifying

what an actor is to do next in arrays of activity. It is an individual phenomenon. This is because it is always to an individual that a specific action makes sense and so is not necessarily the same as rational or normative concepts. An account of practices must not just mark the distinction between doings and sayings, but also show their role in both perpetuation of practices and articulation of intelligibility.

Schatzki (2005) introduces the notion of site ontology where the site of the social is a complex mesh of practices and material arrangements. The doings and sayings that compose a given practice is constituted by a set of (possible) acts linked together by understandings (related to these acts that constitute practical knowledge), rules (explicit prescriptions) and teleoaffective structures (appropriate ends and uses of resources, and even emotions that are acceptable).

Understandings that link the actions composing a practice are construed as know how that pertain to those actions, such as practical knowledge. For example, understanding ubiquitously subtends activity without determining practical intelligibility by enabling an actor to behaviourally carry out the actions that makes sense to him to perform. Practical intelligibility however is determined not by understanding (know how) but by rules, teleology and affectivity. Understandings here therefore do not mean the practical sort of sensibility proposed to explain human behaviour in its sensitivity to immediate setting and wider context such as Bourdieu's (1990) Habitus (practical sense) in the Field that claims the actors feel for the game determines all human activity and Giddens' (1984) practical consciousness that claims it determines routine actions.

Rules are explicit formulations that direct and instruct in particular actions. However, such formulations are not articulations of pre-existing understandings but here mean statute law, rules of thumb and explicit normative instruction. However, rules in isolation only intermittently and never simply determine what people specifically do, and so a more all powerful practical intelligibility is necessary.

Teleoaffective structures are a mix of teleology and affectivity for a range of acceptable or correct ends. Teleology is orientation toward ends, while affectivity is how things matter. What makes sense to a person to do largely depends on the sake for which that person is prepared to act, on how the person will proceed for the sake of achieving or possessing those matters, and on how things matter to them. Practical intelligibility is teleology and affectively determined. Practical intelligibility is therefore a mental determination. The determination of intelligibility by mattering is a determination via moods and emotions. The specification of how someone will proceed for the sake of certain ends is tied to their beliefs, hopes and expectations. And for a person to pursue ends for the sake of those ends shows their desires or intentions. The practical intelligibility of what makes sense to do is therefore determined by both rules and teleoaffective structures.

6.2.2 Situated Functionality

The context is important to understand accounting practices (Hopwood 1983, 1987). Diverse practice theories have sought to conceptualise the emergence of accountings in their various contexts, referring variously to the connections between change and the everyday. Four strands of practice theories of accounting have been distinguished

being governmentality, actor network theory, accountability and situated functionality (Ahrens and Chapman 2007b). Common to all of them is a concern with accounting in action in everyday organisational and social life.

From a practice perspective the chapter accepts the importance attached to practice theories in public sector studies and their findings. This includes strategic and programmatic ambitions from governmentality (Miller and O'Leary 1987; Kurunmaki and Miller 2006), human and non-human networks from actor network theory (Mouritsen and Bekke 1997) and public service ethics and professional judgment issues to do with accounting from the accountability literature (Kurunmaki 1999; Oakes et al 1998).

The paper, however, is especially interested in the notion of situated functionality that was derived by Ahrens and Chapman (2005, 2007) from a Schatzki (2002, 2005) interpretation of their accounting case study in a restaurant chain. Drawing on discussions and observations from across the organisational and functional hierarchy they elaborated the ways in which specific organisational members sought to use accounting to accomplish, if not grand strategic missions, at least specific subsets of organisational objectives, which became what they called the situated functionality of accounting. They suggest Schatzki's site ontology offers advantages in the study of management control practice because it is more accepting of structures of management intention (Ahrens and Chapman 2005, 2007; Jonsson 2009). From a practice perspective accounting is regarded as an array of activities that is ordered by understandings, rules and objectives (Schatzki 2002). In this regard, management intention is a key element of practice. By locating intention in the everyday practice

a site is defined for the study by how a phenomenon such as accounting can be harnessed in the pursuit of particular technical, organisational and social objectives.

Situated functionality attempts to articulate ways accounting can function as a management tool. Accounting systems are designed and used in the pursuit of objectives which themselves are conditioned by existing accounting and other organisational practices and the visibilities, projects, normative ends and emotions which constitutes them. Focussing on the meaningful ordering afforded to organisational and social practices through accounting situated functionality studies have sought to give somewhat greater prominence to the role of objectives and managerial agency. By studying everyday accounting they seek to shed light on the ways in which accounting and control practices are embedded in dense meshes of other organisational practices and arrangements.

The literature has shown that the concepts of practical intelligibility, practice and situated functionality are different, but have some linkage. The concept of practical intelligibility determines if something makes sense for a person to do and is a personal issue (Schatzki (2001, 2002, 2005). Practices are constituted by teleoaffective structures, rules and understandings. Situated functionality is interested in practical intelligibility and practices, but it is more as considers the use of accounting as a tool of management practice that can be harnessed and handled in the pursuit of accomplishing strategy or subsets of strategy such as making order, set and develop agendas and accomplish priorities (Ahrens and Chapman 2005, 2007). In terms of management accounting research, this has implications for consideration

of harnessing and handling the uses and processes of control in enabling ways for the public sector.

6.3   Enabling Control

Adler and Borys (1996) to balance efficiency and flexibility for better performance distinguished coercive and enabling bureaucracies based on a triumvirate of features of the system (repair, flexibility, internal transparency and global transparency), the design process of the system, and the uses of the system in the implementation context. In other words, a system can be defined as either coercive or enabling by considering the features and the uses. The features themselves are influenced by the design process and the goals that govern it. In addition, Adler and Borys (1996) proposed four integrated design principles of the enabling formalisation. These characteristics are repair, internal transparency, global transparency and flexibility. Repair refers to acknowledging workers' capabilities to respond to surprises and contingencies and so demands creativity. Flexibility refers to employee discretion over the use of the control system. Internal transparency refers to the availability of manual processes to understand the local context. Global transparency refers to the worker's understanding of particular operational tasks relative to the overall system to increase participation.

6.3.1 How Enabling Control has been handled in Private Sector Accounting Research

In private sector accounting research, Ahrens and Chapman (2004) formalised coercive and enabling bureaucracies as management control systems to consider how to balance efficiency and flexibility to achieve strategy in a restaurant chain. From their accounting study they identified the importance of the use of system feature characteristics of enabling performance management systems that involved intelligibility, and have been supported by subsequent studies (Free 2007; Jorgenssen and Messner 2009; Chapman and Kihn 2009). In addition, Ahrens and Chapman (2005, 2007) devised a notion of situated functionality that expressed how accounting may function as a tool of management practice. This provides a basis of practice for considering the use of accounting in enabling ways.

Wouters and Wilderom (2008) called on Ahrens and Chapman (2004) to consider enabling performance management systems in their action research based longitudinal field study. Previous research had shown that experimentation was important for effectiveness of financial processes, but its use was not considered in the context of designing and implementing enabling performance management systems. They therefore identified the importance of such a characteristic in the processes used in the design and implementation of enabling performance management systems. Wouters and Roijmans (2010) also considered processes when considering how experimentation can stimulate knowledge integration for the development of enabling performance management systems.

The concept of enabling control has therefore been handled in private sector management accounting literature to identify enabling performance management systems in terms of characteristics in the use of the systems (Ahrens and Chapman 2004; Free 2007; Jorgenssen and Messner 2009) and the processes (Wouters and Wilderom 2008; Wouters and Roijmans 2010). This has given important lessons for control in organisations where strategic priorities are based on commercial orientated profitability through managing revenues and costs.

6.3.2 How Enabling Control maybe handled in Public Sector Accounting Research

In the public sector control cannot just be about characteristics of systems, processes and uses to generate profits for business owners, but embraces broader characteristics of governing for citizens. Control has to contribute effectively to both flexibility and financial discipline like in the private sector (Frow et al 2010), but management intentions for the use of accounting in public policy also have to do so within constraints of public accountability for taxpayer funds administered by an elected state apparatus. Much public sector research has therefore tended to focus on colonisation of the lifeworld through coercive institutional processes of accounting that infiltrate and change values (Laughlin and Broadbent 1997). Recently, Berry and Oakes (2009) extend colonisation by suggesting control can be coercive but also instrumental and discursive. However, the way control can be used in more enabling ways has not been considered. This chapter suggests that a controlled process can be employed involving controller practical knowledge of accounting for the budget that constitutes rules linked to teleoaffective structures in the form of objectives that are

underpinned with a social, political and historical understanding of how they evolved.

6.4   Analysis and Findings

The purpose of this chapter is to consider the situated functionality of how coercive and enabling control are part of accounting processes and uses in Town Hall management practices to order activities, set and develop current and future agendas and accomplish priorities to meet Whitehall strategic policy ambitions. Four inter-related examples, from field research during the five year case study, are now set out to illustrate how this happened.

6.5   Example One – Order Organisation Activities

Example one will show how control can be used in enabling ways through accounting functioning as a management tool to order organisation activities in the budgeting process and therefore establish a context for the system design that controls the use of system features.

The example will illustrate that in the public sector an important role of controllers in budget processes is to attempt and discuss, shape, agree and share an understanding of the history for negotiation positions (Hopwood 1987; Miller and O'Leary 1987; Miller and Rose 1991), and underlying calculation genealogies to order activities (Hoskin and Macve 1986). This is because the history of decisions and changes must be justified and documented for public accountability and stewardship of taxpayer

funds. Employees are more a hostage to the budget process than in the private sector (Hopwood 1984; Wildavsky 1964, 1975).

6.5.1   Background to Meeting and Findings

The extract is taken from a meeting as part of an overall organisational budget review and more specific discussions on how to achieve a higher level of recycling performance for the functional area of waste management.

To establish order the meeting will discuss how the estimated figure in the Local Authority waste management functional area budget was different to the investment now required for achieving expected recycling obligations that had been signed up to under the Local Area Agreement with other Local Authority partners, and why this occurred.

The controlled process (of practical knowledge for budgets that constitute rules that are linked to political objectives and a social, political and historical understanding of how they evolved) therefore attempts to make order by establishing an understanding of the context that the system design can operate within. In this example, to establish context involved the system feature characteristic of repair being used through budget practices to align information differences between what is the current actual budget allocation and what is needed to meet the Local Area Agreement targets that was agreed with external partners. However, in the public sector, the budget has to be set and signed off by elected officials. Virements and transfers can happen at an operational level but actors are very much tied into the

coercive use of budgets and detailed rules for any significant changes. For the system feature characteristic of repair to be used in more enabling ways requires opportunities afforded in meetings, which is a reason for the importance of meetings in the public sector. The system feature characteristics of internal transparency and global transparency could then be used to understand the implications for the localised waste management situation within the Local Authority and the broader implications for inter-organisational agreements with partners. The context can then be used to order organisation activities as it gives a basis for the system design to operate within. The system design could then help to determine how system features are used.

