

THE DYNAMICS OF REFORMS IN THE DELIVERY OF PUBLIC SERVICES AND MANAGEMENT CONTROLS IN AN IRISH LOCAL AUTHORITY DURING A PERIOD OF AUSTERITY

By

Julie Marie Griffin-Bertz BSc (Acctg) MBus FCA

Submitted to the University of Exeter as a thesis for the degree of Doctor of Philosophy in Accountancy,

July 2018.

This thesis is available for Library use on the understanding that it is copyright material and that no quotation from the thesis may be published without proper acknowledgement.

I certify that all material in this thesis which is not my own work has been identified and that no material has previously been submitted and approved for the award of a degree by this or any other University.

Signature:

ABSTRACT

The purpose of this study, is to investigate the dynamics of reforms (i.e. why and how) in the delivery of public services and management controls in an Irish local authority, paying particular attention to the role of a newly appointed CEO and austerity measures.

The case study method is adopted. Several complementary socio-political theoretical lenses are adopted to give greater emphasis to agency and structure including concepts such as institutional entrepreneurship, institutional contradictions, institutional change, organisational change and power. Such theoretical pluralism illuminates the complex nature of public service reforms in an Irish local authority, as it sought to realise services efficiency targets in times of austerity.

This study makes important contributions to research on public service deliveries and management controls. As far as its author is aware, this study is the first of its kind to detail the unfolding journey of reform in the delivery of services and management controls in an Irish local authority that faced the significant challenges of austerity. Hence, for this reason alone the research contributes significantly towards the development of new knowledge in this important area.

Furthermore, an in-depth process-oriented account of a purposeful institutional entrepreneur, utilising management accounting information, power and communication, in reforming the delivery of public services and management controls, is provided. Also revealed is how external factors, such as the 2008 financial crisis and subsequent central government funding cuts, enabled rather than constrained, institutional entrepreneurship. In addition, the case findings informed, how in conditions of austerity, the fundamentals of budgetary control became easier to enforce.

DEDICATION

I dedicate this thesis to:

My darling husband, Patrick and my gorgeous children, Chloe and Matthew. You are the love, laughter and magic in my life.

My wonderful mother Eileen and Denis. For the unconditional love, joy and strength you always give me.

My sister Glenda, Joe and Anna who bring such love and amazement to my life.

My father Michael who is with me in spirit. You are always in my heart and continue to live on in Glenda and I and your darling grandchildren.

ACKNOWLEDGEMENTS

First and foremost, I wish to express my sincere thanks to my supervisor and friend, Prof. John Burns. Your unyielding belief in me and your support were the best I could ask for and got me through some difficult times. I have learned so much and enjoyed our time together. I am also very grateful for the assistance, constructive comments and motivation provided by my valued colleague, friend and co-supervisor, Dr Martin Quinn.

Thank you to Helen Bell and Vicki Colton in Exeter for their administrative support throughout the entire PhD.

I wish to thank friends and colleagues in DCU Business School, most particularly Pauline Willis, a dear friend, who regularly took time out of her busy schedule to discuss and read my material. Her support and companionship cannot be put into words. I also want to thank Prof. Marann Byrne, another dear friend, who was instrumental on this journey. I do not think she realised, when being assigned my mentor in 2008 that she would have such an influence on my academic career. I will never forget her for it. Thank you to Prof. Barbara Flood, Dr Mary Canning, Dr Siobhain McGovern and Dr Teresa Hogan for their time, support and advice.

A special thanks to all my Gladiator interviewee participants. Without your participation and openness, this would not have been possible.

Thank you to Professor Lisa Jack, Professor Bob Scapens, Professor Kim Soin, Professor Martijn van der Steen and participants at ENROAC 7th Doctoral Summer School and Management Control Association Doctoral 2013 for their constructive comments and feedback.

Thank you to my examiners Professor Hassan Yazdifar and Dr Stephen Jollands.

Last but not least thank you to my family:

My darling husband, whose unconditional love and continuous support helped me finish this. It has been a very busy few years for us, full-time work, marriage, two babies, a house move and a PhD. You are amazing.

My two beautiful children, your cuddles and smiles at the end of some tough days were priceless. I love you and your Daddy to bits.

My mother, my best friend, who always said to us growing up “The best gift I can give you is an education” so this piece of work is especially for you. For the record, you gave Glenda and I so much more, you are our world. Hope I can do the same for my children.

My ‘adopted’ Dad, Denis, who always said I would do a PhD. I think you need to add psychic skills to your list of talents. Thanks for always being there for me.

My sister, who always supports me and provided endless babysitting services when I was up to my eyes with this thesis. Chloe and Matthew think their Aunty Glenda is the best.

My niece, Anna, who gives me the best cuddles and whose sheer determination kept me going. You are a source of ongoing joy.

My parents-in-law, Siegfried and Ann, who often listened to my PhD stories. A very special thank you to Siegfried who read and helped proof this thesis.

CONTENTS

TITLE	1
ABSTRACT	2
DEDICATION	3
ACKNOWLEDGEMENTS	4
SYNONYMS	10
LIST OF APPENDICES	11
LIST OF FIGURES	12
LIST OF TABLES	13
LIST OF ABBREVIATIONS	14
CHAPTER ONE – INTRODUCTION	15
1.1 Background.....	15
1.2 Irish local authority background	17
1.3 Irish financial crises	19
1.4 Research questions	21
1.5 Research approach	22
1.6 Organisation of the thesis	26
CHAPTER TWO LITERATURE REVIEW	29
2.1 Introduction	29
2.2 New Public Management – its origins and main features	31
2.2.1 Critics of NPM	33
2.2.2 Links between NPM and austerity reforms.....	34
2.2.3 Links between NPM, management accounting and management control.....	37
2.2.4 Links between NPM and management styles	40
2.2.5 NPM from an Irish local authority perspective	41
2.3 Organisational change	43
2.3.1 Planned approach	44
2.3.2 Processual approach.....	45
2.3.3 Discursive approach.....	46
2.4 Management control defined.....	47
2.5 Public sector management control – ‘public budgeting’	50
2.5.1 Public sector budgeting	51

2.5.2 Management control in public sector organisations	52
2.6 The role of communication and management accounting information in reforms	57
2.7 Concluding remarks	59
CHAPTER THREE – THEORETICAL FRAMEWORK	61
3.1 Introduction	61
3.2 Theoretical pluralistic approach	63
3.3 Why use an institutional approach to reform?	65
3.4 New Institutional Sociology (NIS).....	68
3.4.1 Institutional isomorphisms	71
3.4.2 Main criticisms of NIS.....	73
3.4.3 Overcoming criticisms of NIS	76
3.5 Institutional entrepreneurship and agency	77
3.5.1 The structure versus agency debate	79
3.5.2 The paradox of embedded agency.....	80
3.5.3 Seo and Creed’s (2002) framework.....	81
3.5.4 Process of institutional entrepreneurship	83
3.5.5 Main criticisms of institutional entrepreneurship	86
3.6 Laughlin’s (1991) model of organisations	88
3.6.1 An outline of Laughlin’s model of organisations	88
3.6.2 Laughlin’s definition of organisational change.....	90
3.6.3 Main criticisms of Laughlin’s model.....	91
3.7 OIE – Main focus on Burns and Scapens (2000) framework	92
3.7.1 Burns and Scapens framework and criticisms.....	93
3.8 Power, Hardy’s (1996) framework.....	97
3.9 Concluding remarks	100
CHAPTER FOUR – RESEARCH METHODOLOGY	103
4.1 Introduction	103
4.2 Research paradigm	104
4.2.1 Ontology.....	107
4.2.2 Epistemology.....	110
4.2.3 Human nature	116
4.2.4 Summary of philosophical perspective in this research.....	117
4.3 Qualitative research strategy	117
4.3.1 Case study design.....	119
4.3.2 Undertaking case study research.....	123
4.3.3 Actual methods employed.....	126
4.4 Analysis of data	133
4.5 Concluding remarks.....	136

CHAPTER FIVE- CASE STUDY FINDINGS.....	137
5.1 Introduction.....	137
5.2 Gladiator’s background pre-2008.....	138
5.2.1 Gladiator’s context pre-2008.....	140
5.3 Internal and external jolts catalysing reforms in Gladiator.....	143
5.3.1 Internal jolt pre-crisis.....	144
5.3.2 External jolts – worldwide financial crisis and central government funding cuts.....	151
5.3.3 External jolts – McCarthy Report, Local Government Efficiency Review Group and Croke Park Agreement.....	157
5.3.4 Findings of the strategic service reviews.....	159
5.4 The <i>how</i> dynamics of implementing new delivery of services and management control practices.....	160
5.4.1 Breaking established mind-sets.....	162
5.5 Budget preparation and approval – pre-2008.....	166
5.6 Budget preparation and approval – post-2008.....	168
5.7 Budgetary control.....	172
5.8 Concluding remarks.....	176
CHAPTER SIX – HOUSING SERVICE.....	178
6.1 Introduction.....	178
6.2 Housing service.....	178
6.3 Implementation of the new housing structure – <i>how</i>	184
6.3.1 Changing mind-sets for a new housing service structure.....	186
6.3.2 Interaction between the new five housing business units.....	188
6.4 Budgets in housing.....	191
6.5 BSC and performance management.....	192
6.5.1 Housing staff buy-in to the BSC.....	198
6.6 Reflections on Housing’s reforms.....	199
6.7 Concluding remarks.....	200
CHAPTER SEVEN – DISCUSSION.....	201
7.1 Introduction.....	201
7.2 RQ1: Why did Gladiator reform its delivery of public services and management controls?.....	203
7.2.1 Internal jolt-new CEO.....	203
7.2.2 External jolts- financial crisis and central government austerity measures.....	205
7.3 RQ2: How did an institutional entrepreneur handle reforms in Gladiator’s delivery of public services and management controls, particularly in the context of a forthcoming period of austerity?.....	206

7.3.1	Continuous questioning of delivery of services and management controls.....	207
7.3.2	Development Directorate established.....	208
7.3.3	Efficiency Committee established	208
7.3.4	Strategic Service Review Groups and strategic service reviews.....	210
7.3.5	Strategic service reviews findings	212
7.3.6	Reform of budgets.....	215
7.4	Housing – <i>why</i> and <i>how</i> it was reformed	219
7.4.1	Implementing the new housing structure - <i>how</i>	221
7.5	Concluding remarks.....	224
CHAPTER EIGHT – CONCLUSION, CONTRIBUTION AND IMPLICATIONS.....		226
8.1	Introduction.....	226
8.2	Overview.....	226
8.3	Contributions.....	227
8.3.1	Theoretical contributions	227
8.3.2	Literature contributions.....	237
8.3.3	Practical contributions	242
8.4	Limitations.....	244
8.5	Future research	245
8.6	Concluding remarks.....	247
BIBLIOGRAPHY		248
APPENDICES		278
A	Outline of general interview questions guide	278
B	Phase two – organisational and management control – outline of revised interview questions guide	280
C	Extracts from Housing business plan.....	282

SYNONYMS

Public sector synonymous with public service¹

Local authority synonymous with council

Councillors synonymous with elected representatives

Irish local government synonymous with Irish local authority

Council workers synonymous with municipal/local authority workers

¹ The difference between the terms public sector and public service is to do with both 'ownership and operation'. Historically, there was an "assumption that the public sector comprised of organisations providing services to the public that were publicly funded, owned and operated" (Broadbent and Guthrie, 2008, p.132). In today's world there is no longer a need for direct government ownership and the terms are often used interchangeably (Broadbent and Guthrie, 2008). The Irish central government uses the term public service. This thesis also adopts the term public service despite public sector being the term mostly used in the literature review findings in chapter two. Broadbent and Guthrie (2008, p.138) argue that "public service accounting research should be concerned with the delivery of public services rather than ownership and organisational structure of the public sector" and this research is focussed on the former.

LIST OF APPENDICES

- Appendix A Outline of general interview questions guide
- Appendix B Phase two – organisational and management control change -
outline of revised interview questions guide
- Appendix C Extracts from Housing business plan

LIST OF FIGURES

- Figure 1.1 Theoretical framework: a blending of different but complementary approaches.
- Figure 2.1 The managerial planning and control processes of public sector organisations.
- Figure 2.2 Modernist constitution: a schematization of the concept of change.
- Figure 3.1 Model of the process of institutional entrepreneurship.
- Figure 3.2 A model of organisations.
- Figure 3.3 The process of institutionalisation.
- Figure 4.1 Research design typology overview.
- Figure 4.2 Sociological paradigms.
- Figure 4.3 Taxonomy of accounting research.
- Figure 5.1 Gladiator's organisational structure pre-2008.
- Figure 5.2 Overarching view of the external and internal jolts on Gladiator.
- Figure 5.3 CEO's strategic reform tactics.
- Figure 5.4 Factors utilised by senior management to achieve staff acceptance.
- Figure 6.1 Gladiator's new centralised housing structure.
- Figure 6.2 Gladiator's Housing Department's business plan (BSC).
- Figure 8.1 Framework for analysing organisational reforms.

LIST OF TABLES

Table 2.1	The main components of NPM.
Table 2.2	Changing accountability: from NPM to austerity.
Table 3.1	Evidence of past studies in accounting benefitting from theoretical pluralism.
Table 3.2	Three dimensions of power.
Table 4.1	Six ontological assumptions.
Table 4.2	Key features of social constructionism.
Table 4.3	Strengths and weaknesses of social constructionism.
Table 4.4	Table of interviews.
Table 5.1	Local government services.
Table 5.2	SSRs findings.
Table 6.1	Gladiator's Housing Department's strategic objectives.

LIST OF ABBREVIATIONS

ABC	Activity-Based Costing
BLG	Better Local Government
BSC	Balanced Scorecard
CEO	Chief Executive
CFO	Chief Financial Officer
DD	Development Directorate
EC	Efficiency Committee
ERP	Enterprise Resource Planning
LGERG	Local Government Efficiency Review Group
MCS	Management Control Systems
NIS	New Institutional Sociology
NPM	New Public Management
OIE	Old Institutional Economics
OPC	Organisational Partnership Committee
PMSs	Performance Management Systems
PSNEP	Public Sector Numbers and Expenditure Programmes
RAS	Rental Accomodation Scheme
SSR	Strategic Service-Delivery and Management Review
SSRs	Strategic Service-Delivery and Management Reviews
SSRG	Strategic Service Review Group
SSRGs	Strategic Service Review Groups
VMULGAR	Value for Money Unit Local Government Audit Service Report
ZBB	Zero Based Budgeting

CHAPTER ONE – INTRODUCTION

1.1 Background

How many Irish people does it take to fill in a pothole? And NO this is not a joke.

In my case, it's eight as witnessed moments ago.

Two people to hold the signs, one in a JCB digger, one in the council lorry and four to put the tarmac into the hole.

Is there any wonder why this country has no money, surely, this madness has to stop.

First reply:

How much in wages does it take to employ eight people to fill in potholes? This job could have been done by two or three people, but let's keep employing people to hold up a sign all day. Money well spent.

Second reply:

No council workers breast-feeding their shovels then?

Source: Politics.ie, March 2011

This opening extract reflects a general Irish citizen perception of council workers, as being inefficient and old-fashioned in delivering and managing their services. During the last two decades, public service organisations globally have “been criticised for being insufficiently effective and efficient” (van Helden *et al.*, 2010, p.83). Irish council workers have indeed been the object of numerous criticisms like the one above. A question which arises, therefore, is how does a *settled* and staid Irish local authority, change (or not) its delivery of public services and management controls in an attempt to improve efficiency²?

² It is important to note that this thesis is not concerned with measuring/evaluating whether actual service efficiencies were achieved or not, rather its focus is on the dynamic and complex processes of service-delivery and management control reform (why and how).

Management control in this thesis is viewed in its broad sense. It is concerned with a manager's ability to monitor and focus "worker behaviour, output and/or the minds of employees" on its organisation's objectives via technical (i.e. formal) and, socio-ideological (i.e. informal) controls (Alvesson and Karreman, 2004, p.424). In essence, management control is about ensuring that someone does what they are supposed to do (Macintosh and Quattrone, 2010), i.e. influencing individuals' behaviours (Agyemang and Broadbent, 2015). Management accounting is intertwined in this influencing process providing managers with the information they need to plan and control their services. Essentially, management control from a management accounting perspective means planning and controlling service operations and is seen in this research via budgets and a BSC (i.e. financial management). This will be further developed in Chapter Two, Sections 2.4 and 2.5.

Prior to the financial crisis, the researcher worked as an accountant in an Irish local authority. Knowing of the appointment of a new Chief Executive (CEO) in a similar Irish local authority and supplemented by early reading of some literature on austerity and New Public Management (NPM), an interest in investigating how powerful actors and austerity policies might (or not) impact the existing service-delivery structures and management control practices in Irish local governments developed. Thus, the main purpose of this thesis became:

To investigate the dynamics of reforms (i.e. why and how) in the delivery of public services and management controls in an Irish local authority, paying particular attention to the role of a newly appointed CEO and austerity measures.

The empirical part of this thesis consists of an in-depth case study in an Irish local authority, which is anonymised for confidentiality reasons, and hereafter is referred to as Gladiator. During the period 2007-2012, local authorities self-generated revenues (e.g. business rates, water rates) across Ireland fell by 8% and were matched by an 8% reduction in revenue expenditures (Turley and Flannery, 2013). Furthermore, in 2009, central government also slashed its funding to Irish local authorities by 24% (Department of Finance, 2009), and the

2009 McCarthy³ report recommended cutting 17,300 public service jobs. As far as the researcher is aware, this is the first study of the management control practices of an Irish local authority during a time of severe budget constraints. Indeed, little is known presently about the effect of austerity⁴ measures on management controls in organisations generally (Bracci *et al.*, 2015; van der Kolk *et al.*, 2015, p.934; Makrygiannakis and Jack, 2016). Notably, management accounting research has given “little or no guidance on the modes of organisational response to economic crises” (Hopwood, 2009, p.800) and according to Bracci *et al.*, (2015, p.894) “is all the more true in the context of public sector organisations”. Management accounting is defined by Chartered Global Management Accountants (2014, p.2) as “the sourcing, analysis, communication and use of decision-relevant financial and non-financial information to generate and preserve value for organisations”. This will be further developed in Chapter Two, Section 2.2.3. Furthermore, “very few studies look at individuals acting as institutional entrepreneurs⁵” (Sharma *et al.*, 2014, p.194) to bring about public service reforms.

Having outlined the importance of this research and the main purpose, the next two sections provide some background and context to local government in Ireland. Section 1.4 presents the research questions. Section 1.5 outlines the adopted research approach including a brief introduction to various theoretical lenses used; Section 1.6 summarises how this thesis is organised.

1.2 Irish local authority background

The Minister for Housing, Planning and Local Government has responsibility for all County and City Councils (referred to as local authorities) in Ireland and is responsible to central government for their performance. The core remit of the

³ A report commissioned by central government to find cuts in public expenditures. See Section 5.3.3 for further details.

⁴ Austerity's sole aim is to reduce government debts and budget deficits (Lodge and Hood, 2012; Konzelmann, 2014; van der Kolk *et al.*, 2015). They mainly result in service level and service quality reductions (Pollitt, 2010; van der Kolk, *et al.*, 2015). See Chapter Two, Section 2.2.2 for more detail.

⁵ Institutional entrepreneur (see Chapter Three, Section 3.5) refers to the “activities of actors who have an interest in particular institutional arrangements and who leverage resources to create new institutions to transform existing ones” (Maguire, Hardy and Lawrence, 2004, p.657).

County Councils and City Councils is to supply housing, planning permissions and roads. Policing and education do not fall under the County Council and City Council remit, but instead are the responsibility of central government. Each County/City Council is headed by a CEO, who prior to June 2014 was called a county or city manager (Citizens Information, 2018). The Irish CEO's role is usually different to their counterparts in local governments abroad, as the role affords them with important independent decision-making powers (Boyle, 2014). The process of recruitment for County/City CEOs reflects this independence from party politics and local influences. That is, such recruitment is a national public competition, with a standard contract period of seven years, which may be extended to ten years (Boyle, 2014). As Boyle (2014, p.9), adds, "The manager works with, and for, an elected council" though international standards restrict the range of functions of Irish local governments and the "financial independence of councils is very limited".

The Local Government (Ireland) Act in 1898 'established the county as the principal administrative unit and the elected county council as the means of administering local government' (Forde, 2005, p.137). After independence in 1922, the Irish local government system was redesigned so that it was neither British nor Victorian (Roche, 1982). The post-1922 local administration programme began to establish city and county management, which has been depicted as one of Ireland's major reforms in the area of government (Boyle *et al.*, 2003). The idea of professional management was first introduced in Cork City with the passing of the Cork City Management Act in 1929. Dublin city followed in 1930, and the 'management' concept continued to spread reaching Limerick city in 1934 and Waterford city in 1939 (Haslam, 2001; Boyle *et al.*, 2003). The management principles eventually extended to their respective counties with the passing of The County Management Act, 1940 (Haslam, 2001; Boyle *et al.*, 2003).

Sheehy (2003, p.134) explains how the County Management Act (1940) "recognises two categories of function: reserved and executive". A reserved function is the responsibility of the elected council members, while an executive function is any function not regarded as a reserved function and is the responsibility of the local authority manager (Sheehy, 2003). Reserved functions

fall into five main categories: finance, legislation, political affairs, policy decisions and control of the executive branch (Sheehy, 2003, p.134). On the other hand, executive functions cover day-to-day decisions based on existing policy and fall under the remit of the manager (Asquith and O’Halpin, 1998). Examples of executive functions are “the appointment and control of staff, granting of planning permission and letting of houses” (Boyle *et al.*, 2003, p.27).

Irish local government can be distinguished from local authorities in other countries by its strong focus on management’s role, in addition to the limited range of functions undertaken (Boyle *et al.*, 2003). By comparison, many local authorities in other OECD countries have responsibility for a broader range of services such as primary and secondary education, health services and social welfare (Callanan, 2003). According to Dollard (2003), Irish local government expenditure as a proportion of total public expenditure is low compared to other European countries. This is due to the limited range of Irish local government services provided. In addition, Irish local government has limited powers to raise taxes since the abolition of domestic rates in 1978 (Boyle *et al.*, 2003).

Having presented a brief but necessary background of Irish local government, the next section provides a specific overview of the context existing at and over the time of the current research since “[c]reating meaning is always context-bound, and a narrative requires a plot to make it into a meaningful whole” (Johansson and Baldvinsdottir, 2003, p. 222).

1.3 The Irish financial crisis

Ireland’s financial crisis, which started in 2008, has been attributed to two key factors. First, there was a revenue weakness in the Irish central government’s income stream, due to its heavy reliance on income tax from property development (Cohen *et al.*, 2015). Second and most significantly, was the undercapitalisation of Irish banks, which eventually resulted in the Irish central government rescuing several of them from financial collapse (Cohen *et al.*, 2015). Thus from 2008, Ireland was experiencing a shift from a banking crisis to an Irish sovereign debt crisis (Cohen *et al.*, 2015).

Since the publication of the OECD (2008) report on Irish public services, the landscape has drastically changed. In October 2008, the (then) Minister of Finance presented the 2009 budget two months early with the following opening statement:

We find ourselves in one of the most difficult and uncertain times in living memory. We face the most challenging fiscal and economic position in a generation. The budget sets out a plan to deal with this most unfavourable set of circumstances (Department of Finance, 2008).

The 2009 budget sought to achieve both savings *and* extra revenues of €2 billion in a full year (Drudy and Collins, 2011). Savings were targeted via measures such as limiting child benefit, reducing public sector staff numbers, decreasing the number of state bodies and agencies, and deferring plans for decentralization (Drudy and Collins, 2011). Whereas, new revenue streams were targeted via VAT, deposit interest retention tax, capital gains tax, motor tax, petrol duties and taxes on betting. In addition, new taxes, such as local property tax, income levy and air travel tax were also introduced (Drudy and Collins, 2011).

In February 2009, Ireland's public sector staff were subject to a further income cut when a new pension-levy was enforced. This yielded the Irish central government €2.1 billion in a full year. In the same year, planned public sector pay increases were postponed, yielding a saving of around €1 billion for the Irish central government (Drudy and Collins, 2011). Additionally, in April 2009, a supplementary budget was introduced, which doubled the income and health levy taxes, as well as making reductions in social welfare payments (Drudy and Collins, 2011, p.346). The 2010 budget imposed further spending cuts in various government departments, with a total of €1 billion reduction in public sector salaries and professional fees (Drudy and Collins, 2011).

That same year, the National Recovery Plan noted that:

the level of GDP was some 11 per cent below, and GNP some 15 per cent below, their respective levels of 2007 in real terms. Employment had fallen by about 13 per cent from its peak of 2007 while the unemployment rate had risen from 4.6 per cent to 13.5 per cent [...] downturn of this size is without precedent in Ireland's recorded economic history and has few modern parallels at an international level (Boyle, 2014, p.6).

Since Ireland was (and is) a member of the Eurozone it could not remedy the Irish financial crisis through monetary policy, as interest rates, exchange rates and money supply are all controlled by the European Central Bank (ECB) (Cohen *et al.*, 2015). Consequently, on 28 November 2010, the Irish central government agreed to a 'Programme of Financial Support' for Ireland from the European Union (EU) and the International Monetary Fund (IMF), amounting to €85 billion (Robbins and Lapsley, 2014). This financial support was provided by member states of the European Union through a variety of sources, including the European Financial Stability Fund, the European Financial Stability Mechanism; bilateral loans from the UK, Sweden and Denmark, and funding from the IMF's 'Extended Fund Facility' (Boyle, 2014). This also marked the start of the troika's⁶ quarterly visits to Ireland, to monitor its compliance with various conditions set out in the Programme Documents (the Memorandum of Understanding, the Memorandum of Economic and Financial Policies and the Technical Memorandum of Understanding). The main objective of these troika visits was to ensure that Ireland was addressing its financial sector weaknesses, stabilising its public finances, and getting people back to work.

1.4 Research questions

Grounded in reading of extant literature, and drawing on the researcher's prior work experience, the following research questions were established for this study:

RQ1: Why did an Irish local authority (Gladiator) reform its delivery of public services and management controls?

RQ2: How did an institutional entrepreneur handle reforms in Gladiator's delivery of public services and management controls, particularly in the context of a forthcoming period of austerity?

These questions amplify a complex and interwoven relationship between exogenous *and* endogenous shocks⁷ in processes of public services reforms at Gladiator. For example, a newly appointed CEO (i.e. an endogenous jolt and

⁶ The troika is comprised of the European Commission, International Monetary Fund and European Central Bank. It is colloquially described as the "bailout".

⁷ Shock is akin to a jolt, or a disturbance that triggers some kind of organisational reform.

institutional entrepreneur) and the financial crisis and central government austerity measures (i.e. exogenous jolts) triggered changes in *given* assumptions about service-delivery in Gladiator. Prior to the 2008 financial crisis, Gladiator was a cash-rich organisation providing *jobs for life*. Its main objective was to meet the service demands of its councillors and the public, as quickly as possible, and at any cost. Budget control was not priority. However, with the arrival of a new CEO in 2007, and then the 2008 economic downturn, staff behaviour around services efficiencies and budget control began to change. Continuous communication from senior management to staff served to elevate the seriousness of the financial crisis, and began to alter settled assumptions concerning, for example, a *job for life* and *service-delivery as fast as possible and at any cost*. Services were centralised in an attempt to increase efficiencies in service-delivery, and budgets⁸ became more formally enforced, and were no longer viewed as *wish lists*. In addition, a balanced scorecard (BSC) was established to assist management control of the housing service (see Chapter Six).

1.5 Research approach

This study adopts a qualitative, case-research approach, to examine the role of extra-(i.e. financial crisis and austerity measures) and intra-(i.e. new CEO) organisational factors prior to and when an Irish local authority is forced (or not) to reform its services delivery. It is an appropriate approach when a researcher's objective is to explain *why* and *how* something happens (Yin, 2009). The use of a single case study enables an in-depth analysis of why and how important agents recalibrate the use of management controls in the context of an Irish local authority's altering services delivery. Most of the research data was collected via interviews with people in the local authority, or its wider stakeholders, and/or through reading internal and publicly available documents.

The following comprises a mixed theoretical approach. The premise for such combination is an assumption that no single theory can have a "monopoly on explanations of accounting and organizational practices, since each theory has

⁸ Budgets were Gladiators financial management controls.

its own virtue and collectively, thus adding (not replacing) to or understanding of practice and individuals in their social, economic and cultural context” (Hoque *et al.*, 2015, p.1171). So, in an effort to overcome the individual limitations of each theory drawn upon in this thesis, several (complementary) theoretical frameworks are blended together, as depicted in Figure 1.1 below.

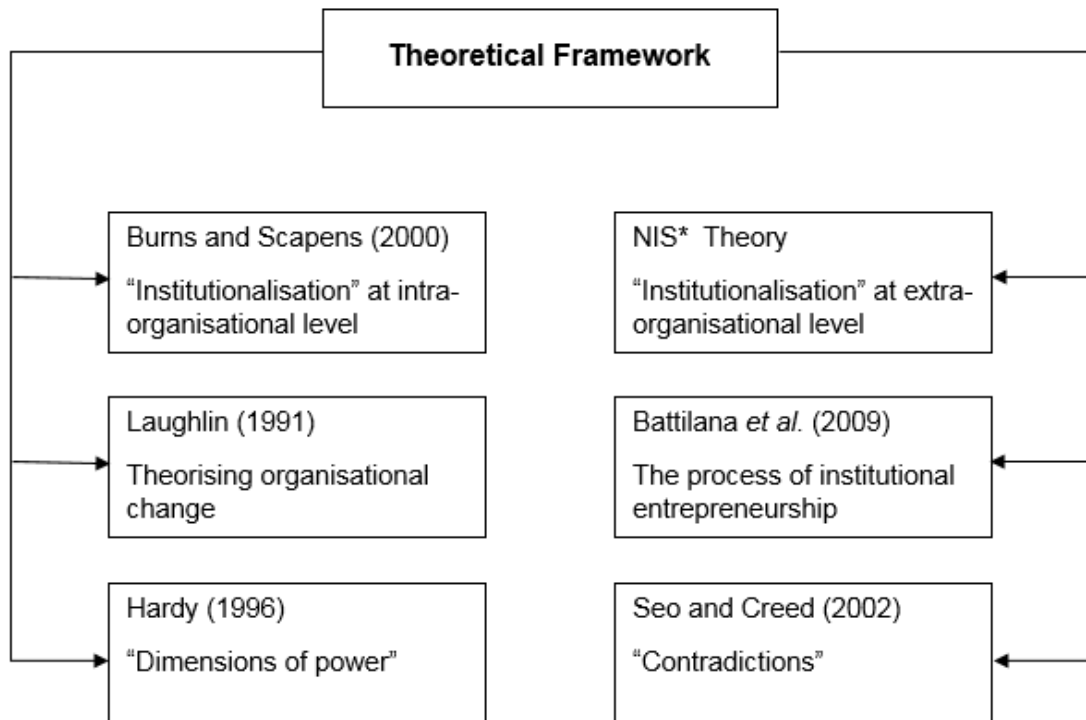


Figure 1.1 Theoretical framework: a blending of different but complementary approaches

*NIS theory insights mainly drawn from DiMaggio and Powell (1983; 1991) and Scott (2014).

At the outset of this research, Burns and Scapens’ (2000) theorisation of management accounting change and concepts in ‘New Institutional Sociology’ (NIS) theory were adopted as a theoretical basis from which to try to tackle the research questions. Burns and Scapens (2000) has (e.g. Soin *et al.*, 2002; Dillard *et al.*, 2004; Hassan, 2005; Ribeiro and Scapens, 2006; Lukka, 2007; Yazdifar, 2013; Alsharari *et al.*, 2015) proved a useful framework for multiple scholars who have explored change and/or stability in management accounting practices. It is essentially a theoretical lens which views management accounting practices as grounded in normative rules and which, over time, can take on the characteristics

of routines, and even become taken-for-granted or unquestioned *institutions* (see Chapter Three for more detail). It takes its main influence from 'old' institutional economics and Giddens' structuration theory. But, the Burns and Scapens (2000) framework also places emphasis on unpacking management accounting practices as unfolding processes over time. This is an important aspect for the present thesis, because such methodological roots complement the aim here to understand why and how the delivery of public services and management controls in Gladiator were reformed, particularly in the context of a forthcoming period of austerity.

