



# How accounting begins: Object formation and the accretion of infrastructure



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## ABSTRACT

Drawing on the case of accounting for the impact of research in UK universities, and building on key contributions to *Accounting, Organizations and Society*, the paper explores the conditions under which new accounting systems begin and the unfolding dynamics by which vague performance objects becoming operational. Accounting for research impact involves a radical change in the landscape of UK universities. At the centre of this change process is the progressive construction of the *Impact Case Study* (ICS) as a new unit of performance accountability for UK universities. Inductively, the emergence of the ICS suggests a fourfold developmental schema for accounting origination spanning field and organization level changes: policy object formation, object elaboration, activity orchestration and practice stabilization in infrastructure. Drawing upon existing scholarship, the paper uses the impact accounting setting to explore the dynamics of this developmental schema and its implications for calculation, subjectivization and the structuring of organizational temporalities. The case of impact in UK universities shows that accounting never simply begins but has multiple conditions of possibility which align as drivers for change at both field and organization levels. The case of impact accounting also reveals the significance of managerial infrastructures during accounting origination and this is suggestive of a future research agenda.

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"It is rarely possible to witness the birth pains of a newly emergent accounting" (Hopwood, 1987: 214).

On the 28th of November 2011 a UK university, hereafter UNI, held a workshop for nearly 100 academic staff to discuss the process of producing case studies to demonstrate the 'impact' of their research. The attendees had all previously produced drafts and the workshop, the first of several, was intended to assist in their further development and refinement. The need to produce such impact case studies (ICSs), a consequence of an impending research evaluation exercise for all universities in the UK, was taken as largely accepted. Debate about the merits of the policy and its accounting requirement was over. The organizational discussion from this point onwards would be operational in nature, focussing on the meaning of the regulatory requirement to demonstrate impact, the guidance for which was itself evolving at this time, and on the task of successfully crafting a sufficient number of 'high quality' research ICSs for independent evaluation. This group of UNI academics at the

meeting represented nearly one fifth of the total academic staff. They had self-selected to attend the meeting, being those who considered themselves to be 'impactful' in some broad sense of that term. As clever as they all were, they did not realise that they were collectively engaged in the work – 'institutional work' (Lawrence, Suddaby, & Leca, 2011) – of creating of an entirely new performance accounting instrument and its associated practice infrastructure.

The case of the Research Excellence Framework (REF) in the United Kingdom, and its requirement for universities to demonstrate the (beneficial) impact of their research activities, is of broader interest because opportunities to study the creation of 'new' accounting systems are rare. For example, Hopwood analysed the emergence of Josiah Wedgwood's cost accounting practice and the rise and fall of value added accounting (Burchell, Clubb, & Hopwood, 1985; Hopwood, 1987 respectively). In addition, Preston, Cooper, and Coombs (1992) addressed the rise of new budgeting systems in the UK National Health Service. Yet, as we shall see, 'newness', 'innovation' 'creation', 'beginning' and related concepts cannot be taken for granted. If accounting has no 'essence' (Hopwood, 1987), it is likely to have multiple conditions and sources of beginning.

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The emergence and refinement of the ICS as an 'accounting instrument' within universities was rapid and became a widely operationalised accounting form in the UK sector by the time of the REF submission date in late 2013. At the time of writing it is not clear whether the ICS as a specific form of accounting will have stability over the long term, but there is no doubting that UK universities have invested, and will continue to invest, in an impact and engagement *infrastructure* in the form of new roles, oversight structures and data collection processes. In other words, the performance discourse of impact has been firmly established and accepted in a set of activities and routines and new academic habits have started to be visible as individuals pay more attention to aspects of their work which have previously been taken for granted. Many actively collect *traces* of their impact outside the academy and are encouraged to construct narrative accounts out of these traces which can be made public. This emerging mode of self-governance in the name of impact is unevenly distributed across academic disciplines and individuals – it is not yet a field of practice in its own right – yet it represents a radicalisation of prior managerial trends in higher education by institutionalising the demonstrable *use value* of research as a new norm of academic performance evaluation for universities, their managements and academic staff.

This essay addresses the emergence and operationalisation of impact accounting in the period 2008–2014 with two principle motivations. The first specific motivation is that the case of impact accounting is interesting in its own right, not least as an intensification of a latent *productionist* logic of academic labour. The case description draws on several sources: deep participant observation as a member of UNI's strategy committee for research 2013–14 (approximately 12 meetings in total); a reading of policy documents at the regulatory level; and observation of, and participation in (as an ICS author), of their operationalisation at the organization level. The methodological disadvantages of opportunistic case selection and associated biases are partially offset by the second motivation of the paper which is to consolidate and extend existing theory (Eisenhardt, 1989) and to explore the question of 'how accounting begins' by revisiting some of the major theoretical reference points in *Accounting Organizations and Society*.<sup>1</sup> Taking these two motivations together, the analysis is theory-building in spirit by iterating between the details of this specific case and some key, and potentially generalizable, features of the emergence of new accounting systems.