6.5.2   Meeting

The extract begins approximately eighteen minutes into a one hour meeting. It involves the internal controller (A.), waste manager (B.), researcher (C.) and external controller (D.).

C. to B. The minimum cost that you have actually calculated for (achievement of recycling in) the Local Area Agreement is that higher than the (Local Authority's) current base budget.

A. Yes, I know what you are getting at. (The internal controller instinctively recognises that the underlying purpose of this question is because no current provision is recorded now in the budget).

B. As far as I'm aware unless I have missed a trick, what goes forward in the Local Area Agreement is what the Councils (of the County) commit them to achieve in terms of recycling rates (Not actual budgeted expenditure).

C. Yes.

B. I haven't been privy to anything were the funding streams are accumulated. Perhaps other people have done that work.

C. No, I think what I was getting at is to achieve (the Local Authority) part of the objectives under that Local Area Agreement you said you had worked out a minimum level of service, and what I'm trying to get at is that cost higher than the current base budget that (the Local Authority) have currently got or not.

B. Yes, yes. I'm looking at A. (the internal controller) as I speak (for support and assurance to go on).

A. Yes (Indicating it is higher and nodding support for B. (the waste manager) to continue).

B. In March 2005 when we set the budget, budget provision was made in 2005/06 for all elements of the proposed service that is now being embodied in the Local Area Agreement. (At that stage in the negotiation process, the calculation genealogies through budget provision expressed a level of certainty for the Material Recycling Facility option to go ahead).

C. Yes.

B. But because of delays and problems of getting the Material Recycling Facility (underway)...that were still prevailing when the budget was (being) set for the following year 2006/07, that budget provision was not made (formally allocated) for the Material Recycling Facility in (the following year) 2006/07. (This was) because we (the Council) were not sure when in the year it (the Material Recycling Facility) would come on (and begin), and by putting in a full years worth (of costs) in the budget it would have an adverse affect on council tax calculations. (The lack of budget provision illustrated, at least for that year, the negotiation position was now less certain of a Material Recycling Facility being provided).

B. So if you take 2006/07 as the base budget your right...it's lower (than required for the Local Area Agreement. In fact it was a zero budget provision).

A. Yes (Internal controller nodding to acknowledge the waste manager's account coincides with their recollection).

B. But they are the reasons why (Looking to the researcher and external controller).

C. Yes and that makes perfect sense, but I think on the basis of everything that we have said it's very unlikely that anyone's going to pull back on this scheme. I don't mean the Material Recycling Facility. I mean to achieve the Local Area Agreement (recycling performance). (Now there is no budget provision. The potential

investment that is being discussed and its history that led to the emergence of the political objective are invisible to diagnostic controls such as standard budget monitoring and performance management arrangements. Instead it is a strategic uncertainty that is likely to be realised in the future at a time unknown and is therefore being managed interactively through separate reports and meetings).

B. Yes.

C. It's unlikely, so at some point there is an actual budget pressure here that has got to be met and it is only a case of how much (it will cost)...obviously you have got that report going forward to Councillors (which includes recycling options and costs). (The meeting has moved from the history of the development to what it means for cost implications now and has identified a formal report to make the invisible cost visible again in budgets).

B. The one in December.

C. Yes.

B. Yes.

(....Short discussion of calculations...).

D. Ok (Confirms in establishing temporal order that the history of the negotiation position and past calculations are appreciated, and what this means for objectives now in budgets is understood, which is a form of teleoaffective structure).

(...A short discussion around the recycling rates then ensued around budgets and associated governance arrangements...).

D. I think we have got to do two things. First we have got to establish whether the Local Area Agreement will actually commit (the Local Authority) and at what stage that commits at a service level; and then (two) basically say ok folks there are various papers in various Council groups going towards the Full Council in December, we have got to basically say right which ones of those will define a definite budget (if any) to honour the Local Area Agreement. (This illustrates the bureaucracy of governance structures involved if controls were to be used in enabling ways in the public sector to repair the budget, which differed from the quicker decision making of meetings in the private sector. The characteristic of transparency was also used in enabling ways as the situation and changes became more visible through the meeting and this was to be disseminated through appropriate reporting and governance arrangements).

A. Yes (Internal controller signifies agreement for this to be the way forward from now in recognising the history of how the objective emerged and potential budget implications).

6.5.3 Findings of Context

The problem for ordering activities was that the investment now required to achieve targets agreed with external partners was different to the existing internal budget allocation. The use of accounting in management practice to order activities had to be considered in terms of the budget. Employee practical knowledge meant they were aware that the public sector budget had been formally agreed and signed off by local elected politicians as representing the strategic plan prior to the start of the financial year with detailed rules on its use and regarding changes. It is therefore more of a coercive institutional process than in the private sector. Employees have less immediate ability to use the characteristic of repair in enabling ways to deal with change. This is because the political history is important for how an objective emerged, and so due process has to take place in line with public accountability if changes are to be made. The public sector is therefore more a hostage to the budget than the private sector, with budget practices constituting objectives and rules that determine what makes sense to do and then understanding through practical knowledge the know how to do it as a subtend to activity.

Repair by employees using their capabilities to respond to surprises and contingencies are provided for by budget virement and transfer, but the rules are primarily used in coercive ways (Ahrens and Chapman 2004) with tiered levels of management sign off for adjustments at given amounts that means coercion is also inherent in the processes of budgeting and the system design (Wouters and Wilderom 2008).

However, meetings as illustrated afford repair characteristics an opportunity to be used in more enabling ways to align budget information differences. The system feature characteristics of internal transparency and global transparency can then be used to understand the localised context of the Local Authority budget and what are the implications for the broader external agreements with partners. From this an understanding of context emerges whereby the system design can operate within and help determine how system features can be used moving forwards.

6.6   Example Two – Set and Develop Agendas for Current Activities

The second example will show how control can be used in enabling ways through accounting functioning as a management tool to set and develop agendas for current policy activities.

To illustrate this situation the example comprises three short extracts that are inter-related and consider how the controller uses accounting to make sense of the current logic for action from the multiple logics of the broad structural and strategic context (Hopwood 1983; Davila 2005; Bower and Gilbert 2005), top down planned strategy (Bourdieu 1977, 1992, 1998, 2000; Simons 1995) and emerging tactics (Ahrens and Chapman 2007; de Certeau 1984).

The controlled process (of practical knowledge for budgets that constitute rules that are linked to political objectives and a social, political and historical understanding of how they evolved) attempts to rationalise the ways forward down through the use of the system feature characteristic of repair to get the current agenda to a point

where other system features can be used in more enabling ways. From the use of system feature characteristics of internal transparency and global transparency controllers and functional area managers can then attempt to make sense of the rationalised positions in terms of understanding localised context and broader organisational issues for the budget.

6.6.1 Background to Meeting - Extract One

The first extract recognises the current logic of context (Hopwood 1983; Schatzki 2000, 2001, 2002, 2005). The extract is taken from a meeting discussing options for recycling. The logic for action could be the cost per household for each option. However the meeting process transparently recognises that any logic of action in terms of implementation context will be more than a technical rationality at the cost per household level, with the waste manager referring to 'how it (the cost for the recycling option) fits into the whole scheme of things'. In addition, when making sense of the logic for action the controller had to consider a broad range of activities and mesh technical, organisational and social issues as a temporal order. This involved use of the system feature characteristic of repair.

6.6.2 Meeting – Extract One

We join the meeting approximately twenty six minutes into the discussion. Attendees include the internal controller (A.), waste manager (B.), researcher (C.) and external controller (D.).

C. ...The worries that I have got is that everything has been costed on the basis of the (capital investment in a self build) Material Recycling Facility and (the Local Authority) probably don't really know to be fair what it (the cost) would be if they (the Councillors of the Local Authority) decide not to go with that (option).

B. Well the approach I'm taking to produce the report for December Full Council is to look at the minimum service level...I'm also, because the CEO asked in effect that (the) report is like a menu of choices for the members to pick from, (looking at other options)...

... (The options were then briefly explained).

A. and (B.) your date for this sort of...

B. 13th of December.

A. But prepare the report by?

B. By the end of November.

A. End of November (Internal controller is establishing time logic).

C. So you'll probably have a good idea even before that what the cost is?

B. ...as you will know the difficulty with something like this is that you can't get estimates of what the private sector costs will be because they don't give it (due to commercial confidentiality and formal tendering process regulations).

C. Yes, it's just going to have to be indicative isn't it?

B. Yes we are going to look at the published league tables and get costs per household (as a proxy).

... (How this could be calculated is then briefly explained)...

C. (At this point in time, in terms of the recycling option appraisal in the budget review,) it is just a case of having an idea of how much extra (the Local Authority) will have to add in the budget assuming the pressure is a Material Recycling Facility that everyone wants to go for, which I think it will be. If my assumption is right (the Local Authority) have then just got to see where else the cut backs will be...

A. Yes, that's right (Internal controller is supporting the logic).

C. And (for the budget review) the Local Authority has just got to put this down as a budget pressure on the budget pressure side of the list.

D. Yes.

C. I don't know what everyone else thinks but that's (how it appears)...

B. I think all political groups will be trying to run with this one (the recycling investment). I think the only thing that is worrying them is to see how it fits into the whole scheme of things (Referring to the overall budget position), so its, so its, I think basically the question is, is this so important to them (the Councillors) that the extra cost of it is worth the pain involved in knocking other things (political priorities) off (the funding list).

D. Very good point.

C. Yes and I think it is just how (the Local Authority) put (present) it. (The Local Authority) would put (present) it on the left hand side of the scales and it is just what has to drop off the right to make up for it. I think it is as simple as that...because I think you would have done enough detailed work by the end of November (that the Local Authority) would have a very good indicative figure (for the recycling options). And as good as anything (figure) you're going to come up with (for the budget review).

D. Yes.

B. Yes (Partly in agreement) I think what has happened though is because of the (funding) "Climate" that (the Local Authority) experience(s) at the moment, is because of that pain (pressure on corporate finances) and your balancing scale analogy is that they want to take off as little as possible to afford this (Recycling option), so that's why they're looking harder than they ever have at the cost of it.

C. Yes.

A. Yes (Highlighting that the current logic of a Material Recycling Facility is dependent on the overall corporate budget position more now than previously. In other words the organisational logic of a balanced budget is meshing with the technical accounting logic of a recycling option appraisal based on cost).