NIS theory on the other hand, posits that organisations change their formal structures (e.g. organisational practices) in order to "conform to societal rules or to obtain legitimacy from the external environment" (Alsharari *et al.*, 2015, p.481). External influences might include: government or their agencies, regulation, or markets (Tsamenyi *et al.*, 2006; Hopper and Major, 2007). It is the external (or "macro") rules which define an "institution" in NIS theory (Alsharari *et al.*, 2015, p.481) while in Burns and Scapens' (2000) framework, institutions represent "micro" organisational practices that have become taken-for-granted and unquestioned. Both Burns and Scapens (2000) and NIS theory reject "static" rationality-grounded (economics) theory and stress the importance of power in influencing organisational change (Alsharari *et al.*, 2015). Traditional NIS theory (e.g. DiMaggio and Powell, 1991) is mainly a theory of stability whereas Burns and Scapens' (2000) framework deals with stability (or continuity) and change (Sharma *et al.*, 2014; Alsharari *et al.*, 2015).

However, as the fieldwork for the present study progressed, it became evident that the initial (combined) theoretical perspective adopted was insufficient and required enrichment. More specifically, the interviews began to reveal an important role of a particular change agent, namely the new CEO, in Gladiator. Consequently, the decision was taken to also draw insight from the work on institutional entrepreneurship to help illuminate these aspects of change agency. Agency is conceptualised here as a multidimensional concept as opposed to unidimensional where: "an actor's engagement with the social world that, through the interplay of habit, imagination, and judgement, can both reproduce and transform an environment's structures" (Battilana and D'Aunno, 2009, p.46). An

institutional entrepreneurship theoretical approach is primarily concerned with exploring the actions of people (i.e. agents) who “have power” (Jack, 2016, p.54). If someone initiates change and proactively drives its implementation, then they are assumed to be an institutional entrepreneur (Battilana *et al.*, 2009). Gladiator’s new CEO meets these conditions as will be articulated in the case study (later). This said, while agency is an important part of this thesis, it is not the whole story. As outlined earlier, external jolts such as the 2008 financial crisis and other external pressures such as government austerity measures were also key elements of the reform process. Thus, this study does not intend to represent the new CEO as an exceptional ‘heroic’ individual, but rather as an institutional entrepreneur who plays an important role in the complex processes of reforms in Gladiator (Hardy and Maguire, 2008, p.212).

Moreover, since the new CEO and the global financial crisis were frequently cited in interviews as being key influences on the unfolding reform, it was decided to introduce Laughlin’s (1991) model of an organisation. This model enabled the tracing of austerity measures in Gladiator, stressing the importance of context when examining organisational change, plus how similar jolts can have different impacts on different organisations.

Again, as the research moved on, additional theoretical insights were taken from Seo and Creed’s (2002) work. Seo and Creed (2002) complement earlier NIS theory by highlighting organisational contradictions which helps to explain “when, how and why institutionally embedded agents might come to question, and subsequently attempt to change, their and others’ taken-for-granted ways and beliefs” (Burns and Baldvinsdottir, 2005, p.728). Praxis, the doing of change is another important concept used within Seo and Creed’s (2002) theoretical framework and is used later to bring understanding to the activities of Gladiator’s new CEO.

Finally, a growing understanding of the key role played by the new CEO encouraged the researcher to seek some theorisation of power and politics. Thus, this thesis also draws insight from Hardy’s (1996) framework of power, highlighting how the mobilisation of power and politics can bring about strategic change in organisations.

So, in summary, this thesis adopts a rich (and complementary) mixture of theoretical influences. Jick (1979) defined such theoretical pluralism⁹ as the “combination of several strategies in the study of the same phenomena” (Hoque *et al.*, 2013, p.1172). Had the research instead adopted a single theory, it would be at risk of omitting interesting issues in the case study setting (Jacobs, 2012; Modell, 2013; Hoque *et al.*, 2013). Ahrens and Chapman (2006, p.823) also concurred with a multi-theoretical approach, claiming that “events in the field may best be explained with reference to multiple theories” while Hoque *et al.*, (2013, p. 1175) added that “the messiness of organisations in-of-itself lends itself to inquiry by multiple theories”. This said, some authors still heed caution at pluralistic tendencies in theorisation, stressing a harmful potential to undermine the philosophical underpinnings of a piece of research (Hansen, 2011, Burns, 2014). This current research bears this potential in mind (see Chapter Three for more discussion).

1.6 Organisation of the thesis

This thesis comprises seven additional chapters, each of which are briefly introduced here. Chapter Two, next, by way of providing necessary background and context, presents a literature review. This literature review particularly focuses on the nature of NPM¹⁰ policies and how austerity and management controls can become interwoven in a NPM agenda. Following on from this, the meaning of organisational change is discussed and a critical examination of the two main dominant approaches to organisational change, namely: (1) the planned approach; and, (2) the processual approach are presented. This chapter also defines what management control means in this thesis and presents a literature-based discussion of the various roles of management controls in public sector organisations. Finally, the role of communication and management accounting information in reform processes is briefly examined.

⁹ Often also referred to as “theoretical triangulation” (Hoque *et al.*, 2015, p.1153).

¹⁰ NPM ideas strive to maintain service levels and service quality through more efficient and business like processes (Pollitt and Bouckaert, 2011; van der Kolk *et al.*, 2015). They are an approach to managing public sector organisations (Broadbent and Guthrie, 2008) through the adoption of private sector management techniques (Agyemang and Broadbent, 2005; van Helden, 2005) of which management control is intertwined.

Chapter Three covers the theoretical underpinnings of the study, which, as explained above, comprises a mixture of theories. Theoretical pluralism was adopted because “no single theory satisfactorily embraced all facets” (Hopper and Major, 2007, p.4). So, the chapter introduces several strands of theory, namely NIS (e.g. DiMaggio and Powell, 1991; Scott, 2014), as well as, works of Burns and Scapens (2000), Seo and Creed (2002) and Battilana *et al.*, (2009). Laughlin’s (1991) theorisation of organisational change and Hardy’s (1996) theoretical framework outlining the role of power and political mobilisation complete the array of theoretical approaches, which this thesis draws from.

Next, Chapter Four explains the research design underpinning this study, mostly discussing its perspective. This chapter also explains the adopted interpretivist-processual approach, and the qualitative case study research method used. This included semi-structured interviews, observation, and analysis of internal and publicly available documents.

The empirical findings of the Gladiator case study are presented in Chapters Five and Six. It starts with a discussion of the (historic) context of the case organisation prior to the changes in practices. The new CEO is conceptualised as an institutional entrepreneur (Battilana *et al.*, 2009) and his control initiating and implementing of public service-delivery reform is explored. Management control practices, including budgets, are also examined in some detail from both an overall organisational perspective and then in Chapter Six from a specific housing service context. In Chapter Six, a newly established BSC to assist management of the Housing function is detailed, as well as possible housing staff resistance (or not) to Gladiator’s management control and service-delivery reforms.

Chapter Seven draws on NPM, organisational change and management control literatures discussed in Chapter Two, as well as the theoretical approach as described in Chapter Three, to explain why and how the reforms unravelled as they did in Gladiator. Then, is a focus on the complex interaction between structures and actions, and emphasis on the *entrepreneurship* of Gladiator’s new CEO in the context of worsening government austerity policies.

Finally, Chapter Eight brings the thesis to its conclusion, and reflects on the main findings in relation to the initial research questions namely: (1) why did Gladiator reform its delivery of public services and management controls? and, (2) How did an institutional entrepreneur handle reforms in Gladiator's delivery of public services and management controls, particularly in the context of a forthcoming period of austerity? This concluding chapter also summarises the main contributions of this thesis, especially Figure 8.1 which puts forward a framework for analysing organisational reforms and which can be used to interpret the process of service-delivery and management control reforms in public service organisations, which face austerity pressures. It also considers this thesis's limitations, and puts forward some suggestions for future research.

CHAPTER TWO – LITERATURE REVIEW

2.1 Introduction

As outlined in Chapter One, “the public sector has been criticised during the last two decades for being insufficiently effective and efficient” (van Helden *et al.*, 2010, p.83) and “little is known yet about the effects of austerity measures on the management control in the organisations affected” (van der Kolk *et al.*, 2015, p.934). As was described in Chapter One, management control in this thesis is viewed in its broad sense. It is concerned with a manager’s ability to monitor and focus “worker behaviour, output and/or the minds of employees” on its organisation’s objectives via technical (i.e. formal) and, socio-ideological (i.e. informal) controls (Alvesson and Kärreman, 2004, p.424). In essence, management control is about ensuring that someone does what they are supposed to do (Macintosh and Quattrone, 2010), i.e. influencing individuals’ behaviours (Agyemang and Broadbent, 2015). Management accounting is intertwined in this influencing process providing managers with the information they need to plan and control their services (see Chapter Two, Sections 2.4 and 2.5 for more detail). Essentially, management control from a management accounting perspective means planning and controlling service operations and in Gladiator is mainly achieved via budgets and a BSC.

Indeed, the financial crisis context offers an interesting area for enriching our understanding of public sector management accounting practices such as cost control, budgeting and performance management (van der Stede, 2001; Bracci *et al.*, 2015). Thus, as explained in the previous chapter, the objective of this thesis is to:

Investigate the dynamics of reforms (i.e. why and how) in the delivery of public services and management controls in an Irish local authority, paying particular attention to the role of a newly appointed CEO and austerity measures.

In the case study (see Chapters Five and Six) how managers influenced staff behaviour by drawing on technical controls (e.g. rules, procedures, standards, budgets and performance management systems), socio-ideological controls (e.g. norms, beliefs and values), and *austerity rhetoric* will be discussed. In so doing,

the distinction between “the existence and the use of controls” (Langfield-Smith, 1997, p.226) will also be illuminated. Furthermore, in order to achieve the objective of this thesis, the delivery of public services and management controls will constitute the primary units of analysis. Of which, the intention is to shed light on why and how existing beliefs, norms, and practices, which underpin the delivery of public services and management controls, came to be questioned and subsequently experienced change.

However, for now, in the context of a case study set in a volatile and difficult public sector and given the objectives of the thesis, it would seem reasonable to begin the literature review with some consideration of NPM (see Section 2.2). The essence of the NPM phenomenon is adoption of private sector type philosophies and tools (including management controls) to increase *efficiency* and *effectiveness* in public sector organisations (ter Bogt, 2008(a), ter Bogt, 2008(b)). NPM is in several ways quite functionalist, under-pinned by neoliberalist ideology (Hyndman and Lapsley, 2016). Hence, in this sense, it hardly aligns to the more *processual* methodology being adopted in this thesis (see Chapter Four). Nevertheless, putting these differences to one side for a moment, the NPM literature should still be reviewed. NPM, for several decades had huge influence on how public service organisations were managed. It is particularly this influence and its consequences, which concerns this research, not the application or nature of NPM *per se*. Indeed, a good understanding of the NPM literature is background knowledge for unravelling the complexities of public service reforms, and more specifically the delivery of public services and management controls at Gladiator.

So, in order to support the research objective outlined at the start, this chapter is organised as follows, Section 2.2 sets the context by presenting an overview of NPM, covering its origins, main features and critiques. It presents its links to austerity reforms and management accounting and control, and then moves on to discuss NPM from an Irish perspective. Following on from this, Section 2.3 discusses organisational change; both its approach and meaning are examined. In terms of the researcher’s objective and own interpretive perspective, (see Chapter Four) a processual approach to change is warranted. Sections 2.4 and 2.5 explore management control in general, and specifically in terms of its meaning for public sector management control and this thesis. Finally, Section

2.6 discusses the reforming role of communication and management accounting information. Thus, by presenting this past literature, gaps are identified in current knowledge relating to the complexity and dynamics of reforms in the delivery of public services and management controls, thus illuminating the ways in which the present research may actually contribute to the literature.

2.2 New Public Management – its origins and main features

NPM origins probably date back to Weber's (1968) work on 'bureaucracy' but its elevation to the management (and control) literatures can to a large extent be credited to the seminal works of Christopher Hood (Hood, 1991; 1995). While there is no one agreed global driver for NPM reforms, often cited reasons are economic recessions; political and citizen volatility; party politics and English speaking countries¹¹ (Hood, 1991; Hood, 1995). NPM symbolised an international trend around the mid- to late-twentieth century of government administration reforms striving to address public sector perception of being "too large and cumbersome, organised on the wrong principles, and in need of reinvention and institutional renewal" (Humphrey *et al.*, 2005, p.1). Thus, it strove to reform "the *processes* by which public sector organisations work" (Lapsley and Oldfield, 2001, p.523).

Traditional public administration was about "compliance with the administrative rules and procedures that govern the commitment and authorisation of public sector funds" (Moll and Humphrey, 2007, p.299), while NPM was about holding individual managers accountable¹² for their actions and their responsiveness to political principles. NPM brought 'economic rationality' and business-like management styles and tools to the fore of public sector organisations (ter Bogt *et al.*, 2010; van der Kolk *et al.*, 2015; Hyndman and Lapsley, 2016; Hyndman and Liguori, 2016). In so doing, aiming to rectify the many failings of existing financial and management practices in the public sector (Pollitt and Bouckaert, 2011; Humphrey and Miller, 2012) and generate new practices of 'good

¹¹ English speaking countries, i.e. "some commentators implied that NPM was mainly an Anglo-American phenomenon of the Regan/Thatcher era" (Hood, 1995, p.99).

¹² Being accountable means public entities taking responsibility for their actions, openly reporting on what they do, providing specific information when asked, welcoming scrutiny, and being responsive when challenged (p.3) (www.oag.govt.nz/2016/accountability/docs/accountability.pdf)

management' (Richards, 1987, p.25). Consequently, creating "a government that works better and costs less" (Pollitt, 2000, p.183), or an "entrepreneurial government" (Osborne and Gaebler, 1992), "importing the best practices from private life into government" (Hood and Jackson, 1994, p.472). Thus, in place of old-style bureaucracy which stressed authority and rigidity in government, the NPM approach entailed more focus on economic efficiency and effectiveness (Lapsley, 2008; ter Bogt, 2008(a)(b); ter Bogt and Scapens, 2012; van der Kolk *et al.*, 2015; Hyndman and Lapsley, 2016), premised largely on the adoption of private sector type management tools and techniques (van Helden, 2005).

NPM is built on an ideology of clear and pre-set mission and goals, where accountability systems are constructed around those goals (Hood, 1995; James, 2006), in an attempt to improve cost efficiency (Bracci *et al.*, 2015; Robbins *et al.*, 2015) and become more "consumer responsive" (Hyndman and Lapsley, 2016, p.401). NPM should not be viewed as a "static set of ideas at a point in time but rather as a trajectory of continuity and change (Hyndman and Lapsley, 2016, p.387). The main components of NPM are depicted in Table 2.1.

Table 2.1 The main components of NPM

<i>Components of NPM</i>
1. Unbundling the public sector into corporatised units organised by products
2. More contract-based competitive provision, with internal markets and term contracts
3. Stress on private sector management styles
4. More stress on discipline and frugality in resource use
5. Visible hands-on top management
6. Explicit formal measurable standards and measurement of performance and success
7. Greater emphasis on output controls

Source: Hyndman and Lapsley, 2016, p.386.

A particular feature that is evident from Table 2.1 is an absence of such components as partnerships, networking and governance. According to Pollitt (2007), such additional components surfaced later, to counteract perceived weaknesses of the original wave of NPM. Nevertheless, the policy claims of NPM ideology to bring about efficiency and value-for-money has been “consistently questioned and challenged” (Bracci *et al.*, 2015, p.897). This steers the next section to review its criticisms.

2.2.1 Critics of NPM

Critics have argued that NPM has failed to deliver on its claim to assist in reducing service-delivery costs (Hood, 1991; ter Bogt, 2008(b)). They claim instead that it is often a vehicle for elite managers to progress their personal managerial careers, frequently involving corruption rather than the provision of cheaper and better public sectors for all (Hood, 1991; see also Mongkol, 2011). There have also been questions over how universal the benefits of NPM are, and that “different administrative values have different implications for fundamental aspects of administrative design – implications which go beyond altering the ‘settings’ of the systems” (Hood, 1991, p.9). This kind of argument is bolstered by the fact that no two authors have recorded the exact same features for NPM when listing its attributes, which has resulted in a somewhat ‘mystical in essence’ NPM phenomenon (Hood and Peters, 2004), and a growing belief that no single definition for NPM actually exists (Robbins *et al.*, 2015). Nevertheless, Alford and Hughes (2008) counter-argued this by claiming that such critics of NPM had little practical management experience, which makes their criticisms less acceptable.

Furthermore, some critics have also simply questioned the *newness* in NPM (Dunleavy *et al.*, 2006, Quinn and Warren, 2017). NPM has been around now for a few decades, so new reforms are actually rarely *new*, but often reflect quite traditional business-like management techniques (Hood, 1995; Humphrey *et al.*, 2005) such as the use of financial and non-financial performance indicators, delegated budgets and cost improvement programs (Robbins and Lapsley, 2005). Some commentators have stressed how significantly different the operating environments, goals, and structures are between public sector and private sector respectively (Broadbent and Guthrie, 2008). Moreover, Butterfield

et al., (2004), have argued that traditional business management techniques will always be difficult to introduce into the public sector because “[...] the level of change required to implement the reform is too complex” (den Heyer, 2011, p.421). In essence, this means that NPM “is like the emperor’s new clothes in the well-known Hans Christian Andersen story - all hype and no substance” age-old issues and problems in public management remain (Hood, 1991, p.9). Similarly, Dunleavy and Hood (1994, p.10) argued that “if NPM is now everything maybe it is nothing – certainly not a distinctive way of managing organisations”.

Finally, despite these criticisms, the present researcher supports the argument that NPM at least offers a *new* way to think about and understand public sector management issues (Gow and Dufour, 2000). Humphrey and Miller (2012, p.313) argued that it is “important to not be overly prescriptive as to what comprises and is represented by new public management”. They claim that NPM should be examined and observed in its specific context, particularly with regard to what is actually practised under *public management*. Accordingly, this idea is adopted in Chapters Five and Six of this thesis. It will be interesting to contrast these thesis findings with Hyndman and Lapsley (2016, p.388) United Kingdom (UK) findings where the financial crisis brought an intensification of NPM in public services. In addition, as this thesis wants to investigate the dynamics of reforms in an Irish local authority’s delivery of public services and management controls, particularly in the context of a period of austerity, it is fitting to next examine the link between NPM and austerity reforms.

2.2.2 Links between NPM and austerity reforms

Although economic recessions were cited (above) as a possible driver of NPM reform, they can also be a driver of austerity-type practices. In the context of the present research objective, it seems appropriate therefore to consider the connection (if any) between NPM and austerity. In particular, it would seem pertinent to question whether economic crises incite support for NPM-type practices or indeed, whether some alternative notion of public service provision can emerge.

Austerity measures are not new, “the notion that individuals and societies benefit from limiting their consumption is almost as old as humanity” (Schui, 2014, p.1). Austerity has a primary purpose, namely, to reduce government’s debt and budget deficits (Lodge and Hood, 2012; van der Kolk *et al.*, 2015). This, in turn, usually results in reductions of service levels and service quality (Pollitt, 2010; van der Kolk *et al.*, 2015). In contrast, a NPM approach sets out to maintain service levels and quality, but through more efficiency and being more business-like (Pollitt and Bouckaert, 2011; van der Kolk *et al.*, 2015). In this vein, Olson *et al.*, (2001, p.515) warned that public sector organisations, which rely heavily on NPM management control measures, are in danger of being caught in an ‘evaluatory trap’:

At the extreme, it is possible to envisage that successful public sector organisations, managed in accordance with leading private sector management principles, will increasingly charge for their services and become effectively ‘private’. Other, less glowing but still attractive candidates, will be sold off, taken over or subsumed by private sector organizations. The remaining ‘uncomfortable’, ‘unsuccessful’ and ‘unmanageable’ public sectors will be left to provide a ‘public’ that cannot afford, or does not want, to pay for, any alternative form of provision. We believe that the above-mentioned scenarios of New Public Financial Management (NPFM) procedures are suggestive of the public sector being trapped by a residing, but misplaced, belief in the long-term capacity of NPFM to deliver improved service efficiency/effectiveness. Faced with rising costs of monitoring and evaluation, more frequent and visible service charges and a growing loss of identity, the public sector arena looks to be set on a spiral decline delivering fewer and fewer services. It is effectively caught in an ‘evaluatory trap’.

Interestingly, service level and quality reductions were carried out at greater rates during the 2008 financial crises compared to previous recessions, signalling the adoption of extreme austerity to balance government finances (MaCartney, 2011; Bracci *et al.*, 2015). Sapir *et al.*, (2014) concluded that financial aspects of austerity took precedence over the non-financial aspects such as equity, fairness and social impacts.

Austerity reforms focus “on reducing the size of the state and the services it delivers, but through some differing means and with different accountability requirements than under NPM” (Bracci *et al.*, 2015, p.885). Table 2.2 provides a broad outline of differences in accountability relationships under both NPM and austerity.

Table 2.2 Changing accountability: from NPM to austerity

<i>Accountability</i>	<i>Under NPM</i>	<i>Under austerity</i>
Of whom	Public managers, public organisations, departments, citizens, users, audit institutions	A nation's public sector as a whole
To whom	Citizens, users, audit institutions	Supranational institutions, other public sector entities
For what	Inputs, outputs, outcomes	Expenditure, deficit and debt
Measurement and assessment bases	Budgets, performance reports, value-for-money/value-added, market competition	Fiscal rules, financial cuts, constraints and controls
Represented role of accounting	Holding managers and politicians accountable for both financial and non-financial results Supporting decision making in a market/competition environment	Reducing expenditure, deficit and debt all with a purely financial focus Governing inter-institutional and/or intergovernmental relationships

Source: Bracci *et al.*, 2015, p.885.

Table 2.2 conveys how under austerity, accountability lies at a supranational level. For example, central governments are accountable to supranational organisations such as the troika. The Irish central government signed up to a Programme of Financial Support as it came under pressure from the troika to cut costs and reform public sector delivery (Robbins and Lapsley, 2014; Cohen *et al.*, 2015). This also resonates with Boyle's (2014, p.39) findings, which

concluded that senior executives in Irish local government viewed their experiences of financial crisis reforms as being more about “cost cutting than service improvements”. This is what the everyday Irish citizen, mainly through (traditional) media reports, became familiar with during the 2008 financial crisis period. On the other hand, NPM accountability resides at the national level, with accountability of public managers, public organisations and departments towards Irish citizens, users and audit institutions. Thus, when analysing accountability under NPM, one can look at specific components of the whole public sector (for example, local government, health and so on) being akin to a micro-level of accountability analysis. However, under austerity accountability, the unit of focus is a whole country’s public sector (essentially everything falling under the umbrella term of public sector) making it more a macro-level of accountability analysis. Pollitt (2010, p.25) questions, “will the new reforms required under austerity be more of the same – more NPM? Or will they be something else (and if so, what)?”. Again, in light of the present research objective, the case study findings in Chapters Five and Six present how austerity measures impacted reforms in an Irish local authority, illuminating whether they were more of the same - more NPM.

The next section examines how NPM and management accounting and control are intertwined. Management accounting in its broad sense is about control (Macintosh and Quattrone, 2010); hence, management accounting practices are part of the management control function. Section 2.3 later outlines what management control means in the context of this research.

2.2.3 Links between NPM, management accounting and management control

NPM has been criticised for being “merely a bundle of techniques, without any theory” (den Heyer, 2011; Hyndman and Lapsley, 2016, p.388). However, this criticism seems unjust. Hood (1991) identified two opposing theoretical viewpoints upon which NPM ideas are shaped – one perspective coming from new institutional economics (NIE) with the other coming from the scientific management movement. van Helden (2005, p.103) concurs with Hood’s foundation of NPM, his research revealing NPM was viewed as a second level

theory drawing from both “economics (marketization, entrepreneurship) and organisation theory (divisionalisation, results control)”.

Management accounting is viewed as being a universal and unitary practice, separate from the location and time in which it operates (Wickramasinghe and Alawattage, 2007). Management accounting is part of management control by providing information for management planning and control. Such a portrayal is also grounded in the neo-classical economic theory of the firm (see Jones and Pendlebury, 2000). Management accounting’s theoretical roots portray how NPM is intertwined with management accounting and control, both drawing from neo-classical economic theory. Additionally, a key tenet of NPM is management control and performance management (Fryer *et al.*, 2009; Broadbent and Laughlin, 2013) which again illuminates management accounting and control being central to NPM (Broadbent and Laughlin, 2013).

Management accounting has a specific set of functions that are based on specific techniques, which are drawn from both practice and theory. The expectation is that these techniques, when adopted, will produce the same outcomes whenever and wherever they are implemented (Wickramasinghe and Alawattage, 2007). Thus, whether the techniques are implemented in private or in public sector organisations, the results should be consistent. However, due to the difficulty in establishing objectives and measuring outcomes within the public sector, differences in management accounting between the two sectors may arise (Seal, 1999; Jones and Pendlebury, 2000). Jones and Pendlebury (2000) (see Figure 2.1) define management accounting from a public sector perspective “as an activity that provides managers with the accounting information they need to carry out planning and control functions” (Jones and Pendlebury, 2000, p.22). This definition of management accounting within the public sector is adopted in this research. Within local authorities, management accounting has tended to be input-oriented, focusing on budget preparation (Seal, 1999).



Figure 2.1 The managerial planning and control processes of public sector organisations

Source: Jones and Pendlebury, 2000, p. 22.

The seven NPM components listed in Table 2.1 have “profound implications for how public sector accounting is conceived, in the sense of what records are kept, how they are used, what is costed and measured” (Hood, 1995, p.98). Jones and Pendlebury (2000, p.10) believe that public sector accounting “comes into its own when ‘units of output’ are not identifiable”. Business accounting techniques are suitable when there are physically identifiable units of output, and in that instance, public and private sector accounting are the same. NPM places an emphasis on planning, budgeting and service-delivery (Goddard, 2005; Hyndman and Liguori, 2016; Hyndman and Lapsley, 2016) thus giving “primacy to accounting practices and processes” (Kurunmaki *et al.*, 2011, p.1). It accentuates “accountability and efficiency through the use of explicit quantitative performance measures and external audits” (ter Bogt and Scapens, 2012, p.454). This is in contrast to old public management, which was a process of self-management by professionals driven by implicit qualitative performance indicators (ter Bogt and Scapens, 2012). However, advocates of NPM such as Osborne and Gaebler (1992, p.117)

claim that accounting systems were the cause of old public management's demise:

Few people outside government pay attention to budget systems. But budgets control everything an agency does. They are onerous and omnipresent, useless and demeaning. They suck enormous quantities of time away from real work. They trap managers in yesterday's priorities, which quickly become tomorrow's waste.

Nevertheless, despite their scathing attack on management accounting Osborne and Gaebler (1992, p. 146) still continued to use calculations in their efforts to transform public sector organisations, as in their words "what gets measured gets done". This corresponds with the OECD's view "in today's increasingly complex society, performance and control are essential for successful government" (OECD, 2005). In terms of this study's research objective, it is necessary to ask how can public service managers handle performance and control in today's complex environment.

2.2.4 Links between NPM and management styles

There are two opposing styles of managerialism from which organizations can choose, either 'let managers manage philosophy' (OECD, 1995; Schick, 1996; Kettl, 1997) or 'make managers manage philosophy' (Kettl, 1997). NPM emphasises visible 'free to manage' hands-on management control from the top (Hood, 1991, p.4). These philosophies expect top management to control their organisation with the aid of management accounting techniques, while also achieving staff accountability for their activities and results (Brunsson and Sahlin-Andersson, 2000). The 'let managers manage' philosophy builds on the Japanese continuous improvement philosophy where organisations are continuously seeking to improve their quality of service to their customers (Kettl, 1997). This is an empowering philosophy allowing managers to be flexible in their management practices (Kettl, 1997) rather than act "as civil servants following and implementing central directives" (Brunsson and Sahlin-Andersson, 2000, p.727). In contrast, the 'make managers manage' philosophy sets goals and targets for managers to achieve and be measured against. This philosophy aims to motivate managers to manage better and achieve efficiencies through more extensive cost accounting systems (Kettl, 1997). It allows managers discretion in

solving administrative problems but the solutions are shaped by market incentives (Kettl, 1997).

The 'let managers manage' philosophy was mainly adopted in Australia and Sweden while 'make the managers manage' was primarily adopted by the UK and New Zealand. According to Lapsley (2008, p.79), the role of the general manager can be seen as significant to "the effective deployment of NPM ideas". This is evident from research carried out by Lapsley and Pallot (2000) where they found in a case study it took time to integrate accounting with management decisions. Nevertheless, it was achieved due to the persistence of a new chief executive. It also contended that the new executive, following the retirement of the old bureaucratic style accountants, was able to instil a new philosophy of customer service into the organization. Thus, highlighting the important role of individuals in effecting public sector reforms.

However, whichever management philosophy is adopted, either 'let the manager manage' or 'make the manager manage', it is important to recognise that 'there is often a significant under-estimate of the degree of change required to get people to work differently, and the effort required to make that change stick' (Exley, 1987, p.46). Often, it is too easy to "lose sight of the fact that public managers are human, with human frailties" (Exley, 1987, p.92) and their level of management buy-in to NPM tools and techniques impacts the success of NPM implementations (den Heyer, 2011). The case study findings in Chapters Five and Six bring to life the complex and dynamic role of managers (enforced by a new CEO), in handling service-delivery and management control reforms in an Irish local authority, particularly during a period of austerity. The next section specifically focuses on NPM from an Irish local authority perspective.

2.2.5 NPM from an Irish local authority perspective

December 1996 saw the publication of *Better Local Government – A Programme for Change* (BLG) by the Irish central government. The aim of BLG was to enhance local democracy, serve the customer better, develop efficiency and provide proper resources for local authorities (Keogan, 2003, p.88). According to Boyle *et al.*, (2003, p.29), BLG should be viewed from the perspective of public

sector modernisation initiatives, thus bringing Ireland into line with NPM developments which had happened some years earlier in countries like New Zealand, Canada and UK. The origin of BLG was a civil and public sector reform programme, the Strategic Management Initiative (SMI) (Keogan, 2003, p.88). Despite BLG being a programme for better local government, it had very 'little input from the local authorities' (Keogan, 2003, p.88). Instead, the Irish central government's civil servants whose aim was to get public sector organisations to focus on key strategic issues drove it (Boyle, 2000). In March 1996, the then Minister for the Environment asked Irish local authorities to: examine what issues were likely to impact on their operations over the coming years; identify customer needs; critically evaluate their organisation and set up objectives and a system to monitor their progress (Boyle, 2000). Just nine months later, in December 1996, BLG was introduced and strove to "ensure that money was well spent and that staff were properly managed, motivated, involved and trained to deliver cost-effective services" (Boyle *et al.*, 2003, p.22). BLG suggested that Irish local authorities were now freed to provide public services via the market mechanism. However, tight central government control limited what local government could achieve in the delivery of public services. NPM contradictions are not unique to Ireland - Agyemang and Broadbent, (2015), reported similar issues in the UK.

