

THE VALUE OF ACCOUNTING DISCOURSE IN CONDITIONS OF ACCELERATING CHANGE

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Abstract

This study investigates the complex relationships between organisational strategic change, developing accountabilities, and materialised values in the emerging public-service network. The study highlights the importance of bilateral governance, relational forms of behaviour, and the voluntary exchange of information that is based upon shared values and that regulates networked behaviour in a much less overt way than formal attempts at control. In these circumstances accountancy basically serves as an assistant, helping to mediate, shape and construct inter-organisational relations through various socio-economic and discursive power-based mechanisms. The results indicate that for some organisations value-based management may still have elements of value-adding contributions of a more non-financial and social nature despite the veneer of the rhetoric. In combining participation in development work, work in practice, and theoretical analysis, the study carries both theoretical and practical implications.

Keywords:

Role of accountancy, non-financial values, public-sector transformation

1. INTRODUCTION

This study provides an insight into the process of change currently taking place in the financial management of the public sector (Osbourne & Gäbler, 1992; Hood, 1995). In connection with these changes, financial matters and accounting (Olson, Guthrie & Humprey, 1998) have assumed far greater importance following a period of managerialisation and the emergence of New Public Management practices. A new framework of public-accountancy inscription (Ezzamel & Hoskin, 2002) is being adopted. In addition, the study contributes to the growing body of literature on the enlarged organisational role of the accountancy profession as an aspect of knowledge management (Granlund & Lukka, 1998; Burns & Baldvinsdottir, 2005).

In its primary role, accountancy serves to make operations visible and predictable, and to expose them to common discussion, which then leads to an increasing awareness of accountabilities, i.e. the giving and demanding of reasons for conduct in which people are required to explain and take responsibility for their actions (Roberts & Scapens, 1985; Sinclair, 1995). However, the discursive power of accounting with regard to individuals has been noted by a number of authors (Preston, 1992; Walker, 2004; Bishop & Boden, 2008). With respect to the material aspects of the financial world, these are relatively easily converted into accounting numbers. This paper will extend such analyses of the role of accounting to the ways in which it is implicated in the construction of calculable spaces (Vaivio, 1999; Ezzamel & Hoskin, 2002; Ezzamel & Lilley & Willmott, 2004).

Accounting as “the language of business” is a specialised form of discourse, in part because it relies primarily on numerical presentations, but also and in relation to this, because it is codified. In addition to the professionalised accounting discourses – practice codes – there are the professional, organisational or societal discourses that elaborate, make claims for or seek to change these practice codes and/or accounting texts.

The financial change in the public sector has shifted the image of public accountancy from a mere “bean counter” to a service-oriented partner (Granlund & Lukka, 1998). Accountancy no longer serves as a pure answer machine but operates to an increasing extent as a “learning machine” by offering enquiry facilities, sensitivity analyses and what-if analyses, as a “dialogue machine” by providing relevant information processing, which includes consultative processes, and as an “idea machine” providing multiple streams of thought and experience sharing in order to encourage creativity (Ezzamel & Bourn, 1990).

For example, Cuganesan, Boedker and Guthrie (2007) suggest that “consumers” of discourse are contextually relative. Ordinarily, we might conceive of managers involved in the production of statements on intellectual capital as discourse producers, but clearly they are also consumers of the talk and the text that precede such reports, and most likely of the reports they themselves produce (Llewellyn & Milne, 2007). Accounting prescribes practice in the financial world, but accounting itself is also the result of prescriptions.

As findings from the private sector indicate (Hood, 1995; Hermalin, 2005), the question in the public sector, too, is about getting new ideas in terms of the enlarged role of accounting to fit into the existing codified public-accounting discourse. In this connection, there is a tension between codification and ambiguity in the discourse, particularly in terms of how this may aid or inhibit changed practice (Llewellyn & Milne, 2007).