... (A discussion then takes place around progress with the current accounting estimate figures).

End of extract one.

6.6.3   Background to Meeting - Extract Two

In the second extract the controller attempts to make sense of the current logic of the planned strategy of senior management that underpins the financial situation and service delivery of the Local Authority. Discussions consider the reasons for the budget review and how controllers make sense of the current logic as a basis of temporal order to move a strategic agenda forward. Core logic of the budget review is to learn and address the internal transparency of an in-year recovery plan following senior managerial concerns of a potential overspend situation. However following discussions around the overall framework of the budget review it becomes apparent that a shortfall will only occur if funding continues to be allocated to all

existing and new priorities. The logic of the strategy can be changed to address the new financial reality and associated agendas.

The decision is about more than balancing the budget shortfall. The use of the system feature characteristic of repair in the budget process enables focus to instead concentrate on a more appropriate agenda question of what is the purpose of the Local Authority as an organisation, what should its political priorities be, and therefore what should it help provide and what should it not help provide. The system design process can then be repaired to take account of this broader context for the planned strategy. The system feature characteristics of internal and global transparency can then be used in enabling ways so the emphasis of discussions can be embedded in budgeting practices for broader organisational issues of what functional area services to provide and the more localised context of how this should actually be done.

6.6.4 Meeting - Extract Two

The meeting attendees include the internal controller (A.), researcher (C.) and external controller (D.). At the start of the meeting (C.) sets out the scope of the budget review as it had been expressed by senior management.

C. (Senior management have suggested that the budget review is to cover) (1) An in year recovery plan; and (2) Improving the Medium Term Financial Strategy to make sure it is affordable, balanced and sustainable; and (3) Improving accounting systems

(Primarily budgetary control) or if it can't be improved radically to look at what the serious issues are (e.g. IT system, recording commitments in a timely manner etc).

A. In year recovery, in what sense?

C. This Financial Year 2006/07.

A. There is nothing like that, I can explain that side of things certainly and give you a lot of background, (but) the one thing that puzzles me is "In year recovery plan in what sense" (Very challenging tone).

C. By that it was suggested that to carry out all of the priorities there may not be an adequate amount of funds. Now last year I know there was a significant under-spend so that didn't kind of (make sense)...but that's what (senior management highlighted in earlier discussions).

A. As far as funds are concerned, it is not the lack of funds (that is the issue). You can look at our reserves and balances, and they are quite healthy, but the issues are that we must have a (financially) sustainable budget...and there will be a drain on those (reserve and balance) funds without (addressing) the ongoing revenue aspects (to support spend on too many new and existing priorities and)...capital (expenditure). The (balances and reserves) will go and from a revenue (income) point of view Council Tax (increases) are (politically) limited...

C. The figures I saw (from a senior management meeting including the CEO and Finance Director)...I assume are correct (meaning still the most up to date).

A. Which ones, (figures), were you looking at? (Change in Tone again signalling a challenge)

(Approximately just over two minutes had passed. Tea is delivered by a secretary. Meeting continues without stoppage)

C. They were provided as part of the briefing (papers).

A. Which document? (Said in a defensive tone of voice)

C. They weren't (a document. They were just two pieces of paper giving a brief case study of the Council's current position including a range of figures and narrative).

A. Have you got them (the figures), then I can see what we are talking about, as obviously I need to be aware of what information you have, and I have information with me (that we can check against).

C. I have got my (rough work sheet)... (Reaches into suit jacket pocket)...Ah here, this is what I was given.

A. Yes I'm sure it is correct but…

C. I think it is important we are talking on the same thing.

A. Thank you (as the work sheet is passed across the table)...

A. (The numbers on the work sheet are quickly examined)...'Yes, yes that's fine' - This is the position (Tone softens when A. recognises the figures. The rest of the meeting becomes more productive)...

A. (Referring to the figures on the work sheet)...That is the revenue budget and long term we (the Local Authority) need to get normal spending in line with either normal inflation or Council Tax with some support from funds (reserves and balances), but not a regular support (that is unsustainable).

The next two minutes of discussion goes into a technical overview of the revenue budget, capital budget and balance sheet figures in terms of balances and reserves. This use of repair helps make sense of the technical logic of the calculations and establishes a broad and shared understanding of indicative shortfalls, and potential contributions from balances and reserves. It also illustrates the issue that 'everything is a priority' has to be addressed. Approximately five minutes have passed...

C. This is starting to paint a different picture... (Recognition that there is not a recovery position in the sense of a present shortfall, but that priorities need to be addressed for a (financially) balanced and sustainable budget in terms of revenue, capital and the balance sheet position over the longer term. It therefore illustrates the challenge of managing by numbers without context, the importance of clarifying the

position and ground rules before setting the budget and allocating resources, and agreeing monitoring arrangements. Sense must be made of the current logic for action, as an agreed position to move forward).

A. Oh, yes it is, that's what I'm saying, yes, I know recovery is entirely a different word (with different accounting connotations)...

C. But that's useful you clarify the position, as it puts a whole different perspective on things (This discussion illustrates that for legitimate reasons there may be different perspectives and senses made of the order of the same thing, but it is important for a temporal order to emerge to enable a current logic for action).

A. I'll tell you one thing I have got. I've got my finance strategy with me, and a spreadsheet that gives a breakdown of reserves. (With sense made of the conceptual position in terms of the budget framework as a basis of temporal order the internal controller is now keen to get into more detail around the strategy for an affordable, balanced and sustainable budget. The next five minutes is taken up with a discussion of indicative figures, underpinning assumptions, and how scenarios could shift. This uses budget data in enabling ways through the characteristic of repair to make sense of the current logic of the financial strategy to set and develop an agenda that can then provide a basis for using the characteristics of internal transparency and global transparency in budget system processes to improve information for senior management, centralised finance and functional areas.

End of extract two.

6.6.5 Background to Meeting - Extract Three

In the third extract controllers want to make sense of the top down planned strategy of senior management, but also want to make sense of the logic of strategising from the bottom up by operational functional area management and tactics that are involved (de Certeau 1984; Ahrens 2009). This means they can better consider the agenda of an affordable, balanced and (in financial terms) sustainable budget that will deliver policy from both a senior management and operational management perspective.

Through the use of system feature characteristics of internal and global transparency in the budget process it is shown everything cannot continue to be a priority for functional area managers and politicians as it is not logically affordable for the overall Local Authority budget. However, it was politically unacceptable at the timing of this meeting to visibly identify non-priorities. This is because the situation was before austerity measures changed political and public opinion towards consideration of expenditure cuts. Hence controllers attempt to negotiate and conceptually come to a financial framework position for prioritising the priorities. In other words they recognise the importance of activities and by using the system feature characteristic of repair in budget processes can determine how to prioritise them in some form of negotiated way that attempts to be palatable for both senior management and operational management. Once this conceptual position was established over the following months it enabled a whole system process to be designed (Wouters and Roijmans 2010) that influenced the use of system features

and implementation context. The logic was based on quantitative, qualitative and political rules of engagement being embedded for resource allocation in the ongoing budget process and associated paperwork (Adler et al 2005). Tactics could be agreed and sense made of the rules for setting and developing the current agenda.

6.6.6 Meeting - Extract Three

The meeting is between an internal controller (A.), researcher (C.) and external controller (D.). This has been going on for approximately ten minutes when the Finance Director (E.) enters the room.

A. That was quick (referring to the fact that E's meeting with the CEO should be on now and he was not due in this meeting until later).

E. All that running around to be prepared and the CEO has (had to) put the meeting back by half an hour. (This illustrates how other priorities can take precedent. In fact on occasion meetings at all levels were observed to be put back, re-arranged and re-scheduled. This meant controllers, and other managers, had to be adaptable to this everyday reality in their planning and actions).

A. First thing I wondered (E.) was why it was called a recovery plan (by senior management). I explained what we have in reserves and balances (to C. and D.) and I don't think recovery is quite the word. (This is) in the sense that yes we have got to move (the council) ahead, but (I am) just getting to (the) point (of explaining) where the priorities have all been priorities and politically everyone wants to spend money

on everything each year, and there is no doubt about it at this point in the year that's the position (and that is the issue which cannot go unchecked, rather than a recovery plan).

E. The priorities relate to our portfolios (strategic activity unit boundaries). So they are leisure, environment, housing etc, as broad as that. (The use of the word 'broad' suggested how fuzzy it was currently and relatively easy to classify anything as a priority for officers and members, which did not help a rational logic of resource allocation).

A. There are six (portfolios) altogether and they are in the (new) Corporate Plan (Emphasising the existing portfolios have survived into the new strategy, at least for the time being).

C. Some Councils identify the non-priorities and it seems to work well.

A. Yes (Happy it had been raised).

E. That is exactly what we are trying to do (Emphasising accountants are aware and professionally trying to advise on a logic of better (technical) practice) ... (but the) CEO does not like the term non-priorities (on the political logic and expectations management that everything is important to some stakeholder. Many officers and councillors would agree with the CEO. So the CEO is giving an obvious challenge for the accountants to bring in some rationale and framework to assist more transparent decision making). So I am trying to convince him it is lesser priorities or

lower priorities (to get around the problem that everything is a priority which could lead to funding an unsustainable range of activities, which does not assist budgetary control and resource allocation).

A. It is the same principle of course. (The senior management and accountant debate here is set for a way to allocate limited resources to unlimited political priorities through tactics). The challenge is to the accountants to convince (people) why they can't fund priorities (especially) given under-spends (that have occurred in previous financial years when they stated there would be overspends), and then if this is the case to come up with a rational model (for choosing what to do and what not to do. It is clear this is the context and logic).

E. External auditors are also saying that and we're saying that (This mention of discussion with external regulators helps legitimate consideration of changing the resource allocation framework).

C. Problem is summed up by the 'everything is a priority' quote.

E. Some things are more priorities than others but nothing is low enough on the priority list to be knocked off.

C. Crude example (Loudly said for effect), if (the Local Authority) assume support services are not allowed to increase anymore as want all funds put to front line and they can only increase with a proper business case..., that wouldn't be a non-priority but its preventing any funds being spent there (on support services) without a proper

justified case, so it becomes not one of your key priorities. Other Councils call it 'prioritising the priorities'. So (x) priorities, but only (y) can be taken forward (unless the position changes).