Subsequent to BLG, the 1998 Local Government Act was passed which provided for a new funding regime (Boyle *et al.*, 2003). The new local government fund was financed from two sources, an exchequer contribution and the proceeds of motor taxation (Boyle *et al.*, 2003). These funds were solely for the purposes of local government. In 2000, the Department of the Environment published *Modernising Government – The Challenge for Local Government*. This document reviewed local government reform to date. The *Programme for Prosperity and Fairness* (PPF), "the fifth national agreement between the government and social partners on key pay, economic and social issues" was also published in 2000 (Boyle *et al.*, 2003, p.31). Under PPF, Irish local authorities agreed to develop and implement a performance management system that would ensure the preparation of corporate and business plans (Boyle *et al.*, 2003). These can be regarded as elements akin to NPM-like projects. Similar findings were reported in the UK and the Netherlands by Hood, (1995) and ter Bogt *et al.*, (2015) respectively. Subsequently, the Local Government Act 2001 was passed. It

provided for a formalised strategic management process where a corporate plan was to be prepared for the life of the elected council, that being five years. This represented a significant milestone for local government in Ireland as it endorsed the aforementioned changes that were underway (Boyle *et al.*, 2003).

In 2008, the OECD published a landmark report on Irish public sectors. It reported that Ireland had delivered public services relatively well in comparison to other OECD countries (Boyle, 2014). However, it did need to improve integration and coordination of public services in addition to an increasing focus on performance and value for money across local government. Thus, delivery of public services and management control change was needed, which begs the question: what is organisational change?

2.3 Organisational change

van de Ven and Poole (1995, p.510) argue, “explaining how and why organisations change has been a central and enduring quest of scholars in management and many other disciplines”. However, defining change is complex (Pettigrew, 1995; Quattrone and Hopper, 2001; Yazdifar *et al.*, 2012). For example, Macintosh and Quattrone (2010, p.209) present organisational change as occurring when organisations “transform their structure and operations; or management control systems “change” when a new information system, such as Enterprise Resource Planning (ERP) system, is implemented; or cost accounting systems “change” when cost allocation bases are redefined from direct labour hours to activities”. This definition can be seen diagrammatically as in Figure 2.2.

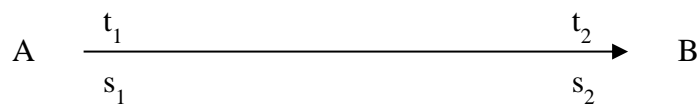


Figure 2.2 Modernist constitution: a schematization of the concept of change

Source: Quattrone, and Hopper, 2001, p.408.

However, Figure 2.2 depicts change as happening in a mainly stable environment and actions happening in a linear process. It displays how an entity (be it an individual, an organisation or a state of mind) when passing from state “A” to state “B” is transformed (Macintosh and Quattrone, 2010). Actions are depicted to “follow one another in an orderly manner and are linked to results by clear cause-and-effect relationships” (Macintosh and Quattrone, 2010, p.209). This perspective of change presumes that actors view the world as external, that is, that they can see “technology, accounting, organisations, markets and institutions as if they were tangible things” (Macintosh and Quattrone, 2010, p.14). Little resistance to change is presented in Figure 2.2 as actors willingly adapt. Figure 2.2’s concept of change is only suitable for organisational change where objectives, processes and viewpoints are clearly identifiable. In essence, what Macintosh and Quattrone (2010) have described is the planned approach to change (see By, 2005 and Yazdifar *et al.*, 2012) which originates from the work of Lewin (1958).

2.3.1 Planned approach

Lewin’s change model comprised of three steps: “unfreezing the present level, moving to the new level and refreezing this new level” (By, 2005, p.37). This managerialist approach is concerned with the design of particular “techniques for managers to engineer change or employs contingency theories to which change methods are dependent of contextual variables” (Doolin, 2003, p.753). However, the planned approach is not without its criticisms.

Firstly, it is criticised for its emphasis on incremental and small-scale change as opposed to radical and transformational change (Dunphy and Stace, 1993; Burnes, 2004). Secondly, the planned approach assumes “an organisation exists in different states at different times and that planned movement can occur from one state to another” (Cummings and Huse, 1989, p.51). However, writers argue that organisational change is an on-going “feature of organisational life, both at an operational and strategic level” (Burnes, 2004; By, 2005, p.369) rather than a set of discrete and self-contained events (Garvin, 1993; Burnes, 2004). Thirdly, the approach of planned change implies all parties involved are willing and interested to change, therefore ignoring organisational conflict and politics and

assuming they can be easily identified and resolved (Burnes, 2004). Fourthly, it suggests that only one type of planned change approach is suitable for all situations, times and organisations (Yazdifar *et al.*, 2012, p.50). However, crisis situations demand different responses (Dunphy and Stace, 1993). Finally, the planned approach relies too heavily on the role managers' play and assumes they completely understand their objectives (Burnes, 2004).

Proponents of the planned change approach would not concur with the aforementioned criticisms (Cummings and Huse, 1989). Furthermore, Macintosh and Quattrone, (2010, p.214) contend a paradox arises if Figure 2.2 is used to define change because it describes "processes of stabilisation" and denies "the possibility for change".

2.3.2 Processual approach¹³

Alternatively, for Dawson (2003, p.26) change is "an ongoing complex dynamic process". Essentially, he views change as processual being different to the planned approach. The processual approach builds on the work of Pettigrew (1985) and Dawson (1994) which assumes that "social reality is not a steady state" (Yazdifar *et al.*, 2012, p.50). Processualists argue the planned approach ignores the dynamic and complex nature of the internal and external organisation's environments (Dawson, 1994; Burnes, 2004). They use active words for describing change such as "becoming, emerging, developing, transforming and decaying" (Pettigrew, 1997, p.338). The past is not ignored and change is viewed as a process unfolding through the interplay of context, power, politics, and consultation (Yazdifar *et al.*, 2012, p.51). The planned approach does not include context, power, politics and culture (Burnes, 2004; Dawson, 2012). However, the processual approach has been criticised for not giving particular attention to the role of the human change agent (Doolin, 2003). An argument Dawson (2003, pp.25-26) refutes because he found the "role of change agents in orchestrating the change process was identified as a central element in

¹³ The terms "processual approach" and "contextualist approach" are interchangeable.

the power and political manoeuvrings of individuals and groups during programmes of change”.

2.3.3 Discursive approach

Morgan and Sturdy (2000), in an effort to address attention towards the role of the change agent, put forward a discursive approach. This approach strives to address the centrality of human discourse in the workings of organisations:

Discourses become the way in which individuals explain themselves, their actions and organisations – both to themselves and to others; they also underlie the mechanisms of control and coordination, the framework for building and maintaining order, that managers construct within and across organisations (Morgan and Sturdy, 2000, p.18).

Discourse “rules in’ certain ways of talking about a topic, defining an acceptable and intelligible way to talk, write or conduct oneself” and also “rules out’, limits and restricts other ways of talking, of conducting ourselves in relation to the topic or constructing knowledge about it” (Hall, 2001, p.72). Discourse is not a neutral device as it can deploy meaning (Bryman, 2008). They “do not just describe things, they do things” (Potter and Wetherell, 1987, p.6) through the way they help its inhabitants make sense of the world (Phillips *et al.*, 2004).

In conclusion, and in line, with Yazdifar *et al.*'s, (2012) contention that it is an individual’s own view point which will decide the meaning of change for them, the present researcher drawing from a personal interpretive perspective (see Chapter Four, Section 4.2.2.1), adopts Yazdifar’s (2013) perspective of change. Change is viewed as not only an alternation to Gladiator’s “procedures, but also as alternation to the day-to-day practices, procedures, activities, attitudes, roles and responsibilities of its members” (Yazdifar, 2013, p.26). Having adopted this processual conceptualisation of change, the researcher also draws on Laughlin’s (1991) framework (see Chapter Three, Section 3.6) to understand whether Gladiator’s change was (1) morphostatic (first order) change or (2) morphogenetic (second-order) change. This will be illustrated in Chapter Eight, by presenting a contextualist framework (see Figure 8.1) which can be used to analyse public service-delivery reforms in an Irish local authority during a period of austerity.

Thus, this research also joins the supporters of processual change who state “that to cope with the complexity of change [...], we should promote extensive and deep understanding of the role of extra- and intra-organisational factors prior to and within the process of implementing a change” (Yazdifar, 2013, p.30). Furthermore, discourse is viewed as a strategic resource drawn upon by change agents to initiate and implement organisational change (Hardy *et al.*, 2000; Doolin, 2003). Having set out: the public service management context via NPM; the two main dominant approaches to organisational reform (i.e. planned and processual); and, having specifically outlined the conceptualisation of change in this thesis, the next section, again driven by the research objective, sets out a literature review on management control.

2.4 Management control defined

Given the lack of clarity in management control systems (MCS) definitions, Malmi and Brown (2008) have called on future research projects to be more explicit about the types of controls they address. Thus, as stated at the outset of this chapter, management control¹⁴ in this study is viewed in its broad sense. It is concerned with a manager’s ability to monitor and focus “worker behaviour, output and/or the minds of employees” on its organisation’s objectives via technical (i.e. formal) and, socio-ideological (i.e. informal) controls (Alvesson and Kärreman, 2004, p.424). Effectively, management control is about ensuring someone does what they are supposed to do. Alternatively, MCS “gather and use information to plan, control and monitor the decisions and subsequent actions of an organisation” (Burns *et al.*, 2013, p.154). Next, a review of some of the literature on management control and management control systems is provided.

Anthony (1965) can be viewed as the academic forefather of management control, as he separated it from strategic planning and operational control (Otley, 2003). He defined management control as “the process by which managers assure that resources are obtained and used effectively and efficiently in the accomplishment of the organisation’s objectives” (Anthony, 1965, p.2). While his

¹⁴ Management control in this research is concerned with how a CEO influences his/her senior managers to get middle and lower staff levels to do what they are supposed to do.

definition does not specifically refer to the individual, he did appreciate the human element in management control systems, particularly the social psychology. In essence, he wanted to know how control systems affect managers' actions (Otley, 2003; Wickramasinghe and Alawattage, 2007). However, his work has been criticised for neglecting the processual aspects of management control such as power, judgement and conflicts (Cooper *et al.*, 1981; Wickramasinghe and Alawattage, 2007).

A review of the management control literature reveals that defining management control systems has proved problematic. A number of definitions have been proposed, some similar, others different (e.g. Anthony, 1965; Flamholtz, Das and Tsui, 1985; Abernethy and Chua, 1996; Langfield-Smith 1997; Chenall, 2003; Otley, 2003; Merchant and van der Stede, 2007; Malmi and Brown, 2008; Ferreira and Otley, 2009; Agyemang and Broadbent, 2015). Very broad conceptions of MCS were outlined by Merchant and Otley (2007, p.785) who argued that "almost everything in the organisation is included as part of the overall control system", including factors such as strategic development, strategic control and learning processes. Similarly, Chenall and Moers (2015, p.1) defined MCS as "a set of many formal and informal input, process and output controls that are used by management to achieve organisational goals; the controls are connected by many complementarity relationships". Correspondingly, Otley and Soin, (2014, p.1) defined management control as being "about the process of steering organisations through the environments in which they operate, to achieve both short-term and longer-term goals". Other researchers have provided a narrower view of MCS. Merchant and van der Stede (2007, p.8) define management control as being about employees.

It is people in the organisation who make things happen. Management controls are necessary to guard against the possibilities that people will do something the organisation does not want them to do or fail to do something they should do... If all employees could always be relied on to do what is best for the organisation, there would be no need for MCS.

Other authors move beyond the behavioural controls to include goal congruence. Flamholtz *et al.*, (1985, p.289) defined organisational controls as "attempts by the organisation to increase the probability that individuals and groups will behave in ways that lead to the attainment of organisational goals".

In an expansion of the definition utilised by Otley in his work with Merchant, (Merchant and Otley, 2007), when writing with Ferreira, he prefers to use the term performance management systems (PMSs) in preference to MCS (Ferreira and Otley, 2009, p.264). This is because they view this term as “including all aspects of organisational control, including those included under the heading of management control systems”. Therefore, Ferreira and Otley (2009, p.264) present PMSs as

the evolving formal and informal mechanisms, processes, systems, and networks used by organisations for conveying the key objectives and goals elicited by management, for assisting the strategic process and ongoing management through analysis, planning, measurement, control, rewarding, and broadly managing performance, and for supporting and facilitating organisational learning and change.

Formal controls “include planning systems such as the use of budgets and targets to establish expectations and against which to monitor performance” (Agyemang and Broadbent, 2015, p.1021). Informal controls “are characterised by the use of more free-flowing information and processes with dialogue and communication as the main ways of sharing information about activities and performance” (Agyemang and Broadbent, 2015, p.1021). Technocratic (i.e. formal) forms of control are “rules, procedures or standards describing how to accomplish certain tasks” (Tessier and Otley, 2012, p.777). In essence, Taylorism¹⁵ which “attempts to directly control worker behaviour” (Alvesson and Kärreman, 2004, p.425). While socio-ideological (i.e. informal) forms of control “attempt to control worker mindsets” (Alvesson and Kärreman, 2004, p.425) by “persuading people to adapt to certain values, norms and ideas about what is good, important, praiseworthy, etc in terms of work and organisational life. Ideologies justify certain principles, actions and feelings, and discourage others” (Alvesson, 1987; Czarniawska-Joerges and Joerges, 1988; Alvesson and Kärreman, 2004, p.426). Managers may

attempt to define interpretations and meanings that can become widely understood and shared by organisation members so that actions are guided by a common definition of the situation. Those with power are able to influence the course of organisational development through control over valued resources and through use of symbols by

¹⁵ Taylor was the leading founder of Taylorism, which was about finding economic efficiency in work processes especially in labour productivity.

which organisation members mediate their experience (Smircich, 1983, p.161).

In normal situations, ideological control is based on a “combination of the calculations and convictions” of key managers (Alvesson and Kärreman, 2004, p.426).

Furthermore, some define management control as a ‘system’ while others consider it a ‘package’ (Grabner and Moers, 2013). Often, these terms have been used interchangeably. However, Grabner and Moers (2013) put forward a distinction between the terms. Management control ‘systems’ exist if “management control practices are interdependent and the design choices take these interdependencies into account” (Grabner and Moers, 2013, p.408). Alternatively, a management control package exists where a complete set of controls is in place regardless of whether the control practices are interdependent and/or “the design choices take interdependencies into account” (Grabner and Moers, 2013, p.408).

In summary, the majority of management control definitions agree and view management control as exercising “power (influence) in order to secure sufficient resources, and mobilise and orchestrate individual and collective action towards (more or less) given ends” (Langfield-Smith, 1997; Speklé, 2001 in Alvesson and Kärreman, 2004, p.424). Given the public sector context of this research, the next section explores public sector management control, also referred to as ‘public budgeting’.

2.5 Public sector management control – ‘public budgeting’

Planning and controlling in public sector organisations are collectively known as “budgetary control” (Jones and Pendlebury, 2000, p.35), and, are illustrated in Figure 2.1. The term ‘public budgeting’ represents public sector organisations planning, control and accountability structures (Johansson and Siverbo, 2014). Therefore, having reviewed management control definitions and outlined what management control means for this research, the next section examines what is understood by budgeting and its practice in public sector organisations. This is important given its integral part of management control.

2.5.1 Public sector budgeting

Cyert and March (1963) define budgets as both the substance and outcome of political bargaining processes which are then used to legitimate and maintain systems of power and control in organisations. Similarly, Schick (2009) argues budgets “are about the interplay of people and their ideas and goals” while Caiden (2010) also contends that people, policies and politics are the primary concerns of public sector budgeting. Hence, budgets in public sector organisations are the result of political negotiations (Johansson and Siverbo, 2014; Ahrens and Ferry, 2015). In effect, they are perceived to be legitimisation tools for people’s actions and a method of communicating between different levels of government (Seal and Ball, 2011; Ahrens and Ferry, 2015) as well as being central to achieving accountability (Ahrens, and Ferry, 2015). In summary, budgets have been presented as being a socially constructed phenomenon rather than being a technically rational function (Covaleski and Dirsmith, 1988; Ahrens and Ferry, 2015).

However, the genesis of budgeting was as a technically rational function. In its essence budgeting is about rules and routines which strive to improve management practice and control outcomes (Burns and Scapens, 2000; Caiden, 2010). In effect, public budgets are used to manage and control the behaviour of public servants in delivering and managing public services (Stinchcombe, 2001; Ahrens and Ferry, 2015). However, the effectiveness of public budget rules depends on the acceptance and commitment of leaders (Caiden, 2010). According to Burchell *et al.*, (1980, p.5) what gets “accounted for” shapes organisational participants’ view of what is important and constitutes organisation reality. This is an interesting insight and will be explored later in Chapters Five and Six in the case study findings, to determine the power of budgeting communication in affecting public service reform. Thus, budgets, despite being technical in nature are very much about people, shaping their views of what is important, and what is not.

Furthermore, the public sector budget setting process is a lengthy, complicated and incremental practice (Jones and Pendlebury, 2000; Caiden, 2010). Incremental budgeting focuses on the increase between last year’s and this

year's budget. Thus, the past is built into the present representing a cumulative effect and protecting government priorities (Jones and Pendlebury, 2000; Caiden, 2010). This form of budgeting has been criticised for being "irrational" and increasing financial constraints have led to its demise (Caiden, 2010). However, Schick (2009, p.435) challenges this and argues that all budgeting is fundamentally incremental: "A decision to spend money one year usually is a decision to spend in future years as well, even when there is no legal requirement to do so". Jones and Pendlebury, (2000) and Seal, (2003), also echoed this sentiment.

Budget reform is an evolving, continuous process, not simply a static one (ter Bogt, 2008(a); Caiden, 2010). If a public service organisation is to change its budgeting processes, a number of conditions have to be met to ensure successful adoption. Simply, changing processes, creating new institutions and issuing new rules are unlikely to bring about desired results unless they are also accompanied by underlying understandings and cultural changes (Laughlin, 1991; Alvesson and Kärreman, 2004; Caiden, 2010). Chapter Eight (see Figure 8.1), later, presents a contextualist framework which can be used to explain budget reform in an Irish local authority.

2.5.2 Management control in public sector organisations

Next, a review of some previous public sector case studies deemed relevant for this thesis, based upon the management control criteria, are provided.

van Helden (2005) conducted a review of the international literature on the role of management accounting and control in public sector transformations. It revealed that the literature was primarily focused on how technical accounting innovations were utilised. The most popular issues explored were budgeting and performance management while costing and cost management were less popular. This lack of focus on costing may be due to the non-calculation of charges for certain public sectors.

Fryer *et al.*, (2009) carried out a literature review of performance management in the public sector. They found that despite performance management systems

being in existence for over 25 years, they are still beset with problems. They classified these issues into three categories: technical, systems and involvement. The technical difficulties related to issues with performance indicators, their establishment, interpretation and action. The systems problems involved the integration of performance management systems with the existing systems. The involvement concerns related to employee issues and emphasised how employees must be involved in the creation of the performance system. Communication and sharing information about the system was also necessary. As Black, Briggs and Keogh, (2001, p.405) outlined:

A greater understanding of the importance of performance indicators and how to use them to achieve objectives is essential at all levels of the organisation.

In order to increase the likelihood of a successful performance management system and avoid the three aforementioned potential problems, a new system needs set routines and time to become established (van Sluis *et al.*, 2008). Managers with an ongoing commitment to the new performance system are also required. They need to take a hand on approach and use their leadership skills to “motivate people [...] to produce more, or better, or more consequential results that are valued by citizens” (Behn, 2005, p.64). They must also allow time for the system to bed in. Research reveals that if managers’ adopt a hand off approach after they have established the system and outlined the rules, performance management implementation problems occur (Behn, 2005).

James (2006) sought to determine the effects of changes in the budgeting process in an Australian electricity corporation. Prior to organisational change, budgeting was simply viewed as an annual ritual with little impact on the organisation. The attitude to the process is summed up nicely in the following quote:

...having achieved all that [the budget process], everyone put it in the bottom drawer and went ahead and spent and did what they wanted to anyway (James, 2006, p.18).

A traditional incremental budgeting style was operated which was ineffective in achieving management control prior to corporatisation. Post corporatisation a zero based budgeting (ZBB) style was implemented, and initially managers appeared to have adopted a “new way of thinking and a new approach to

budgeting” (p.20). However, it became evident that they were still following historic habits and routines such as continuing to pad the budget in a so called ZBB environment. Gradually managers became frustrated with the new budget process. They felt the targeted reduced costs were unattainable. Their frustrations were exasperated by the introduction of transfer pricing whose implantation was resisted by the internal institutions. However, following a number of attempts to overcome issues with the new budgeting process, it very slowly became recognised as efficient. James’ (2006) study demonstrates how change will only be effective if it is aligned with the existing settled ways of thinking and doing. Therefore, the existing internal values, attitudes and meanings of individuals must be aligned with the organisation’s strategy if change is to be implemented successfully. There is a need to deinstitutionalise the existing mind-sets and institutionalise a new commercial mind-set of efficiency and effectiveness. To achieve this successfully, the internal politics and power must be supportive of the planned reforms.

Yang and Modell (2012) conducted research over six years in a Chinese local authority. They examined how performance management practices and the exercise of power by embedded agents is balanced “between more or less institutionalised conceptions of performance while pursuing organisational change” (p.101). Their research adds to understanding the process of performance management change by revealing the role of the embedded agent in bringing about that change. They argue that it is important to acknowledge the multi-layers of institutional embeddedness. The local authority’s director was the key agent and focus of analysis in their study. They found the director was simultaneously embedded in both the moral-based and merit-based conceptions of performance in the authority. As a result, the director experienced value conflicts due to the problems of trying to keep the authority’s institutionalised expectations and internalised values and beliefs aligned. The decoupling of the director’s values and beliefs from the authority’s institutionalised expectations eventually became obvious and led to her demise. Yang and Modell (2012, p.124) call for further research which will “examine which contingencies cause shifts in internalised values and beliefs and institutionalised expectations, respectively, to arrive at a more fine-grained analysis of how embedded agents may overcome institutional barriers to change”. Addressing this, will help further unravel the

paradox of embedded agency discussed in Chapter Three. The research questions as outlined in Chapter One seek to address this conundrum. An institution can exist only if people have particular and related beliefs and mental attitudes supporting the institution. Yang and Modell (2012) found that when the institutional expectations and beliefs and mental attitudes were not aligned, the change agent lost power and reforms stopped.

van der Kolk *et al.*, (2015) examined management control in four local authority departments in the Netherlands in a time of austerity. They found, similar to Johansson and Siverbo (2014) that in times of austerity tighter budget control is implemented. They witnessed an increased use of management control elements that constrain human behaviour, i.e. “processes of auditing, control, regulation, assessment, inspection and evaluation” (Diefenbach, 2009, p.899). This contrasts with facilitating management controls (e.g participative budgeting) where training and education may be used to facilitate employees’ work practices. The view of human behaviour as needing to be constrained is an underlying thread of NPM. Furthermore, van der Kolk *et al.*, (2015, p.946) found that in times of austerity constraining management control elements are overemphasised. This lowers employee motivation and should be balanced with facilitating controls to mitigate negative consequences. They also found evidence of employee stress and job insecurity in an environment of severe budget constraints.

It’s for the first time in the history of [Bluetown] that such vigorous measures are being applied, and that job security is no longer assured for everyone. That’s not common for the public sector. It’s a situation which leads to a lot of stress on the part of employees (Alderman BI).

Some of the main attractions cited for taking public sector jobs are job security, employee benefits and equitable treatment (Kelman, 2006; Durant *et al.*, 2009; Pandey, 2010, van der Kolk *et al.*, 2015). Where these contract characteristics are adhered to, findings show greater staff organisational commitment behaviours are present (Pandey, 2010). Boyle (2014) found that job security was a motivating factor for 89% of staff surveyed in Irish local government. However, under cutback management (a response to austerity) which means, “managing organisational change toward lower level of resources consumption and organisational activity” (Overmans and Noordegraaf, 2014, p.102), employee motivation was affected by threats to their job security. Pandey (2010) and van

der Kolk *et al.*, (2015) concur that violations of the public sector contracts “are likely to be taken poorly by current employees ...” (Pandey, 2010, p.567) and it is “unclear whether employees with high levels of public sector motivation would soldier on in the face of adversity or turn to alternative employers such as private non-profits” (p.567). This interesting query will be illuminated in the case study findings in Chapters Five and Six.

Agyemang and Broadbent (2015) reviewed management control systems developed by universities to manage research staff. They argue that these systems are intertwined in organisational change processes. For them, context is a crucial element in the development of control systems, specifically the external environment, the organisation itself and actions of people within the organisation. They warned that reorientation of organisations can turn into colonisation. In essence, they showed how control processes could be developed by organisational members that “amplify external disturbances” instead of dissipating them (p.1040).

Ahrens and Ferry (2015) examined the impact of austerity budget cuts on a local authority in Newcastle. Budget overspending was not an option for the authority due to potential sanctions from central government. Hence, the blame for its service cuts lay clearly at central government’s front door. As a response to the budget cuts, it co-opted the help of its citizens and stakeholders and, using financial and operational information, decided which services to cut and which to retain. Available budget funds were clearly communicated and were central to achieving service-delivery changes. Grassroots communities were allowed input to the management of their public services. Thus, by including budgeting in the processes of accountability new ways of working were introduced to grassroots groups, stakeholders, and service clients (p.928).

In summary, the literature reveals that budgetary control and performance management practices in public sector organisations remain of interest to researchers. They are an instrumental and integral part of the complex public service reform process. However, they are not without challenges. Reform in management control practices requires time and a change in people’s mind-sets. These insights will be reflected upon when analysing Gladiator’s reforms in its

delivery of public services and management controls in Chapters Five, Six, Seven and Eight. Next, the idea of the role of communication and management accounting information in reforms is presented.

2.6 The role of communication and management accounting information in reforms

RQ2, in Chapter One, asks how did an institutional entrepreneur handle reforms in Gladiator's delivery of public services and management controls, particularly in the context of a forthcoming period of austerity. As argued by previous researchers, reforms are not just about deciding to change during a period of financial austerity, they are also about convincing "publics and public servants themselves that they are sensible and relevant things to do" (Pollitt, 2010, p.29). This can be handled through communication. "Communication is the transmission of verbal and other messages or signals, with the object of providing or influencing the premises of judgement and choice" (Chambers, 1986, p.93) and is considered a necessary step in executing effective organisational reform processes (Nørreklit and Mitchell, 2007) - as was found in Yazdifar's (2013, p.201) case study where it was described how "CC explained the present situation and justified the need for change, and let people talk and discuss what they thought was relevant to the improvement of the system". Thus, we can conceive communication to be power in action. Whenever there "is an intention with human speech, rhetoric always forms part of communication" (Nørreklit, 2003, p.592) which is mainly known to be persuasive (Quattrone, 2013). Thus, "in communicating reality", reality is constructed (Hines, 1988, p.251). A management control system (i.e. budgets, BSC) can be an effective communication tool for any organisation.

For the purposes of this research, the researcher adopts a broad view of the term 'communication' regarding communication as being comprised of "gestures, social interactions that build on speech, discourses, texts and other means" (Cornelissen *et al.*, 2015). Good communication "both internal and external, is critical to a company's success.....it is not just about the numbers" (Hitchins and Taylor, 2013, p.213). Communication can be 'factual', prescriptive', 'motivational', 'appraisive' and 'advisory' (Clarke *et al.*, 2013, p.30). For example, the BSC (see

Chapter Six, Section 6.5) is viewed as an effective tool for communicating an organisation's strategy (Nørreklit and Mitchell, 2007). However, the BSC needs to be rooted in a language that is understood by all employees. They must be able to interpret the performance measures that are designed to reflect the organisation's strategy (Nørreklit and Mitchell, 2007) and which hold them accountable. This involves "translating the overall strategic objectives and measures into objectives and measures appropriate for the teams and employees who represent key segments of the organisation" (Nørreklit and Mitchell, 2007, p.178). Thus, the BSC is a visual aid to "make abstract strategies and visions concrete" (Quattrone, 2013, p.99) at executive announcements, plant meetings and in videos, brochures, and newsletters (Nørreklit and Mitchell, 2007, p.178). It can provide a top down and bottom up approach to communicating as senior management outline the organisations strategy and how it is going to be achieved (top down) and lower level staff provide feedback on the strategic approach (bottom up). Chapter Six illuminates the power of communication through the BSC in effecting reform in housing services.

Ahrens and Chapman (2007) carried out longitudinal research in a restaurant business. They found how management accounting information of a below-average food margin triggered questioning from its managers as to the reasons for its occurrence. This subsequently stimulated discussions amongst its managers. Simons (1995) also argued that interactive control systems prompt debates among managers when performance results are below standard. Thus, the communication of management accounting information has been found to play a fundamental role in prompting discussions in areas of poor performance in organisations (Hall, 2010). Furthermore, it is essential when communicating with staff that sound argumentation is used to not only persuade but also convince why management control reform is necessary (Nørreklitt, 2003). For example, the communicator may use text in three different ways to gain the audience's approval: through *ethos*, *pathos* or *logos* (Nørreklit, 2003, p.594). *Ethos* is "concerned with the recipient's trust in the sender such that the credibility or authority appealed to by the sender creates approval. *Pathos* appeals to the recipient's emotions and mood, while *logos* appeals to the recipient's rational commitment" (Nørreklit, 2003, pp.594-595). *Logos* covers everything that individuals can establish "through reason and includes both logical and empirical

argumentation” (Nørreklit and Mitchell, 2007, p.188). An academic text is expected to appeal to the recipients’ logos and ethos and little, if at all, to their pathos (Nørreklit, 2003; Nørreklit and Mitchell, 2007). In order for a text to be credible, it has to be comprised of sound logos. Nevertheless, pathos will always be in existence as long as man-made texts and natural languages are involved in the communication processes between individuals (Nørreklit, 2003). Thus, clear communication of management accounting information is an essential element in affecting service-delivery and management control reform.

2.7 Concluding remarks

NPM strives to reform public sector work processes to achieve efficiencies and value for money, and management accounting and control are central to NPM practices. However, the jury is still out on whether the benefits cited are actually achieved and whether private sector management techniques are appropriate for public sector organisations. Pollitt (2010) questions whether “the new reforms required under austerity will be more of the same – more NPM? Or will they be something else (and if so, what?). Again, in light of this study’s research objective the case study findings in Chapters Five and Six highlight how austerity measures impacted reforms in Gladiator, illuminating whether they were more of the same (or not), that being, NPM.

A review of public sector case studies highlighted some interesting facts about reforms. Reform in management control practices requires time and a change in people’s mind-sets. Managers need to be motivated, have good leadership qualities and adopt hands-on approach to implement successful management control reforms. In addition, internal values, beliefs and norms must be aligned with the organisation’s strategy and existing institutions for reform to be successful. Austerity measures, such as strict budget constraints can cause job insecurity and a rise in employees stress levels. Therefore, how can a manager convince “publics and public servants themselves that reforms are sensible and relevant things to do” (Pollitt, 2010, p.29). The literature also argued the importance of communication and its role in communicating management accounting information in reform processes.

This chapter concludes from the literature that public sector reforms are not static and in a linear process, rather they are complex, dynamic and ongoing. Therefore, a processual approach to study public service-delivery and management control reforms during a period of austerity is warranted. Also, in examining public service-delivery and management control reforms, with the aim of unravelling the complex processes of change in such processes, the importance of the external factors (e.g. financial crisis and central government austerity measures), and internal organisational factors (i.e. new CEO) need to be investigated (see Chapter Eight, Figure 8.1).

Next, Chapter Three presents the pluralistic theoretical approach adopted to help unpack the complex and dynamic reforms in Gladiator's delivery of public services and management controls during a period of austerity.

CHAPTER THREE – THEORETICAL FRAMEWORK

3.1 Introduction

Chapter Two concluded that public service-delivery reform is a complex and dynamic process. Moreover, previous literature has argued that due to its inherent complexity, a blending of different theories is required to understand and explain its phenomena (Jacobs, 2012; Modell, 2013). As a processual approach is adopted in this thesis (see also Chapters Two and Four), to tease out the complexity of public service-delivery and management control reforms it is complemented with a variety of theoretical perspectives (see Chapter One, Figure 1.1) - these being: (1) NIS theory; (2) Burns and Scapens' (2000) conceptualisation of management accounting change; (3) Seo and Creed's (2002) framework of institutional contradictions, and (4) Battilana *et al's.*, (2009) model of the process of institutional entrepreneurship, (5) Laughlin's (1991) model of organisational change, and (6) Hardy's (1996) ideas on power and political mobilisation. They are complementary socio-political theoretical lenses which Gladiator's reform process is viewed through. Furthermore, such theoretical pluralism, in itself, illuminates the complex nature of public service reforms in Gladiator, as it sought to realise services efficiencies improvements during a period of austerity.