Following on from the above, the aim of the present paper is to investigate the role of

accountancy and, especially, accounting discourse and inscription, as moves to signify and facilitate an increasingly “commercial” orientation towards activities. It describes how new writings, particularly new accounting measures, were deployed to create spaces of representation in which traditional views and practices were problematised in a strategic effort to constitute a new organisational reality for the internal and external stakeholders. The new systems of inscription were a key resource in the translation of established forms of behaviour and modes of thinking. This translation was facilitated by writings expressing and promoting conditions of accelerating change that were prompted by pressures to enhance effectiveness and efficiency. Analysis of the inscriptions is thus of significance for understanding how human agency deemed capable of enacting the new commercial agenda at the research site is constituted and reproduced. The paper also examines the contribution of inscriptions, in particular new accounting measures, to the process of transforming the traditional producer-driven ethos into behaviour that is more responsive to citizens as service customers in the public-sector organisation (Osbourne & Gäbler, 1992; Helden, 2005).

The study draws upon an in-depth empirical investigation of an attempt by two inter-municipal organisations to develop their accounting functions and governance while aiming to transform themselves from a collection of fragmented municipality-focused units into a regional and collaborative entity. In the case organisations the new economic relationships that came with the change process created a need for new regimes of control, and here accounting played a central and additional role (see also Bishop & Boden, 2008).

2. RESEARCH METHOD

The starting point of this study was a consultation request from a Finnish local government (Hookana, 2007). The researcher was initially asked to help to clarify the drawing up and use of accountancy information within the inter-municipal organisation, and to put forward suggestions for its development during an on-going consulting period starting in November 2004. Later, in the autumn of 2007, she was invited to another inter-municipal organisation of the same Finnish local government. The task this time was to enhance the use of accounting information while strengthening the entrepreneurial attitude to service production. Following on from this, she has purposefully intervened in the target company and, as a result, has in part created its reality (Evered & Louis, 1981; Yin, 1984). The aim of this research was to combine participation in practical developmental work with making a theoretical contribution.

Overall, the study is methodologically action-oriented. The analysis aims at furthering understanding and interpretation of evolving accounting practices (Scapens, 2004). The findings from the first case organisation, the primary case study, are described initially in the light of individual interviews conducted with different local-government participants, and financial-data producers and users (a total of approximately 60 hours worth of material), and secondly on the basis of various workshops (32 altogether attended by between 10 and 30 providers and users of financial data, each of which lasted between two and four hours). These workshops involved interactive discussion between the researcher and the participants about problems of accountability and governance (Hookana, 2007). The empirical material from the secondary case study includes the interviews conducted with the top management and local-government participants as well as the five workshops for the service producers (attended by between five and 10 providers, each of which lasted for about one-and-a-half hours).

The research methods used facilitate discovery of the tacit knowledge possessed by each

individual on the one hand, and on the other hand provide occasions on which to address the interfaces between the networked parties and to externalise and disseminate financial knowledge related to the emerging collaboration (Nonaka & Takeuchi, 1995). The researcher also analysed the case organisations' written accounting material, and carried out direct observation during the periods of time spent in them.

As Lukka and Kasanen (1995) have suggested, by firmly situating the investigation of the case company in its context, and by connecting it to previous empirical and theoretical research, the author of the case study can produce findings that extend beyond the case organisation in terms of theoretical scope (see also Eisenhardt & Graebner, 2007), the problems of which are universal. Of course, the rhetoric is to be judged by the readers.

Chenhall and Euske (2007) suggest that previous literature on the role of accounting systems in organisational change could be divided into the following four different approaches: firstly, the prescriptive approach; secondly, an approach taking into consideration the contextual and social issues; thirdly, an approach stressing diffuse and integral change across the organisation; and, fourthly, an approach stressing employee commitment to change. In terms of this division, the study at hand falls within the second and third approaches. It highlights the significance of the internal organisational aspects and the integration within and across a networked organisation, the idea being to manage the interdependencies with a view to diffusing and integrating the change (Ezzamel & Bourn, 1990; Norreklit, 2003). In addition, the change charted in the study is strikingly reflected in the change in orientation of the organisation from traditional values to a more economic approach based on commercial principles involving efficiency, quality, and a customer focus (Dent, 1991; Kurunmäki, 1999; Henri, 2006).