A. Maybe it is prioritising the priorities we have got to call it (the logic) to get around the non-priorities challenge. (The others agreed. The coercive discussion for allocating funding through the budget process and rules had been carried out in enabling ways through the system feature characteristic of repair. It provided the conceptual basis (renewed budget framework) for the real challenge which was for accountants to show the available funds and how they can be allocated and controlled within an affordable, balanced and sustainable budget framework as priorities shift. In other words, it showed expectations management around alignment of policy with harnessing funds. Following on from this, various accounting processes and products were then used over the following months for the situated accomplishment of political priorities).

End of extract three.

6.6.7   Findings of Repair

The extracts illustrate that the system feature characteristics of repair can be used in enabling ways through management practice in the budget process to set and develop the current agenda.

The use of repair was illustrated through considering how investment could fit into the broader budget and service planning framework. Repair was also used in making sense that the budget position is not really a question just of financial recovery but of a broader decision on what the role of the Local Authority should be in terms of its functional area services, and then how it will do them. In addition, repair was used to get the conceptual position of the budget framework to an understanding of prioritising priorities so rules could be determined and tough decisions on cutting expenditure taken without politically stating an activity is unimportant. If funding positions changed in the future such activities could then be considered.

Together the extracts were inter-related illustrating there were multiple logics for action at technical, organisational, institutional and society levels affecting the setting and developing of a current agenda. As a basis of order the controller attempted to make sense of the current logic for action by a meshing of these different meanings, meetings and reports that cut across organisational levels.

The examples illustrated that the system is used through a controlled process to set and develop current agendas. This is because controllers attempted to use the budget to establish a shared understanding of the current agenda from the multiple agendas to get traction on the context, top down planned strategy, and bottom up emerging operational tactics. This attempt of a shared meaning was communicated through the budget process, which provided an attempted stability and order to proceedings thereby helping the system feature characteristic of repair to become enabling in taking political priorities forward. In other words, the controlled process through the use of the system feature characteristic of repair rationalised ways forward down to a

manageable number and got the current agenda to a point where other system features could be used.

6.7   Example Three - Set and Develop Agenda for the Future

The third example will show control can be used in enabling ways through accounting functioning as a management tool to set and develop an agenda for the future, and progress the business forward, with controllers talking about and thereby controlling the landscapes.

To illustrate this situation the example will show that in the public sector although budgets are relatively centralised controllers do not merely lay down positions in a coercive way to functional area managers but listen to them and consider if the system feature characteristic of flexibility can be used in more enabling ways to support and enhance delivery.

A controlled process (of practical knowledge for budgets that constitute rules that are linked to political objectives and a social, political and historical understanding of how they evolved) is employed for future agendas. This provides a framework for controllers to work with functional area managers so multiple agendas can be explored and discussed for the organisation in terms of risks around time, costs and service constraints thereby expanding possibilities for the implementation context. For the future agenda controllers therefore attempt to extend options to be considered through using the system feature characteristic of flexibility, which is in contrast to

the current agenda where controllers attempt to rationalise the position through using the system feature characteristic of repair.

6.7.1 Background to Meeting and Findings

The extract is from a meeting that considers proposals to reduce the cost of a potential investment in a recycling facility given the pressure on the corporate budget. It will be shown that a lot of detailed talking about and redefining the future was done by the functional area manager, which was common to other meetings in the research. The expansion of options for discussion is supported through the use of the system feature characteristic of flexibility. For example, in the meeting the functional area manager for waste management will explain in operational detail that, ' ...If the Council still likes the guts of what it's previously approved (for a Material Recycling Facility), there are two ways you could modify it and take pressure off your (corporate) finances'. These are different methods for glass collection that involves co-production with citizens and garden waste collection that could include charging for service. He then explains that the next strand in the logic would be for the Council to make arrangements for taking kitchen waste outside of the normal waste collection as a separate environmental waste strand. The budget savings from charging for the garden service could then be redirected to the kitchen waste service which you can't expect people to compost. (At this point it was just the waste manager thinking aloud with the controllers and researcher of a potential future landscape. However an in-vessel composting facility would later form part of the final recycling solution).

The controllers and researcher will be shown to listen and occasionally provide constructive dialogue with the functional area manager for waste management. This raises issues for how to use the system feature characteristic of flexibility to expand the scenarios and facilitate how funding issues could be addressed. From this the system feature characteristic of internal transparency is used for how sub-options would affect the affordability of the main recycling options and global transparency for how the sub-options affect the corporate position in terms of a balanced and sustainable budget, implications for the Local Area Agreement partnership, and how they could best be presented and when.

6.7.2   Meeting

The following extract begins thirty five minutes into a meeting discussing recycling options. The meeting involved the internal controller (A.), waste manager (B.), researcher (C.) and external controller (D.).

B. Now if you remember one of the elements of the proposed service is to collect glass every four weeks (from households).

A. Four weeks! (Constructively challenging and reaffirming that assumption)

B. From red boxes (outside the households, but we could cut costs) if we dropped that plan and adopted something that is similar and seems to work in other places... (However,) it is always a difficult thing if you remove something the public have got used to (or expect to get). There would be an outcry.

D. Yes (Tell me more).

A. Yes (and tell me more also).

... (The waste manager then explains how savings could be made by adopting a different means of glass collection through recycling centres rather than household collection. He is now to discuss potential savings from dealing with garden waste differently)...

B. Another thing that not so much comes out of best practice, but has much more come out of the debate about saving the planet, carbon trading and all that sort of stuff...is it wise (for the Council) to collect garden waste from people (especially free of any direct charge).

C. Yes.

B. What my take on this is, about five years ago the (Central) Government in an attempt to improve recycling for the right reasons at the time set targets for Local Government that included the collection of garden waste, and these targets have been ratcheted up ever since and I think it is only beginning to dawn now that basically they've created new waste streams...that didn't exist before. Now (in my opinion), the tonnages of garden waste Councils are collecting are far, far more than was ever the amount of garden waste that was put in dustbins. It used to be if there was a bit

of space and they (residents) had mowed the lawn and they didn't do composting they might lob it in the bin.

C. So would it be say easier to charge them (householders) for their garden waste?

B. That's one thing.

C. Or sell them you know them bins where they can burn it (the garden waste) in the back garden?

B. Well that is another approach that (the Local Authority) could charge people for (addressing their own) garden waste. Some Council's do that. So this is something else that will appear in front of Councillors in December (in the report). So these two (sub-options) are variations on the current (proposed) service. You could argue to people that to save the planet everyone could be composting their waste in their own gardens, from nature to nature sort of thing without having to engage fleets of vehicles incurring human costs and fuel costs. You know where I am coming from anyhow (Environmental sustainability).

C. Yes, so do you think that (Environment sustainability) is something people will buy into now or do you think that is (sometime off in the future)…

B. Well if you said there are two options. Remove the (garden waste) service completely or charge for it...and by the way the experience elsewhere (that) I have come across (at conference) is a Council (where) about 90% of their householders

were using their garden waste service (and) then they (the Council) made a decision to charge and the usage in terms of participation dropped to 20% (everyone laughs). I saw this at a conference, (and) the (conference) speaker said they all (had) got their fingers crossed that there would not be a huge increase in fly tipping of garden waste around country lanes. It did not happen. (Most people addressed their own garden waste in an appropriate manner). So the potential is there for this Council. The only issue is that (the Council) might have a lot of green wheeled bins (which is the current refuse infrastructure for garden waste collection that) it does not know what to do with, but it could instead of expanding the garden waste service which is what its current aspiration (is) say that it is better to get people to look after their garden waste themselves and make it a service of convenience which you pay for.

C. Yes... (Currently) it is driving the wrong behaviour isn't it?

B. It is.

C. So... something could be done!

B. (So)...if the Council still likes the guts of what it has previously approved (in terms of the Material Recycling Facility), here are two ways (the Local Authority) could modify it and take pressure off their (corporate) finances.

C. And (at the same time) if it fits into (one of) the political priorities (of the Council that is) 'greener, cleaner and safer' (then it is also a winner) ... (everyone laughing).

B. Yes.

C. (...) but I think it does make sense. (This is) because if they (the Council) are going to move forward with things like the Material Recycling Facility or whatever (alternative recycling option) where there is costs (increasing) somewhere there has got to be pressure taken out. So things like (your proposals) that do reduce the costs would be sensible.

B. (Yes...) then the next strand in the logic is that further down the line an area (of activity) that the (Central) Government is now pushing is that Councils make arrangements to take kitchen waste outside of the normal waste collection as a separate green strand...(and) if you take garden waste out (of the normal waste collection also) by making it self-financing by charging for it, a lot of the planned (expenditure) budget for the new (garden waste) service could be redirected to the kitchen waste service which you can hardly expect people to compost (or dispose of themselves).

C. So when your report is being put forward B. is F. (the CEO) giving any allowance for these kinds of options to be included in the report or are these not even on the drawing board.

B. Well to be fair to F. in his position as CEO he is just dealing with the concepts. He just wants a menu and at the lowest end of the menu is the minimum level of service. So he is not personally getting involved in this level of detail but what I have

just been talking about is two modifications to the existing (proposal) for how you can achieve the minimum level of service.

C. To me the perfect time seems to be now, before that report goes in (to the Committee deciding on the option), to get all of these other likely potential saving (activity) areas in (so they are visible).

A. Yes put the savings in, before you look at what you can actually afford to do. You might be able to afford to do more of the proposals if your savings are applied.

C. Or exactly that minimum service, just at less (cost) because you will be making savings... there has probably never been a better time to drive that (recycling option) through off the back of that report (if it has lower costs).

... (Some interaction for clarification of points occurred between D., A., B. and C., which were of a financial and technical nature around expansion of options and savings, and how to present them)...

D. Yes based on how it is presented so...

B. (So what) F. (the CEO) will want or would like as well as this menu of choices; he would like a section of the report dealing with the corporate financial picture. So what he would like at the end of this debate in December's Full Council is a decision (taken) on the way this Council is going to go on refuse collection and recycling and the best conceptual view of what the Councillors will do is say right we'll go for

option 'x' and that will mean we have to make a 'y' thousand pound saving corporately to afford it.

C. Yes.

D. (Nodding approval)

B. But we are accepting that later down the line at Council Tax setting meeting that we know that we by making this decision tonight are committing ourselves to make a saving of so many thousand pounds a year (on another activity to pay for the increased cost).

D. (Nodding approval)

C. (And that makes sense) to try and do it from the point of the corporate budget review. So I think that everybody's objectives (for the corporate position and recycling option) tie together nicely here, and it is just how quickly (the Local Authority) can really get them figures (for the recycling options) and tie it into findings (from the corporate budget review).

A. And it is how tight you really want to be (with the estimates)... because you might say you need 'x' or you might say you need 'y' − (But it doesn't matter. What really matters is) what can we afford? (This brings up the challenge of loose estimates and affordability, and again highlights the importance of being prudent with the estimated figures and considering the lowest cost option).