This thesis, defines the term *institution* as “a way of thought or action of some prevalence and permanence, which is embedded in the habits of a group or the customs of a people” (Hamilton, 1932, p.84 cited in Burns and Scapens, 2000, p.5). This definition primarily hones in on institutions at an intra-organisational (micro) level, including the habitual behaviour of individuals and groups. However, this definition is vague about the reasons leading to the introduction of public service reforms. Thus, this research also incorporates, as part of its public service reform explanation, institutions at the more *macro* level of organisational sectors. “That is, institutionalised organisations tend to adopt structures and procedures that are valued in their social and cultural environment. They do this in order to achieve legitimacy and to secure resources that are essential for their survival” (Ribeiro and Scapens, 2006, p.96). In Chapters Five and Six it is *service-*

delivery as fast as possible and at any cost which is the internal institution under the spotlight. NIS theory and the work of Burns and Scapens (2000) and Laughlin (1991) provide the language and concepts for unravelling and understanding the process of reforms in Gladiator. In addition, the role of a new CEO is critical to Gladiator's reform story and therefore *agency* is explored. Agency is viewed as a multidimensional concept where "an actor's engagement with the social world that, through the interplay of habit, imagination, and judgement, can both reproduce and transform an environment's structures" (Battilana and D'Aunno, 2009, p.46). This concept of agency is more specifically enhanced by also drawing on, and coupling it with, institutional entrepreneurship. In addition, Seo and Creed's concept of contradictions and Hardy's (1996) ideas on power help to more fully explain how a powerful CEO at Gladiator mobilised and pushed change through in a highly institutionalised environment.

The remainder of this chapter is structured as follows: Section 3.2 presents why theoretical pluralism is adopted, Section 3.3 discusses why an institutional approach to reform was chosen compared to neo-classical economics. Section 3.4 and its sub-sections provide background information to NIS, highlighting the concept of legitimacy and coercive isomorphism. It outlines criticisms of NIS: assuming organisational similarity; organisational conformity to external pressures; not addressing the role of individual agency and its simplistic treatment of power and politics. Section 3.5 presents institutional entrepreneurship and agency while its sub-sections aim to ease the criticisms of NIS and subsequently supplement it. Seo and Creed (2002) highlight how individuals can bring about change through contradictions and praxis. Battilana *et al.*, (2009) present the processual activities institutional entrepreneurs carry out to instigate and implement reforms.

Section 3.6 along with its sub-sections and Section 3.7 and its sub-sections present Laughlin's (1991) model of organisations and Burns and Scapens' (2000) conceptualisation of management accounting change respectively. Essentially, NIS contended that the driving factors of institutionalisation arise from the need for social legitimacy (DiMaggio and Powell, 1983; Hassan, 2005). However, it has been argued that it is often the micro-activities of the organisation that propel the processes of organisational change (Barley and Tolbert, 1997; Burns and

Scapens, 2000) which NIS does not examine. Thus, Laughlin (1991) and Burns and Scapens (2000) were also adopted to understand and unpack how external and internal public service-delivery and management control activities and institutions are interrelated in reform processes. Finally, Section 3.8 and its subsection define power and politics and present Hardy's (1996) ideas on power, highlighting how the mobilisation of power and politics can bring about strategic change in organisations. Thus, the researcher is adopting a sociological and organisational approach to change rather than the traditional neo-classical economics perspective (Dambrin *et al.*, 2007).

3.2 Theoretical pluralistic approach

The previous sections have presented a theoretical pluralistic approach to this research, combining insights from NIS and aligning them with complementary ideas from literature studies by Burns and Scapens (2000); Seo and Creed (2002); Battilana *et al.*, (2009); and, Hardy (1996). These various perspectives all have their common origins in social constructivist thought and interpretive epistemology. Laughlin (1991), also drawing from a social constructionist ontology, differs in his epistemological stance and adopts a critical epistemological stance. Nevertheless, this research blends the previously mentioned theories and concepts with Laughlin's (1991) concepts of an organisation as this approach more fully fleshes out the dynamic and complex local authority context and setting. In addition, this approach also facilitates building on theory from the extant situation, instead of forcing the data to fit the theory (Covaleski *et al.*, 1996; Hopper and Hoque, 2006; Yazdifar, 2013; Hoque *et al.*, 2015).

This pluralistic approach facilitates developing a strong understanding of the way an Irish public service organisation incorporated history and socio-economic pressures into its reform of public service-delivery and management controls (Englund and Gerdin, 2008; Hoque *et al.*, 2013). Furthermore, it is not a unique approach to research in accounting. Table 3.1 lists a number of previous accounting studies, in no specific order, which have incorporated theoretical pluralism.

If a single framework had been adopted to analyse the case study findings in Chapters Five and Six, it is likely the analysis would have lacked detailed conceptualisation of the service-delivery and management control reform process. Moreover, by drawing on insights from NIS and the combination of various frameworks adopted, the researcher addresses some of the limitations of each of the frameworks. As Baumann (2005, p.239) suggested "...we should not be too obsessed with the idea that there must always be a best theory. What matters is that the theories we choose from are good enough".

Table 3.1 Evidence of past studies in accounting benefitting from theoretical pluralism

<i>Author(s)</i>	<i>Theories/paradigms used</i>
Covaleski, Evans, Luft and Shields (2003)	Economic, psychological and sociological
Oliver (1991)	Institutional sociology and resource dependency
Ansari and Euske (1987)	Institutional, technical rational and socio-political
Yazdifar (2013)	OIE, NIS and power
Arena <i>et al.</i> , (2010)	Neo-institutional sociology and actor network
Abernethy and Chua (1996)	Resource dependency and neo-institutional
Burns (2000)	OIE and power
Collier (2001)	Neo-institutional sociology and power
Hopper and Major (2007)	Institutional theory with economic, labour and actor networks
Wiesel <i>et al.</i> , (2011)	Critical and institutional
Agyemang and Broadbent (2015)	Middle-range thinking, Habermas, Espeland and Sauder's and Bourdieu
van der Kolk <i>et al.</i> , (2015)	Agency and stewardship
Cohen <i>et al.</i> , (2015)	Legitimation and resource dependency

While it is acknowledged that one could counter-argue that this pluralistic approach is excessive, these theoretical approaches and concepts provide a detailed and holistic way of unravelling reform processes at Gladiator (Hoque *et al.*, 2004). Drawing from eclectic sources of theories, facilitates a better understanding of the “content, context and process” (Pettigrew, 1987, p.657) of public service-delivery and management control reform at Gladiator as it sought to realise services efficiency targets in times of austerity. Broadbent and Laughlin (2009) concur with this holistic type approach to reform analysis. They contend that in order to understand management control changes one needs to understand the organisational changes. In order to achieve that, both the societal context and the organisational context have to be studied. Thus, this study’s theoretical variety offers the reader an opportunity to see how the external environmental pressures (i.e. the financial crisis and strict government austerity measures) are interwoven with both the micro organisational internal processes (i.e. the internal rules, routines and actions at Gladiator) and agency (i.e. institutional entrepreneurship) dimensions in driving reform (Yazdifar *et al.*, 2008). By combining various theories and frameworks the researcher will contribute more to public sector reform research than the sum of its parts (Covaleski *et al.*, 2003). A belief also echoed by Ahrens and Chapman (2006, p.723) who argued, “events in the field may best be explained by reference to multiple theories”. Furthermore, the researcher is not alone in her view of the benefits of theoretical triangulation as seen in earlier studies by Adler and Chen (2011), Jeacle and Carter (2011), Tan and Koonce (2011) and Yazdifar (2013).

3.3 Why use an institutional approach to reform?

This thesis does not adopt the conventional theoretical view of management control to explain and analyse the change process studied because it is subject to the same methodological underpinnings as functionalism. Functionalism “combines an objectivist view of the world with a concern for regulation” (Ryan *et al.*, 2002, p.41). Functionalism tends to assume “that the social world is composed of relatively concrete empirical artefacts and relationships which can be identified, studied and measured through approaches derived from the natural sciences” (Burrell and Morgan, 1985, p.26).

Traditionally, management control was viewed as a technical activity for managers to detect 'what is' and 'what ought to be' (Rathe, 1960). Despite Gladiator's budgets and BSC meeting this technical requirement in Chapters Five and Six, this thesis does not examine whether budgets and BSC deliver "the benefits claimed for" (Otley, 1999, p.380). Rather, the management control emphasis is on *how* management controls changed, particularly during a period of austerity at Gladiator. Despite mainstream accounting being able to predict general trends, it cannot explain the processes through which management accounting and control practices evolve (Ryan *et al.*, 2002). Mainstream management accounting theory (rooted in the neo-classical economic theory¹⁶ of the firm) "due to its reliance upon key assumptions of 'equilibrium' and 'rationality', "fails to deal with 'the dynamics of changes over time' and institutional phenomena such as change in accounting practices" (Yazdifar, 2012, p.55). Therefore, it was deemed not suitable for the research objective set out in Chapter One.

Therefore, with regard to exploring the process of public service reforms and the key roles of power and politics in such reform processes, Yazdifar (2012) contends that NIS and OIE are considered especially useful. As this thesis adopts a processual view of reform by analysing the inner and outer organisational context of Gladiator, and as the "methodological underpinnings of OIE and NIS, emphasise a holistic, processual (evolutionary) and historical approach to studying organisational change" (Yazdifar, 2013, p.67), they are considered appropriate for this research.

Furthermore, it is important to note that "there are many forms of institutional theory in the social sciences (i.e. economics, sociology, political science and law), and within the same discipline" (DiMaggio and Powell, 1991, Yazdifar, 2012, p.58). This chapter reviews institutional theory under two appropriate sub headings for this research, NIS and OIE. The two aforementioned institutional

¹⁶ Neoclassical economic theory portrays management accounting as a "provider of information for 'efficient' management planning and control..." (Burns, 1997, p.1) and, as a 'mirror of reality' that exists to inform 'efficient' business decisions (Yazdifar, 2012, p.55). Budgets and the BSC are examples of "technical management control tools to provide factual representations of economic realities for rational and optimal decision-making" (Scapens, 1994; Yazdifar, 2012, p.53).

approaches encompass sociological and economic theory respectively and both “approaches share a concern that ‘institutions matter’, although there are differences in respective definitions of an institution” (Moll *et al.*, 2006, p.184).

The term *institution* can denote different meanings to different people and choosing a definition “remains rather arbitrary, as different meanings reflect different approaches to institutional theory” (Mäki, 1993, p.3; Di Maggio and Powell, 1991, p.1 cited in van der Steen, 2006, p.7). Often it is easier to agree what institutional theory is not, rather than what it is (DiMaggio and Powell, 1991, p.1).

Institutions are commonly defined as “rules, norms, and beliefs that describe reality for the organisation, explaining what is and is not, what can be acted upon and what cannot” (Hoffman, 1999, p.351). While there is no universal definition of an institution (Hiebl, 2018), within OIE, a common definition and the one adopted in this research is “a way of thought or action of some prevalence and permanence, which is embedded in the habits of a group or the customs of a people” (Hamilton, 1932, p.84 cited in Burns and Scapens, 2000, p.5). Thus, institutions could be viewed as “performance scripts that provide stable designs for chronically repeated activities, deviations from which are counteracted by sanctions or are costly in some manner” (Jepperson, 1991, p.145 cited in Garud *et al.*, 2007, p.958).

The impact an institution has on its practices and behavioural patterns depends on how long the institution has been in place (Tolbert and Zucker, 1996). The shorter the history of an institution the more exposed it is to challenges (Barley and Tolbert, 1997). It can be difficult to understand how institutions and actions affect each other unless they are analytically distinct (Barley and Tolbert, 1997). Therefore, “unless researchers use separate indicators of institutions (which span settings and time) and actions (which are localized to a specific setting), they can neither argue convincingly that the two map the same principles nor show how actions implicate structures broader than those of setting itself” (Barley and Tolbert, 1997, p.499). Institutions can outlast individuals and may vary very little over long periods of time (Mattimoe, 2000, p.133). “Individual habits both reinforce and are reinforced by institutions” (Mattimoe, 2000, p.133). Institutions

are a key part of this research and in *Gladiator*, the institution examined is *service-delivery as fast as possible and at any cost*. By studying this settled way of thinking and delivering public services, the researcher can unravel the complex dynamics of public service reforms. With a view in mind to what an institution is, the next section presents NIS.

3.4 New Institutional Sociology (NIS)

NIS, sometimes referred to as New Institutionalism or Neo-Institutional Sociology, is part of organisational theory and emerged quite rapidly from the mid 1970's as "opposition to rational-actor models, rejecting the assumption of 'abstract' individuals and optimisation" (Mattimoe, 2000, p.135). Instead, emphasising the relationships between an organisation and its environment (DiMaggio and Powell, 1991). DiMaggio and Powell, (1991, p.8) describe NIS as comprising:

[...] a rejection of rational-actor models, an interest in institutions as independent variables, a turn toward cognitive and cultural explanations, and an interest in properties of supraindividual units of analysis that cannot be reduced to aggregations of direct consequences of individuals' attributes or motives.

Examples of studies using NIS to study management accounting practices include Covalleski and Dirsmith (1988); Brignall and Modell (2000); Collier (2001); Modell (2001); Hussain and Hoque, (2002), Tsamenyi *et al.*, (2006), Yazdifar, (2013) and Sharma *et al.*, (2014). NIS has its genesis in Old Institutional Sociology (OIS). DiMaggio and Powell (1991) identified OIS to be more concerned with issues such as competing values, power and influence at the local community level. On the other hand, the level of analysis in NIS is broadened to account for the embeddedness of organisational fields, legitimacy and a focus on routines, scripts and schemas (Meyer and Rowan, 1977; DiMaggio and Powell, 1991, Lawrence, 1999; Zhao, 2011).

According to Moll *et al.*, (2006, p.187) 'it is the external rules, procedures, myths and/or norms' that define an institution in NIS.

Institutions comprise regulative, normative, and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life (Scott, 2014, p.56).

Scott (2014) argues there are three key pillars of institutions, which constrain behaviour namely, regulative, normative, cultural-cognitive systems. The regulative element is concerned with 'explicit rule setting, monitoring and sanctioning' (Baker, 2006, p.37). The normative element 'emphasizes values and norms that constrain individuals by dictating what should be accomplished (goals) and how it should be accomplished' (Baker, 2006, p.37). The cultural-cognitive element holds the perspective that "internal interpretive processes are shaped by external cultural frameworks" (Scott, 2014, p.67). That is, "...what a creature does is, in large part, a function of the creature's internal representation of its environment" (D'Andrade, 1984, p.88 cited in Scott, 2014, p.67). This is consistent with the researcher's perspective that reality is socially constructed, as will be outlined later in Chapter Four.

NIS tends to focus on a macro level of analysis, exploring the broader political, economic and social institutions. The central principle of NIS seeks to explain how the external environment/societal lifeworld influences organisations to display conformity with institutionalised rules, values and expectations. Rather, than being shaped by cost minimisation and efficiency ambitions (which is the realm of new institutional economics (NIE) and is not the focus of this study) (DiMaggio, 1988; Lawrence, 1999; Ahmed and Scapens, 2000; Mattimoe, 2000; Scapens, 2006; Scott, 2014). This research, using NIS concepts, will show how the various external pressures such as central government austerity measures and a worldwide financial crisis impacts on Gladiator's delivery of public services and management controls. By adopting external sanctions, organisations such as Gladiator, gain legitimacy in the eyes of their social and cultural environments (Ribeiro and Scapens, 2006; Scapens, 2006) as legitimisation can create an appearance of a rational efficient organisation (Carruthers, 1995). Scott (2014, p.71) defines legitimacy as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions". It is "not a commodity to be possessed or exchanged, but a condition reflecting perceived consonance with relevant rules and laws or normative values, or alignment with cultural-cognitive frameworks" (Scott, 2014, p.72). An appearance of legitimacy helps the organisation to secure scarce resources and increase their survival prospects (Meyer and Rowan, 1991; Oliveira, 2010) as according to Scott (2014)

a lack of organisational legitimacy may carry a consequence of organisational punishment for its behaviour. If the organisation studied in this thesis, Gladiator, did not comply with the sanctions imposed by central government, its funding would have been cut.

As NIS tends to explain stability rather than change in organisations, DiMaggio and Powell (1983) devised the term *organisational field*, which is viewed as an institutional force on organisational structure and behaviour. The organisational field is comprised of key suppliers, resource and product consumers, regulatory agencies, and other organisations that produce similar services or products (DiMaggio and Powell, 1983). There are four parts to transforming a group of organisations into an organisational field: an amplification of the interaction among organisations in the field, emanating inter-organisational structures of domination and coalition, expanding information loads and a heightened awareness by organisations that they are involved in a common venture (DiMaggio and Powell, 1983). Within an organisational field, organisations will adopt procedures and practices 'even when there is no technical reason to do so' (Baker, 2006, p.40). DiMaggio and Powell (1983, p.148) asked 'why there is such startling homogeneity of organisational forms and practices' and they sought to explain homogeneity and not variation.

Homogeneity is explained by the term institutional isomorphism, which is the process through which organisations adopt similar procedures (DiMaggio and Powell, 1983). Institutional isomorphism "provides explanations for changes in organisational practices (such as accounting practices)" (Tsamenyi *et al.*, 2006, p.411). It is a "constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions" (DiMaggio and Powell, 1983, p.149). It "includes the elaboration of rules, symbols and beliefs to which individual organisations must conform to gain social legitimacy" (Hassan, 2005, p.127). Institutional isomorphism is the domain of NIS, which accentuates that organisations not only compete for resources, but also for political influence and institutional legitimacy (van der Steen, 2006, p.16). DiMaggio and Powell (1983) identify three types of institutional isomorphism: coercive, mimetic and normative isomorphisms (effectively mechanisms of

control to achieve conformity and stability). These can be used to describe the spread of rationalised procedures (Carruthers, 1995) and each is now examined.

3.4.1 Institutional isomorphisms

Coercive isomorphism results from both formal and informal pressures exerted upon organisations by other parties upon which it is dependent. It also results from the cultural expectations of society within which the organisation performs (DiMaggio and Powell, 1983). Coercive isomorphism can be seen when the external environment imposes new structures on existing organisational structures through the establishment of new rules, and new monitoring mechanisms. For example, government organisations can force new regulations on dependent organisations (DiMaggio and Powell, 1983; Carruthers, 1995; Modell, 2002; Hassan, 2005; Tsamenyi *et al.*, 2006) as was the case in Gladiator where the Irish central government cut its funding. According to DiMaggio and Powell (1983) and Meyer and Rowan (1991), the fact that these reorganisations may be in large, part ceremonial, it does not mean that they are inconsequential. Instead they signal a message to “the various stakeholders in the organisation that the organisation is responsive to the preferences of the society in which it operates” (van der Steen, 2006, p.17) which results in the organisation securing economic resources and influence.

The second type of isomorphism is mimetic isomorphism. It is driven by uncertainty, for example, ambiguous goals and poorly understood technologies (DiMaggio and Powell, 1983; Carruthers, 1995; Tsamenyi *et al.*, 2006; van der Steen, 2006), and organisations mirror other organisations to deal with this uncertainty (DiMaggio and Powell, 1983; Modell, 2002; Hassan, 2005). “Municipalities are no different in that respect” (ter Bogt, 2008(a), p.38). Because “there is reassurance if not actual safety in numbers, and in the absence of a compelling reason to strike out on their own, organisations do what others are doing” (Carruthers, 1995, p.317). Carruthers (1995) described mimetic isomorphism as a driver of organisational fads and fashions. The fashion perspective is where organisations imitate other organisations, such as consulting firms, due to the lack of confidence surrounding technical efficiencies, goals and environmental forces (Thompson, 1967; DiMaggio and Powell, 1983;

Abrahamson, 1991; Soin *et al.*, 2002). The fashion perspective acknowledges the fact that the organisation is influenced by organisations outside the group (Abrahamson, 1991). It is where the decision centres “less around which technology they should adopt, and more around which organisation they should imitate” (Abrahamson 1991, p.595). With the fashion perspective, the potential adopters can still change their minds about implementation (Abrahamson, 1991; Lapsley and Wright, 2004). The fad perspective is where organisations implement a change program just to keep up legitimate appearances and retain competitive advantage rather than for logical reasons (Abrahamson, 1991; Soin *et al.*, 2002; Lapsley and Wright, 2004). Due to organisations mimicking others in the group, this can lead to adoptions of inefficient innovations and rejections of efficient ones (Abrahamson, 1991). Soin *et al.*, (2002, p.253) claimed that institutional theory helped to explain whether an accounting innovation was chosen because it was the most efficient technique or because it was a fashionable innovation promoted by consultants and academics.

The third type of institutional isomorphism is normative, which stems primarily from professional groups (DiMaggio and Powell, 1983; Carruthers, 1995; Modell, 2002; Hassan, 2005; Tsamenyi *et al.*, 2006). Members of a professional group “are subject to pressure to conform to a set of rules and norms developed by their groups” (Hassan, 2005, p.127). Formal education produced by universities and the growth of professional networks are sources of “structural attributes across organisations” (DiMaggio and Powell, 1983; Modell, 2002, p.658). As will be revealed later in Chapter Seven, their respective professional groups, for example, The Institute of Public Administration or civil engineers influenced the CEO and senior management in Gladiator. The education of a Director, via a Masters’ course, influenced the adoption of the BSC in the Housing Department. Normative isomorphism is more limited in its impact on the adoption of ‘best practice’ solutions as opposed to coercive isomorphism (Modell, 2002). This is because managers “are constrained by their own structure of reality, which is influenced by normative pressures and accepted ideas on ‘proper’ behaviour” (e.g. see: Berger and Luckmann, 1979; Pettigrew *et al.*, 1992; Javidan and Dastmalchian, 1993, cited in van der Steen, 2006, p.18).

These three types of isomorphism may overlap, are not necessarily mutually exclusive (DiMaggio and Powell, 1983; Modell, 2002) and they “cause organisations to adopt comparable structures and practices” (van der Steen, 2006, p.18). Because of these institutional pressures, external ‘rationalised’ rules are born (Hassan, 2005). It is these external rules that define *institution* in NIS theory (Mattimoe, 2000). Adoption of these institutional rules helps organisations gain social legitimacy (Hassan, 2005). In Gladiator, all of the three aforementioned isomorphisms were evident.

However, the formal rules and routines adopted by the organisation to project a view of legitimacy can be detached from the everyday organisational practices ensuring a non-disturbance of the normal processes of daily operations (Ribeiro and Scapens, 2006). This detachment is referred to as decoupling, which effectively separates an organisation’s technical work activities from its legitimating work activities. For example, in this research, the budgetary process in Gladiator was presented as a rational management process that was considered a management ritual. While Gladiator’s budget setting process reflected external rules imposed by central government, the budget control actions did not reflect the intention of the budget rules. “Early NIS writers saw decoupling as a largely given attribute of institutionalised organisations” (Siti-Nabiha and Scapens, 2005, p.48). However, later work suggested that decoupling required an element of resistance (Oliver, 1991). Ansari and Euske (1987), Siti-Nabiha and Scapens (2005) and Ribeiro and Scapens (2006) examined the processes through which decoupling occurred in organisations. Siti-Nabiha and Scapens (2005, p.44) found that in “contrast to the normal assumption that decoupling is an “organisational” response to external pressures, it is shown how decoupling can occur through the working out of a complex and dynamic process of resistance to accounting change: a process which simultaneously involves both stability and change”. They illustrated how stability achieved through decoupling facilitated instrumental change in the organisation.

3.4.2 Main criticisms of NIS

NIS can be criticised from several angles. Firstly, it has been criticised for assuming organisational similarity and for not addressing strategic behaviour.

Organisations are not powerless in their reactions when faced with external institutional pressures to adopt particular structures or practices (Baker, 2006). Oliver (1991) identified five possible organisational strategic responses to external institutional pressures. Oliver (1991) developed a predictive model, drawing from both institutional sociology and resource dependency theories, based upon five predictive factors (cause, constituents, content, control and context) which aimed to predict the strategic responses of organisations to external pressures. Five possible strategic responses are argued: acquiescence, compromise, avoidance, defiance, and manipulation.

An acquiescence strategy can adopt three forms: habit, imitation, and compliance. Habit refers to unconsciously adhering to taken-for-granted rules. Imitation is presented as mimicking, either consciously or unconsciously, other institutional models. Compliance is a conscious obedience to existing values, norms or institutional requirements (Oliver, 1991). A compromise strategic response may be adopted by organisations faced with conflicting institutional demands by utilising tactics such as balancing, pacifying, or bargaining (Oliver, 1991). Balancing tactics try to accommodate multiple external and internal stakeholders' demands. Pacifying tactics embrace minor levels of resistance to institutional pressures but see organisations devoting its energies to satisfying the institutional source it originally resisted. Bargaining tactics are a more active form of striking a balance between the demands of the external constituents and the organisations (Oliver, 1991). An avoidance strategy attempts to eliminate the necessity of conformity and then conceal this avoidance. Organisations may engage in ceremonial pretence of institutional norms or requirements (Oliver, 1991). A defiance strategy resists institutional pressures through either dismissal (ignoring), challenge (offensive), or attack (aggressive), each in order of increasing resistance (Oliver, 1991). A manipulative strategy is the most active strategic response to institutional demands and expectations and it attempts to influence or control institutional pressures (Oliver, 1991). Oliver's (1991) contribution to institutional theory shows how organisational responses to institutional pressures are not necessarily always passive.

Secondly, DiMaggio (1991, p.268) argued that NIS "provides a one-sided version of institutional change that emphasises taken-for-granted, non-directed,

nonconflictual evolution at the expense of intentional (if boundedly rational), directive, and conflict-laden processes that define fields and set them upon trajectories that eventually appear as “natural” development”. Additionally, NIS does not explain the dynamics of organisational change, as it does not sufficiently theorise intra-organisational power relationships and market competition (Powell, 1991; Oliver, 1992; Dillard *et al.*, 2004; Tsamenyi, *et al.*, 2006; Suddaby, 2010; Munir, 2015; Alsharari *et al.*, 2015). Furthermore, Greenwood and Hinings (1996, p.1023) believe that NIS:

.... is weak in analysing the internal dynamics of organisational change. As a consequence, the theory is silent on why some organisations adopt radical change whereas others do not, despite experiencing the same institutional pressures.

According to Burns (2000, p.31), NIS has offered, “less insight into the emergence, continuation or change of institutions *within firms*, compared to a multitude of studies on the macro-institutional dimension”. While Zucker (1991, p,106) argues that NIS “is always in danger of forgetting that labelling a process or structure does not explain it”. Thus, while NIS has been very useful in accounting for organisational stability by describing the forces (legitimation, responses to uncertainty, professionalism) that lead to isomorphism, it does not fully explain institutional change.

Thirdly, it is criticised further because it presents the organisational actor as an individual who is primarily driven by the “desire to conform to institutional pressures” (van der Steen, 2006, p.20). The failure of NIS to address the role of individual agency and micro-level dynamics are major criticisms of NIS (Covaleski and Dirsmith, 1988; Oliver, 1991; Moll *et al.*, 2006; Suddaby, 2010). However, DiMaggio (1988) later addressed this criticism when he introduced the concept of the institutional entrepreneur. This concept is explored later in Section 3.5 and will be an important concept for explaining the public service reform process in Gladiator.

Finally, according to recent research in NIS, its simplistic treatment of power and politics has also been questioned (Siti-Nabiha and Scapens 2005; Suddaby, 2010). The next section explains how Oliver (1992) and Greenwood and Hinings

(1996) strove to overcome some of the limitations of NIS and how their theoretical enhancements were further criticised by Seo and Creed (2002).

3.4.3 Overcoming criticisms of NIS

Oliver (1992), in an attempt to overcome some of the limitations of NIS, outlined an approach based on NIS that explains institutional change as opposed to institutional stability. Oliver (1992, p.564) held the view that “the emphasis in the institutional literature on legitimation processes, organisational conformity and enduring organisational change has tended to preclude inquiry into the factors that cause organisations to challenge, discard or abandon legitimated or institutionalised organisational practices”. She addressed how individuals who are constrained by institutions can bring about institutional change. Greenwood and Hinings (1996) subsequently built on Oliver’s work. They viewed organisational change as a complex process affected by the rationality of the market context in which firms operate together with institutional pressures. These authors thus introduced a processual view of institutional change.

However, Seo and Creed (2002, p.224) argue that the framework presented by Greenwood and Hinings (1996) is “hardly integrated and instead are conceptualised as two separate processes, one process involving normative pressures operating in the institutional context, influences the other process – agents political action within the organisation”. The framework does not address “when and how local agents change the institutional context itself” (Seo and Creed, 2002, p.224). Thus, both frameworks (i.e. Oliver, 1992; Greenwood and Hinings, 1996) have been criticised from the perspective that they do not clarify the role of the individual actor in institutional change, nor do they clearly address the relationship between the actions of individual actors and the wider institutional environment. According to Battilana and D’Aunno (2009, p.32), little is still known about the “individual-level enabling conditions for agency”. Therefore, the role of agency will be explored further in the next section, drawing from the concept of institutional entrepreneurship.

3.5 Institutional entrepreneurship and agency

Traditionally, work on institutions was mainly concerned with stability although it did concede the importance of change (Burns and Scapens, 2000; Battilana, 2006; Garud *et al.*, 2007; Sharma *et al.*, 2014). Work on entrepreneurship, in contrast, focussed on the importance of change despite its difficult attainment (Garud, *et al.*, 2007). The juxtaposing of institutional and entrepreneurial forces into a single concept opens up research avenues for understanding why and how new structures, practices or organisational forms come into existence and remain over time (Garud *et al.*, 2007; Battilana *et al.*, 2009; Sharma *et al.*, 2014). Thus, supporting this research in its aim to understand why and how Gladiator reformed its delivery of public services and management controls.

The term *institutional entrepreneurship* refers to the “activities of actors who have an interest in particular institutional arrangements and who leverage resources to create new institutions to transform existing ones” (Maguire *et al.*, 2004, p.657). This term is similar to DiMaggio’s (1988, p.14) conceptualisation, who deemed that “new institutions arise when organized actors with sufficient resources see in them an opportunity to realize interests that they value highly”. Therefore, institutional entrepreneurs can be characterised as “agents pursuing certain interests and acting strategically” (Weik, 2011, p.468) and strategy can be viewed as a process of “mindful deviation” (Garud and Karnoe, 2001). Thus, institutional entrepreneurship symbolises *active agency* in institutional theory (DiMaggio, 1988; Fligstein, 1997; Dorado, 2005; Scapens, 2006; Lounsbury, 2008; Sharma *et al.*, 2014). And, *agency* in this thesis is conceptualised as a multidimensional concept where “an actor’s engagement with the social world that, through the interplay of habit, imagination, and judgement, can both reproduce and transform an environment’s structures” (Battilana and D’Aunno, 2009, p.46) - that is, those humans who “have power” (Jack, 2016, p.54). Battilana and D’Aunno (2009), drawing on the work of Emirbayer and Mische, (1998, p.47), summarise agency as “a temporally embedded process of social engagement, informed by the past (in its habitual aspect), but also oriented toward the future (as a capacity to imagine alternative possibilities) and toward the present (as a capacity to contextualise past habits and future projects within the contingencies of the moment)”.