3. THE INTERVENTIONIST CASE STUDIES

3.1 The primary case – the emergency services

Despite the recommendations made by the government and the Finnish Ministry of the Interior, voluntary cooperation between the municipalities within the fire and emergency services did not materialise, and consequently the regional organisations were brought under the rule of law. Alongside the relevant laws, the case operation of the Emergency Services of Satakunta is based upon a cooperation agreement between the municipalities, which defines the inter-municipal organisational model, the division of costs and the governance structure. The objective of the regional emergency services is to coordinate, guide and control the inter-municipal provision of services, and to offer joint services that take into account the regional characteristics and needs.

The Emergency Services of Satakunta cover all the 26 municipalities of the region with its ca. 230 000 inhabitants. The annual budget totals approximately €16.5 million. The Services operate in 51 locations with around 250 full-time personnel. There are also 1 200 volunteers in the 50 emergency units of the volunteer fire brigade.

To put it succinctly, the fundamental and primary problem related to governance and accountability in the case organisation can be expressed as a deficiency in the establishment of ties between the network parties (Hookana, 2007). Unclear ties have accrued as a result of the implied separateness of the individual municipalities and the professions (service providers and accountancy personnel), and are also due to breaks in the flow of information. The common aim

and strategy of the networked collaboration were just emerging, while the sets of nodes and ties representing the relationships between the different parties were defined more accurately, thus paving the way for the adoption of more successful governance principles within this network structure (on network theory, see Wasserman & Faust, 1994; Brass, Galaskiewicz, Greve & Tsai, 2004).

In this case study the new accounting inscriptions (budgets, accrued expenditures over the year, reports of the number of services) were introduced during a process of collaboration between the researcher and the officers, the top managers and the municipal representatives, the aim of which was to change fundamental personal beliefs concerning goals, results and performance measures. The idea, supported by the researcher, was to eliminate information gaps, to facilitate general discussion in a common language, and to tighten the network of the different parties. After quite a short presentation the parties involved in the case organisation network began to appreciate the fact that the fundamental idea of the accounting-measurement system was to make operations visible and predictable and to expose them to common discussion.

As the discussion and development process went on, issues to do with individual emotions and power came up more and more frequently during the interviews and workshops. Thus, the mode of change was transformed to that of personal, open and imaginative conversation. At this stage the finance manager, the director of the Emergency Services, and the district chief fire officers played crucial roles as change agents, as did the researcher. According to the change model presented by Huy (2001), the process could be characterised as the transformation to socialising intervention from initial so-called teaching intervention, i.e. to a process promoted by ordinary organisational members instead of the outsider process involving consultants and action researchers.

3.2 The secondary case – the accounting services

The secondary case organisation, which has been under development and analysis for about six months, takes care of the financial services, especially bookkeeping and salary payment, for two municipalities and two inter-municipal (six owner-municipalities) federations of public health services in the Satakunta region. The annual budget totals approximately €3 million. The Services operate in one location with around 45 full-time personnel.

These accounting services are voluntarily arranged within the common organisation at the initiative of the participating municipalities. The organisation has been operating as a limited joint stock company for one-and-a-half years. With its current owners the company is in a monopoly position, but the aim is to enlarge the marketing area outside of the owner-municipalities, after which it will have to take a bigger part in the increasing competition with private-sector companies.

The main point within this case research is to increase understanding of the business and the necessities of profitability, and of the importance of a customer- and result-orientation among service professionals. At present, the company has quite a traditional municipal budget and result reports, which should be further developed to suit operational and strategic decision-making needs in terms of entrepreneurial behaviour. The costs and revenues per produced piece of service should be identified in order to enhance the efficiency and effectiveness of the operation above the level of the previous municipality-focused production. According to the managing director, the company operates with seven teams, each of which is expected to assume the form of a “separate company”, and thereby contribute to the total result.