The argument begins with the wider institutional context of the case, namely the emergence of the UK requirement for universities to demonstrate research impact. This is briefly described and situated within a long history of efforts to enrol research as an engine of economic growth. Importantly, in this setting there is no 'critical event' in the sense of a scandal or disaster which forces actors to rethink existing practice. Rather, there is a longstanding cultural tension between two underlying logics of university research work – on the one hand the logic of academic autonomy and a curiosity driven agenda for research and, on the other hand, a productivist valuation of research for its use-value.<sup>2</sup> Yet in the UK something changes in higher education policy with the advent of the idea of 'impact' in the mid-2000s and this marks a decisive shift in the balance of power between these two logics. In addition, this shift is

also enabled by the increasing world-level and cross-sectoral significance of the idea of impact for government and non-profit organizations of many different kinds in increasingly austere public funding environments. 'Impact' in the higher education field has the character of a boundary object (Star, 2010) which is essentially flexible in its interpretation but must also be made specific by the work of higher education regulators and universities, specifically via the iterative development of a standardized template for the form of the ICS. While the initial policy dream was for the measurement of impact, university regulators, in negotiation with lead universities, gravitated towards a case study form i.e. a narrative approach to impact supportable by, but not wholly defined in terms of, metrics.

The second section deals with the production of ICSs at the organizational level, based on the case of UNI and the author's participant observation of the process. In the early phases of development, the process is best conceptualised as a collection of *activities* by different actors which are not yet a *practice* (Lounsbury & Crumley, 2007). At this local level 'groups cooperating without consensus go back and forth between both forms of object ... .vague and specific' (Star, 2010: 605). Initially there is much local misunderstanding at UNI about impact. The production of a stable ICS form and its content becomes an issue of how to 'collect, discipline, coordinate distributed knowledge' (Star, 2010:607). For this reason, central control of the production of the ICSs at UNI increases over time and generates processes for the construction of a durable infrastructure for managing knowledge exchange and impact. Only at the point of 'infrastructure embedding', does impact acquire the status of what might be called a 'practice logic' for academic research. Via the iterated development of the ICS as an accounting instrument, the vague logic of impact as an organizing principle is realized in a material form.

In the third section, the genesis of the ICS is used to explore more general issues about 'accounting beginnings'. The argument combines insights from existing accounting scholarship with those of innovation studies (e.g. Lounsbury & Crumley, 2007; Nigam & Ocasio, 2010; Padgett & Powell, 2012). Specifically, this section argues, partly inductively from the case and partly deductively by consolidating existing work, for a simple model (See Fig. 1) of new accounting development which visualizes four sequential and cumulative phases: object formation; object elaboration; activity orchestration; and practice stabilization via infrastructure. Within the event window of the case analysis, earlier phases and their respective objects and workstreams are not simply superseded but continue to influence and be influenced by successive phases, thereby contributing to the accretion of elements of a trans-organizational sociotechnical infrastructure. Impact operates as a boundary object in Star's (2010) sense in so far as people act towards it via material work processes which, as they scale up, become embodied in standards and in infrastructure.

From this point of view, the emergent form of the ICS instrumentalizes, makes operational and 'translates' (Robson, 1991) an ambiguous policy object, namely research impact, into structures and routines capable of reproducing themselves. In short, practice norms of accounting for impact are born from a dynamic of repeated iterations between institutional requirements and local activities (Halliday & Carruthers, 2007) with each specific version of an ICS being a kind of experiment and a test for all the others.

This is, admittedly, not a very surprising or particularly original model of the dynamics of accounting initiation and institutionalization. But it suggests a line of theoretical sight in two potentially fruitful directions. The first is the possibility of positioning some of the constructs which interest accounting researchers, such as 'problematisation', 'mediation' and 'centres of calculation', in a dynamic relation to one another. The second is to emphasise the

<sup>1</sup> The focus of this essay is mainly upon the contribution of accounting scholarship within the journal *Accounting, Organizations and Society*. It is therefore deliberately partial and does not deal with scholarship about accounting origination and change in other journals, such as *Critical Perspectives on Accounting* and the *Accounting, Auditing & Accountability Journal*.

<sup>2</sup> See Habermas (1987) for a version of this tension in terms of functionalist and communicative roles of the university.

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