From an institutional perspective, institutional entrepreneurship is viewed as a way to explain endogenous institutional change (Sharma *et al.*, 2014). Like earlier academics (e.g. Covalenski *et al.*, 2013; Ahrens and Ferry, 2018; Englund and Gerdin, 2018), this research is “interested in how “[...] knowledgeable, self-aware, calculative institutional entrepreneurs *seek to overcome the paradox of embedded agency and influence their situation*” (Ahrens and Ferry, 2018, p.14). Thus, institutional entrepreneurship will be drawn upon in this research to explain how a new CEO implemented reforms in Gladiator’s delivery of public services and management controls.

Nevertheless, some institutional theorists believe the institutional entrepreneurship notion is inappropriate in institutional analysis as they feel it presents the change agent as a super hero individual and overstates their position (Lawrence *et al.*, 2009; Suddaby, 2010). They prefer to conceptualise *agency via institutional work*. Institutional work describes, “the purposive action of individuals and organisations aimed at creating, maintaining and disrupting institutions” (Lawrence *et al.*, 2009, p.1). Hence, it encompasses institutional entrepreneurship, institutional change and innovation, and deinstitutionalisation under the one umbrella and avoids overemphasizing any one of the aforementioned (Lawrence *et al.*, 2009). However, Weik (2011) criticises the foundations of institutional work by arguing that its definition is very vague. Furthermore, she argues that there is a contradiction in “institutional work’s fundamentals. It draws from practice theory which avoids privileging the purposive mind (which is one of the aims of institutional work) and instead looks at the interplay of objects, activities and know-how” (Reckwitz, 2002; Weik, 2011, p.476). Thus, how can the purposive mind and practice theory be combined? Therefore, she calls for an analytical frame for agency that goes “beyond case studies and plausibility” (p.476). Also, Empson *et al.*, (2013) and Hayne and Free (2014) all argued that Lawrence and Suddaby’s (2006) typology of forms of institutional work is overly simplistic. They argue it “suggests that institutional change happens in a linear manner and that institutions are developed to replace others as they decay” (Empson *et al.*, 2013, p.814) - thus not reflecting the complex and messy reality of institutional change (Empson *et al.*, 2013, p.814). Furthermore, institutional work specifically states that its analytical focus is “on how actions and actors affect institutions” (Lawrence *et al.*, 2009, p.7).

While this research could potentially also be conducted using an institutional work approach, the institutional entrepreneurship concept (in combination with the other theoretical concepts and frameworks adopted in this thesis, as outlined earlier in Chapter One, Figure 1.1) is more suited for the research purpose stated. This thesis aims to unravel the complex messy process of reforms in Gladiator's delivery of public services. To achieve that, it reviews how existing structures affect actions and how actions affect structures. That is, the recursive relationship between structures and actions is examined, unlike institutional work that simply focuses on how actions affect institutions. There is also a clear example of an institutional entrepreneur in Gladiator, and in order to be able to distinguish between the different kinds of change agents in Gladiator, the institutional entrepreneur concept is adopted. Moreover, institutional entrepreneurship allows the researcher to more fully present a holistic view of strategic action found in the case study in Chapters Five and Six, in turn, contributing to a theory of social action.

Thus, DiMaggio's (1988) institutional entrepreneurship concept renewed elements of 'old institutionalism' (Selznick, 1949) which had been understated in the 1980's with the arrival of NIS (DiMaggio and Powell, 1983; Meyer *et al.*, 1983, Tolbert and Zucker, 1983). It reintroduces agency, and illuminates the role of power and politics in institutional analyses of organisations (Garud *et al.*, 2007; Zilber, 2007; Weik, 2011). The concept of power will be discussed in Section 3.8 when considering whether embedded agents have the power to change their embedded institutions. However, it appears that the concept of institutional entrepreneurship which presents institutional entrepreneurs as those "whose beliefs and actions are determined by existing institutions can break with these very same institutions and innovate" (Battilana *et al.*, 2009, p.72) is paradoxical (Levy and Scully, 2007). This paradox relates to the structure versus agency debate, discussed next.

3.5.1 The structure versus agency debate

Both the institutional and entrepreneurship literature face the longstanding *structure-agency* debate. Theories privileging structure over agency promote casually deterministic models where individuals, in the extreme case, are viewed

akin to machines processing objective information without agency, creativity or the ability to think for themselves (Garud *et al.*, 2007; Englund *et al.*, 2011; Englund and Gerdin, 2018). These theories explain maintaining the status quo and continuity. Alternatively, theories that favour agency, often lead to heroic models of actors which have been criticized for being decontextualized, ahistorical and universalistic (Garud *et al.*, 2007, p.961). However, these theoretical criticisms of stability, continuity, ahistorical, decontextualised and universalism are overcome in this thesis by drawing on a processual view of reform of which agency and structure are interwoven. This fits with the social constructivist philosophical perspective adopted in Chapter Four. Thus, in order to address RQ1, Chapter One, “why did Gladiator reform its delivery of public services and management controls?”, it was also necessary to add question RQ2, Chapter One, “how did an institutional entrepreneur handle reforms in Gladiator’s delivery of public services and management controls, particularly in the context of a forthcoming period of austerity?”. This question needs consideration of the *paradox of embedded agency* (Seo and Creed, 2002; Englund *et al.*, 2011; Englund and Gerdin, 2011; Englund and Gerdin, 2018). Weik (2011) argues that the term *paradox of embedded agency* is quite ignorant, on the part of institutionalist authors, of the last three decades of social theory work carried out on the structure-agency opposition and omits any reference to actors’ reflexivity. Nevertheless, Weik (2011) does concede that the institutionalist authors do resolve the so-called *paradox* by referring to Giddens (1984), as discussed next.

3.5.2 The paradox of embedded agency

The paradox of embedded agency within institutional theory is an element of the broader structure-agency debate (DiMaggio and Powell, 1991; Friedland and Alford, 1991; Sewell, 1992; Holm, 1995; Seo and Creed, 2002; Garud *et al.*, 2007; Battilana and D’Aunno, 2009; Englund and Gerdin, 2011; Englund *et al.*, 2011; Sharma *et al.*, 2014; Englund and Gerdin, 2018). Giddens (1984) combined both structure and agency in structuration theory¹⁷. According to Giddens, “instead of being in opposition, structure and agency presuppose each other and are

¹⁷ Note, Giddens’ structuration theory was not adopted as the theoretical lens in this study because it does not facilitate the researcher in gaining an understanding of the external structural context, and the external bracketing was not appropriate for this research as the researcher views structures and agency as interlinked when analysing processes of change.

mutually constitutive” (Sewell, 1992, cited in Garud *et al.*, 2007, p. 961), that is, structure is both the medium and outcome of social practices. This is reiterated by DiMaggio and Powell (1983; 1991), who state that the actions of human actors are not only directed by institutions, but are also the outcome of human behaviour. However, Battilana (2006, p.655) argued, “human beings tend to believe that institutions have always been there because most often those who are constrained by institutions, and those who initially created these institutions, are not the same”. This begs the question, if ‘actors are embedded in an institutional field and subject to regulative, normative and cognitive processes that structure their cognitions, define their interests and produce their identities (Friedland and Alford, 1991; Clemens and Cook, 1999), how are they able to envision new practices and then subsequently get others to adopt them?’ (Garud *et al.*, 2007, p.961; Levy and Scully, 2007; Yang and Modell, 2012; Englund and Gerdin, 2018). Essentially, how did an institutional entrepreneur envision change and get others to follow suit if they were embedded in Gladiator’s existing delivery of public services and management controls? Seo and Creed’s (2002) framework strives to address the dilemma of the paradox of embedded agency, and is explored next.

3.5.3 Seo and Creed’s (2002) framework

Seo and Creed (2002) attempt to answer the paradox of embedded agency by attempting to conceptualise “when and how actors come to the point where they actually decide to revise their institutional behaviour; and the dynamics of such change processes” (Abrahamsson and Gerdin, 2006, p. 127). Seo and Creed (2002) put forward the idea of *contradictions* which “is key to explaining when, how and why institutionally embedded agents might come to question, and subsequently attempt to change, their and others’ taken-for-granted ways and beliefs” (Burns and Baldvinsdottir, 2005, p.728). Contradictions can be conceptualised as a pair of features that together produce an unstable tension in a given system. They “represent ruptures and inconsistencies among, and within, established social arrangements that can incite tension or conflict and that, in turn, mould human consciousness and action towards change” (Seo and Creed, 2002, p.225). Institutional change can occur if contradictions are present. Seo and Creed (2002, p.226) name four sources of contradiction which can explain “why, by what mechanism and under what conditions those contradictions lead

embedded agents to take collective action for institutional change”. First, functional efficiency may be sacrificed by complying with existing institutions to gain legitimacy (Seo and Creed, 2002; Burns and Baldvinsdottir, 2005; Burns and Nielsen, 2006; Sharma, *et al.*, 2014). Traditionally, institutional theorists through the concept of “decoupling” (see Section 3.4.1) overcame this contradiction. Second, contradictions can arise from non-adaptability where internal institutions are locked in and are resistant to changes in their external environments (Seo and Creed, 2002; see also Burns and Baldvinsdottir, 2005; Burns and Nielsen, 2006; Sharma *et al.*, 2014). Third, by conforming to external institutions to gain legitimacy and stability “a multitude of conflicting and inconsistent institutional arrangements within a particular field or organisation” (Burns and Nielsen, 2006, p.451) may arise. Fourth, contradictions can arise due to “misalignment between institutionalised ways and the divergent perceived interests of actors embedded in such ways” (Burns and Nielsen, 2006, p.451). These four contradictions are likely to be highly interconnected over time rather than separate isolated sources of contradictions (Seo and Creed, 2002; Burns and Baldvinsdottir, 2005; Burns and Nielsen, 2006) and will be considered further in the course of this research. Nevertheless, institutional contradictions do not necessarily lead to institutional change (Burns and Nielsen, 2006), human *praxis* is also necessary, which is the “essential mediating mechanism that links institutional embeddedness, contradictions and change” (Seo and Creed, 2002, p. 240).

“Praxis defines human agency of a political nature which, though embedded in existing institutional configurations, attempts to influence and secure change in those very configurations” (Burns and Baldvinsdottir, 2005, p.729). It “is the free and creative reconstruction of social patterns on the basis of reasoned analysis of both the limits and the potentials of present social forms” (Seo and Creed, 2002, p. 225). Praxis epitomises the *doing* of change (Benson, 1977) while contradictions create the openings for change. The concept of praxis is fundamental to institutional theory and this research as it reconciles transformational agency with embedded agency. The Seo and Creed (2002) framework draws from a social constructionist perspective, which again fits with the philosophical perspective adopted in Chapter Four of this thesis.

There are three components to praxis with regard to human actors. These are “(1) self-awareness and critical understandings of existing institutional arrangements, and that these arrangements do not meet the agent(s)’ needs and interests; (2) mobilisation, rooted in new collective understandings of the institutional surroundings, as well as one’s positioning within them; and (3) multilateral or collective action to reconstruct the existing institutional arrangements and, hence, impact personal (or group) circumstances” (Burns and Baldvinsdottir, 2005, p.729).

However, Seo and Creed (2002) are criticised for giving particular attention to the environmental context in which institutional entrepreneurs are embedded and not enough attention to the individual level of analysis (Battilana, 2006). Battilana (2006) argues that human agency can also be activated in the absence of a contradiction. Therefore, Battilana *et al.*, (2009) propose that field characteristics and an actor’s social position (see Section 3.5.4 below) help to address the paradox of embedded agency and create conditions for institutional entrepreneurship. Thus, the next section outlines a model for the process of institutional entrepreneurship, which helps to address the aforementioned shortcoming in Seo and Creed’s (2002) framework.

3.5.4 Process of institutional entrepreneurship

An institutional entrepreneur (see Section 3.5) is a change agent who breaks away from the existing rules and practices of their existing institutional environment and initiates and actively participates in the institutionalisation of alternative rules and practices they are advocating (Battilana, 2006; Battilana *et al.*, 2009). However, not all change agents are institutional entrepreneurs (Battilana *et al.*, 2009). According to Battilana *et al.*, (2009) one will only qualify as an institutional entrepreneur when two conditions are met: (1) the change agent initiates divergent change and (2) actively drives the implementation of the change. Therefore, Lawrence (1999) argues that in order to embed change within existing organisational practices, where many individuals are committed to and benefit from existing structural arrangements, strategies are needed and must be developed. Battilana *et al.*, (2009) concur with Lawrence (1999) and write that divergent change implementations require a strategy that comprises of a shared

vision mobilising people behind the vision and motivating them towards achieving and maintaining that shared vision.

Battilana *et al.*, (2009) (see Figure 3.1), to facilitate agency analysis, framed the process of institutional entrepreneurship model outlining factors that enable institutional entrepreneurship, and the process of divergent change implementation.

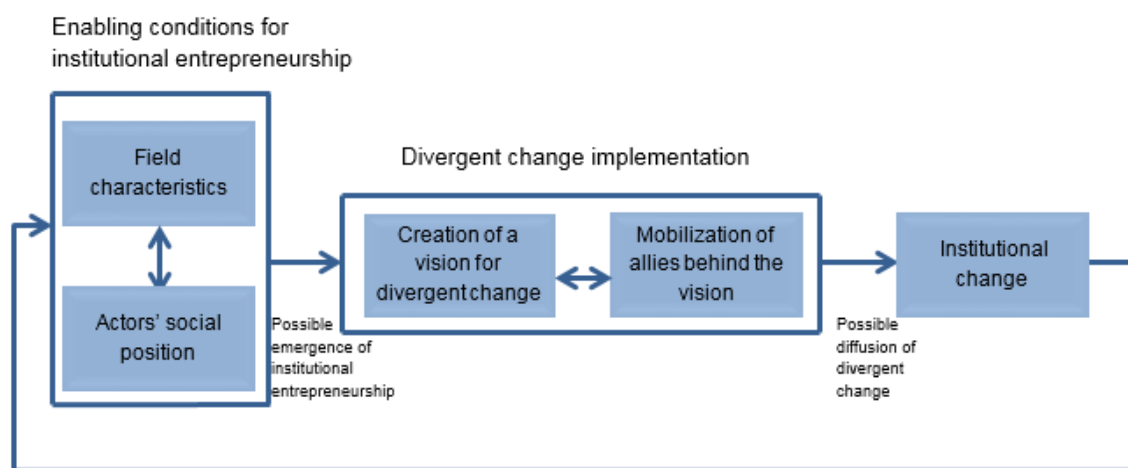


Figure 3.1 Model of the process of institutional entrepreneurship

Source: Battilana *et al.*, 2009, p.87.

First, the model outlines two key categories that enable conditions for institutional entrepreneurship to occur, despite pressures towards institutional stasis: field characteristics and actors' social position. The field characteristics (e.g. jolts such as financial crises, social upheaval, technological disruption, competitive discontinuity, and regulatory changes) resemble Laughlin's (1991) external or internal jolts (see Section 3.6) which he argues can trigger organisational change. Institutional entrepreneurs to assist in creating institutional change (Greenwood *et al.*, 2002; Child *et al.*, 2007) can draw upon the field characteristics. Additionally, an actor's social position can influence their relationship with "the environment in which they are embedded" (Battilana *et al.*, 2009, p.79), determine their access to resources which are needed to engage in institutional entrepreneurship (Lawrence, 1999; Battilana *et al.*, 2009) and affect how they perceive field level conditions. Thus, the model identifies both field characteristics

and social position as enabling factors to behave as institutional entrepreneurs and create divergent change (Battilana *et al.*, 2009).

Second, the model outlines the process of how to implement divergent change by creating a vision and mobilising allies behind it. In order to effectively create a vision for change, the institutional entrepreneur must attempt to frame the new vision (1) in terms of the problem it addresses, (2) as preferred to what currently exists, (3) and driven by compelling reasons (Rao, *et al.*, 2000; Battilana *et al.*, 2009). In the literature on framing in the social movement, the three aforementioned dimensions would translate into diagnostic framing, prognostic framing and motivational framing (Markowitz, 2007; Misangyi *et al.*, 2008). Diagnostic framing seeks to illuminate the failings of the existing institutionalised practices and assign blame (Suddaby and Greenwood, 2005). While prognostic framing sees the institutional entrepreneur de-legitimise existing institutional arrangements and those supported by opponents and then promote an alternative project as superior to the existing one; while at the same time appealing to potential allies who will support the new project by presenting the project in terms of values and problems that resonate with them (Suddaby and Greenwood, 2005). The third dimension, motivational framing, requires institutional entrepreneurs to provide compelling reasons to potential allies by identifying with their states and interests as to why they should support the new project (Fligstein, 1997). Social skills are a necessity for institutional entrepreneurs so that they are “cognisant of and sensitive to the discursive (Maguire and Hardy, 2006) and cultural contexts (Boxenbaum and Strandgaard Pedersen, 2009) on which they are embedded” (Battilana *et al.*, 2009, p.80). These skills allow them to frame their visions that will appeal to their potential allies.

Furthermore, a vision needs allies to support it as it is often the case that divergent change programs cannot be implemented without support. Thus, it is necessary for institutional entrepreneurs to mobilise allies and cultivate cooperation and strategic alliances (Lawrence *et al.*, 2002; Battilana *et al.*, 2009; Weik, 2011). The aim of ally mobilisation is to reduce contradictions among potential allies, while also exacerbating contradictions among opponents by highlighting the failings in the existing structures and practices and demonstrating

why the new vision is required (Seo and Creed, 2002; Suddaby and Greenwood, 2005; Battilana *et al.*, 2009). Discourse is often the skill adopted by institutional entrepreneurs to achieve allies. They need to communicate the new vision in terms that break from the existing institutions. The use of 'rhetorical strategies' applied by institutional entrepreneurs must resonate with the actors embedded in the existing institutions (Suddaby and Greenwood, 2005). Their use of stories, words, expressions and meanings can be adopted to bring about change that breaks from existing institutions (Suddaby and Greenwood, 2005). Suddaby (2010) encourages researchers to pay particular attention to the words used to create change.

Battilana *et al.*, (2009) argue that both financial resources and social position resources such as formal authority and social capital (i.e. information and political support) are essential to convincing other actors to support the need for divergent change. They claim that little is known "about how institutional entrepreneurs mobilise financial resources, formal authority, and social capital across contexts" (p.86). Additionally, little research exists on the activities institutional entrepreneurs employ to motivate actors to realise and sustain a vision for change (Battilana *et al.*, 2009). Chapters Five, Six and Seven address these concerns.

3.5.5 Main criticisms of institutional entrepreneurship

Weik (2011) argues that the enabling conditions for institutional entrepreneurship because of their linearity are closer to the theoretical notion of the *entrepreneur*, which introduces a functionalist conception of a strategic individual actor. While the researcher acknowledges Weik's (2011) concerns, it is counter-argued, that in order to analyse agency, a theorist needs to disaggregate agency into several component elements of which enabling conditions such as ability to create a vision, good social skills and ability to control financial resources and social capital are part. Furthermore, the researcher conceptualises the above-mentioned enabling conditions as interwoven empirically and found within an

agent's interpretive schemes and discursive practices¹⁸ (Giddens, 1984) because agency resides in "the interpretive processes whereby choices are imagined, evaluated, and contingently reconstructed by actors in ongoing dialogue with unfolding situations" (Emirbayer and Mische, 1998, p.966). Thus, from this researcher's perspective, an institutional entrepreneur imagines and creates a vision for change and mobilises allies by drawing on both their own internal structures and the internal structures of their potential allies via interpretive schemes and discursive practices. Also, the researcher asserts that institutional entrepreneurs gain their own formal positions and social capitals via their own interpretive schemes as they will have drawn upon their stocks of shared knowledge, accumulated skills and mutual cognitive rules to achieve those held positions of authority and power (via formal positions and social capital).

Thus, it is argued here that by adopting an institutional entrepreneurship concept, this research contributes to NIS theory and Seo and Creed (2002) (earlier in Sections 3.4 and 3.5.3) and Burns and Scapens, (2000) framework (see Section 3.7.1). This is achieved by not overlooking the role of change agents in institutional change. Essentially, NIS theory contends that the driving factors of institutionalisation arise from the need for social legitimacy (DiMaggio and Powell, 1983; Hassan, 2005). However, often the micro-activities of the organisation propel the processes of internal change (Barley and Tolbert, 1997; Burns and Scapens, 2000). Moreover, NIS and Seo and Creed (2002) do not examine these. Therefore, this research, in conjunction with NIS theory, also adopts Laughlin's (1991) model of organisations (see Section 3.6) and Burns and Scapens (2000) conceptualisation of management accounting change to understand how extra-organisational and intra-organisational service-delivery and management control activities and institutions are interrelated in reform processes. This research views the external and internal factors as dynamic, complex interrelations

¹⁸ Discursive practices consist of speech, writing and other forms of discourse that agents engage in to communicate meaning to others (Giddens, 1984, p. 28). Thus, discourse is a way of communicating.

empirically, but for analysis purposes, it is necessary to disaggregate them into their external and internal components.

3.6 Laughlin's (1991) model of organisations

Laughlin's (1991) model helps the researcher understand the processes of change in Gladiator by providing a conceptualisation of an organisation. This conceptualisation is explained in Section 3.6.1. Having a clear conceptualisation of what an organisation is comprised of, facilitates the tracking of organisational and management control disturbances in Gladiator. In Chapter Eight, Figure 8.1 combines Laughlin's (1991) model with ideas from NIS theory and a number of other frameworks and ideas - Burns and Scapens (2000), Seo and Creed (2002), Battilana *et al.*, (2009) and Hardy (1996). This theoretical amalgamation highlights and details the complex interrelationship over time in Gladiator between the exogenous shocks/jolts and the endogenous organisational change processes. While, it is acknowledged that there are differences in the original theoretical roots, they all view organisational and management control change as socially constructed and "socially embedded processes over time" (Contrafatto and Burns, 2013, p.352) thus facilitating their combination.

3.6.1 An outline of Laughlin's model of organisations

Laughlin (1991) outlined a model of an organisation (which aptly fits in with the processual perspective outlined in Chapters Two and Four), drawing from a number of organisational change writers, which can be used to understand the organisational processes of change (Broadbent, 1992). Laughlin (1991) describes organisations as comprising a series of interpretive schemes, design archetypes and sub-systems (as depicted in Figure 3.2). Laughlin argues these organisational concepts remain balanced/stable until disturbed/kicked/forced by some external or internal issue (Laughlin, 1991; Broadbent, 1992; Gurd, 2008; Fraser, 2012; Contrafatto and Burns, 2013). Both, the interpretive schemes and design archetypes are less tangible than an organisation's sub-systems and these are both created and maintained by the past and current people within the organisation (Laughlin, 1991; Broadbent, 1992).

Interpretive schemes can be broken down into three levels, which are discursively

formed over time, namely: (1) beliefs, values and norms, (2) an organisation's mission/purpose, and (3) metarules of the organisation (Laughlin, 1991; Broadbent, 1992). Bartunek (1984, p.355) outlines the essence of interpretive schemes noting "interpretive schemes operate as shared fundamental (though often implicit) assumptions about why events happen as they do and how people are to act in different situations".

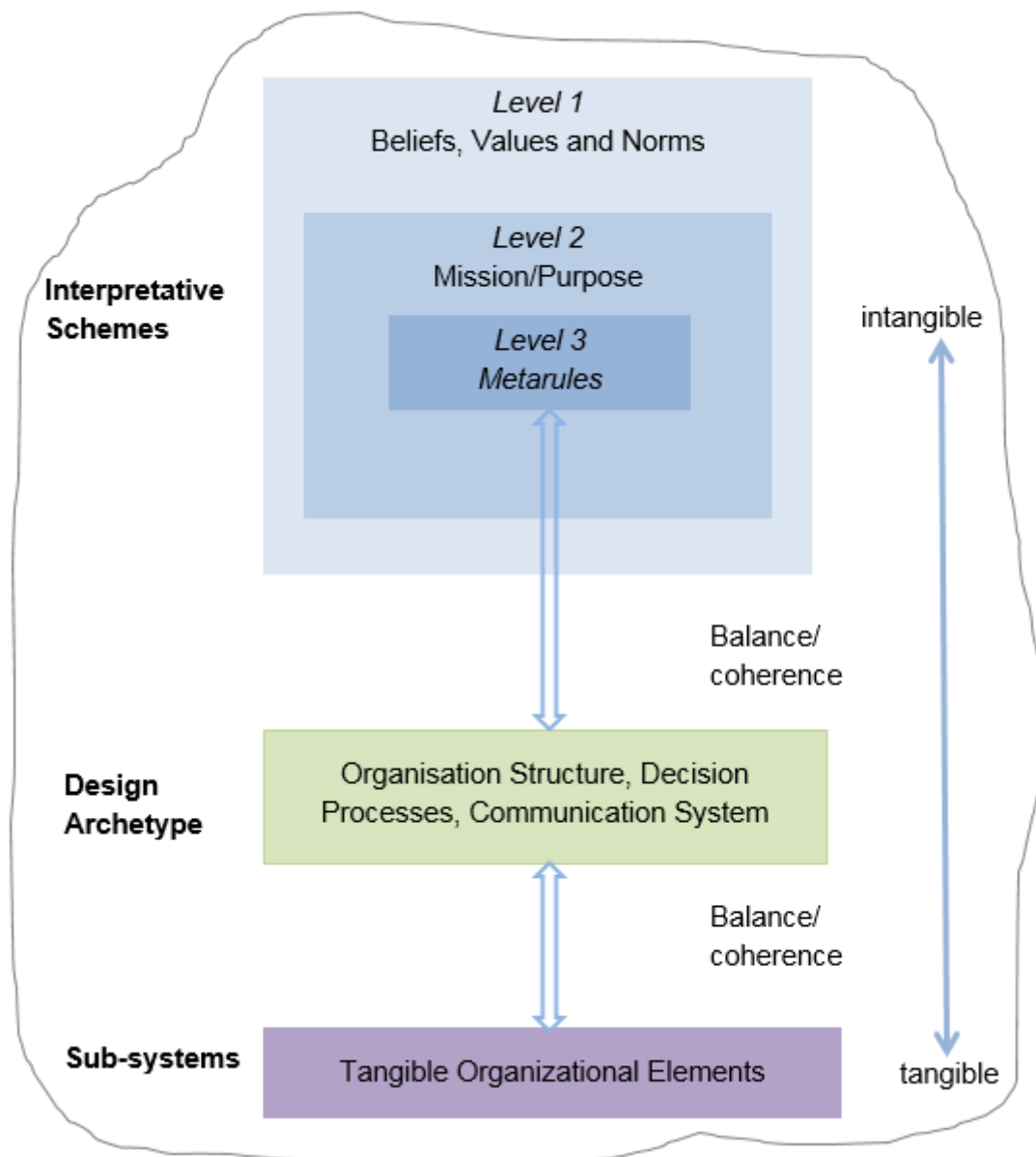


Figure 3.2 A model of organisations

Source: Laughlin, 1991, p.211.

Design archetypes comprise of the organisational and management structures, design processes, and communication systems and have been defined as “compositions of structures and (management) systems given coherence and orientation by an underlying set of values and beliefs” (Hinings and Greenwood, 1988, p.4). They are the link between the interpretive schemes and the tangible sub-systems. Broadbent (1992) argues that the elements of the design archetypes mirror elements of the interpretive schemes. Their purpose is to express the view of the interpretive scheme through the tangible organisational elements (i.e. sub-systems). Thus, design archetypes can display how the interpretive schemes develop “in the context of a process of change” (Broadbent, 1992, p.347). Finally, sub-systems are the most tangible and observable components of an organisation and are comprised of, for example, buildings, people, machines and finance (Laughlin, 1991). Next, Laughlin’s (1991) definition of organisational change is presented.

3.6.2 Laughlin’s definition of organisational change

Laughlin (1991) broadly defines organisational change as either (1) morphostatic (first order) change, or (2) morphogenetic (second-order) change. Morphostatic change usually involves some level of change in the design archetype and perhaps also the tangible sub-systems, but it does not filter its way through to the interpretive schemes. Alternatively, morphogenetic change occurs in the design archetype, which triggers changes in both the interpretive schemes and tangible sub-systems. Laughlin (1991) further classifies morphostatic change into two categories: (1) rebuttal, where there is no change in the design archetype (e.g. the change is rejected) (Contrafatto and Burns, 2013, p.352), and (2) reorientation, where there is some change to the organisation’s design archetype and perhaps the sub-systems. Morphogenetic (second order) change is classified in terms of (1) colonization, where there is significant organisational change occurring in the design archetypes (usually imposed) and which spreads and impacts on the interpretive schemes and sub-systems and (2) evolution, which is change initiated in the organisation’s interpretive schemes. Later in Chapters Five and Six we will see a process of colonization illuminated in *Gladiator*. However, Laughlin’s (1991) model is not without its problems and the next section outlines some issues.

3.6.3 Main criticisms of Laughlin's model

The first issue relates to the difficulty in specifying the interpretive schemes, design archetypes and sub-systems in practice (Soin, 1996; Gurd, 2008). Broadbent (1992, p.346) states that “while analytically separable, in a practical situation, recognition must be given to the ‘slippery’ or amorphous nature of the categories – the interpretive schemes, the design archetype and the organisational sub-systems [...] They might be seen as strata of different coloured sands, slipping and sliding together, undulating and mixing in places, yet retaining their integrity in others”. Second, there is an issue of fragmentation where different job levels within an organisation can hold different perspectives, that is, different interpretive schemes (Broadbent, 1992; Gurd, 2008). “Agreement of organisational members at higher levels of the interpretive schemes (e.g. the metarules) might be contrasted with disagreement at the lower levels (e.g. the cultural level)” (Broadbent, 1992, p.362). Third, if organisational members at various organisational levels have different interpretive schemes, it can result in a fuzziness as to when first-order change becomes second-order change (Broadbent, 1992; Gurd, 2008). This may result in a schizoid organisation where interpretive schemes swing back and forth like a pendulum on a pathway of change (Broadbent, 1992). Additionally, change may occur in the interpretive schemes before the design archetype is adjusted (Broadbent, 1992). For example, an accounting system might not change but how organisational members interpret and use the information may change:

It was the attitude of the different members of the organisation and their differing interpretations of the information which gave an indication of change. Thus, evidence of change comes from the attitude of the organisational members to the design archetype. The same design archetype is flexible enough to link to different cultures and this allows ‘schizoid’ organisations to continue without a need for change of these more tangible elements. Given that tangible elements, such as an accounting system, cannot often be changed instantaneously (because of practicalities such as cost or lack of staff training, for example) the existence of this flexibility is important. It allows for change of the design archetype to be phased in on a more evolutionary basis and lag behind a change in the interpretive schemes (Broadbent, 1992, pp.364-365).

Finally, Soin (1996) found that Laughlin's (1991) model did not take the issue of power relationships into account (see also, Gurd, 2008). Section 3.8 of this thesis argues that Hardy's (1996) four dimensions of power can support this deficiency in Laughlin's model. Despite the aforementioned problems, researchers such as Broadbent (1992), Soin (1996), Gurd (2008), Fraser (2012) and Contrafatto and Burns (2013) have found this model useful in illuminating and understanding organisational change processes and especially the role of accounting in this process. This thesis draws on Laughlin's (1991) model of organizations to provide an organisational concept and a language for illuminating and unravelling the dynamics of intra-organisational change within Gladiator, in an external context of a financial crisis. However, Laughlin's (1991) framework does not "provide a rich descriptive analytical framework to explore the finer grained elements of change at the micro level" (Agyemang and Broadbent, 2015, p.1019) and therefore the researcher combines it with Burns and Scapens (2000) framework and Hardy's (1996) ideas on power.

Thus, next, old institutional economics (OIE) is examined with the main focus being on the Burns and Scapens (2000) framework. Burns and Scapens' (2000) framework helps to analyse intra-organisational change in a management accounting context and is adopted to supplement Laughlin's (1991) framework. A key difference between the two frameworks is that Burns and Scapens views rules and routines as being part of ongoing organisational practices over time whereas Laughlin (1991) views organisational change as more of a stop start sequence of environmental disturbances (Contrafatto and Burns, 2013). Having noted the key difference between both frameworks, Burns and Scapens (2000) is presented after a brief overview of its OIE informing ideas.