The first months of the research process revealed the deficiencies in the team organisation and in the data flowing among the teams, as well as the lack of a view of the totality of the previous municipality-focused services. In addition, conversation with the owners has its drawbacks because of the lack of external disclosure. In sum, in this case organisation it is a question of improving the accountability of a public-sector accounting-services company with a view to fostering an entrepreneurial spirit and culture.

4. EMERGING RESEARCH THEMES

The study presents an outline for a united conceptual framework describing the penetrative and brokering role of accountancy within the transformation of the public sector on the ground of the case findings. The empirical intervention led to increased discussion between the municipalities and the professions on different organisational levels, followed by intensified networking collaboration. Network negotiation is a process in which organisations work to counteract the unstructured nature of collaborative relationships, and in so doing they socially construct new institutional forms they then disseminate within their institutional fields (Phillips, Lawrence & Hardy, 2000). As Conduit and Mavondo (2001), for instance, have suggested, the very cross-functional and cross-municipal encounters clearly alerted the different professions and municipalities to the need to take into account the viewpoints of the other functions in striving for their common goals.

The following four sections describe the emerging themes in the research findings under the respective sub-headings: the penetrating role of accountancy, the need for dialogue, the process of averaging, and the need to change accounting frameworks.

4.1 The penetrating role of accountancy

The emphasis of the research was on the accounting-related processes of change that were influenced by internal institutions, i.e. the accounting-related culture (Burns & Scapens, 2000). Gradually, accountancy really penetrated the outermost parts of the network, which thus became increasingly dense.

As illustrated in the case studies, the networked enterprise develops through the visibility that accountancy fosters in terms of helping to identify who is in and who is out. Accountancy constitutes the network's boundaries (Mouritsen & Thrane, 2006), and its functions seal relationships through loose networks between municipalities. Apart from its minor role in the management and measurement of effectiveness in the inter-municipal organisation, the accounting system forces the network partners to interact with each other, thereby creating joint public-service production (Jönsson & Solli, 1993; Mellemvik Gårseth-Nesbakkk & Olson, 2005).

Hardy and Phillips (1998) argue that the dynamics of collaboration are often fuelled by power relationships, which could manifest in three forms: formal authority, the control of critical resources, and discursive practices. Because of the even number of votes and the basically even distribution of resources, the power in this study was concentrated in discursive practices and abilities. These practices were reflected in the accounting language used, which was expected to serve as a "true" baseline for common behaviour and to give it a structure. Network parties that had less of an inclination to adjust this baseline also emerged, in this case traditional municipality-focused accounting systems, even if they were known to provide somewhat false

information in the midst of other organisational changes; indeed, some continuity may be necessary to enable change in essential service functions (Burns & Scapens, 2000; Granlund, 2001; Hookana, 2007).

Accounting and management control would appear to be counter-intuitive, but the appeal of networks is that they enable the interacting parties to cooperate flexibly, non-hierarchically and directly, and on the basis of trust (Mouritsen & Thrane, 2006). Accountancy may also produce a kind of illusionary trust that the system will allocate its income streams in a predictable way, while distribution rules concerning the network's financial resources are settled before interaction on projects and with customers (citizens and municipalities) takes place (Seal, Berry & Gullen, 2004; Mouritsen & Thrane, 2006). These examples illustrate the discursive power of accountancy within a networked organisation.

The great emphasis at the very beginning of the process on the cross-functional composition of the development teams helped to foster the spirit of shared goals, and probably also reduced the threat of individual resistance factors outweighing the team- and organisational-level factors. Overall, individual factors remained quite latent in the process of change within the case organisations (Chenhall & Langfield-Smith, 1998). When two people or groups are isolated from one another, the role of the financial manager may be to forge connections through identifying gaps in the structure and bridging them, thereby gaining certain benefits over those who do not occupy such positions (Burt, 1992; see also Granlund (2001) on agents of change). The financial manager, especially in the primary case organisation, clearly filled structural holes by connecting otherwise isolated people.