C. I think (the Local Authority) can only be as tight as the indicative figures that...people would have pulled together the best they can...The Local Authority are just going to have to say there is a risk that these (estimated) figures could go up or down by 'x' % (In other words there are risks, impacts, implications and contingency options to consider).

B. (Yes that is right as)...there will be about half a dozen possible choices we will not have worked up into the sort of level of detail you do for budget setting purposes.

C. (The Local Authority) is going to have to be very clear on that upfront... (There is nothing else that could be done in the time remaining).

A. Except...is the time constraint a real constraint that (the Local Authority) need(s)...

...It was then explained in detail by B. that the time constraint was real for various external and internal pressures, and so had to be progressed. The meeting attendees accepted this was the challenging situated context.

6.7.3   Findings of Flexibility

The example illustrates that control can be used in enabling ways through accounting functioning as a management tool to set and develop an agenda for the future .

To develop a future agenda controllers listen to and challenge the service manager on the alternative options being discussed for glass collection, garden cuttings and food waste thereby influencing setting and development of the agenda for the future.

Through a controlled process the system feature characteristic of flexibility is used by the controller and functional area managers to expand out the possibilities. The technical detail of services was provided by the functional area management. Controllers were then interested in the impacts and implications in terms of the current logic of an affordable, balanced and sustainable budget, and how it may evolve in future. With regards to options being granted funding the controller and functional area managers discuss how to use tactics of presentation to senior managers and Councillors (de Certeau 1984; Ahrens 2009) to get buy-in (Adler et al (2005). The system feature characteristics of internal transparency are used to highlight the localised waste management operational context and budget implications of proposed options, alongside global transparency to illustrate the implications on broader organisational budgets.

The problem was to make a future agenda in terms of funding a specific investment in a recycling facility against pressures on the overall affordable, balanced and sustainable budget for the Local Authority.

From the perspective of situated functionality, practical knowledge was considered to be know how for functional capabilities and technical expertise. Rules were set so funding was controlled centrally and in a coercive way through regular budget monitoring meetings between finance and functional areas. However, as suggested,

the controller could attempt to use system feature characteristics of flexibility to help waste managers to explore alternative options and funding opportunities. The objectives are recognised by both controllers and waste managers and they recognise the importance for the localised context of waste management and broader Council budget. The waste manager therefore wants funding to be forthcoming and has a case, but in the public sector there are detailed rules and so they have to convince controllers to support proposals through further governance and scrutiny arrangements. This illustrates the importance of situated functionality of accounting rules to potentially support the practical intelligibility of the functional area manager for waste management and the controller.

6.8   Example Four - Accomplish Political Priorities

The fourth example considers how control can be used in enabling ways through accounting functioning as a management tool to accomplish political priorities. This includes three extracts that will show how for achieving objectives controllers and their use of everyday accounting practice (Ahrens and Chapman 2004) play a central role in managing the system process of accomplishment (Wouters and Wilderom 2008).

To illustrate this situation the first extract will show how during a strategic based discussion the operational basis of budget routines are embedded through accounting practice to get traction on timings and costs. The second extract will illustrate how a host of activities are discussed together within the implementation context. Through an efficient system design and processes only a brief reference is made to each

activity (Wouters and Wilderom 2008), but the experienced controllers in their use of the system feature characteristics of repair automatically recognise and enable more interactive discussion for uncertain areas (Ahrens and Chapman 2004; Jorgenssen and Messner 2009). This means there is a better return on management time for accomplishing priorities (Simons 1995). The third extract will show how order is assembled through a process of meshing meetings and reports (Wouters and Wilderom 2008); with the controller acting through the use of their system features (Ahrens and Chapman 2004) as manager of that order as well as technical specialist (Jonsson 2009). It will be shown that controllers in routine meetings use system feature characteristics of internal transparency to manage the situated context of the budget under consideration but also call upon the system feature characteristic of global transparency to enable order and management of risks for budgets outside the confines of the meeting place, such as the overall Local Authority budget.

The controlled process (of practical knowledge for budgets that constitute rules and are linked to political objectives and a social, political and historical understanding of how they evolved) is used to accomplish priorities. It attempts to get operational practices to be used for traction on strategic discussions. Also efficiency of system design is used so routine activities are discussed expediently with interactive discussion of relatively more uncertain activities. In addition, controllers will be shown to act as managers through routine meetings and the situated functionality of their rules and procedures in budget processes to manage risks including outside the confines of the meeting place. In other words, the enabling of priorities will be shown to be due to the processes of the system design and uses of the system features.

6.8.1   Background to Meeting - Extract One

In extract one, the meeting involves discussing future recycling options. The meeting is between the internal controller (A.) and waste manager (B.) around implementation context (Ahrens and Chapman 2004). The controller is asking the waste manager when a report on the recycling options will go to Full Council for a decision, and what the indicative costs are likely to be. This is to get traction on timing and costs, which is illustrated in the following extract quotes.

6.8.2   Meeting – Extract One

In the meeting the internal controller on several different occasions questions the waste manager around costs, and timings. For example, the controller asks at different points:-

A. When will you prepare the report by?

A. But is the cost shaping up to be the same as you first thought (previously) or are you not there yet?

A. Except, the fact, is this time constraint a real constraint that we need...

A. Yes, do you think we are going to have clear relative costs, I am not saying totals, but relative costs?

6.8.3   Background to Meeting - Extract Two

The second extract illustrates that in less than six minutes, of a one hour meeting, several issues had been discussed efficiently through budget practices to coercively clarify the position as a basis to move forward in accomplishing priorities. More contentious issues were separated out through the enabling use of the system feature characteristic of repair, which allowed more thought and discussion on them. Accomplishment can therefore get a better return on management time (Simons 1995). This pattern continued throughout the meeting, and was similar to many other observed meetings between controllers, finance managers and functional area managers. This particular meeting is between the internal controller (A.), external controller (D.), and finance director (E.). The discussion begins with lots of figures on reports being discussed.

6.8.4   Meeting – Extract Two

... (Meeting is underway and participants are digesting the volume of reports to get through)...

A. Oh dear, yes, yes, so err, where were we, oh yes, that (*'Activity A')* I'll try and get what's going on with that...

E. You should be able to go back to the original report, if not to the…

A. Yes, yes...

E. I remember there was a (newer and more) detailed report...

A. Yes (Signalling she now knows what that report is), and to that extent do you think there might have been a supplementary (budget in that report) this year as well, or are you not sure?

E. Well it certainly wasn't in the original budget so (there probably was a supplementary budget).

A. Yes, ok, yes (I will check that report).

... (Both move on to the next activity)...

A. *('Activity B'),* next one isn't it, well again...

... (A short interchange ensues before a course of action is set out before moving on to the next issue. Most issues were dealt with in this form of efficient way)...

... (Then an issue is raised *('Activity G')* that cannot be quickly resolved and the experienced controllers focus in on it. The discussion is picked up part way through...)

E. Well you say that, but at Cabinet on Monday night they agreed, they decided not to agree the extra funding at this stage.

A. Oh, alright then.

E. Well one political group in particular is pulling in the spend; I think the message is getting home (around financial concerns of the corporate budget position).

A. Yes that's fine, ok so it might not be there...

E. Well, so the point I was making, I know from previous debates when we have been through budget review exercises, these will be the sorts of things (activities) that nobody wants to stop, but they are legitimate questions (whether we should stop them).

D. Yes, as we have always said, the way we have approached the (budget review) exercise, it is about the Council having a range of options however unlikely some of them might be (to stop or not) so we can look at (the desirability and affordability of) everything in the round (of a balanced and sustainable budget).

E. So (when considering activities to cut) there are no sacred cows. If we had to do it, and to what extent kind of thing!

D. Mmm (Nodding).

E. Generally (Councillors), believe *('the Service B')* is a good thing you know, particularly when it is involving (certain themes) and indeed, (the scheme in question) *'Activity G'* (...) people would say it has been a big success, certainly here (in this Council area) and I would assume nationally. It has been targeted at (specific disadvantaged) areas and it appears to have had some success (in meeting expectations). The Council is considering putting in some of its own money to extend the scheme to other areas. You know (it is good socially) but the money (Pump prime funding and tapered funding from Central Government) is not always going to be there. Are we going to (make a conscious decision to) continue to carry it.

D. Yes, that's precisely what worries me (with pump prime funding and tapered funding. People have got used to the service, and that service might be wonderful, but the external funding is short term. To continue the activity through internal funding would involve cutting some other political priority, or charging which then may exclude some of the groups the activity was there to help in the first place)....

... (A decision was made that this required further thought and discussion, at a follow up budget meeting)...

A. The next one (activity) is *('Activity H')*, that's just a carry forward one (in terms of continuation of funding).

D. It is, yes... (They moved on to the next activity).

6.8.5   Background to Meeting - Extract Three

The third extract will illustrate the controller managerial role (Jonsson 2009; Ahrens and Chapman 2005). This was common to many of the observed meetings in the research, regardless of the controller levels involved. The extract refers to a series of points made in the meeting by the Finance Director (E.) to the internal controller (A.) for checking details with different staff not present e.g. M. (one of the accountants), and K. (a functional area manager). This illustrates that the controller has a managerial attention rather than merely a technical focus and that the budget procedures of the routine meeting can be used to accomplish priorities through system feature characteristics of internal transparency to manage the budget at hand and through the system feature characteristic of global transparency for risk management of the budget outside the confines of the meeting place.

6.8.6   Meeting – Extract Three

Break

E. to A. (In terms of justifying a post for an activity)...you need to check with K. who is not in (the office) until Monday but you can look at the split (on the financial system and spreadsheet records) in the meantime.

Break

E. to A. Who did we ask to look at it (allocation of costs)?

A. (We asked) M. (an accountant who reports to the internal controller).

E. He is away (on annual leave) at the end of the week so must chase him up (before then for an answer of where we are at).

Break

E. to A. (On discussing an activity and its cost)...those are something M. should be looking at, and please remind him...

6.8.7 Findings of Transparency

The three extracts that make up this example illustrate a number of issues in terms of how budgets and performance management arrangements can be used in more enabling ways to accomplish political priorities.

The first extract illustrated that getting traction on operational details of timings and costs is contextually embedded in everyday budget action. For example the system design of the budget monitoring had procedures that dealt with these details, so the controller could in enabling ways use system feature characteristics of internal transparency to granulate the functional area budget in traction and use the system feature characteristic of global transparency to granulate the overall Local Authority budget in traction.