3.7 OIE - main focus on Burns and Scapens (2000) framework

OIE emerged in the late nineteenth/early twentieth century and is the oldest of the institutional approaches (Ahmed, 1992; Scapens, 1994; Burns, 1996; Scapens and Macintosh, 1996). It originates from the work of Veblen who viewed institutions as "settled habits of thought common to the generality of men" (Veblen, 1961, p.239), imposing upon individuals "conventional standards, ideals, and canons of conduct that make up the community's scheme of life" (p.243).

Veblen was critical of the assumptions of neo-classical economics, for example, the notion of rational actors and the concept of static equilibria (Moll *et al.*, 2006; Scapens, 2006; van der Steen, 2006), and thus called upon economists to examine customs, usages and habits of thought (institutions) in order to interpret economic decisions and actions (Hutchinson, 1991, cited in Baker, 2006, p.25). It achieves a balance between transaction economics (under-socialised role of individual behaviour) and institutional sociology (over-socialised role of individual behaviour) concerning human behaviour (van der Steen, 2006). OIE generally examines why and how structures and behaviours develop, remain and/or change over time rather than simply examining the existing structures at any given point in time (Moll *et al.*, 2006) - thus, showing how institutions are a result of human behaviour as well as being a constraint on human behaviour. It is this, which differentiates OIE from NIS. NIS assumes "that institutions exist independently from individual behaviour" (van der Steen, 2006, p.23), that is, they take "the individual as given" (Hodgson, 2000, p.328). OIE conceptualises institutions as comprising of rules, routines and habits, which emphasises the view that institutions can facilitate or prevent change through the carriers of rules, routines and habits. However, OIE is not without its critics. First, its focus "is primarily on the micro- rather than the macro-level" (Yazdifar, 2013, p.104). Second, "it does not represent a single well-defined or unified body of thought, or methodology, or program of research" (Rutherford, 1996, p.1). Third, Ledford *et al.*, (1989) concluded that institutional theory does not offer "much guidance regarding change" (p.8). Nevertheless, Burns and Scapens (2000) adopted the principles of OIE to arrive at an explanation of institutional change.

3.7.1 Burns and Scapens framework and criticisms

A conceptual framework drawing from an OIE-informed view of accounting is outlined by Burns and Scapens (2000)¹⁹ and used in this study in conjunction with NIS concepts, Battilana *et al.*, (2009), Laughlin (1991), Seo and Creed (2002), and Hardy (1996). It builds on the institutional perspective of management accounting sketched by Scapens (1994). The four major elements of the Burns

¹⁹ Despite this framework dealing specifically with management accounting change, it can also be used to understand reforms in other organisational practices (Yazdifar, 2013, p.81).

and Scapens (2000) framework are organisational rules, routines, institutional realm and the realm of action.

Rules are defined as the “formally recognised way in which “things should be done” (Burns and Scapens, 2000, p.6). They are the formalized statement of procedures (Burns and Scapens, 2000, p.7). March *et al.*, (2000, p.9) contend, “rules routinise organisational activities and define authority relations, connections among subunits, and decision-making structures”. This echoes similarities to Scapens (1994) who argued that rules are necessary (though not necessarily sufficient) to coordinate and give coherence to the actions of groups and/or individuals. Rule-based behaviour could result from an explicit assessment of available alternatives, and the selected rules later followed to avoid any difficulties and costs of undertaking such assessments on every occasion (Burns and Scapens, 2000). By repeatedly following rules, rules over time become programmed behaviours which could be described as routines “or the habits of a group” (Burns and Scapens, 2000 p.6; Johansson and Siverbo, 2009; Tessier and Otley, 2012; Tessier, 2014). According to Schein (2017, p.198), they “make life more predictable and thereby reduce ambiguity and anxiety”.

Routines can be defined as the way in which “things are actually done” (Burns and Scapens, 2000, p.6). They are the informal practices actually in use (Lukka, 2007). A distinction between rules and routines is that rules can be changed at discrete intervals by explicit decisions, whereas routines can be changed in a cumulative implicit process of daily action (Lukka, 2007). However, over time it can be seen that rules become routines and routines can be expressed as rules, this linkage can make it empirically difficult to distinguish between them (Johansson and Siverbo, 2009; Quinn, 2010). Management accounting practices, for example budgeting in Gladiator, can be depicted as a collection of relatively stable rules and routines (Lukka, 2007, p.79). Rules are the formal management accounting systems set out in training and procedure manuals, whereas routines are the accounting practices actually in use (Burns and Scapens, 2000). Roberts and Scapens (1985) argued that the management accounting practices in use may not actually mirror the systems set out in the procedures manuals.

Institutions, the third key element of the framework, are integral to the OIE approach to the analysis of processes of change (Ribeiro and Scapens 2006). Although there is no universal definition of an institution, it has been defined as “a way of thought or action of some prevalence and permanence, which is embedded in the habits of a group or the customs of a people” (Hamilton, 1932, p.84). This definition reads well with Veblen’s view that much of human behaviour is determined by rules and routines (Ahmed and Scapens, 2000). Habits and routines are important components of institutions (Ribeiro and Scapens, 2006, p.98). According to Burns and Scapens (2000), it is through a process of routinization of human activity that institutions evolve. However, they do acknowledge a duality between human activity and institutions, stating while institutions may influence human behaviour, changes in human behaviour may in the long run change and reshape institutions (Barley and Tolbert, 1997; Burns and Scapens, 2000; Johansson and Siverbo, 2009). Institutions seem to have a normative and objective character (Burns and Scapens, 2000). They identify the individual or collective behaviours expected (Barley and Tolbert, 1997; Burns and Scapens, 2000). Institutions always exist prior to any change by actors and as a result, they will shape the process of change (Bhaskar, 1989). Thus, in this thesis, the existing institutions in Gladiator, prior to when public service-delivery and management control reforms were implemented, were *service-delivery as fast as possible and at any cost*.

Burns and Scapens (2000) have explicitly modelled (see Figure 3.3) how the interdependence between structure and action may lead to institutional change (van der Steen, 2006). This model has adapted Barley and Tolbert’s (1997) framework for institutional change.

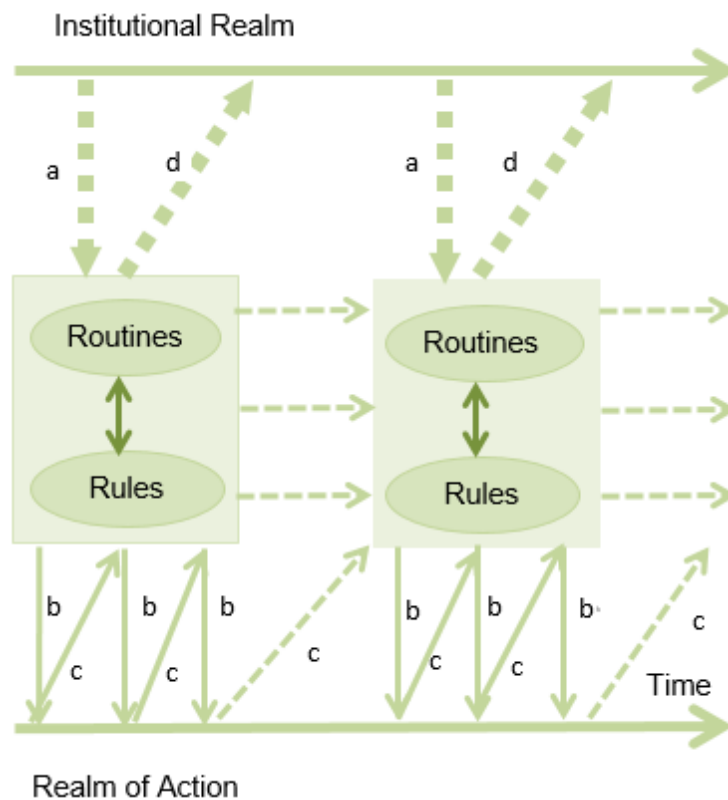


Figure 3.3 The process of institutionalisation

Source: Burns and Scapens, 2000, p.9.

Burns and Scapens' framework starts at the point of encoding "new" institutional ideals as rules and routines, shown by arrow "a". This is typically influenced by existing routines as these incorporate existing norms and values. Arrow "b" is the enactment of rules and routines. However, actors may not follow the rules and routines as exactly specified if they are not compatible with their own norms and values (Yazdifar, 2013, p.84). Thus, there could be an element of resistance (Burns and Scapens, 2000). Arrow "c" implies reproduction through actions undertaken by actors, however, the rules and routines may be modified or changed by the actors through their repeated behaviour. The final step (arrow "d" which is not as steep as arrow "c") depicts the institutionalisation of repeated behaviour, which "in the absence of 'external' changes, such as advances in technology, or take-over crisis, there is unlikely to be a reopening of previously agreed arrangements and therefore routines may become somewhat resistant to change" (Burns and Scapens, 2000, p.10). These institutional arrangements potentially become the accepted way of doing things. Over time new institutions may evolve which will be interpreted in terms of existing rules and routines

(depicted by the dotted arrows). Thus, in summary Burns and Scapens' (2000) framework proposes that a study of management accounting change, or as in this case, management control reform, requires an understanding of, first, the historical (institutional) context of existing rules and routines and, second, the processes by which new rules and routines can become embedded and taken-for-granted. In OIE change can happen "in terms of (new) rules or routines but, importantly, "no change" does not mean "static"" (Contrafatto and Burns, 2013, p.353) as "rules and routines are conceived as being part of ongoing processes of replication, adaptation, modification and/or change over time" (Contrafatto and Burns, 2013, p.353).

Nevertheless, the Burns and Scapens (2000) framework is not without criticism, as the framework does not specify the role of human agency in institutional theory (van der Steen, 2006), that is, it is quiet about *how* agency is exercised and *by whom* (Modell, 2007, p.351). Furthermore, ter Bogt (2008(b), p.231) argues that

to more fully understand accounting change in local government, the roles of individuals and groups, the "rationality" of responses to various pressures, as well as the role of external institutions, probably deserves more explicit attention than they seem to receive in the Burns and Scapens framework.

Having explained the process of institutionalisation in organisational and management control reforms, the next section illuminates the potential impacts of different sources of power in explaining why and how processes of service-delivery and management control reforms unfolded through time as they did in Gladiator.

3.8 Power, Hardy's (1996) framework

Power's objective is "to produce intended effects" in line with perceived interests (Burns, 2000, p.569), and therefore, requires action by individuals which is evident through politics, "the practical domain of power in action" (Buchanan and Badham, 1999, p.11). Maguire *et al.*, (2004, p.975) argue that "institutional change is [...] a political process that reflects power and interests of organised actors". Institutional theory has examined the importance of power but with different levels of importance being considered (Oliveira, 2010). While Old Institutional Sociology (OIS) concentrated on the ideas of power, especially the

work of Selznick, 1957, NIS from the 1970's onwards lost its focus on power (Munir, 2015). However, OIE in contrast to NIS "can be said to have a greater tradition" on power (Oliveira, 2010, p.90). "Power and politics is integral to any OIE-grounded explanation of life's ongoing processes - i.e. part of OIE's core methodological underpinnings" (Burns, 2000, p. 571). Several OIE studies have examined internal power struggles, conflicts and resistance (e.g. Burns, 2000; Siti-Nabiha and Scapens, 2005; Ribeiro and Scapens, 2006; Robalo, 2007; Yazdifar *et al.*, 2008; Oliveiria, 2010; Al Asimi, 2017). Robalo (2007, p.106) stated that Burns and Scapens' (2000) OIE framework "has been particularly effective in studies where power, politics and vested interests are central". Thus, for this case study, the researcher draws on Hardy's (1996) framework of power mobilisation to complement the Burns and Scapens (2000) framework. Its ideas will be helpful for unravelling the dynamic processes of public service-delivery and management control reforms in this research.

Hardy's framework drawing from Lukes (1974), dimensions of power (see Table 3.2) helps to unravel "the complexities of processes of *accounting* change" (Burns, 2000, p.570). The first dimension of power is power of resources, which portrays embedded agents as controlling key resources such as information, expertise, political access, credibility, stature, prestige, control of money, rewards and sanctions, to change people's behaviour (Hardy, 1996). It appears to involve "carrot and stick" persuasion. The second dimension, power of processes, resides in organisational decision-making processes. This form of power exerts influence over "subordinates' participation in decision-making processes" (Burns, 2000, p.570). Such power mobilisation can occur "from behind the scenes" where outcomes are determined by powerful agents "through the use of procedures and political routines" (Hardy, 1996, p.S7). The third dimension of power is the power of meaning which is used to form embedded agents' perceptions, cognitions and/or preferences in accepting the status quo by failing to visualise any other alternatives or, rather, convince agents that change is "rational", "desirable" and/or "legitimate" (Hardy, 1996). Effectively, it "implies that managers who want to avoid/break resistance to change from different groups: employees and unions, use some symbols, such as redundancy compensation and also some reports (e.g. accounting/MA reports) (Hardy, 1996) to legitimise/justify their managerial decisions" (Yazdifar, 2013, p.45).

Table 3.2 Three dimensions of power

	<i>Power of resources</i>	<i>Power of processes</i>	<i>Power of meaning</i>
Source of power	Ability to hire and fire, rewards, punishments, funding, authority, expertise, etc	Decision-making processes, participants and agendas, etc	Symbols, rituals, language, etc
Action of power	Principles of behaviour modification are used to influence specific actions	New awareness is created by opening up processes to new participants, issues and agendas	Change is given new meaning, making it appear legitimate, desirable, rational or inevitable
Limits to power	Continual use of 'carrot' or 'stick' is required to ensure continued change; repeated use of the 'stick' may be counter-productive	New awareness helps sustain new behaviour as long as it remains within existing values and norms	Change in some underlying values and norms may be possible but specific changes in behaviour will be difficult to effect

Source: Hardy, 1996, p.S7.

Hardy (1996) adds a fourth dimension of power which is the power of the system which reflects the unconscious acceptance by embedded agents of the values, traditions, cultures and structures of a given institution. It is this dimension of power, which requires embedded agents to call the aforementioned three dimensions of power into play if they are to bring about organisational and accounting change. These dimensions of power are drawn upon in this research to unravel how power facilitated an institutional entrepreneur and change agents

in handling changes in the delivery of services and use of management controls in Gladiator.

3.9 Concluding remarks

By drawing on NIS theory in-conjunction with the works of Burns and Scapens (2000); Seo and Creed (2002); Battilana *et al.*, (2009); Laughlin (1991); and Hardy (1996), this chapter asserts that a theoretical pluralistic approach represents a useful framework for unravelling and interpreting the dynamics of public service-delivery and management control reforms during a period of austerity. As Gladiator was impacted by external environmental factors such as a financial crisis and central government austerity policies, NIS is considered an appropriate lens because it made visible the coercive austerity pressures exerted by the Irish central government on Gladiator. Typically, NIS focuses on the macro levels of analysis and mainly concentrates on how structures create stability in organisations, however, in this thesis it is used to show how Gladiator responded to external austerity measures. The main NIS concepts of relevance in this case study are legitimacy, strategic responses, coercive isomorphism and decoupling (see Chapters Five and Six). They illustrate how the external financial crisis and central government austerity policies influenced the actions of an institutional entrepreneur in Gladiator. Although NIS helps explain the emergence of new management control practices (for example, new budget control rules and BSC) by “referring to the acceptance of these practices by the wider business community as legitimate and desirable” (van der Steen, 2006, p.29), it does not clarify the role of the individual actor in institutional change. Furthermore, it also does not “describe how the process of implementation of new practices proceeds” (van der Steen, 2006, p.29). It is for this reason that this thesis also adopts institutional entrepreneurship and Burns and Scapens (2000) institutionalisation framework. Institutional entrepreneurship concepts facilitate exploration of the role of transformational agency (i.e. a new CEO) in Gladiator. It helps elucidate the processes of why and how an institutional entrepreneur restructured the delivery of public services and enforced management control practices. Furthermore, Seo and Creed (2002) complement earlier NIS theory and institutional entrepreneurship insights by highlighting organisational contradictions, which helps to explain “when, how and why institutionally embedded agents might come to question, and subsequently attempt to change,

their and others' taken-for-granted ways and beliefs" (Burns and Baldvinsdottir, 2005, p.728). Praxis, the doing of change is another important concept which is used later in Chapters Five and Six to bring understanding to the activities of Gladiator's new CEO.

Laughlin's (1991) model of an organisation enables the tracing of austerity measures and a new CEO's actions in Gladiator, stressing the importance of context when examining organisational change and enhancing the adopted processual perspective of reform in this research. Laughlin's model combined with Burns and Scapens (2000) framework facilitates a distinction to be made (see Chapter Eight, Figure 8.1) between Gladiator's existing interpretive schemes (i.e. values, norms and beliefs) and institutions (i.e. service-delivery as fast as possible and at any cost). Burns and Scapens (2000) framework is focused at more of a micro level of analysis, typically at organisational level and below and "it also emphasises economic change, instead of economic equilibrium, this makes it potentially very beneficial in understanding the evolution and reproduction of accounting practices" (Scapens, 1994; Al Asimi, 2017, p.95). It helps unpack public service-delivery and management control practices as unfolding processes over time at Gladiator. It facilitates explaining reforms by drawing on the concepts of rules, routines, institutions and action. However, the framework does not specify the role of human agency in institutional theory and this thesis strives to extend the framework by drawing out the role of agency in instigating public service reforms. There is a dearth of literature on the role of powerful and visionary individuals in organisational and management control change (Modell, 2007; Sharma *et al.*, 2014). This adds further strength to the adoption of institutional entrepreneurship notion in this thesis. Finally, this chapter theorises power and politics because of a growing understanding of the key role played by a new institutional entrepreneur. Insight is drawn from Hardy's (1996) framework of power, highlighting how the mobilisation of power and politics can bring about strategic change in public service organisations.

Chapter Eight (see Section 8.3.1.1), presents a contextualist framework drawing from the six theoretical approaches adopted. This framework recognises that institutions matter. In order to more fully understand the dynamics of public service-delivery and management control reform, history, power, agency and

extra- and intra-institutional contexts are important. The next chapter, Chapter Four, provides a detailed account of how these various theoretical perspectives are incorporated into this study's research design. It also discusses why and how the empirical evidence for this thesis was gathered through an interpretive case study.

CHAPTER FOUR - RESEARCH METHODOLOGY

4.1 Introduction

This chapter presents the philosophical assumptions, as well as the research design implemented in this thesis. Very often, a researcher's views or beliefs about the world can be implicit rather than explicit in the research findings, therefore acknowledging and substantiating the researcher's assumptions is an "intellectual duty of all academic researchers" (Hopper and Powell, 1985, p.456). Johnson and Duberly (2000, p.1) also argue "how we come to ask particular questions, how we assess the relevance and value of different research methodologies so that we can investigate those questions, how we evaluate the outputs of research, all express and vary according to our underlying epistemological commitments".

Initially, when this research began, the researcher set out to explore public service changes in costing, i.e. a new ABC system. However, the first four interviews proved crucial in determining the purpose of this research. The research purpose was subsequently revised to investigating the dynamics of reforms (i.e. why and how) in the delivery of public services and management controls in an Irish local authority, paying particular attention to the role of a newly appointed CEO and austerity measures. This objective determined the methodological approach adopted and the research methods to be used for the study. Furthermore, the research objective is also best suited to a processual approach because it questions how and why "managerial and organisational phenomena" "emerge, develop, grow or terminate over time" (Langley *et al.*, 2013, p.1). It was these notions, which further directed the methodological stances, adopted in this thesis i.e. an interpretive case study. The "ontological and epistemological assumptions that underlie the interpretive approach are also consistent with the assumptions that underlie the theoretical framework that is used to inform the observations" from this case study (Yazdifar, 2013, p.109). Figure 4.1 below provides an overview of this study's research design with each element discussed in the sections to follow.

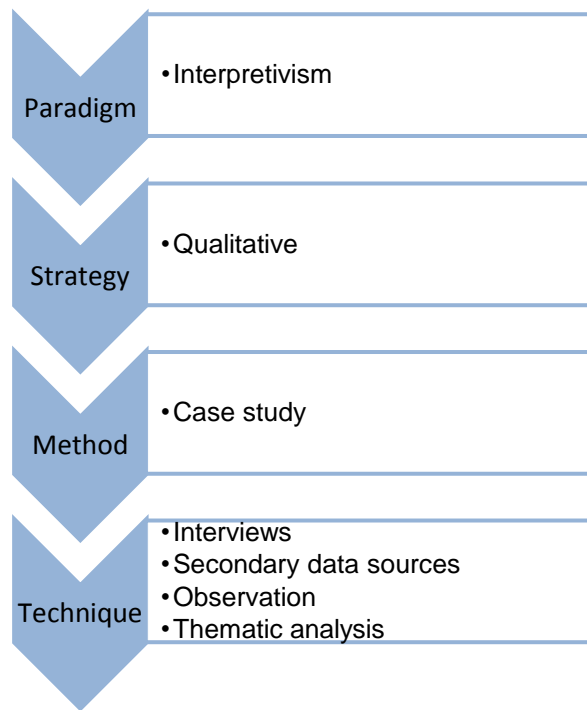


Figure 4.1 Research design typology overview

Source: Adapted from Strang, 2015, p.4.

This chapter is organised as follows: Section 4.2 presents the philosophical stance adopted in this thesis, which reinforces the choice of research methods outlined in Section 4.3. This is followed by analysis of the data in Section 4.4.

4.2 Research paradigm

Paradigms provide a framework through which to conduct research. They are a set of fundamental beliefs that define a particular worldview for its holder, in terms of, the nature of the world, the individuals place in it, and the range of possible relationships to that world and its parts (Guba and Lincoln, 1994, p.107). They are presented in terms of ontology (i.e. nature of reality), epistemology (i.e. how we know what we know), and methodology (i.e. the process of research) (Denzin and Lincoln, 2011; Diaz, 2016, p.39).

Burrell and Morgan (1979) defined four distinct sociological paradigms, which can be used in business and management; 'radical humanist', 'radical structuralist', 'interpretive' and 'functionalist' as depicted in Figure 4.2.

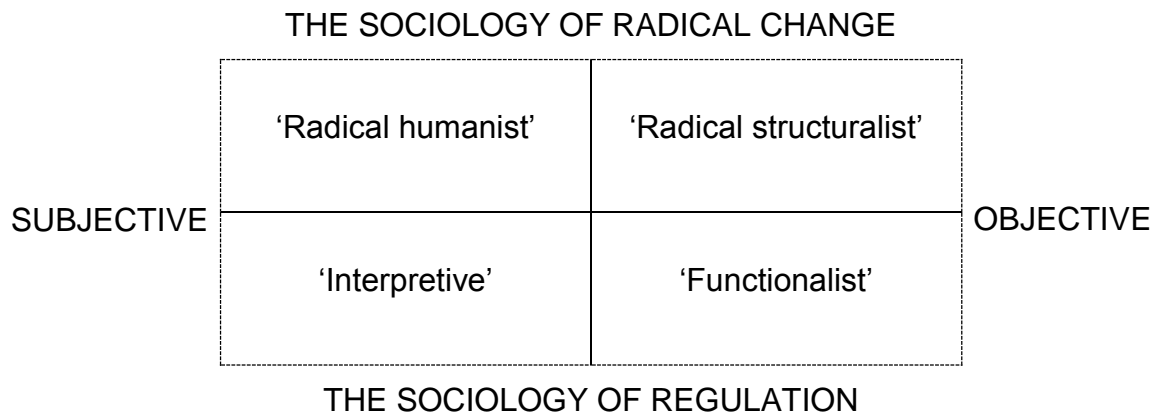


Figure 4.2 Sociological paradigms

Source: Burrell and Morgan, 1979, p.22.

Hopper and Powell (1985) later extended Burrell and Morgan's (1979) work, applying it to accounting research. However, Hopper and Powell (1985), in contrast to Burrell and Morgan (1979), treat the subjective-objective dimension as a continuum as opposed to a dichotomy as seen in Figure 4.3.

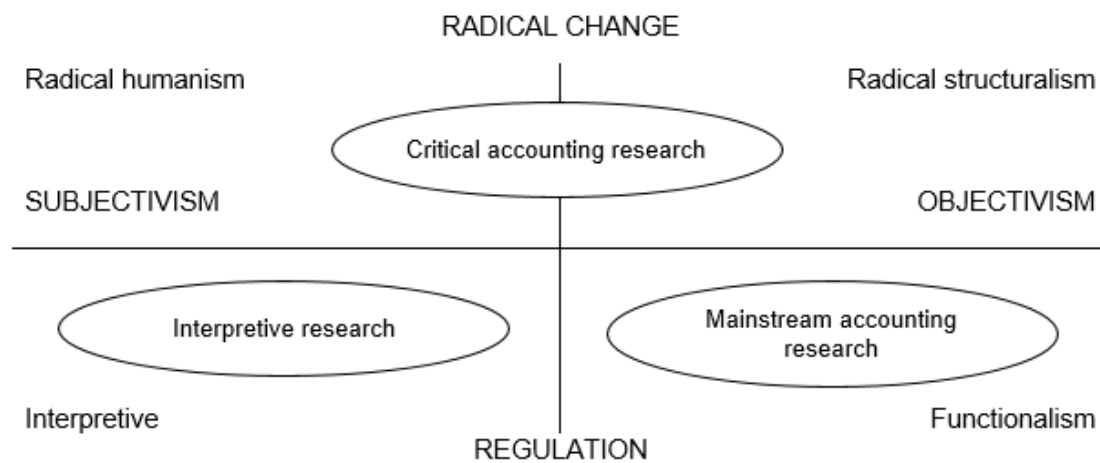


Figure 4.3 Taxonomy of accounting research

Source: Ryan et al., 2002, p.40.

Furthermore, Hopper and Powell (1985) point out that it would be wrong to claim that all accounting research fits nicely into one of these categories and they have been criticised for collapsing the different philosophical dimensions (i.e. ontology, epistemology, human nature and methodology) into a single continuum (Laughlin, 1995).

The functionalist paradigm “combines an objectivist view of the world with a concern for regulation” (Ryan *et al.*, 2002, p.41). It tends to assume “that the social world is composed of relatively concrete empirical artefacts and relationships which can be identified, studied and measured through approaches derived from the natural sciences” (Burrell and Morgan, 1985, p.26). Mainstream accounting, which is primarily concerned with the functioning of accounting, is similar to functionalism (Ryan *et al.*, 2002; Macintosh and Quattrone, 2010).

The interpretive paradigm, on the other hand, is “concerned with understanding the social world, and includes work that seeks to understand the social nature of accounting practices” (Ryan *et al.*, 2002, p.42). “It sees the world as an emergent social process which is created by the individuals concerned” (Burrell and Morgan, 1985, p.28). It is an ‘anti-positivistic’, ‘voluntaristic’ and ‘ideographic’ approach to social science (Burrell and Morgan, 1985). Hopper and Powell (1985, p.446) further explain how:

The focus is on individual meaning and people’s perceptions of ‘reality’ rather than any independent ‘reality’ that might exist external to them.

The radical humanist paradigm shares similarities with the interpretive paradigm, in that it views the social world from a non-positivistic perspective. The radical humanist places ‘most emphasis upon *radical change, modes of domination, emancipation, deprivation, and potentiality* (Burrell and Morgan, 1985, p.32). In other words, it strives to surpass the limitations of an existing social world. In keeping with its subjectivist perspective, it places central emphasis upon ‘human consciousness’ (Burrell and Morgan, 1985, p.33).

Finally, the radical structuralist paradigm adopts the opposite standpoint of the radical humanist paradigm advocating a sociology of radical change from an objective perspective (Burrell and Morgan, 1985). Radical structuralism is committed to radical change, emancipation and potentiality, in an analysis, which emphasises structural conflict, modes of domination, contradiction and deprivation (Burrell and Morgan, 1985, p.34). The radical structuralist paradigm is similar to the functionalist paradigm, in that it views the social world from a perspective, which tends to be positivistic.

As these four paradigms have three basic beliefs or assumptions that underlie them – ontological, epistemological and human nature, each are discussed next.


4.2.1 Ontology

“Ontology is the study of existence” (Ryan *et al.*, 2002, p.13), in simple terms, what is reality? It addresses questions such as “how do we know what is real and how do we know when statements are true or false?” (Ryan *et al.*, 2002, p.13). On one hand, the social world can be viewed as having a “concrete existence external to, independent of and prior to the cognition of any individual” (Hopper and Powell, 1985, p.431). This is an objective view of reality (Bryman, 2008), which mirrors Burrell and Morgan’s (1985) realism. The realist perspective takes for granted that the “social world external to individual cognition is a real world made up of hard, tangible and relatively immutable structures” (Burrell and Morgan, 1985, p.4). Essentially, reality is outside the thinking mind, it is independent of human beings and it resembles the natural world. Whereas, on the other hand, the subjective view of reality “is depicted as existing only as a product of individual consciousness” (Hopper and Powell, 1985, p.431). In essence, reality is only in the mind – “the external social world consists simply of concepts and labels created by people to help them understand reality and negotiate a shared conception of its nature with others” (Hopper and Powell, 1985, p.431). This reflects Burrell and Morgan’s (1985, p.4) nominalism (idealism) perspective which “revolves around the assumption that the social world external to individual cognition is made up of nothing more than names, concepts and labels which are used to structure reality”.

Morgan and Smircich (1980) present six alternative ways of viewing the world (Table 4.1). These different perspectives are available to the researcher for examining the dynamics of reforms in the delivery of public services and management controls and how these unfold over time. Number five, on Table 4.1, reality as social construction²⁰ is the adopted ontological perspective in this research, with a focus on the context within which public service delivery and

²⁰ Social construction is akin to social constructionism.

Table 4.1: Six ontological assumptions

<i>ONTOLOGICAL ASSUMPTIONS</i>	
1. Reality as a concrete structure	OBJECTIVE
2. Reality as a concrete process	
3. Reality as a contextual field of information	
4. Reality as a symbolic discourse	
5. Reality as a social construction	
6. Reality as a projection of human imagination	SUBJECTIVE

Source: Morgan and Smircich, 1980, p.492.

management control reform as a process evolves (Nørreklit *et al.*, 2006; Ahrens *et al.*, 2008). According to Pettigrew (1997, p.340), social processes such as service-delivery and management control practices are “deeply embedded in the contexts that produce and are produced by them”. Thus, explaining reform in a public sector organisation should be linked to reforms in its operating contexts as “processes are embedded in contexts and can only be studied as such” (Pettigrew, 1997).

Social constructionism does not seek to explain behaviour by searching for fundamental laws and external causes, rather it tries to explain and understand how people make sense of their everyday existence (Tomkins and Groves, 1983; Ryan *et al.*, 2002; Easterby-Smith *et al.*, 2008). The present researcher does not “assume any pre-existing reality” and strives to understand how actors both individually and collectively use language, actions, labels and routines to help them make sense of their situation (Morgan and Smircich 1980, p. 497; Easterby-Smith *et al.*, 2008, p.63). Table 4.2 outlines the main features of social constructionism while Table 4.3 delineates its core strengths and weaknesses.

Table 4.2 Key features of social constructionism

<i>Features</i>	<i>Social Constructionism</i>
The observer	Is part of what is being observed
Human interests	Are the main drivers of science
Explanations	Aim to increase general understanding of the situation
Research progresses through	Gathering rich data from which ideas are induced
Concepts	Should incorporate stakeholder perspectives
Units of analysis	May include the complexity of 'whole' situations
Generalization through	Theoretical abstraction
Sampling requires	Small numbers of cases chosen for specific reasons

Source: Easterby-Smith *et al.*, 2008, p.59.

Table 4.3 Strengths and weaknesses of social constructionism

	<i>Strengths</i>	<i>Weaknesses</i>
Social Constructionist	Good for processes and meanings	Can be very time consuming
	Flexible and good for theory generation	Analysis and interpretations are difficult
	Data collection less artificial	May not have credibility with policy makers

Source: Easterby-Smith *et al.*, 2008, p.73.

