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Accounting colonisation and austerity in arts organisations

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ABSTRACT

This Habermasian qualitative study considers the nature and extent of accounting and austerity colonisation in the context of widening arts engagement in England in a period of financial austerity. It also explores some of the key impacts of austerity and accounting monitoring and how arts organisations coped with them. The findings suggest that the discourses of accounting and austerity were associated with a variety of forms of colonisation and limited resistance along a continuum. The discourse of austerity was portrayed as much more problematic and colonising than the extensive accounting monitoring which was taken for granted. The discourses and practices of austerity were implicated in morally ambiguous and role-conflicted organisational behaviour suggesting sublimated legitimisation crisis tendencies but there was no evidence of widespread Habermasian motivation crisis in relation to austerity or accounting monitoring. Some organisational members responded actively to accounting colonisation, and as a reorientation or reversal of colonisation, created transformations of accounting through a range of narrative and visual reporting methods. Their evaluation of such qualitative data revealed an expression of autonomy in the face of pathological accounting colonisation, whilst paradoxically creating self-challenging monitoring procedures.

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1. Introduction

This study adopts a Habermasian approach to explore accounting colonisation and austerity in three arts organisations in England. Art is important for Habermasians because it may potentially enhance the lifeworld at both individual and societal level. Habermas (2007) argues for art that reflects and arises from a more democratic society. He champions post-aesthetic, authentic art that takes the form of a subversive counterculture through challenging repressive economic and political systems (Habermas, 2007). The U.K. Labour Government (1997–2010) pursued a new policy of widening arts engagement which, although not discursively agreed, is of interest from a Habermasian perspective because it may potentially enhance the lifeworld, if the latter is not excessively burdened with administrative systems and technologies such as accounting. The Labour government emphasized that the arts could potentially enhance social inclusion and wellbeing through widening

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engagement, in addition to playing an instrumental role in contributing to economic development (Selwood, 2002). They continued the intensification of accounting techniques (including performance monitoring and efficiency measures) in arts organisations that had been developed by the Conservative government since the 1980s and has been described as New Public Management (Crossick & Kaszynska, 2014). This phenomenon has been observed in many Western countries in a variety of public and private sector organisations (see Hood, 1995). The Labour government attempted to measure the effectiveness of funding in enhancing social inclusion and developing the economy, in part to try to justify public expenditure on the policy of widening engagement (Crossick & Kaszynska, 2014). Gradually, the Labour government became sceptical of the possibility of establishing a link between arts activities and social policy objectives and, responding to criticisms of targets from within the cultural sector, they indicated that they would try to reduce the number of performance indicators for arts organisations and increase the emphasis on trust, as evidenced in the McMaster (2008) report (Selwood, 2002; Hewison, 2011; Oakes & Oakes, 2012). Nevertheless, performance measurement remained prominent (Crossick & Kaszynska, 2014).

From 2010 onwards, the incoming Coalition government attempted rapid deficit reduction (Painter, 2012) presented as a response to the 2008 financial crash, and it promoted market solutions to reductions in arts funding, encouraging an increase in fundraising and philanthropy, whilst continuing to emphasize the development of arts engagement in communities, but with a reduced level of funding. Arts Council England reflected the government policy of widening engagement in its 2012 ten year strategic framework entitled 'Achieving great art for everyone'. Another strand of Coalition government arts policy included applying the concept of the "Big Society" which promoted the extension of volunteering and charitable giving by the general public to the arts. More recently, in the wake of the financial crisis in 2008, accounting and other managerial business techniques were promoted by government, funders and consultants as significant methods for coping with reductions to arts budgets. For example, it was suggested in the Royce Report (2011) that arts organisations should become more like businesses, extending their use of accounting to reduce the dependency of the arts sector on the state, to weed out failing organisations and to justify public expenditure and advocate for the "successful" arts organisations. In relation to advocacy, Knell and Taylor (2011, p. 18) in their pamphlet (promoted on the Arts Council England 2012 website) argue for an intensification of quantified monitoring to make a case for the 'spectrum' of arts activities. Accounting is seen as important by government to try to demonstrate successful arts policies to encourage re-election and to attempt to maintain control in arts organisations because government has to 'take all the collateral damage' if things go wrong (Selwood, 2002, p. 49).

The intensification of accounting in the arts sector has links with concepts of Accountingization (Kurunmaki, Lapsley, & Melia, 2003) and financialization observed by Carter and Mueller (2006) and Cushen (2013). It has been referred to as an example of the related concept of the Audit Society (Power, 2000) by Hewison (2011). However, little attention has been paid to analysing and theorising the complex roles of accounting in arts organisations. A notable exception is Oakes, Townley, and Cooper (1998). Drawing on the work of Pierre Bourdieu, they provide an important study of business planning in the reengineering of a provincial government department in Canada responsible for a range of cultural institutions (including several large museums). Zan, Blackstock, Cerutti, and Mayer (2000), observe a need for micro studies of arts organisations examining the effects of increasing pressures to demonstrate economic efficiency and value for money. The current study responds to the relative neglect of such studies.

A number of seminal studies in the field of critical accounting provide a framework for applying Habermas' theory of colonisation of the lifeworld to the intensification of accounting in the public sector (e.g. Broadbent, Laughlin, & Read, 1991; Power & Laughlin, 1996; Broadbent & Laughlin, 1997; Dillard, 2002). According to Laughlin (2007) and Oakes et al. (1998), the degree of colonisation or resistance is contingent upon context. Thus, in empirical studies of the Church of England, schools and GP practices in England, Broadbent and Laughlin observed first order change or 'resistance to steering requirements through internal absorption' where interpretive schemes (the sacred core) 'are not affected' (Laughlin, 2007, p. 283). In contrast, in their study of cultural institutions, Oakes et al. (1998) reported that managers actively engaged with the introduction of business planning 'rather than using strategies of resistance, decoupling, or ceremonial change' (p. 284), and that even when they tried to protect their core identity, 'the act of adopting these practices' 'may significantly influence' the core values 'and identity of the field' (p. 286). We develop understanding of accounting colonisation in the context of extreme austerity, drawing particularly on concepts of Habermasian colonisation and resistance from Dillard (2002), Dillard and Yuthas (2006), Oakes and Berry (2009) and Broadbent and Laughlin (2013). The current study adopts Dillard's (2002) call to consider the degree of colonisation, rather than assessing whether accounting has colonised or not colonised in an absolute sense and we identify a continuum of accounting and austerity colonisation. Thus, a key objective of the study is to add to current knowledge regarding the subtlety of accounting colonisation, drawing attention to nuanced aspects through which the degree of accounting colonisation may be recognised. In addition, the context of the study in a period of unusually severe financial austerity allows us to compare perceptions of accounting colonisation relating to data collection and monitoring with perceptions of austerity and funding reductions. We also consider whether austerity precipitates Habermas' crises, and our findings contribute towards a more general explanation of why long-term motivation crises have not emerged in advanced liberal capitalism in the way Habermas (2007) suggests.

Given the historical problems for policy makers in terms of performance measurement and quality evaluation in arts organisations (e.g. see Zan, Bonini Baraldi, Ferri, Lusiani, & Mariani, 2012), as well as the complex nature of accounting colonisation, the paper addresses four issues in the context of austerity. First, we consider some of the key impacts of austerity and accounting (and how the arts organisations coped with them) through exploring managerial accounts of

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