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The marketization of accountancy



Claire-France Picard

Faculté des sciences de l'administration, 2325, rue de la Terrasse, Université Laval, Québec City, Québec G1V 0A6, Canada

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ABSTRACT

The 1980s were marked by the introduction of marketing expertise into the accounting field as an influential area of knowledge. Previously disregarded and even formally forbidden by the profession, marketing initiatives became essential for the advancement of an increasingly profit-centered practice. Within just a few years, marketing became an obligatory passage point within accountancy in order to attract and maintain clientele, recruit qualified staff, and retain competent employees. Based on data generated from interviews and document analysis, this article documents the “marketization” of accountancy in North America—specifically in the context of accounting firms—and its implications for the field. To conduct this work, I draw on actor–network theory and Callon’s moments of translation. My results show that the marketization movement can be regarded in two contradictory ways: as the result of a network of translations and associations where skepticism dominates, or as the fruit of the “progress” of marketing skills achieved after marketing expertise was legitimated. This study also underlines the implications for professional accountant status and identity representation as a result of the recruitment of marketing experts by accounting firms. Fundamentally speaking, this paper questions the threat that the marketization of accountancy poses to traditional professionalism.

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1. Introduction

As close observers of developments in [the field of marketing], we have witnessed an enormous surge of interest in marketing over the last decade from sectors of our society which formerly ignored or disdained marketing, such as hospitals, educational institutions, and government agencies. But nowhere in our experience have we seen the acceptance and adoption of marketing occur as rapidly and as massively as it has occurred recently in the professions. Accountants, lawyers, management, consultants, architects, interior designers, engineers, dentists, doctors, and other professionals are turning to marketing with great enthusiasm and commitment. And marketing, in turn, is creating fundamental and lasting changes in their professions (Kotler & Bloom, 1984, p. vii).

According to these authors, professionals have had mixed emotions about marketing over the years. Initially disdained and ignored, marketing activities are now actively used by most professional service firms. In the last decades, marketing has become an omnipresent and influential force among liberal professions, to the point where a great number of professionals view it as an essential ingredient to constructing and maintaining a rewarding and profitable practice (Kotler & Bloom, 1984; Stewart, 2002).

E-mail address: claire-france.picard.1@ulaval.ca (C.-F. Picard).

The meeting of liberal professions and marketing can be described as a gradual process of “marketization” (Wedlin, 2008). Marketization entails an increasing presence and acceptance of marketing ideology and implementation of marketing initiatives with the expressed aim of developing markets and increasing profits. Thus, the marketization process entails fundamental shifts in both ideologies and practice. However, it has to be pointed out that marketization is not an automatic and autonomous process, but one that requires the active involvement of professional firms as well as professionals themselves. Indeed, marketization does not mean a passive adaptation to marketing principles and techniques; it is an active process to construct marketing for professional services by interacting with marketing experts.

Accounting is among the fields that have experienced this marketization process which took place mainly in the 1980s and 1990s when neo-liberalism ran rampant (Hanlon, 2000). In the 1980s, large accounting firms—the “Big Eight” at the time—were among the first professional service firms to introduce formal marketing programs to ensure their continuous growth and prosperity (Stewart, 2002). Since then, most large-scale accounting firms have put in place marketing departments comprised of experts in the field (Ellingson, Hiltner, Elbert, & Gillett, 2001; Rose & Hinings 1999). Smaller firms followed this lead, using marketing tools tested by large firms to expand their clientele and increase their profits (Stewart, 2002). In other words, marketing expertise seems to have become an obligatory passage point (Callon, 1986; Latour, 1987) within the accounting field to successfully attract and maintain clientele. One might contend that it is not surprising that accounting firms embraced this marketization agenda since the recent decades have seen the growth of powerful transnational professional service firms which were deeply implicated in the neo-liberal turn that glorifies the free market and the “consumer citizen” ().