The weaknesses of the social constructionist perspective shown in Table 4.3, for example, difficulty in analysing data, is overcome in this thesis due to the researcher's tacit²¹ and intimate knowledge of the organisation having previously worked for four years (from 2005 to 2008) as an accountant in a similar Irish local authority. The researcher is also very much aware of the problems and opportunities of the agency/structure dualism. This refers to "the split within the social sciences between those who consider social phenomena to be products of the action of human agents in light of their subjective interpretation of the world, and those who consider social phenomena to be caused by objective social structures" (Feeney, 2013, p.86). However, constructionism brings objectivity and subjectivity together and holds them together indissolubly (Crotty, 1998). It represents a middle ground on the Burrell and Morgan (1985) subjective-objective dimension.

A dynamic social constructivist perspective is related to process research questions, "that focus on how things unfold and change over time" (Langley *et al.*, 2013, p.9). This fits nicely with the theoretical framework presented in Chapter Three as this research views service-delivery and management control reform as a process and not a linear relationship between different factors (Burns and Scapens, 2000; Busco and Scapens, 2011; Hoque and Chia, 2012). The next section introduces the epistemological assumption adopted in this thesis. It is based on the adopted social construction ontology.

4.2.2 Epistemology

Epistemology, another paradigm assumption, is concerned with the nature of knowledge – what form it takes and how it can be obtained and transmitted (Hopper and Powell, 1985, p.431) or in simple terms "how do we know what we know" (Crotty, 1998, p.8). It poses the following types of questions: "what is the

²¹ Tacit knowledge comprises the implicit understandings, which the actors have about the circumstances of their actions and can be contrasted with discursive knowledge, which comprises the explicitly discussed understandings (Burns and Scapens, 2000, p.6).

source of our belief”, “how truth is established?” and “how belief is justified?” (Ryan *et al*, 2002, pp. 34-36).

Similar to ontology, polarised epistemological view points between the philosophical perspectives of positivism and anti-positivism are presented by Burrell and Morgan (1979). Positive research promotes the use of “methods of the natural sciences to the study of social reality and beyond” (Bryman, 2008, p.13). In positive research, knowledge is understood in terms of searching for universal laws and the nature of relationships between variables (Byrne, 2009). A positive research approach is scientific, requires *a priori* hypotheses, acceptable measurement, isolation and control of variables, and verification of the measurement methods and variables (Smith, 2003, p.18 cited in Quinn, 2010, p.41). By contrast, in anti-positivistic (i.e. interpretivism – “its intellectual heritage includes: Weber’s notion of *Verstehen*; the hermeneutic-phenomenological tradition and symbolic interactionism) research, knowledge is understood in terms of an individuals own interpretation of meanings (Burrell and Morgan, 1985). Thus, positivism is concerned with an *explanation* of human behaviour while anti-positivism is concerned with *understanding* human action (Bryman, 2008, p.15). In this thesis, the researcher adopts an interpretivist approach to gaining knowledge.

4.2.2.1 Interpretive and processual

Based on the ontological assumptions adopted in this research, that of a social constructed reality, an interpretivist approach is warranted. Interpretive research is concerned with “understanding the social world and includes work that seeks to understand the social nature of accounting practices” (Ryan *et al.*, 2002, p.42). The term *interpretive* has been described as “novelty, curiosity, knowledge seeking, innovativeness and similar terms” (Ahrens *et al.*, 2008, p.855). Some of the key underpinning principles of interpretive accounting research are:

- A processual lens (history and path dependency matters).
- Social, economic, institutional, cultural, political, legal (and more) contexts matter and should be endogenised into our explanations (holistic and not overly premised on assumptions and caveats).
- Understanding (pragmatic/ambiguous and provisional) and explaining the dynamics and interplay of accounting practices in organisations and society.
- Use different theoretical insight to assist in such explanations (eclectic).
- Adopt multiple research methods.
- Where possible, to extrapolate our understandings to engage in dialogue with practitioners (but neither statistical generalization nor prediction being prioritized).

(Ahrens *et al.*, 2008, pp.855-856).

The interpretive approach suits this research as it aims to explore the different change dynamics involved in shaping how public service-delivery and management control reforms as a process evolve. Furthermore, it also requires researchers to adopt a holistic approach and is largely compatible with the core assumptions of social constructionism with its emphasis on processes, contexts, understanding and meanings. There is a consensus among academics that accounting is a socially constructed function (Tomkins and Groves, 1983, Chua, 1986, Hopper *et al.*,1987) and Scapens (1990, p.271) concluded it is inappropriate to study the individual parts of social systems taken out of their context. Thus, this research addresses the issue of processual reform in the delivery of public services and management controls in an Irish local authority using an interpretive perspective (van der Steen, 2006).

The processual perspective portrays the world as a set of processes “in which things are reifications of processes” (Tsoukas and Chia, 2002 cited in Langley *et al.*, 2013, p.4). For example, “the river is not an object but an ever-changing flow; the sun is not a thing, but a flaming fire. Everything in nature is a matter of process, of activity, of change” (Rescher, 1996, p.10). The processual perspective sees organisations as fluid entities, permanently *in process*, continually in a state of becoming (Benson,1977; Pettigrew, 1987; Burns and

Scapens, 2000; Dawson, 2012) - as opposed to being stable entities comprising of *stable states* at given (and isolated) points in time (Oliveira, 2010, p.176; Dawson, 2012, p.130). Furthermore, Pettigrew (1990, p.268) argued that research should concentrate on “catching reality in flight, and in studying long-term processes in their contexts, a return to embeddedness as a principal of method” thus, requiring researchers to “go beyond the analysis of *change* and begin to theorise about *changing*” (Pettigrew, 1985, p.15), and, examine how in every moment reality is brought into being (Langley *et al.*, 2013, p.5). In 1997, Pettigrew elaborated on his meaning of *process* as “a sequence of individual and collective events, actions and activities unfolding over time and in context” (p.338). This clarification illuminated the important role of both history and time in any processual process.

Pettigrew (1990) argued that time is a social construction and Langley *et al.*, (2013) contended how it is ironic that the “centrality of time” is excluded from management journals. Therefore, they call for researchers to acknowledge the “centrality of time” and they argue, “process conceptualisations offer an essential contribution to organisation and management knowledge that is not available from most variance-based generalizations” (p.4). This research very much acknowledges the centrality of time in Gladiator’s reform process by exploring its changes over a period from 2008 - 2013. However, despite this specific timeframe, the existing ways of doing and thinking about public service- delivery and management controls in Gladiator pre-2008 were also discussed. This is important as much research on organisations is “ahistorical, aprocessual and acontextual” and by not including or ignoring these concepts, organisational change processes will not be revealed (Pettigrew, 1990; p.269). In 1987, Pettigrew wrote that *context* has often been considered as “descriptive background” or as a predecessor that “somehow shapes change” (p.656). However, he warns against viewing *context* in these terms. According to Pettigrew (1987) *context* should be conceptualised as part of or enmeshed in the production of processes while also acknowledging how it can be activated or mobilised by actors seeking to achieve change. This displays the duality of contexts because processes are both constrained by contexts (structure) and processes shape contexts (agency) (Pettigrew, 1990, p.270). Context is a key element in this research as the external context of the financial crisis and central

government austerity pressures play a dynamic role in reforming Gladiator. In addition, the internal context, with the arrival of a new CEO are also pertinent to the shaping of reforms in Gladiator.

Dawson (2012) also presents a processual framework of organisational change similar to that put forward by Pettigrew (1997). Dawson (2012, p.120), defines processual research as:

the contextual, retrospective and real-time study of change as-it-happens over time through the observed, documented and lived experiences of people as they seek to make sense and give sense individually and collectively to decision and non-decision making activities, the actions and torpidity of others, the multiple stories that transform and compete over time, and the critical incidents that occur in expected and unexpected ways.

This thesis seeks to illuminate why and how the dynamic processual reforms in the delivery of public services and management control practices came to be in Gladiator. It aims to achieve this goal by following the interwoven complexity of structures (via: interpretive schemes, institutions) and agency (via: institutional entrepreneur, change agents) in the reform process in Gladiator. Process studies like this research that “focus on how processes (rather than things) unfold over time” (Langley *et al.*, 2013, p.6) are affiliated with a social constructivist ontology, emphasising the importance of the dimension of *time*.

Furthermore, process studies are suited to the pluralistic theoretical approach outlined in Chapter Three as the adopted frameworks all view organisational and management control change as socially constructed and “socially embedded processes over time” (Contrafatto and Burns, 2013, p.352). Therefore, the ontological and epistemological dimensions of the processual perspective fit with the adopted social constructionist ontology and interpretive epistemology adopted in this research.

Also, there have been calls by researchers to move away from the positivistic research in institutional theory and to bring back an interpretive element (Suddaby, 2010). Thus, the interpretive perspective sits well with the theoretical pluralistic approach to theory explained earlier in Chapter Three. Moreover, Burns (in Ahrens *et al.*, 2008, p.843) argues that interpretive researchers should

aim to build on existing theory, instead of inventing more new theories, and in Chapter Eight, Figure 8.1, this is achieved. In addition, it also addresses calls by researchers to “return to the rich case studies of early organisational institutionalists such as Selznick, Blau, Crozier, and Gouldner” (Suddaby, 2010, p.16). Finally, this approach to research also facilitates closer contact with human beings in order to analyse and understand their daily interactions and performance in accounting practice and routines (Granlund in Ahrens *et al.*, 2008).

However, interpretive research is not without its criticisms. Some critical researchers argue interpretive research “does not seek to provide a social critique and promote radical change” (Ryan *et al.*, 2002, p.42). They view interpretivism as focussing too much on the micro-social interactions and not on the major conflicts of interest within society (Chua, 1986). Others also claim it provides “poor” data, having too much emphasis on decision-making rather than control, weak theoretical development, using non-economics-based frameworks and providing few empirically testable theories (Zimmerman, 2001, pp.420-424).

Nevertheless, interpretive researchers have defended such criticisms. For critical researchers to claim that interpretive accounting research is too micro focussed appears to be unjust upon a review of the literature. It is evident from interpretive management accounting case studies carried out, that both micro and macro issues have been considered – for example, see Dillard *et al.*, (2004) and Yazdifar, (2013). “This interpretive emphasis is valuable, for as Burchell *et al.* (1980) point out, we know how accounting numbers ought to function but have little knowledge of the meanings and roles they actually undertake” (Chua, 1986, p.618). Lukka and Mouritsen (2002) suggested that Zimmerman (2001) was trying to promote a “normal science” approach to management accounting research drawing from economics based frameworks. Zimmerman (2001, p.423) quotes Lazear (2000) “economics is the premier social science”. This seems to indicate Zimmerman’s allegiance to mainstream accounting research. While Lukka and Mouritsen (2002, p.805) agree that such research does have its merits, they feel it does not assist in developing “meaningful stories about management accounting in its social, organizational and behavioural contexts”.

4.2.3 Human nature

When deciding which paradigm one adheres to, it is also important to consider human nature which refers “to the relationship between human beings and their environment” (Hopper and Powell, 1985, p.431). Does the external environment determine and constrain individuals’ behaviour and experiences? If so, this mirrors Burrell and Morgan’s (1979) deterministic view of human behaviour. Alternatively, are individuals “completely autonomous and free-willed?” (Burrell and Morgan, 1979, p.6). This is what Burrell and Morgan refer to as voluntarism. Researchers can incline toward either perspective or they might take a middle ground standpoint ‘which allows for the influence of both situational and voluntary factors in accounting for the activities of human beings’ (Burrell and Morgan, 1979, p.6).

Based on the ontological and epistemological assumptions adopted and outlined above, the human nature view taken here is of a voluntary nature, rather than being deterministic²² (Neuman, 2006). Accordingly, in this view,

social settings and subjective points of view help to shape the choices a person makes, but people create and change those settings and have the ability to develop or form a point of view (Neuman, p.90).

The historical, personal and cultural background of individuals can influence their public service-delivery reform decisions, for example, implementing new service-delivery structures, enforcing budget controls, and a BSC, which may challenge and eventually replace the existing and settled ways of doing things. Such a view will facilitate the explanation of how public service-delivery and management control change as a process evolved within Gladiator. It will help understand how existing ways of doing and thinking about public services came to be challenged and slowly replaced with new ways of thinking and delivering public services, which over time became embedded.

²² Determinism is “an approach to human agency and causality that assumes human actions are largely caused by forces external to individuals that can be identified” (Neuman, 2006, p.83).

4.2.4 Summary of philosophical perspective in this research

As outlined in earlier chapters, this thesis is primarily concerned with enhancing our knowledge of reforms in the delivery of public services and management controls in Irish local governments. This knowledge will stem from the perspectives of the role of an institutional entrepreneur (agency); and, existing and new service-delivery and management control structures (e.g. existing and new budget rules, existing and new service-delivery structures, new BSC).

Within the interpretive paradigm, this research draws on NIS theory and the works of Burns and Scapens (2000); Seo and Creed (2002) and Battilana *et al.*, (2009); as outlined earlier in Chapter Three. These frameworks are further complemented with Laughlin's (1991), and Hardy's (1996) works (see Chapter Three). By adopting a processual theoretical pluralistic approach to research, it is possible to see *how* the macro/external environmental pressures (such as the financial crisis and strict government austerity measures), are interwoven with both the micro organisational internal processes (i.e. the internal rules, routines and actions at Gladiator), and agency dimensions in driving reform in the delivery of public services and management controls in Gladiator. Wahyuni (2012, p.71) articulately sums up the philosophical perspective adopted:

Interpretivists believe that reality is socially constructed by social actors and people's perceptions of it. They recognise that individuals with their own varied backgrounds, assumptions and experiences contribute to the on-going construction of reality existing in their broader social context through social interaction.

4.3 Qualitative research strategy

The research questions set out in Chapter One determined a qualitative research design (Saunders *et al.*, 2009). Qualitative research aims to explain how all components of a process work together (Merriam, 1998). According to Hakim (1987, p.26), qualitative research offers "richly descriptive reports of individuals' perceptions, attitudes, beliefs, views and feelings, the meanings and interpretations given to events and things, as well as their behaviour". Thus, it involves the researcher studying "things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them" (Denzin and Lincoln, 1998, p.3).

In more recent times, accounting researchers have advised using qualitative research in accounting, for example, Ahrens and Chapman, (2006), Hopper *et al.*, (2007), ter Bogt and van Helden (2012), van der Meer-Kooistra and Vosselman (2012), Parker (2012) and Burns (2014). According to Parker (2012, p.55), qualitative research seeks “a holistic understanding and critique of lived experiences, social settings and behaviours, through researchers’ engagement with the everyday” - hence, nicely fitting with the philosophical assumptions adopted above. Furthermore, it aids the researcher’s understanding of why and how an Irish local authority reformed its delivery of public services and management controls in a time of austerity and it builds explanations of the complex role of the actors and external factors in this reform process. Moreover, a qualitative approach is best suited to the *why and how* questions – an approach according to Salvato and Moores (2010) that needs further development in accounting research. Parker (2003, p.16) outlined that:

Many of the methods employed [in qualitative research] attempt to capture the perceptions and understanding of the actors ‘from the inside’ so as to better understand how they make sense of, act and manage their daily work and situations.

In this thesis, data was gathered in the form of words through interviews, observations and documents. According to Patton (1980, p.43), the depth and detail of qualitative data can be obtained only by “getting close” physically and psychologically, “to the phenomenon under study”. Examples of constructionist research designs are case study research, action research, ethnography, narrative methods and grounded theory (Myers, 1997; Easterby-Smith *et al.*, 2008). Many management accounting scholars have supported the adoption of case studies in qualitative research (Burns and Scapens, 2000; Ahrens and Chapman, 2006; Vaivio, 2008; Parker, 2012; Burns, 2014). For example, Bruns and Kaplan (1987, pp.2-3) maintain:

Because management accounting information is created to plan, motivate, and evaluate activities in complex organisations, research in the field must start with an excellent understanding of the management accounting processes in actual organisations [...]. But since management accounting phenomena exists only in complex organisations, with their rich interactions of people, products, processes, markets, technologies, and cultures, it becomes extremely difficult to study the subject except in actual organisational settings where they have been developed and where they function.

4.3.1 Case study design

Case studies can be viewed as a powerful basis to theory-building (Eisenhardt, 1989; Eisenhardt and Graebner, 2007; Diaz, 2016). This is evident in Chapter Eight (see Figure 8.1) when a new contextualist framework is presented from the case study findings in this research. Yin (2009, p.18) defines a case study as:

An empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between the phenomenon and context are not clearly evident.

A case study approach examines in depth one, or a small number of organisations, events, or individuals, generally over time (Easterby-Smith *et al.*, 2008). Ahrens and Dent (1998, p.3) argued that a single case “presupposes a deeper appreciation of accounting in organisational and social settings and of information more broadly”. Suddaby (2010) argued that there was a real need to return to rich case studies especially when using institutional theory.

The reason the researcher adopted a case study design was, first, because case studies are typically suited as a research strategy for *when*, *how* and *why*-type questions, when focus is given to contemporary events (Yin, 2009, p.13) and “when a theoretical framework is informing data compilation and, interpretation” (Yazdifar, 2013, p.113). This thesis falls into these categories as it seeks to understand why and how reforms in an Irish local authority’s delivery of public services and management controls came about. Thus, like Humphrey and Scapens (1996) it is argued here that the *case study method* is complementary to the methodological underpinnings of the theoretical pluralistic approach adopted. Second, according to Easterby-Smith *et al.*, (2008) advocates of a single case study usually draw from a social constructionist epistemology while those using multiple case studies tend to come from a relativist or positivist epistemology. Due to the social constructionist ontological assumption made in this research, a single case study design was selected allowing the researcher to examine a single organisation (Gladiator) and to focus specifically on the central actors in its reform process. Third, the researcher had no control over events or behaviours in Gladiator. The complex interactions between the CEO and the external financial crisis were all part of an independent, complex real-life situation. When there is no room for manipulation of the phenomenon under study, case studies are deemed appropriate (Yin, 2009).

4.3.1.1 Limitations of the case study approach

The case study method has some limitations. First, there is the issue of access or continued access (Ryan *et al.*, 2002; Ahrens, 2004; Burns *et al.*, 2004). Confidentiality may be an absolute requirement in order to gain access to organisations. Thus, it may be necessary to disguise the participants and organisation in the study. In this study, the organisational name and all the participants were guaranteed confidentiality and anonymity. The names of the organisation and all the interviewees have been changed. All interviewees are referred to as 'he' to protect identities. The research objective may also need to be refined if access is restricted (Ryan *et al.*, 2002; Ahrens, 2004). The researcher did not suffer access restrictions having previously worked in a similar organisation.

Second, there is the issue of researcher bias, as there is no such thing as an objective case (Merriam, 1998; Ryan *et al.*, 2002). Case studies represent the researcher's interpretations of social reality (Scapens, 1990; Ryan *et al.*, 2002). However, by using a team of researchers (which was not possible for this thesis) with different experiences and backgrounds it is possible to reduce such bias in the data collection and analysis processes (Ryan *et al.*, 2002). In this study, the researcher's bias was reduced by spending time at the local authority, which helped gain a better understanding of the local authority's background (McKinnon, 1988). Additionally, interview questions were kept general and unaided while also continually asking "why" and "how" concerning any process changes. Throughout this process, the researcher strove to remain objective and keep an open mind.

Third, some limits must be placed by researchers on the subject matter in the case study, as it is not possible to study all aspects of a social system (Humphrey and Scapens, 1996; Ryan *et al.*, 2002; Hansen, 2011). One solution is to place limits on the area of study but to make those limits quite explicit (Ryan *et al.*, 2002, p.159) facilitating other researchers to extend the work into areas not examined. Alternatively, one can study 'everything' but more at a surface level (Ryan *et al.*, 2002). This research within the timeframe available examined in detail the change processes in one local authority service, namely Housing.

Finally, interpretive case study research seeks out theoretical generalizations as opposed to statistical generalizations. “The former attempts to generalize theories so that they can explain the observations that have been made, the latter, however, are concerned with statements about statistical occurrences in a particular population” (Ryan *et al.*, 2002, p.149). Although statements about statistical occurrences may enable researchers to make predictions about occurrences, they do not necessarily provide explanations of individual observations (Ryan *et al.*, 2002). It has been suggested by positivists that the case study method does not allow the rigour of natural scientific designs as it rarely allows “generalizations to be made from specific cases to the general populations” (Easterby-Smith *et al.*, 2008, p.97). However, the uniqueness of the case study method is that generalizations can be made from theory and it comes in two forms. Firstly, case studies in different or new contexts are used to extend (i.e. generalize) the theory to a wider set of contexts. Secondly, “theory is used to extend the applicability of the case study findings to other contexts” (Ryan *et al.*, 2002, p.149).

Researchers who seek to produce statistical generalizations by adopting a sampling logic regard case studies as exploratory. However, case studies can also be explanatory when they are “used in conjunction with the logic of replication and extension to produce theoretical generalizations” (Ryan *et al.*, 2002, p.150). It is argued there is no other research method which offers as much potential as the case study method to explore the “richness” and “deep understanding” of the detailed processes and working of an organisation (Ahrens and Dent, 1998). Case studies provide ways of thinking about solutions (Ryan *et al.*, 2002, p.161).

4.3.1.2 Types and classifications of case study

Case studies can be used in a variety of ways and the type of case study adopted will be determined according to its purpose. They can be: descriptive, illustrative, experimental, exploratory, and explanatory case studies. Positive researchers view the world as objective and external to themselves and they are concerned with developing general theories (Ryan *et al.*, 2002, Scapens, 2004). Thus, they regard case studies as largely exploratory and used to generate ideas and hypotheses for later testing in large-scale statistical studies (Ryan *et al.*, 2002,

Scapens, 2004). However, on the other hand, interpretive researchers view the world as socially constructed and subjective (Scapens, 2004). Here we see the importance of explanatory case studies in explaining the “holistic quality of observed social systems and the practices of human actors” (Ryan *et al.*, 2002, p.147). It is important to be aware that exploratory case studies may be used in the early stages of interpretive research to identify the issues to be explored (Ryan *et al.*, 2002) and the aforementioned mirrors what happened in this research. Initially, the researcher carried out four exploratory interviews at Gladiator to discern the matters of concern. It was during these initial interviews that the researcher became aware of the dynamics of reforms in Gladiator’s delivery of public services and management controls. Moreover, for that reason an explanatory case study was adopted because they:

attempt to explain the reasons for accounting practices. The focus of the research is on the specific case. Theory is used in order to understand and explain the specific, rather than to produce generalisation. If available theories do not provide convincing explanations, it may be necessary to modify them (Scapens, 1990, p.265).

As outlined earlier, the ontological assumption which underpins this research is social constructionism and the epistemological is interpretivist and processual. These assumptions help the researcher understand how the delivery of public services and management controls are conditioned by the socio-political system, and how “it provides a set of rules which structure certain types of organisational behaviour, and how these rules emerge out of the social practices of the organisational participants” (Scapens, 1990, p.268).

The objective of this research is to understand how reforms in the delivery of public services and management controls as a process evolves, and how different socio-political dynamics, such as a financial crisis, austerity measures, institutional entrepreneurship, power, institutions, rules and routines, shape, and are shaped, by reforms as a process. Based on the philosophical assumptions and research objective, an interpretive/explanatory case study is most appropriate for this research. It facilitates the researcher in understanding the delivery of public services and management controls as a social practice by locating them in their historical, social, economic, and organisational context. The empirical observations in Gladiator (See Chapters Five and Six) are explained

using multiple theories and these theories are then modified based on the empirical observations (Ryan *et al.*, 2002). Effectively there is a two-way relationship between observation and theory (Ryan *et al.*, 2002; Bryman, 2008). Researching a single organisation provides the researcher with an in-depth understanding of the process of institutionalisation at a micro level (Dambrin *et al.*, 2007, p.174). Thus, a single case study was adopted to achieve depth of analysis on reform processes over time in Gladiator, which is in agreement with the ontological and epistemological perspectives adopted in this study. It is better to “work longer and with greater care, with a few people than more superficially with many of them” (McCracken, 1988, p.17).

4.3.2 Undertaking case study research

Ryan *et al.*, (2002) and Scapens (2004) suggest four main steps for undertaking a case study, namely: (1) preparation; (2) collecting evidence; (3) assessing evidence; and, (4) identifying and explaining patterns. Each step is now described in relation to the present study.

Preparation – this is the first step in case study research and it requires the research question(s) or objective(s) to be determined. These were presented in Chapter One. The research question(s) or objective(s) will then specify the research methodology and research methods. It is important that the research question/objective is sufficiently focused in order to draw up the research plan. The Irish local authority chosen for this research was based on access (Burns *et al.*, 2004; Saunders *et al.*, 2009). The researcher having previously worked as a financial accountant in a similar Irish local authority had fortunately gathered many contacts in the sector. Burns (2004) advises getting access to case study companies near where you work or live. This reduces obstacles in gathering information. Once access was requested in Gladiator, it was granted. At the exploratory stage of this study, the researcher set an objective to examine changes in an Irish local authority’s costing systems (knowing they had implemented a type of Activity Based Costing system). It is important to be aware that the first step of preparation cannot be set in stone as will be seen in step two below, researchers may need to revise/refine the initial research objective as the research progresses. However, according to Ryan *et al.*, (2002) once the

research plan is created it is also important to review theories relevant to the case. Scapens (2004, p.265) argues that in order to make research meaningful to others, the researcher “should make explicit, and as comprehensive as possible, the theory that shapes the case study”. At the beginning of this study, the researcher drawing from prior knowledge of Gladiator, considered either institutional theory (mix of both NIS and OIE) or structuration theory for her thesis. However, it was not until some initial data was gleaned through the interview process that the theory most suited could be selected - which transpired to be institutional theory. However, the early adoption of institutional theory did not mean additional theory could not be introduced as the research progressed. Scapens (1990, p.274) argues, “the researcher should be flexible to allow such development to take place”, as happened in this thesis. As the research advanced, institutional theories on their own did not suffice to explain the reforms in the delivery of public services and management controls at Gladiator. Therefore, it was later decided that organisational change concepts and power concepts were also required. These helped further flesh out the process of change at Gladiator.

Collecting evidence – consideration of the research questions and a review of theory will indicate, but not drive, the types of evidence that should be looked for in the case study. The researcher should always be alert to any evidence that seems important in explaining the case. The formal sources of evidence include artefacts, interviews, observations and questionnaires. Additionally, “informal evidence such as casual comments, body language or speech tone often provide valuable clues for further lines of questioning” (Quinn, 2010, p.128). Interviews, documentation (both internal and external), e-mails, telephone conversations, informal coffees, casual comments, speech tone and body language were all gathered in this thesis (see Section 4.3.3 for further details). Such evidence facilitates a processual approach to management control and service-delivery reform as according to Langley *et al.*, (2013, p.6) “longitudinal data are necessary to observe how processes unfold over time.....mixed methods combining interviews, archival data, and observations [.....] correspond well to a perspective emphasizing process questions and an ontology where processes rather than things are the main focus of attention”. During this study’s initial exploratory interviews it transpired that Gladiator was going through a strategic service-

delivery restructuring process and was in a period of revolutionary change (Burns, 2000). Upon reflection, the researcher refined her initial research objective in step one to reflect this new exciting research opportunity in public service-delivery and management control reform processes. From this researcher's experience, there can be a recursive relationship between steps one and two of carrying out case study research.

Assessing evidence – qualitative empirical research is concerned with procedural reliability, contextual validity and transferability of evidence (Saunders *et al.*, 2009). Procedural reliability requires a good research design where the research questions are clearly addressed, a comprehensive research plan must exist and all field notes must be correctly documented and analysed. Contextual validity, which indicates the credibility of the case study evidence, can entail three different elements: the validity of each piece of evidence, the validity of particular sources, and the researcher's assessment of the validity of their own interpretations of the evidence. Contextual validity refers to triangulation of the evidence. This means collecting and validating each piece of evidence from more than one source on the same issue (Ryan *et al.*, 2002). According to Lincoln and Guba (1985, pp.110-128), "the only generalisation is: there is no generalisation". Instead, according to Scapens (2004, p.269), Lincoln and Guba (1985) talk about the transferability of the findings from one context to another and 'fittingness' as to the degree of comparability of different contexts.

The final step *identifying and explaining patterns* is where diagrams and charts are prepared to help link the salient themes and issues identified from the evidence. Patterns can be identified manually or using analysis software, which in turn, can form the basis for explanations of the issues and are potentially a basis to add to theory development in the future. Once the aforementioned four steps are completed, the findings must be reported. In order for the report to be convincing, it must first be authentic (researchers' interpretations are grounded in the case). Second, it must be plausible (text makes sense to the reader and the author displays a high level of knowledge). According to Baxter and Chua (2008, p.106), plausibility concerns "what is it about the way in which the

researcher writes that makes his/her field research sensible and believable”. Third, it should be critical²³ (the case may raise new ideas and/or add to theory).

Case studies allow researchers to focus on issues that are “intriguing, puzzling, contradictory, etc” (Humphrey and Scapens, 1996, p.101). In this case study the researcher was intrigued by the dynamics of reforms in the delivery of public services and management controls which occurred in Gladiator particularly during a period of austerity – in particular curious as to why and how these changes came about.

4.3.3 Actual methods employed

The four steps of case study research proposed by Ryan *et al.*, (2002) and Scapens (2004), described above, were followed in this thesis. In advance of collecting evidence, a case study selection process was required. Yin (2009, p.91) describes how a case can be selected, as follows: (1) it may be known from the outset of the research as it is unique; (2) contacts are used or access is readily available; or, (3) a screening procedure is adopted to select the case best suited. As already explained above, the researcher was previously employed in a similar Irish local authority organisation; thus, past contacts were availed of to gain access.

The case organisation is an Irish local authority. A visitor role was adopted (Ryan, *et al.*, 2002; Scapens, 2004), and given the nature of the research objectives presented in Chapter One, the study is primarily concerned with understanding the dynamics of environmental jolts, structures (institutions, rules and routines), and institutional entrepreneurship (agency) in the reform process of the case. Multiple sources of evidence such as interviews, field observations, company documentation including specific financial and non-financial reports and media articles were all utilised during the data collection phase. However, the primary vehicle of data collection was interviews.

²³ The criticality of the text relates to the possibilities it provokes (Ryan *et al.*, 2002, p.158).

4.3.3.1 Rationale for the interview method

An interview has been defined as a “conversation with a purpose” (Webb and Webb cited in Burgess, 1982, p.107). Patton (1980, p.196) explains this further:

We interview people to find out from them those things we cannot directly observe... We cannot observe feelings, thoughts and intentions. We cannot observe behaviours that took place at some previous point in time. We cannot observe situations that preclude the presence of an observer. We cannot observe how people have organised the world and the meanings they attach to what goes on in the world – we have to ask people questions about those things. The purpose of interviewing then is to allow us to enter into other persons’ perspective.

The objective of this study was to ask interviewees about “facts of matter as well as their opinions about events” (...) and “even ask the interviewee to propose her or his insights into certain occurrences” (Yin, 2009, p. 107), so that an overall picture of the organisation’s activities could be formed from the interviews. This technique, for the researcher, is “a source for understanding how individuals make sense of their social world and act within it” (May, 1997, p.129).

Interviews can be either structured, semi-structured or unstructured (Saunders *et al.*, 2009; Bryman and Bell, 2015). In this study, a series of semi-structured interviews were conducted to gain in-depth insights with respect to the research objective and questions (see Chapter One). Interviews were deemed an appropriate research technique as they are in line with the study’s research design, which seeks to provide an understanding of the social processes of organisational and management control change. Lee (1999, p.62) characterises semi-structured interviews as “having an overarching topic, general themes, targeted issues, and specific questions, with a predetermined sequence for their occurrence” and “the interviewer is free to pursue matters as circumstances dictate”. Thus, according to Patton (1990, p.278), semi-structured interviews “allow us to enter into the other person’s perspective” or as Covaleski *et al.*, (2013, p.341), describe it as allowing “interviewees to express themselves according to their own interpretive schemes using their own vocabularies”. Easterby-Smith *et al.*, (2008, p.144) citing King (2004) state that “the main aim of qualitative interviewing is generally seen as attempting to gain an understanding from the respondent’s perspective which includes not only what their viewpoint is

but also why they have this particular viewpoint”. The literature on qualitative interviewing supports the interview technique adopted in this study as the researcher strives to discover the meanings that interviewees attach to the delivery of public services and management control changes and to their perceptions of the driving factors of these reforms.