As Ezzamel and Hoskin (2002) argue, the power of inscription may become manifest in the construction of new agents and new organisational methods. As a result, labour is deskilled and degraded through the codification of organisational knowledge and the subsequent exertion of managerial control over the production process. The deployment of new or different forms of written performance measures resulted in a new organisation and construction of reality. The new representations were commended as progressive, process-driven and productive.

Inscribed measures facilitate the development and enactment of new powerful metaphors that have the capacity to underpin the new organisational vision. Written measures are at the centre of power and knowledge relations (Kurunmäki, 1999; Ezzamel & Hoskin, 2002; Moullin, Soady, Skinner, Price, Cullen & Gilligan, 2007). It was through such measures that the accountancy function sought to shift the balance of power away from a complex dominated by the municipality-focused emergency services towards a finance-centred region-wide complex offering an ostensibly more "credible" representation of the common organisation. The evolving new measures underpinning the finance-based new commercial agenda promoted greater cost awareness. Management was thus able to both construct and emphasise several key elements of the new vision for service production.

In particular, non-financial management-accounting measures created a new calculable space (Vaivio, 1999; Kurunmäki, 1999) within the organisations. This space reshaped the traditional segmentation of responsibility, made new dimensions of performance visible, and restructured the patterns of dependency and power between the organisational agents.

However, it has transformed organisational power relations and is largely filled with controversy. The evidence of this study suggests that the new calculable space focuses interventions sharply on the "root causes" of operational instances. As a result, the boundaries shift between accounting and other organisational expertise – such as between service

specialists and controllers (Lukka, et al., 1998; Vaivio, 1999).

As time went on the “new” accounting became ever more tightly linked with the practical side of the organisation’s acute concerns. Accountancy became a more active management craft, directly addressing what was deemed urgent. Instead of controlling the major courses of events at a distance, the new management-accounting function is involved in day-to-day business issues, decisions and actions. By “owning” a flexible calculable space that probes deeply into the necessary operational details with non-financial measures, it can expand its organisational influence (Vaivio, 1999).

Through the dialogue accountancy is also made accountable (Khalifa, Sharma, Humprey & Robson 2007; English, 2007). The documentation required of the audit function to demonstrate quality has increased, for example, but changed talk and changed practice may or may not be co-emergent. From this perspective we suggest that contemporary accountancy may have more to do with legitimising government policies than with providing an overview.

4.2 The need for dialogue

As Feldman and March (1981; see also Kurunmäki, 1999) suggested, the power of accountancy depends greatly on so-called calculative rationality or space. It was apparent in the primary case study that the emergency-service professionals had and were given such an influential role that non-financial and social-accountability-related matters were emphasised more than financial matters. One of the background factors may have been the strong and recognised professionalism of the service providers and their long-term involvement in municipality-focused financial matters. Accounting information systems are clearly dependent on the ability and willingness of the service professionals to co-operate, and can only be used as a top-down management tool to some extent (Neu, 2006; Moullin, et al., 2007). In this context, accountancy had importance as a mediating function.

Most evidently, as Robbins (2007), for instance, argues, there is a struggle to decipher who has control of resources in the public-sector organisation. Management believes that it is the service providers who control the activity and therefore the consumption of resources, while the service providers believe that management is attempting to control their work to an increasing extent.