Although accountancy’s historical role as the handmaiden of capitalistic enterprise makes it more susceptible to adopt commercial practices (Fogarty & Radcliffe, 2001), marketing expertise is far from having always been essential to the maintenance and continuity of professional accounting activities. Notwithstanding rivalry, the professional accounting field had spurned the business world’s competitive marketing techniques until the end of the 1970s (Horowitz, 1986). In fact, numerous authors indicate that, for several decades, professional accountants made their practices profitable by using the quality of their work and reputation as their main promotion tools (Kotler & Connor, 1977; Mahon, 1982), not to mention that accountants’ attitude toward all forms of formal marketing was rarely positive. Firms that ventured into adopting marketing techniques inadvertently or by *avant-gardism* were often considered as unprofessional parvenus by their peers (Mahon, 1982). If a “genuine” professional accountant focused on technical questions and the quality of his/her work, more clients would follow: “[. . .] experience shows that a professional man who does concentrate on service and improving his capacity to serve has little need to be concerned about money. The world will beat a path to his door.” (Wright, 1958, p. 530).

In light of these perceptions, we can ask how marketing has become an obligatory passage point within the accounting field and why professional accountants, who disregarded and criticized marketing in the past, are attracted to this expertise now. Although the accounting literature accounts for few answers to this question, some authors have pointed to the increasing role played by marketing experts within accountancy bodies and accounting firms. For example, Fogarty, Radcliffe, & Campbell (2005) underline the influence that marketing expertise had on the American Institute of Certified Public Accountants (AICPA) and the Canadian Institute of Chartered Accountants (CICA) in the strategic development of “Vision” projects aimed at repositioning accountant competency during the 1990s. In a more general way, Barrett and Gendron (2006) as well as Picard, Durocher, and Gendron (2014) noted increases in marketing language and practices within the accounting field. Other authors discussed the creation of marketing departments within accounting firms (Hinings, Greenwood, & Cooper, 1999; Rose & Hinings 1999) and different marketing practices established by firms (Greenwood, Hinings, Brown, & Cooper, 1997; Jeacle, 2008). However, none of these studies, to my knowledge, specifically aimed to examine the process of marketization of accountancy.

Nevertheless, the marketization of the professional world has created a certain enthusiasm within the academic field of marketing. Considerable research is devoted to marketing strategies used by professional service firms (Barr & McNeilly, 2003; Iyer & Day, 1998; Shepherd, 1997; Shepherd & Helms, 1996; Taylor & Cosenza, 1998), the attitude of professionals toward marketing (Clow, Stevens, McConkey, & Loudon, 2009; Folland, Peacock, & Pelfrey, 1991; Hite & Fraser, 1988; Latif, Yau, Wong, & Al-Murisi, 1995; Traynor, 1983), and the challenges related to marketing professional services (Markham, Cangelosi, & Carson, 2005; Thompson, Smith, & Jordan, 1991). In spite of these important contributions to our understanding of how marketing professional services is experienced daily, we still know little about the consolidation of marketing within the professions in such a relatively short period of time. This article is a first step toward better understanding the marketization of one of those professions—accountancy.

Drawing on actor–network theory, I aim to document the marketization of accountancy and its implications for the accounting field in North America. Nowhere has professional service marketing been more debated than in accountancy (Barr & McNeilly, 2003). It is therefore in this context that I address the following research questions: (1) why and how accounting firms have embraced the marketization agenda; and (2) how the marketization of accountancy transformed the field. Marketization, in this case, describes a process whereby accounting firms and accounting practitioners change to become more closely engaged in marketing techniques with marketing experts, working in new ways to meet client demands.

I recognized that it would be unrealistic to claim that marketing techniques—and the underlying commercial logic—were not always present within the field. Many historical studies indicate that the early efforts of accountants to professionalize involved economic interests (Malsch & Gendron, 2013). Consequently, my paper is not a deterministic story in which the ineluctable force of marketing impacted a profession already in need of promoting its image in the eyes of the public and

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