The second extract showed how within the implementation context a host of activities were discussed. Detailed procedures and processes of the budget system design meant activities were discussed efficiently. However, controllers recognised relative uncertainties and so were enabled to discuss them in more detail for (potential) repair.

The third extract illustrates how controllers use the routine of meetings and budget procedures to establish order and also at the same time manage risks in other functional areas of the business for accomplishing priorities. Uses of system features are thereby linked within a broader implementation context that can be extended and stretched to activities outside of the meeting taking place.

Together the extracts show that operational practices in terms of rules, teleoaffective structures and understandings around time, costs and managerial action are contextually embedded within the broader strategic endeavours (Ahrens and Chapman 2004), while at the same time operational practices themselves afford strategising opportunities (Ahrens and Chapman 2007; Jorgenssen and Messner 2009). In the operational meetings in particular a short time is spent on each of the budget activities, controllers jump around issues, and routine management practices occur and actions are taken in the meeting for further work to be done outside of the meeting.

Controllers were therefore shown to act as managers through routine meetings and the situated functionality of their rules and procedures to manage risks, including outside the confines of the meeting taking place. In other words, it was shown that

the enabling of accomplishing priorities was due to the way system features were used, but also how the system design and implementation context were employed. This is therefore an example of the differences between practical intelligibility and situated functionality. In other words, what made sense to do compared to how it was done in activity through the use and process of accounting.

6.9   Discussion

In public sector research it had been shown that accounting could be embedded through coercive institutional processes to change values (Broadbent and Laughlin 1997), but enabling control had not been considered.

Private sector management accounting research had lessons for the public sector. Enabling control could be put into action through system feature characteristics of use (Ahrens and Chapman 2004) and process (Wouters and Wilderom 2008).

Through four examples the chapter therefore considered how accounting functioned as a management tool in both coercive and enabling ways to order organisation activities, make current agendas, set and develop future agendas, and accomplish political priorities in the public sector.

From the study data it was found a controlled process (of practical knowledge for budgets that constitute rules and are linked to political objectives and a social, political and historical understanding of how they evolved) is employed by controllers to establish an order to things and thereby manage the context for the

system design that is being used. This system design in turn helps determine how the users of the system operate in their use of system features, which affects whether behaviour was both coercive and enabling.

The examples showed that in the public sector the system feature characteristic of repair is used through a controlled process to set and develop current agendas. It was illustrated that controllers coercively use the budget rules and processes in an attempt to set and develop a shared understanding of the current agenda from the multiple agendas to get traction on the context, top down planned strategy, and bottom up emerging operational tactics. This shared meaning is then enforced through budget monitoring, which provides a form of stability and order to system processes. The controlled process essentially rationalised the ways forward down through the system feature characteristic of repair and got the current agenda meshed into the accounting system processes to a point where other system features could be used.

In addition, it was shown that the system feature characteristic of flexibility could be used to set and develop a future agenda. This has not been highlighted in the private sector accounting literature. The examples showed that for future agendas controllers work with managers through budget rules and procedures, but these can be used through the system feature characteristic of flexibility in enabling ways so multiple agendas can be explored and discussed for the organisation in terms of risks around time, costs and service constraints. In other words controllers have worked with managers to expand possibilities for the implementation context. For the future agenda controllers therefore used the system feature characteristic of flexibility to

extend options to be considered, in contrast to the current agenda where controllers used the system feature characteristic of repair to rationalise the position.

Furthermore the research showed control could be enabling to accomplish political priorities and for that to happen operational practices were used to get traction on strategic discussions. Efficiency of system design was also used to get multiple things discussed together in the implementation context, but it was the experienced controller use of the system rules and objectives for what made sense to do and their practical knowledge of then how to potentially do it that automatically recognised and enabled interactive discussion for uncertain areas. The controllers were also found to act as managers through routine meetings and the situated functionality of their rules and procedures to manage risks, including outside of the meeting. For accomplishing priorities the system feature characteristic of internal transparency was used to understand the localised implications for the functional area budget at hand, which in this example was the waste management budget. On the other hand, the system feature characteristic of global transparency was used to understand broader implications for budgets outside of the meeting taking place, which in this case was the Local Authority's overall budget.

In summary it can therefore be suggested that the making of order attempts to establish the context for the system design to operate within. The system design then determines the use of system feature characteristics moving forward. The current agenda uses the system feature characteristic of repair to get budgets in a position employees understand and can manage on a daily basis. Repair is used in enabling ways in meetings. The future agenda uses the system feature characteristic of

flexibility to expand out possibilities for service delivery and alternative ways to fund them through budget processes. The accomplishment of priorities uses the system features of internal transparency and global transparency. The internal transparency is to understand the localised situation for budget changes at the level of functional area and the global transparency to understand broader implications for the overall Local Authority budget. The examples show that the different system feature characteristics (repair, flexibility, internal transparency and global transparency) can all be used across the different activities of making order, setting current and future agendas and accomplishing priorities. However, different system feature characteristics are used more than others depending on the activity at hand that required management practice. In addition, the situated functionality of accounting helps in management practice through the controlled processes employed. Enabling control through management practice was therefore found to be due to the use of characteristics of system features and processes, but also the situated functionality inherent in the system design and implementation context.

Chapter 7   Discussion of Enabling Control in the State

7.1   Introduction

The purpose of this chapter is to provide an overall discussion of the research. This includes a discussion of the literature review for control in the state, including enabling control. It also discusses the methodology of archaeology, practices and situated functionality that was employed for the interpretive research of accounting to achieve political priorities in the waste management service of a Local Authority. In addition, the findings from data chapters are discussed. Furthermore, it concludes with a brief summary of the discussion.

7.2   The Literature Review of Control in the State

The state changed from being a provider of services to an enabler through New Public Management (Hood 1991, 1995). More recently the enabling state has also extended into more ensuring forms, which has emerged as a stronger notion (Schuppert 2004, 2006; Giddens 2009). It means that even if the state does not deliver a service it still has a responsibility for monitoring public goals and for trying to make sure they are realised in a visible and acceptable fashion, both from the top down and the bottom up.

The state has used budgeting and performance management to control activities. Public sector research has shown accounting has been colonising through coercive

institutional processes to change values, but that this could lead to dysfunctional performance (Broadbent and Laughlin 1997). More recently it has also been shown that control can be discursive and instrumental (Berry and Oakes 2009). However, enabling control has not been considered. The private sector can provide insights.

In the private sector it has been shown that balancing efficiency and flexibility can lead to better performance (Brown and Eisenhardt 1997; He and Wong 2004). To do so organisations have made use of coercive and enabling bureaucracies that can function simultaneously (Adler and Borys 1996). This is through a triumvirate of system features, system design and implementation context, which have been formalised as management control systems (Ahrens and Chapman 2004). Since then coercive control and enabling control have been compared and contrasted. It has been found that enabling control can occur through characteristics of system use (Ahrens and Chapman 2004; Adler et al 2005; Free 2007; Jorgenssen and Messner 2009; Chapman and Kihn 2009) and processes (Wouters and Wilderom 2008; Roijmans and Wouters 2010). However, this is a relatively emerging research agenda and still little is known about how organisation changes occur between coercive and enabling control. Public sector accounting research could therefore consider enabling control through the Adler and Borys (1996) framework.

7.3   A Methodology of Archaeology, Practices and Situated Functionality

The PhD employed a nested research design methodology to explain how coercive control and enabling control work in the state and how organisation changes occur between them. This was to be covered in the three main data chapters. The first data

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chapter employed a historical study to cast light on the archaeology of enabling control in the state over 30 years from 1979 to 2010. The second data chapter explained how through a confederation of sites of practices and material arrangements situated in accounting at the Local Authority that enabling control could take on more ensuring notions through different strategies to accomplish priorities. The third data chapter considered how through situated functionality of accounting enabling control could be used as a management tool and be embedded in everyday practices.

The research site was a waste management service in a Local Authority. The methodology involved qualitative interpretive research, with a mixed approach to understand (potential) meshes between strategic programmatic ambitions and everyday practices. In the research Schatzki's (2000, 2001, 2002, 2005) ideas were employed regarding site and practices (as a set of (potential) linked teleoaffective structures, rules and understandings. Teleoaffective structures and rules were shown to determine practical intelligibility for what made sense to do. Understanding, through practical knowledge, could then be used for considering how to do it. These all subtend action. The concept of situated functionality was also interested in management intention in the same way as practical intelligibility, but was more as considered the way accounting could be used as a management tool to achieve strategy, or at least subsets of strategy such as making order, setting and developing agendas and accomplishing priorities (Ahrens and Chapman 2005, 2007; Hopwood 1987, 1989; Bower 1970). For a more historical consideration of enabling control and its situated functionality, Foucault's (1972, 1977) concepts of archaeology and genealogy were also employed as they had been in Hopwood's (1987) seminal paper

on the archaeology of accounting systems. Methods adopted included archival research, interviews and observation. The findings were triangulated with data from these different methods for corroboration of evidence. In addition, plausibility of knowledge claims was given due consideration in this qualitative research (Ahrens and Dent 1998; Ahrens and Chapman 2007) not only through using multiple methods and observations, but also by spending more time in the field and controlling ones behaviour as a field researcher (McKinnon 1988).

7.4   Findings on Enabling Control in Whitehall and Town Hall Relationships

The historical study found that over three decades accounting to accomplish political priorities went through four main phases. These were cost management, financial performance management, operational performance management and an emerging sustainable performance management. Previous studies have recognised parts of these phases, but not how organisations changed between them in terms of control. It was found that discrete accounting underpinned the phases and how the organisation changes occurred from coercive control to enabling control, although these were overlapping and not neatly delineated or mutually exclusive.

Research has compared and contrasted coercive control and enabling control in an organisational context. From this it has been documented that coercive procedures can be enabling through characteristics of system use (Ahrens and Chapman 2004) and processes (Wouters and Wilderom 2008), but it has not been shown how the organisation changes to control occur over a long time period.

The findings from this historical study of over 30 years have shown coercive procedures can be enabling, and can be renewed over significant periods of time. For example, accountingisation (Power and Laughlin 1992) was enabled to be embedded in everyday Local Government routine calculative practices. This enabling was through coercive financial performance management procedures for surplus and return on capital employed in a trading account under Compulsory Competitive Tendering regulations. In a similar way, a target world (Hood 2006) was enabled to be embedded. This enabling was through top down inspection regimes such as the Audit Commission that covered targets and non-financial performance indicators, alongside financial indicators, to function more comprehensively as part of Best Value and Comprehensive Performance Assessment regulation.

The coercive regulations for Compulsory Competitive Tendering, Best Value and Comprehensive Performance Assessment were enabling, but after a point the coercive procedures were perceived to become severely constraining rather than empowering, and in some cases led to dysfunctional behaviour.