The empirical intervention was especially targeted at promoting informal, inter-professional networks and communication about accounting (Ho, Rousseau & Levesque, 2006; Mouritsen & Thrane, 2006). These were aspects that had been largely neglected by the case organisations during the development efforts, and led to the current management problems. The initial phase of the development focused on formal and structural organisational matters. Bilateral governance, relational forms of behaviour and the voluntary exchange of information (Ruy, 2006) are based on shared values, which regulate behaviour in a much less overt way than the attempts at control used in unilateral governance. The relational forms made visible and comprehensible by accountancy acted as a governance structure that encouraged both parties to behave in ways that fostered the achievement of shared goals. The basis for formal processes had been laid down in the inter-municipal collaboration and cooperation agreement and under the letter of the law.

Accountancy, in the form of performance management, for example, could be considered a direct attack on the other professions (Maddock & Morgan, 1998). As illustrated in these case studies, the adoption of such a stance by service providers may lead to a lack of trust in

management and less than full commitment to the new organisational structures, as well as to the avoidance of organisational systems. However, as Lane (2000), for instance, suggested, trust is a vital component of every interaction system. It is generally earned and grows at a painfully slow pace (Mishra & Morrissey, 1990).

It may be argued that, at present, the management of the case organisations is using the rhetoric of new public management but is failing to support the new institutional structures. There has been limited adoption of new public-management techniques such as service planning, and there is a very restricted notion of budgeting. The organisational model will prove unsuccessful without the “buy-in” of the service managers. In order for this to happen concerns over sharing power within the public sector organisations need to be eased, and this, in turn, requires the development of trust in both directions between management and the service providers (Robbins, 2007; Bishop & Boden, 2008).

It has been acknowledged that engaging service providers in management requires a greater sharing of financial information that is relevant, timely and accurate (Lawson, 1993; Robbins, 2007; Hookana, 2007). The effectiveness of a dialectical perspective is also emphasised in the literature on the management of change and resistance (Zoller & Fairhurst, 2007; De Bruijn and van Helden, 2006).

This paper also adds to our knowledge of the role of accounting personnel vis-à-vis other professionals in constructing a network-wide and balanced performance system that will unify the heterogeneous standpoints of politicians and service officials (Chabrak, 2005; Pesqueux, 2005; Inanga & Schneider, 2005). Accounting talk (Jönsson & Solli, 1992; see also Parker, 2007 on the challenges for research on financial and external reporting) was assigned quality-improvement potential. When two people or groups are isolated from one another, the role of the financial manager may be to detect connections by finding the holes in the structure. As a result, the individual making the connection may derive certain benefits over those who do not occupy such positions (Burt, 1992; see also Granlund, 2001, on agents of change). The financial manager clearly spans structural holes by connecting otherwise isolated people.

The accounting-measurement systems in the public sector will most probably be successful if they are developed and used in interaction between managers and professionals (Rantanen, Kulmala, Lönnqvist & Kujansivu, 2007). The law of decreasing effectiveness might, in terms of measurement, lead to game playing and to production-on-paper rather than professionally relevant production. It could also reduce innovation incentive and lead to input optimisation. Measurement could also result in a loss of professionalism and increased bureaucracy, and could even be a toy for managers rather than an instrument for professionals (Meyer & Gupta, 1994; De Bruijn & Van Helden, 2006). Negotiated targets, for example, are more effective than targets unilaterally imposed by reviewers (Boyne & Could-Williams, 2003; De Bruijn & Van Helden, 2006). The focus should be on learning rather than on appraisal, and verbs referring to processes, such as teaching or doing research, are more important than nouns.

4.3 The process of averaging

The network is its own entity because it gradually defines its own objectives, proposing strategies that are larger than the sum of the participating firms. Wherever a codified discourse dictates practice, practice will become more uniform. Indeed, during its first years of existence the case-organisation networks have shown increased consistency in accountability perceptions (see Brass, et al., 2004 on the antecedents of networks), and homogeneity and “averageness” in

practices and costs (Llewellyn & Northcott, 2005), but the process is still going on.