Wouters and Wilderom (2008) have highlighted that a system's processes and transparency was key to its functioning, but this study also found that constraints and dysfunctional behaviour in turn can lead to a lack of trust in the system processes, and thereby the transparency of its functioning may no longer be perceived as what it was meant to be.

Sustained management investment in time and resources, impetus, buy in and participation in the regulations is necessary for coercive procedures to be enabling

(Adler et al 2005), but this study showed that the lack of trust in the regulations compromised this situation and led to conflict between Local Government, Central Government, and regulators in the form of the Audit Commission and the myriad of other inspection regimes.

Under the political priority of financial performance management there was enabling and some initial efficiency from the coercive Compulsory Competitive Tendering regulations, but when the efficiency settled some Local Authorities began looking to manipulate their calculative practices and resulting accounting figures. This was especially for central administration recharges to smooth out surplus positions in the trading account and to build up reserves through cross subsidisation from other services. Accounting standards were brought in to minimise this risk, but subsequent gaming resulted.

The position was amplified for the demise of Comprehensive Performance Assessment regulations. The lack of trust in the system from Local Authorities led to the replacement of the accounting tools and regulation in the same way as Compulsory Competitive Tendering, but also contributed to the undermining of the Audit Commission in its role as regulator for the political priority of operational performance management. This was because the performance programmes were seen as a political motivation that used calculative practices of accounting to drive Central Government changes, with the Audit Commission being an active player. As a result, rightly or wrongly, the Audit Commission was seen as too bound up with the previous New Labour Government policies by the new Coalition Government (Conservatives and Liberal Democrats). The new Central Government found it

opportune to follow a policy of greater localism and less centralisation. This was because Local Authorities would then be individually responsible for determining and implementing expenditure cuts. Practices would be dispersed and lead to different cuts by each Local Authority across the country. It would therefore be more difficult to get a coherent national voice against the overall cuts to public expenditure. As a result, the Audit Commission's place as a top down regime for assessment of operational performance management rather than just financial performance management became less necessary and tenable to the new Central Government. The lack of trust that eventually enveloped the performance ratings in the Comprehensive Performance Assessment therefore undoubtedly led not just to the accounting tools being changed, but also to the demise of the Audit Commission as a regulator of operational performance management.

From the archaeological study it has been shown that accounting can become constraining and dysfunctional, but nevertheless it is suggested that accounting can provide stability during significant change. This is because the calculative practices can function with renewal capabilities. Strategic policy renewal can therefore be combined with shifting accounting tools between coercive and enabling practices to balance tensions in accomplishing political priorities. This will help to make sure that the enabling tendencies of control are and remain empowering during changing contexts. Governance can then deal with the decaying structures when the benefits of productivity and innovation from a phase dissipate, and the structures that will replace it begin to emerge.

The five year case study illustrated that the Local Authority had to balance risk of political challenge with delivering services at acceptable levels for waste management during the business cycle.

To accomplish strategies the Local Authority went through confederations of sites of practices and material arrangements in three phases that were situated in accounting at the Local Authority. These phases included competition against other Local Authorities based on regulatory performance ratings underpinned by targets and indicators, co-operation with other Local Authorities to get a diversity of groups together to deliver outcomes and pan public sector collaboration to make sure outcomes were achieved. In addition, co-production underpinned all of the phases to varying degrees.

Previous research showed that coercive control could be enabling through characteristics of system use (Ahrens and Chapman 2004) and processes (Wouters and Wilderom 2008). This was found during each of the phases. The case study illustrated how organisation changes occur between coercive control and enabling control, but went beyond that to consider how enabling control extends into more ensuring notions by confederations of sites of practices and material arrangements being meshed as strategies of competition, co-operation and collaboration to accomplish priorities through accounting situated in the Local Authority.

In managing efficiency and flexibility the control process was a representation of how the Local Authority created order, and maintained and changed it, to provide a semblance of stability during significant change at the organisation level.

Organisation changes occurred from coercive control to enabling control through system features, system design and implementation context represented by diagnostic control systems in the form of budgets and performance management arrangements.

However not all changes were within the existing structural context. For example, as a contribution it was shown that changes to the strategic context rather than just the structural context had to occur for enabling control to become more ensuring. Enabling control extended into more ensuring notions as the strategic context could be adapted by a confederation of sites of practices and material arrangements being meshed as strategies of competition, co-operation and collaboration through accounting situated in the Local Authority to make sure priorities were accomplished under sustainable performance management. This involved control changes to boundary systems and belief systems in the form of rules and teleoaffective structures to shape an alternative strategic context for sustainable communities, whereby practical understanding meant it was understood that interactive systems were required to communicate the changes as part of a controlled process and the situated functionality of accounting could make that happen.

During the organisation changes it was also found as a contribution that coercive control, enabling control and ensuring are not interdependent or mutually exclusive, but can function independently and together in a portfolio of control to improve both current performance and future political priorities as part of governing.

It can therefore be suggested that the enabling control literature has done a lot to address control, change and innovation. This PhD has attempted to build on that by illustrating the link between enabling control and strategic control (Adler and Chen 2010) and how through management accounting as practice enabling control can extend into more ensuring notions to consider the long term, intergenerational aspects and inter-organisational issues of competition, co-operation, collaboration and co-production as strategies to accomplish priorities. It has also shown the importance of both the structural and strategic contexts for how organisation change occurs between coercive control, enabling control and more ensuring notions. In addition, it has shown that the controls can work independently and together.

As discussed, in management accounting research coercive control and enabling control have been compared and contrasted. This showed coercive control and enabling control together can balance efficiency and flexibility for better performance, and coercive control could be used in enabling ways. However little was known about how organisation changes between coercive control and enabling control were embedded in management practice. Through four cases the PhD therefore considered how accounting functioned as a management tool to order organisation activities, make current agendas, set and develop future agendas, and accomplish political priorities.

Coercive and enabling bureaucracies (Adler and Borys 1996) conceptualised as management control systems could be embedded in practice through features of the system, system design and implementation context (Ahrens and Chapman 2004).

Ahrens and Chapman (2004) suggested for coercive procedures to be enabling depended on the way system features of repair, flexibility and transparency were used (Chapman and Kihn 2009). This PhD supported that finding, but extended it by considering how order was embedded before the actual system features themselves were to be used. From the study data it was found that a controlled process is employed by controllers to establish an order to things and thereby manage the context for the system being used and how the users of the system operate in their use of system features, which affects whether behaviour with coercive procedures was enabling or not in terms of the way system features were used. In addition, the case illustrated that accounting only made part of the picture visible and it was also the invisible elements highlighted through discussion that made sure the functioning of enabling tendencies. Accounting for change was therefore a process of reports and meetings meshing together for enabling to function through system features, but also this was affected by the system design and implementation context.

The research also attempted to explain how coercive procedures could be enabling through the way system features were to be used for setting and developing a current agenda. This case showed that the system is used through a controlled process to set and develop current agendas. It was illustrated that controllers coercively set and develop a coherent shared understanding of the current agenda from the multiple agendas to get traction on the context, top down planned strategy, and bottom up emerging operational tactics. This shared meaning was communicated, which provided a stability and order to proceedings thereby becoming enabling to take political priorities forward. In other words, the controlled process rationalised the

ways forward down and got the current agenda to a point where system features could be used.

In addition, the research attempts to explain how the implementation context could be used to set and develop a future agenda. The case will show that for future agendas controllers work with managers through coercive procedures that enable multiple agendas to be explored and discussed for the organisation in terms of risks around time, costs and service constraints. In other words controllers have worked with managers to fan out possibilities for the implementation context. For the future agenda controllers therefore attempted to extend options to be considered, in contrast to the current agenda where controllers attempted to rationalise the position. Previous research has also found that coercive routines could become enabling (Ahrens and Chapman 2004; Jorgenssen and Messner 2009), but this research has illustrated that was only to a point of where it gave perceived agency to users. After a point the enabling was hindered due to impetus, participation, buy-in and sustained management investment in time and resources being difficult to maintain.

Furthermore, the research attempted to show how control could be enabling to accomplish political priorities. For that to happen, operational routines were used to get traction on strategic discussions. Efficiency of system design was also used to get multiple things discussed together in the implementation context, but it was the practices (teleoaffective structures, rules and understandings) of experienced controllers in their use of the system and its situated functionality for ways accounting can be used as a management tool to achieve strategy that automatically recognised and enabled interactive discussion for uncertain areas. The controllers

were also found to act as managers through routine meetings and the situated functionality of their rules and procedures to manage risks, including outside of the meeting. In other words, enabling accomplishment of priorities was not only found to be due to the way system features were used, but also how processes were configured and the system design and implementation context were used.

The PhD made other important findings around enabling control. Firstly, the PhD found a rich link between Foucault's (1977a, 1980, 1982, 2003) conceptions of control, Schatzki's (2002, 2005, 2010) practices and Ahrens and Chapman's (2005, 2007) ideas of situated functionality and Ahrens and Chapman's (2004) ideas of coercive and enabling control. Secondly, the PhD found multiple contingencies on which accounting control change rests. This included strategy and the importance of coercive and enabling control in terms of both the use and process of accounting systems. Thirdly, the PhD found that coercive control and enabling control could extend into more ensuring notions that took account of broader issues of governance in addition to conformance and performance in balancing efficiency and flexibility.

For example, the PhD called upon Foucault's (1972, 1977) ideas of archaeology and genealogy to consider coercive and enabling control. The ideas of coercive and enabling controls (Ahrens and Chapman 2004) can be linked to Foucault's (1970, 1977a, 1980, 1982, 2003) broader conception of control from his discussions of order and power. This is nicely summed up by Schatzki (2010, p. 95) who suggests, "... power... as Foucault memorably asserted, can be negative or positive: it consists, not just in constraining what people do, but in enabling this as well". However,

whilst Foucault's work often shows change from the explicit to implicit, the PhD also shows that change can occur from the implicit to the explicit.

With regards to such changes, the PhD illustrated that there were multiple contingencies on which accounting control change rests. For example these include the external environment, political priorities, strategy, structural arrangements, resources, technologies, practices, management control systems, the control culture for the processes and use of accounting systems and performance.

Moreover, the PhD raises the idea of ensuring notions of control that significantly advances our understanding of control issues in organisations and how changes occur. In particular, this is by extending Ahrens and Chapman's (2004) conceptualisation of coercive and enabling control. The advancement is because ensuring notions recognises broader governance issues that relate to control, in addition to conformance and performance for balancing efficiency and flexibility.