However, as Dyer and Hatch (2006), for instance, argue, local differences may persist within the partners because the inter-organisational routines and policies act as barriers to the transfer of knowledge. In addition, some of the unit resources and capabilities are relation-specific and are not easily transferable to other partners in the network. Specifically, the major barriers to the intra-firm transfer of knowledge and best practices included a lack of credibility on the part of the source of knowledge, and causal ambiguity due to its complexity (Szulanski, 1996). In addition, as Dyer and Hatch (2006), for instance, note, the existence of a rigid decision-making process makes the adoption of a new process difficult and costly. Even allowing for the detrimental effects of protracted reflection on the network negotiations, the remaining local practices clearly strengthened the collaboration by securing the commitment of the remaining heterogeneous parties to innovation.

4.4 The need for changing accounting frameworks

Accounting systems are usually quite inflexible in terms of developing new costing approaches (Robbins, 2007). The future and transformation of public organisations depend on their capacity to move beyond the restrictions imposed by professional tradition and bureaucratic routines (Maddock & Morgan, 1998).

As Rantanen, et al. (2007) argue, there are several reasons why problems of accounting measurement arise in public organisations. First, there are several stakeholders to be taken into account in the design of performance-management systems. Secondly, the main objective activity is not primarily driven by economic criteria: cost effectiveness and target orientation are not common phenomena in public-sector organisations. Thirdly, there are problems related to the ownership of the property. In many public organisations everything is collective, but at the same time it belongs to nobody. It is not clear who is responsible for the organisation or who controls it. Fourthly, there is a lack of managerial skills: managers in public organisations are usually selected on the basis of their practical skills rather than their managerial capabilities

Further, previous research suggests that, due to the lack of a general public-accounting framework, cost-containment efforts have been directed at administrative processes and not at service costs (Shortell, Levin, O'Brien & Hughes, 1995; Pizzini, 2006). Ultimately, the ability to significantly reduce public-service expenditure lies in the containment of the direct costs of customer services, and not in simply improving administrative efficiency. Only the ability to give detailed cost information warrants investment (Pizzini, 2006). Overall, the study provides clear evidence of these previous findings.

In addition, there is a need for change in management practices. If managers are expected to be more proactive there will have to be a significant loosening of control within the system and greater reliance on information giving and receiving through various forms of accountability (Robbins, 2007; Rantanen, et al., 2007). Kettl (1997) argues that if reform efforts in new public organisations are to be sustained there has to be an expanded view of budgeting that links allocation decisions to their results. The focus of accounting in the public organisation is still on probity, compliance and control, and there is some reluctance to loosen the control.

5. CONCLUDING REMARKS

The aim of this study was to ponder the role of accountancy and to develop accounting inscriptions in emerging public-sector networks, with a view to increasing the effectiveness and efficiency of public-service provision. The two case organisations are in the process of transforming a fragmented host of units into a united collaborative whole. The main conclusions are primarily based on the first case organisation, which was studied from the year 2005.

The study drew upon an in-depth and interventionist empirical investigation. It applied insights gained from an evolutionary and interdisciplinary conceptualisation of regional change. Methodologically, it demonstrates the importance of the socialising mode of change (Huy, 2001). The focus in this most advanced mode of interventionist change is on the quality of social relationships among the networked parties, incorporating power and politics (Chenhall & Euske, 2007; Rantanen, et al., 2007). Leadership is provided by the change agents, who are often self-motivated employees.

Discourse is practice and practice is more than discourse. Moreover, discourse and practice may not be aligned. Meaningfulness is embedded in human practice in a process of reciprocal confirmation. However, only the professional accounting elite can change the instructional practice codes, and their prescriptions are mandatory. Although the codified discourses have a more determinate effect on practice than the non-codified, this does not imply that their impact is determinate. Accounting tells people how to do things and makes them act in particular ways but it cannot completely encode their activities. This power and the value of accounting rhetoric are grounded in this conceptual framework. It is a framework within which accountancy basically serves as an assistant, helping to mediate, shape and construct inter-organisational relations through various socio-economic and discursive power-based mechanisms.

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