7.5   Summary of the Discussion

In summary, the PhD showed coercive control and enabling control have been compared and contrasted, and that coercive control could be used in enabling ways. It also showed little was known about how the organisation changes occurred between coercive control and enabling control. In addition, it showed that in public sector research coercive control was considered as colonising of the lifeworld through accounting infiltrating and changing an organisation's values (Broadbent and Laughlin 1997). Enabling control had not been considered. This was although

research had suggested that balancing efficiency and flexibility could lead to better performance, which could be achieved through coercive and enabling bureaucracies (Adler and Borys 1996) conceptualised as management control systems (Ahrens and Chapman 2004). The PhD addressed this gap through a nested research design that considered how strategic programmatic ambitions could be achieved through practices and the situated functionality of accounting in relation to coercive control and enabling control. From the archaeological study it was shown that coercive control could become enabling through system use and processes, but after a point the accounting could become constraining and even dysfunctional. Nevertheless, accounting could provide stability during significant change as calculative practices function with renewal capabilities. Strategic policy renewal could therefore be combined with shifting accounting tools between coercive and enabling practices to balance tensions in accomplishing political priorities. This helped to make sure enabling tendencies of control were and remained empowering during changing contexts. Governance could then deal with the decaying structures when the benefits of productivity and innovation from a phase dissipate, and the structures that replaced it began to emerge. During the organisation changes it was also found that enabling control could extend into more ensuring notions by confederations of sites of practices and material arrangements being meshed into strategies of competition, co-operation and collaboration to accomplish priorities which were situated in Local Authority accounting. As a contribution it was shown that coercive control, enabling control and ensuring are not interdependent or mutually exclusive, but can function independently and together in a portfolio of control to improve both current performance and future political priorities as part of governing. In addition, it was not just the practical intelligibility of practitioners (what makes sense to do) but the

situated functionality of accounting (how activity happens) when embedded that could function to make sense for order, set and develop agendas and accomplish priorities. Together the findings therefore showed that the organisation changes between coercive control, enabling control and ensuring notions do have strategic programmatic ambitions and are underpinned with practices of strategising in the everyday of governing.

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Local Authority Best Value Performance Plans

2004/05 Best Value Performance Plan

2005/06 Best Value Performance Plan

2006/07 Best Value Performance Plan

2007/08 Best Value Performance Plan

2008/09 Best Value Performance Plan

Local Authority Budget and Resources Books

2005/06 Budget and Resources Book (Revenue and Capital)

2006/07 Budget and Resources Book (Revenue and Capital)

2007/08 Budget and Resources Book (Revenue and Capital)

2008/09 Budget and Resources Book (Revenue and Capital)

2009/10 Budget and Resources Book (Revenue and Capital)

2010/11 Budget and Resources Book (Revenue and Capital)

2011/12 Budget and Resources Book (Revenue and Capital)

Local Authority Statement of Accounts

2004/05 Statement of Accounts

2005/06 Statement of Accounts

2006/07 Statement of Accounts

2007/08 Statement of Accounts

2008/09 Statement of Accounts

2009/10 Statement of Accounts

Local Authority - Audit Commission Documentation

Oneplace Comprehensive Area Agreement and Organisational Assessment 2009/10

(December 2009 for Area June 2010)

Comprehensive Performance Assessment 2002-2009

(Assessment for District Councils was between June 2003 and September 2004. In 2007 there was a Comprehensive Performance Assessment re-categorisation for Councils that applied. The Comprehensive Performance Assessment also included a Use of Resources Assessment 2005-2008 and Corporate Assessment 2004)

Annual Audit Letters 2005/06 to 2009/10

Service Inspection Reports

Local Authority Committee Reports

(Regarding Governance, Budgeting and Performance Management for the Local Authority and the Recycling and Waste Collection Service)

Financial Year 2004/05

221104 Environment Panel

021204 Environment Panel

020205 Cabinet

070205 Environment Panel

210205 Cabinet

030305 Cabinet

310305 Cabinet

Financial Year 2005/06

040405 Environment Panel

060605 Cabinet

200605 Environment Panel

270605 Cabinet

210705 Environment Panel

260705 Council

010805 Cabinet

260905 Environment Panel

211105 Environment Panel

211105 Environment Portfolio budget monitoring 05/06 Q2

120106 Corporate Overview Panel

060206 Cabinet

130206 Environment Panel

130206 Environment Portfolio budget monitoring 05/06 Q3

Financial Year 2006/07

180406 Environment Panel

010506 Environment Panel Review

260606 Cabinet Scrutiny Review

260606 Cabinet revenue outturn 2005/06

250706 Cabinet

080806 Budget Task and Finish Group

300806 Environment Sustainability Task and Finish Group

180906 Cabinet

190906 Budget Task and Finish Group

091006 Cabinet draft general fund revenue budget and capital budget 2007/08

111006 Environment Sustainability Task and Finish Group

171006 Budget Task and Finish Group

231006 Members workshop

131106 Cabinet - Finance and Performance Monitoring 06/07 Q2

131106 Environment Sustainability Task and Finish Group

131106 Cabinet draft general fund revenue and capital budgets 2007/08

231106 Sustainable Environment Panel

061206 Budget Task and Finish Group

080107 Draft capital programme

080107 Environment Sustainability Task and Finish Group

090107 Budget Task and Finish Group

050207 Cabinet - Finance and Performance Monitoring 06/07 Q3

190207 Environment Sustainability Task and Finish Group

190307 Environment Sustainability Task and Finish Group

Financial Year 2007/08

170507 Council Special Meeting

290507 Resources and Corporate Governance Panel

270607 Council

270607 Cabinet - Finance and Performance Monitoring Outturn 2006/07

230707 Budget Task and Finish Group

101007 Budget Task and Finish Group

291007 Environment Sustainability Task and Finish Group

141107 Council Special Meeting

051207 Budget Task and Finish Group

160108 Budget Task and Finish Group

Financial Year 2008/09

220708 Council

171108 Cabinet

120109 Cabinet

090209 Corporate Performance Committee

260209 Council

110309 Planning Committee

Financial Year 2009/10

140409 Corporate Performance Committee

200709 Value for Money Task Group (Refuse and Recycling)

270709 Overview and Scrutiny Management Board

070909 Corporate Performance Committee

191009 Overview and Scrutiny Management Board

161109 Cabinet - Finance and Performance Monitoring 09/10 Q2

211009 Cabinet

040110 Overview and Scrutiny Management Board

120110 Audit Committee

180110 Public Realm and Works Services Unit Task Group

010210 Cabinet - Finance and Performance Monitoring 09/10 Q3

080210 Corporate Performance Committee

220210 Public Realm and Works Services Unit Task Group

150310 Overview and Scrutiny Management Board

160310 Audit Committee

240310 Overview and Scrutiny Management Board

Financial Year 2010/11

270510 Public Realm and Works Services Unit Task Goup

280610 Cabinet - Finance and Performance Monitoring Out-turn 2009/10

300610 Council

230810 Cabinet

270710 Council

Internal Organisation and Management Accounting Working Documents

(Used by Local Authority personnel during fieldwork)

Local Authority Constitution (Financial Regulations and Standing Orders)

Finance Handbooks (Rules and Procedures for all staff)

Corporate Strategy

Sustainable Community Strategy 2007/2010

Corporate planning cycle

Strategic planning cycle

Medium Term Financial Plan and Medium Term Financial Strategy

Budget preparation – Framework, procedures and working rules of thumb (Finance Director briefing notes distributed to all budget officers for preparation of budgets and setting Council Tax)

List of General Fund Budget Officers by name

List of General Fund Budget Officers by portfolio

Budget, performance and risk monitoring reports

Stratification of budgets

Organisation Structure Charts

Pre and Post Restructuring Management Charts

Procedures for Corporate & Strategic Documents Being Circulated for Corrections

Regulation and Professional Accountancy Body Information

Chartered Institute of Public Finance and Accountancy (CIPFA) Information Service

Chartered Institute of Public Finance and Accountancy (CIPFA) code of practice on Local Authority Accounting in the UK: Statement of Recommended Practice (SORP)

CIPFA's Best Value Accounting Code of Practice (BVACOP)

Local Government Acts (1980, 1988, 1992, 1999)

Compulsory Competitive Tendering

Best Value

Comprehensive Performance Assessment

Comprehensive Area Assessment

Citizens Charter

UK National Waste Strategy (2007)

Lords Science Sub-Committee Report (2008)

Climate Change Parliamentary Bill (2008)

Miscellaneous

Press cuts

Financial Year 2006 /07 (October 2006 to March 2007)

October 2006   Case Study briefing of Local Authority position in terms of strategy, performance

management and finance (CEO, Finance Director and Senior Management Team)

Weekly   Informal interviews and observation of practices with functional area staff for

Finance and Waste Management

Dates (attached) Formal Budget and Performance Management Review Meetings

Financial Year 2007/08 (April 2007 to September 2007)

Fortnightly   Update discussions with Finance representative (and/or waste management

representative as necessary)

Ad hoc   CEO

Financial Year 2007/08 (October 2007 to March 2008)

Monthly   Update discussions with Finance representative

Financial Year 2008/09 (April 2008 to September 2008)

Bi-Monthly   Update discussions with Finance representative

Note: From October 2008 - Brief ad hoc discussions for clarification of points / sense making

Schedule of Meetings – Budget and Performance Management Review

Date	Management Team or Other group	Head of Service	Director
25/10/06			Chief Executive
30/10/2006		Elections and Member Services	
31/10/2006		Environmental Health	
31/10/2006			Technical Services
31/10/2006			Housing and Environmental Health
01/11/2006		Housing Services	
01/11/2006		Financial Services	
03/11/2006		Legal and Administration	
03/11/2006		Performance and Development	
03/11/06 & 08/11/06		Leisure Services	
06/11/2006		Planning Services	
06/11/06 & 08/11/06		Engineering Works (including Waste Management) & Economic Development	
08/11/2006		E-Government and IT	
10/11/2006		Revenues Services	
10/11/2006		Partnership Development	
10/11/2006			Corporate Services
22/11/2006		Head of Works Services Unit	
23/11/2006			Chief Executive
28/11/2006		Financial Services	
29/11/2006	Management Team		
04/12/2006		Partnership Development	
05/12/2006			Chief Executive
06/12/2006	Management Team		
06/12/2006	Budget Task & Finish Group (sub-group of Resources & Corporate Governance Scrutiny Panel)		
11/12/2006	Management Team		
19/12/2006			Chief Executive
21/12/2006	Management Team		
03/01/2007		Financial Services	
17/01/2007		Financial Services	Chief Executive

Note: The Finance Director and/or an appointed representative were present at all of these budget and performance management review meetings.