Initially, a general interview guide approach was adopted to cover all relevant topics in a systematic manner and to provide direction for questioning during the interview. However, this approach was combined with ‘creative interviewing’²⁴, which allowed flexibility to respond to situational dynamics rather than following the predefined interview guide (Mason and Dale, 2011, p.36). All interviewees were encouraged to speak freely and openly “about what they felt was most affecting them and their job” (Yazdifar, 2013, p.120). The researcher, from the outset, clearly explained the purpose of the interviews and stressed confidentiality. Additional questions were asked when new issues materialised or when initial interviewee responses needed further exploration by the researcher while previous questions were removed from the interview schedule when they were considered not relevant. All interviews were pre-arranged via e-mail and telephone and all interviewees were given a brief summary of potential questions (Bryman and Bell, 2015). As the researcher had previous public service organisation experience, the interviewees’ tended to be quite open and honest. They were encouraged to recount anecdotes and their own opinions about the organisational reforms in Gladiator. Furthermore, the researcher was at an advantage due to her background experience, which provided an in-depth understanding and grasp of many of the contextual issues at play in the organisation. This prior knowledge reduced what Dawson (2003, p.101) terms the “going in at the deep-end” effect, whereby background knowledge of a case must be acquired to improve understanding. This prior knowledge also enhanced “the researcher’s ability to understand the body of tacit²⁵ knowledge” held by the

²⁴ A term coined by Jack Douglas (1985).

²⁵ Tacit knowledge “refers to the ability to use knowledge acquired from experience in carrying out tasks and activities in the pursuit of particular objectives [...] and individuals are often unable to explain the theoretical basis for their action” (Dawson, 2003, p.100).

interviewees “at the case site, whereby, for example, individuals cannot provide a basis for their daily actions” (Quinn, 2010, p.134).

As explained earlier, the initial interviews with the CFO and senior accountants in Gladiator were exploratory in nature. These interviews were informed by a general research objective, which, at that time, was to explore the changes in a cost system in an Irish local authority. This research objective was arrived at by spotting ‘various ‘gaps’ in the literature’ (Sandberg and Alvesson, 2011). The interview questions (see Appendix A) were mainly open-ended to allow the researcher to discover issues worthy of further research. The initial interview guide covered organisation background, cost system changes, and the involvement of finance. These initial four interviews proved to be critical for this research. Upon completion of these four interviews, it became evident that Gladiator was in a state of reform in its delivery of public services and management controls. After further literature reading on public service reforms, the initial research objective was revised to understand the dynamics of reforms in the delivery of public services and management controls in an Irish local authority, which was subject to the arrival of a new CEO and austerity measures.

The researcher then returned to the case study with a revised interview guide. First, questions on detailed descriptions of the organisation’s background; interviewee’s role, responsibilities and background were investigated. Second, detailed accounts of the service-delivery reform processes were examined. Third, detailed accounts of the management control reforms (i.e. new budget control rules and capital budgeting techniques and BSC); the role of budgeting in controlling staff behaviours; the role of central actors in introducing reforms in the delivery of public services and management controls were all investigated (see Appendix B).

By using open-ended questions during these interviews, interviewees were allowed to expand beyond the “facts of a matter” (Yin, 2009, p.107) and give opinions about events. This allowed areas of interest to be explored in greater detail than would normally be possible (Adam and Healy, 2000). This set of interviews was refocused on reforms in the delivery of public services and management controls in a staid and constrained Irish local authority. They

gathered depth about the dynamics of the reform processes in Gladiator. The interviews sought the interviewees' perspectives on the structural service-delivery processes and the management control reform processes in Gladiator while also seeking to understand what factors, circumstances and conditions influenced those viewpoints. The interview guides acknowledged the importance of the centrality of time in their interview questions. The interview scripts were slightly modified depending on the interviewee's role within Gladiator.

In addition to the semi-structured interviews, the researcher carried out "informal conversation interviews" (Marshall and Rossman, 1995, p. 80). These conversations were highly informal and occurred over coffee breaks and lunch. There were no predetermined questions and at times no questions at all. These informal conversations added further insight to the researcher's understanding of the service-delivery and management control changes at Gladiator. Phone conversations and e-mails were also used to clarify interview data gathered and to help direct the fieldwork. These additional data gathering methods often enhanced the researcher's knowledge, especially when the informal conversations evolved into other topics beyond the original intention of the conversation.

4.3.3.2 Conducting the interview process

Face-to-face and, mostly individual, interviews were conducted with each interviewee located at their own office. A list of interview dates and interviewees job role positions are presented in Table 4.4. A total of 20 interviews were undertaken, each lasting between one and two hours. The interviewees selected tended to snowball from previous interviewee's comments and suggestions. The interviews ranged from the CEO, CFO, directors, middle managers and lower level staff. This allowed the researcher to reach a broad spectrum of viewpoints within the organisation. Interviewing accountants, non-accountants, senior managers and lower level staff enabled the researcher to determine the extent to which austerity measures, a new CEO and management accounting and control information played in Gladiator's reform process.

Table 4.4 Table of interviews

<i>Interview No.</i>	<i>Date</i>	<i>Position</i>	<i>Duration</i>
1	11/01/2011	A Senior Accountant (1)	1 hour
2	11/01/2011	A Senior Accountant (2)	50 minutes
3	14/01/2011	A Senior Accountant (3)	1 hour
4	14/01/2011	Chief Financial Officer	1 hour 10 minutes
5	30/06/2011	Chief Financial Officer	1 hour
6	29/07/2011	A Senior Accountant (3)	1 hour
7	19/08/2011	A Senior Executive Officer (1)	2 hours 30 minutes
8	25/11/2011	A Director of Service (1)	2 hours
9	8/12/2011	A Director of Service (2)	1 hour
10	8/12/2011	A Director of Service (3)	1 hour
11	3/02/2012	A Senior Executive Officer (2)	1 hour 30 minutes
12	24/02/2012	A Senior Executive Officer (2)	2 hours
13	24/02/2012	Administrative Officer	1 hour
14	23/03/2012	A Senior Executive Officer (3)	1 hour
15	23/03/2012	A Senior Executive Officer (4)	1 hour
16	18/07/2013	A Senior Staff Officer (1)	1 hour 15 minutes
17	18/07/2013	A Senior Staff Officer (2)	1 hour
18	19/07/2013	A Senior Accountant (3)	1 hour
19	22/07/2013	A Senior Staff Officer (3)	1 hour
20	27/08/2013	Chief Executive Officer	1 hour 15 minutes

Please note for confidentiality reasons the researcher cannot specify the location or service of each of the interviewees.

No staff level or qualification was prioritised over the other. Additional notes were taken during the interview, recording body language and reaction to certain questions.

Patton (2002, p.383) outlines how:

The period after an interview or observation is critical to the rigour and validity of the qualitative findings. This is a time for guaranteeing the quality of the data.

After each interview, the researcher took time to reflect and record any observations made and any emerging thoughts triggered from the interview. These reflective periods also helped the researcher prepare for the next interview.

4.3.3.3 Merits and limitations of the interview process

“The purpose of interviewing is to understand the perspectives and experiences of the people being interviewed” (Yazdifar, 2013, p.122). Interviews are more appropriate for studying complex situations, they are useful for collecting in-depth information, questions can be explained, information can be supplemented and interviews have a wider application (Kumar, 2005). They offer the opportunity to modify a line of enquiry by following up on interesting interviewee responses which is not possible with postal and self-administered questionnaires (Robson, 2002). This displays the flexibility of the interview method. Qualitative enquiry such as the interview method can “take us into the mental world of the individual, to glimpse the categories and logic by which he or she sees the world” (McCracken, 1988, p.9).

However, there are also limitations of the interview method. According to Kumar (2005, p.132), “interviewing is time consuming and expensive, the quality of data depends upon the quality of the interviewer, the quality of data may vary when many interviewers are used and the interviewer may introduce his/her bias”. Interviewing requires “careful preparation – making arrangements to visit, securing necessary permissions – which takes time; confirming arrangements, rescheduling appointments to cover absences” (Robson, 2002, p.273). Time budgeting and planning are crucial for designing interview guides, conducting interviews and analysing the data. The researcher was mindful of the limitations in planning and executing the interview process.

As the interview process can also be subject to poor recall, bias and poor or inaccurate articulation (Yin, 2009), all interviews were digitally recorded. This overcame the poor recall problem and allowed the researcher the opportunity to use direct quotes from the interviewees while also facilitating a focus on the interview responses rather than rapid note taking. All interviewees in this study were assured beforehand that all information provided was confidential and that

recording enhanced the research process as there was less need for writing quotes etc. All interviewees agreed to be recorded. The researcher made brief notes during and after each interview for example off-the-record comments, body language.

Findings were verified by asking similar questions to different interviewees, “as well as through verbal feedback on any interpretations to date during subsequent visits to, and across, particular subjects” (Burns and Baldvinsdottir, 2005, p.732). Despite some claiming that recording devices can intimidate interviewees (King, 1994) and result in concentration lapses in the interviewer (Brownell, 1995) it was decided the advantages of recording the interviews outweighed the disadvantages. The researcher transcribed the first four recordings herself. The transcripts were made during the days following the interviews. The remaining interviews were transcribed by a professional transcriber. The researcher then listened to the recordings and checked them with the transcriptions, to ensure reliability of the work done by the transcriber and to understand pauses and unspoken words (Yazdifar, 2013).

The interviews were also supplemented by company documentation. Access to external documents and newspaper clippings as well as internal documents such as minutes of meetings, presentations and new management tools adopted (BSC) were forthcoming. These documents provided some degree of triangulation of information gleaned from the interviews, and in some cases provided greater detail.

Finally, all of the gathered information “formed a database to answer questions like: What did people say? What did they feel? What did they think? What were the main themes, issues, problems, and questions that I perceived during the interview? Which questions did the contact focus most centrally on?” (Yazdifar, 2013, p.125).

4.4 Analysis of data

The researcher reflected upon using either ‘manual’ methods or technology-supported techniques for analysing her interview data. Access to QSR NVivo9

software package was forthcoming and it was evaluated in 2011. There are potential advantages of NVivo9, especially in its ability to manage large volumes of data. Nevertheless, the researcher realised that the tool did “not ensure that the important themes or patterns are identified” (Moll *et al.*, 2006, p. 391). It was thus concluded that NVivo9 would provide little additional benefits over a manual coding system to analyse the empirics.

To analyse research data three main processes can be carried: summarising (condensation) of meanings; categorisation (grouping) of meanings and structuring (ordering) of meanings using narrative (Saunders *et al.*, 2009, p.490). The first two processes were combined in this thesis and further enhanced by the researcher’s diary, summaries and self-memos, which all together helped to:

1. Comprehend the data;
2. Integrate related data drawn from different transcripts and notes;
3. Identify key themes or patterns from them to further exploration;
4. Develop and/or test theories based on these apparent patterns or relationships;
5. Draw and verify conclusions (Miles and Huberman, 1994; Saunders *et al.*, 2009, p.491).

Summarising involved condensing the large body of interview data (and internal documentation) into fewer words. This helped illuminate the principal themes and the relationships between them in Gladiator. It also aided referencing in the case study write up.

Categorising data involved developing categories and then subsequently attaching relevant chunks of Gladiator’s interview data and internal documentation to those categories (Saunders *et al.*, 2009). The categories developed in this thesis were driven by the research objective and research questions. They provided a “well-structured, analytical framework” to facilitate analysis (Saunders *et al.*, 2009, p.493) and subsequently write up a cogent case study of public service-delivery and management control reform. As already explained, the researcher carried out four initial exploratory interviews and out of these came the researchers redefined research objective – as set out in Chapter One. Subsequently, the next six interviews focused on service-delivery and

management control reform in four of Gladiator's main services (waste, housing, water and roads). These interviews were held at management level between June 2011 and December 2011. Data analysis started by firstly summarising each interview, reading, and re-reading the interview transcripts in combination with the field notes of the interviews (i.e. comprehending the data). It was an iterative process (Eisenhardt, 1989), going back and forth between the empirical data gathered and the initial theoretical perspectives (i.e. NIS and Burns and Scapens, 2000). This subsequently caused the decision to focus solely on one service, Housing. The housing service was chosen because it was the first service, after waste, which had implemented its new structure. Water services was in the process of being taken over by Irish Water²⁶ and roads services were only starting their reform when this research was concluding. Five key issues were identified which were consequential for the next stage of this study (i.e. identifying key themes):

1. A worldwide financial crisis and central government austerity policies.
2. A new CEO of Gladiator. What activities did he carry out?
3. Budget practice reforms.
4. A new housing structure had been implemented. Why? How?
5. For the first time a BSC had been introduced by the housing director. Why? How?

The key themes led to the adoption of further theoretical perspectives (i.e. Battilana *et al.*, (2009), Seo and Creed (2002); Laughlin (1991) and Hardy (1996)) with which to develop this research (see Chapter Three). Chapter Eight, Figure 8.1 illustrates an in-depth understanding of the relationships between the themes and issues analysed in Chapter Seven.

Finally, the analysis drew and verified a conclusion. At this stage, the researcher had triangulated between interviews, documentary evidence and between interviews with different managers. If any issue was unclear to the researcher,

²⁶ An Irish water utility company set up in 2013 responsible for providing and delivering water services throughout Ireland. <https://www.water.ie/about-us/our-company/>

she sought further clarification from the interviewees by either e-mail or telephone, thus enhancing the plausibility of conclusions drawn.

4.5 Concluding remarks

The researcher views life as being socially constructed and is interested in understanding why and how processes develop and become what they are or are not over time. Therefore, originating from this point of view, interpretivism and processual perspectives provide the best standpoint for this research. Scapens (1990, p.268) claims “to study management accounting as social practice, it is necessary to look at the relationship between day-to-day social action and the dimensions of social structure. This will involve looking at both time and space, i.e. setting them in their wider social context and examining how they have evolved over time”. This study will touch upon the relationship between structures (rules, routines, institutions) and action (role of central individuals, routines) as well as the history of service-delivery and management control practices (i.e. budgets and BSC) in an Irish local authority, particularly in the context of a period of austerity. Thus, being based in “contextually grounded social interaction rather than in conversational analysis” (Yazdifar, 2013, p.129).

The chapter also explained why a single case study approach was selected and how it was appropriate for the theoretical frameworks embraced in this study. It discussed the research methods applied and how the interview technique to data gathering was conducted. It argued that data triangulation was applied which strengthened the results of the research which are now presented in the following three chapters (Chapters Five, Six and Seven).

CHAPTER FIVE - CASE STUDY FINDINGS

5.1 Introduction

This chapter presents the findings of the case study which aim to address the research questions as set out in Chapter One, Section 1.4. The research questions help to unpack the dynamic and complex processes of Gladiator's reforms during a period of austerity.

As this research's ontological assumption is social constructivist, Section 5.2 presents important and useful information on background and context to the case organisation. The importance of context in shaping why and how the delivery of public services and management controls as processes unfold over time, has already been referred to in various studies (for example, in Chapter Two (Burns, 2000; Dawson, 2003; Yazdifar, 2013), Chapter Three (Laughlin, 1991; Burns and Scapens, 2000; Battilana *et al*, 2009), and Chapter Four (Pettigrew, 1990; Dawson, 2012; Langlely *et al.*, 2013).

Section 5.3 discusses the dynamic jolts catalysing reforms in Gladiator, highlighting how the internal (i.e. new CEO) and external (i.e. financial crisis and austerity pressures) factors were interwoven and overlapping. Furthermore, it illuminates the internal strategic tactics of a new powerful CEO, as well as, how the *why* reasons were enmeshed with the *how* processes to further progress Gladiator's service-delivery and management control reforms. In Section 5.4 the dynamics of implementing new service deliveries and management controls is presented. It reveals how the McCarthy Report, Local Government Efficiency Review Group (LGERG), Croke Park Agreement (all external to Gladiator) and a sense of urgency, understanding existing mind-sets and communication (all internal to Gladiator) were all drawn upon to drive the reform process. Section 5.5 focuses on Gladiator's financial management control practice, i.e. budgets. This section reveals how budgets were prepared but had little impact. It illuminates how Gladiator reverted back to enforcing existing budget rules as well as enforcing new rules, for example, capital budgets rules. Section 5.8 concludes the case study findings.

5.2 Gladiator's background pre-2008

Some background pre-2008 (i.e. pre-financial crisis) for Gladiator is now given. The organisational details were obtained from internal documents, financial budgets and corporate plans of Gladiator. Additionally, it draws on the interviews conducted with staff from various departments across the organisation, such as CEO, CFO, senior accountants, senior and middle management and non-management staff.

The local government services delivered by Gladiator cover eight main funding divisions as depicted in Table 5.1:

Table 5.1 Local government services

<i>Division Group</i>	<i>Description</i>
A	Housing Directorate
B	Road Transport and Safety
C	Water Supply and Sewerage
D	Development Management
E	Environmental Services
F	Recreation and Amenity
G	Agriculture, Education, Health and Welfare
H	Miscellaneous Services

Pre-2008, Gladiator, due to its size was managed (geographically) as three independent units – A, B and C (see Figure 5.1), comprising thirteen directorships (for example, Director of Services Unit A, Director of Services Unit B, Director of Services Unit C, Head of ICT and Head of Finance²⁷). Each unit (A, B, C) had

²⁷ To retain Gladiator's anonymity the size of the local authority and its full 13 directorships are not listed.

their own director of services, operating independently of each other and each was responsible for the delivery of the following within their unit - water, roads, housing, waste management, and limited local responsibilities for planning, environment and finance. Each unit's director of services was typically supported by senior executive officer(s), senior engineer(s) and analogous grades with direct reporting relationships to the director of services. Gladiator's employees had multi-functional staff roles, that is, they could be working in their unit (A, B or C) across a variety of services; for example, an employee could be working across water, housing, roads and waste management services as part of their individual job role.

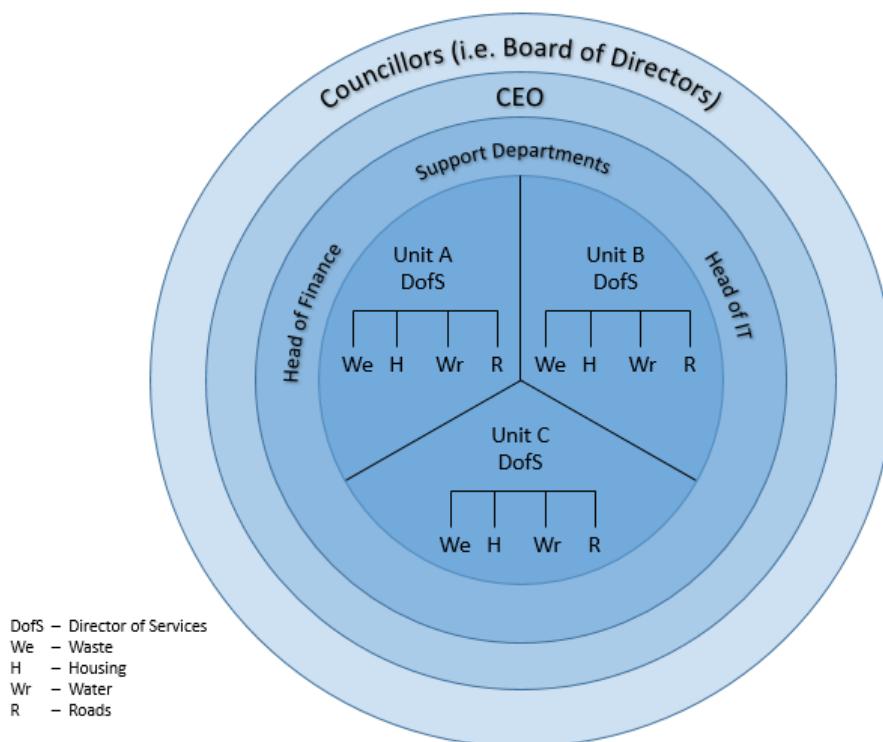


Figure 5.1 Gladiator's organisational structure pre-2008.

Gladiator has a board of councillors (i.e. elected representatives), who are elected every five years according to their unit (A, B or C). The councillors have a democratic and statutory mandate to represent the interests of the citizens who voted them in. The primary purpose of councillors is to develop and implement

policy for the range of local authority services delivered. The full board of councillors meet twice a month to discuss local authority business and they are split further into three independent committee groups according to their unit (A, B, C) each of whom meets once a month to discuss matters about their own constituencies. The next section describes Gladiator's specific context pre-2008.

5.2.1 Gladiator's context pre-2008

Prior to the 2008 worldwide financial crisis, Gladiator operated within a context that was known in Ireland as the Celtic Tiger²⁸ growth period (1995-2007) (Mac An Bhaird, 2010). The Irish central government exerted pressure on Gladiator to build new housing developments and, because Gladiator was dependent on central government for its financing, it had no option but to follow their instructions. This coercive pressure exerted on Gladiator from central government (see DiMaggio and Powell, 1983, p.150) aligns closely with Hardy's (1996) idea of "power over resources". Senior Executive Officer (3) stated how:

In the boom times, the government pushed out massive allocations, gave us massive allocations and told us to build, build, build. And we built, built, built. There were mixed developments comprising private housing, affordable housing and social housing.

There was no shortage of funding during this time, and meeting the demands of councillors and customers was top priority, as the CFO recounted:

Demands took over from expenditure. We had huge demands placed on us to provide services because of the growth in the housing market and in development in general. This development needed water schemes, sewerage and roads; and the political pressures from 'screaming' councillors to deliver these, across the whole city/county, was huge. We responded, and tended to overspend. But we had enough money at the time and this kind of behaviour was generally acceptable.

As mentioned, the CEO's priority was the demand of councillors and customers and there was little top-down pressure from either Gladiator's senior managers, or indeed central government, to strictly manage costs.

²⁸Celtic Tiger refers to a period in Irish history where housing development and money was plentiful.

The 'screaming' councillors, and the general political pressure to deliver services across the whole city/county was huge; and we would always respond to those pressures as quickly as possible (CFO).

This situation resonates with Hardy (1996, p.S7), who argued that the ideas of power can be mobilised "from behind the scenes", where outcomes are determined by powerful agents "through the use of procedures and political routines". Thus, there was seemingly a pattern in Gladiator whereby its service management ethos was less about seeking (cost) efficiency, and more about responding to councillor and customer demands. Moreover, this emphasis on prompt service-delivery had over time influenced some managers towards an undercurrent belief that financial control matters were not the business priority, but a secondary concern, highlighted by Director of Service (2):

A common way of thinking amongst staff at Gladiator was one of 'money didn't matter'. There was a huge comfort zone in Gladiator, pre-2008. The organisation was awash with staff numbers, and we could do anything because we had the money to do so.

This suggests that service logics were more compelling in Gladiator pre-2008 than financial (or economic) logics. NPM is centered on profit so this is a clear example of tension "between the indigenous culture" of Gladiator "and that of NPM" (Sharma, Lawrence and Fowler, 2012, p.333). Furthermore, such service-delivery practices were generally perceived as legitimate, as they complimented societal demand for prompt execution. General society required upgraded water and sewerage infrastructure, in addition to the construction of more roads and housing. Moreover, Irish society was not too concerned about the related costs, but rather its demands for services. Thus, illuminating how the "expectations and values both inside and outside the organisations and rules in society" need to be considered in any service-delivery and management control reform decisions (ter Bogt, 2008(b), p.214).

Also, in spite of *value for money*, *accountability* and *performance management* being highlighted in Gladiator's corporate documents (pre-2008), such features (which are common to NPM principles (Hyndman and Lapsley, 2016)) did not appear to impact staff belief systems which prioritised service-delivery at any cost:

Service-delivery is *all about the money* but that is not a local authority ethos, because in the *economic boom* years this local authority was a cash rich organisation (Director of Service (2)).

Moreover, staff not only believed that their primary goal was to meet customers' demands, but also as quickly as possible, and at any cost. The CFO, for instance, explained how:

During *the good times*, there were different pressures. The pressures then were not on restructuring or for reducing costs. The main pressure then was 'how do I get a new sewerage treatment plant in a small village where someone wants to open 15 houses in 2 months'. And you had that sort of thing everywhere around the city/county. So we lost control of expenditure: demand took over from expenditure and service-delivery at any cost and as quickly as possible became the mind-set.

Additionally, there was also a mind-set that working for the public sector equates to a guaranteed job for life. Pandey (2010, p.567) state, "the social contract in public organizations emphasizes job security...", and, as explained by Director of Service (2):

There is this entitlement mentality in the organisation, the mentality and belief, that staff are entitled to a job for life.

Drawing from institutional theory, we might think of the pre-2008 *service-delivery activities at any cost* approach as constituting unquestioned and rather taken-for-granted assumptions in Gladiator. As Burns and Scapens (2000, p.8) eloquently put it, "members of the group simply take-for-granted that 'this is the way things are'". However, one of the consequences of this taken-for-granted assumption in Gladiator was that financial budgets were never really enforced and since councillor and customer demands were being met in a timely manner, it was difficult to see how such assumptions underlying service-delivery and management control would ever be altered purposefully.

In summary, the context of Gladiator prior to the 2008 financial crisis depicted minimal controls over service deliveries and finance and a widespread belief of a job-for-life and service deliveries at any cost and as quickly as possible. However, the following sections describe how embedded beliefs such as *costs don't matter* were jolted by both internal organisational and external environmental influences (see also Laughlin, 1991; Battilana *et al.*, 2009; Contrafatto and Burns, 2013).

5.3 Internal and external jolts catalysing reforms in Gladiator

Figure 5.2 below provides an overarching view (from February 2007 to November 2011) of internal and external pressures on Gladiator. They were all part of an ongoing and complex process, connected rather than autonomous. By reviewing these jolts, it reveals why and how the delivery of public services and management controls began to change at Gladiator, and thus, addressing the research questions outlined in Chapter One, Section 1.4. And, very interestingly, illuminating how the 'why' reasons were enmeshed with the 'how' processes which further enabled rather than constrained Gladiator's service-delivery and management control reforms.

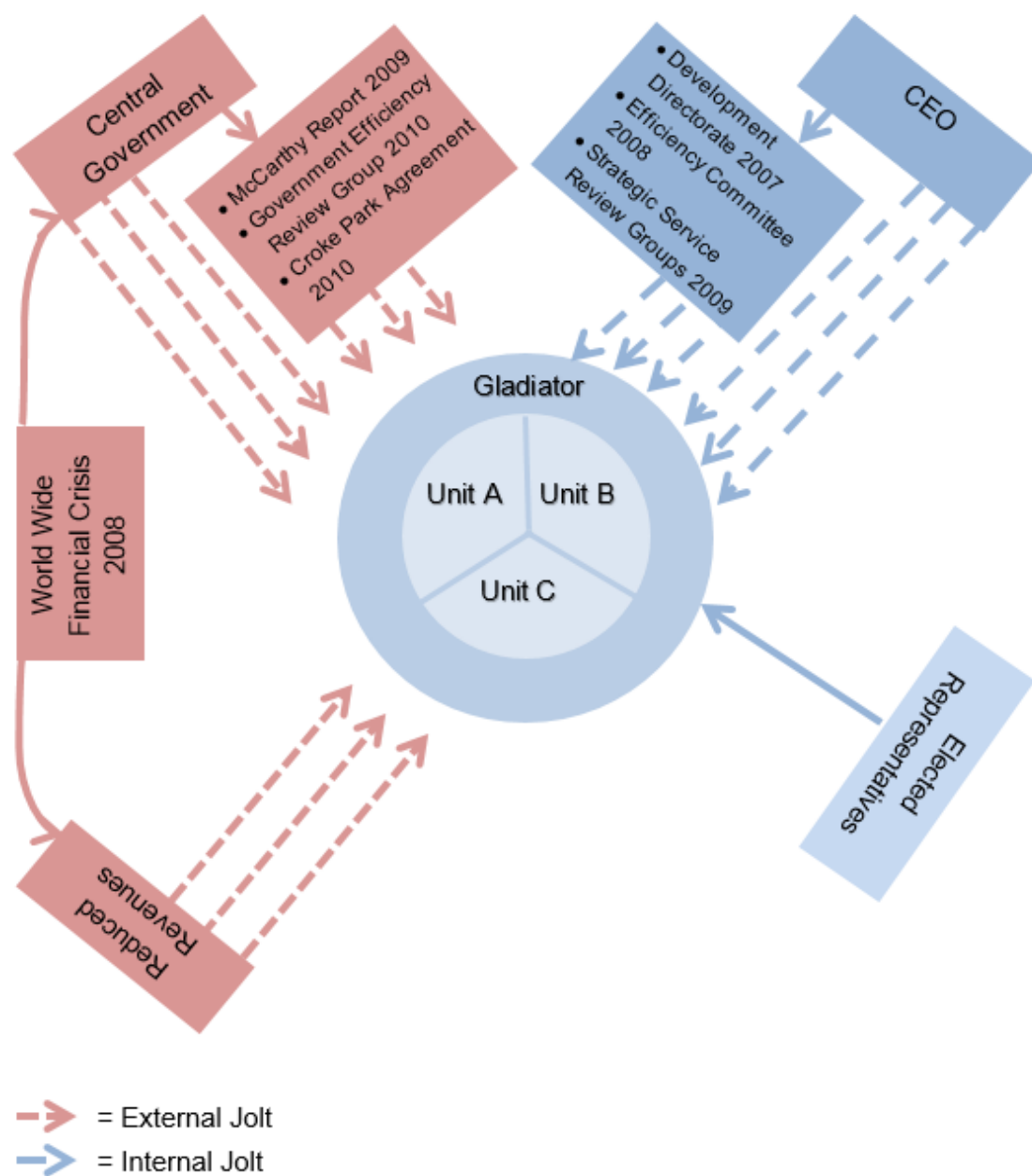


Figure 5.2 Overarching view of the external and internal jolts on Gladiator

5.3.1 Internal jolt pre-crisis

In early 2007, Gladiator appointed a new CEO as the previous CEO's term had ended. The new CEO explained, how, when he first arrived at Gladiator:

There was an enormous amount of development going on. We were at full tilt trying to keep up with this development, and getting ahead of our planning was a challenge at that time. The biggest concern I had was getting money spent and getting investment in the ground.

This was reflective of the economic climate in Ireland at the time - money was plentiful and the construction sector was booming. Nevertheless, despite this thriving external economic environment, the new CEO would become an instrumental figure for instigating and instilling service-delivery and management control reforms at Gladiator as he brought what Battilana (2006, p.667) describes as a "fresh perspective" to his job. He had the power and determination to mobilise change and amongst other things, attributed this to resource power from his position of authority, and the realisation of staff that, *following* the financial crisis (post-2008), the existing service-delivery and management practices were no longer viable:

I was relatively new, which makes it easier to change direction, I think. Being new in the door also helped, because I see things differently. Next, everybody realised that things had changed after September 2008, so I didn't have to really convince people. It was self-evident from all the messages that things had suddenly changed, and people were in a more receptive mood. Also, on the ground, there was a lot of fuzziness and racing along. And, a cohort of people realised that this can't go on. So I wasn't really coming in and changing what people were necessarily happy with, and comfortable with, or going to defend. They realised that something had to change. They might not agree with how it went, but I was there to convince them what they had at the moment wouldn't continue (CEO).

Thus, the CEO was seemingly perceived by many as a change agent who "possessed the authority, conviction and persuasion to impose the changes" (Burns and Baldvinsdottir, 2005, p.739):

The CEO has a finance background and is big into analysing the numbers. And, he is looking for a lot more stuff than the previous CEO might have done (Senior Staff Officer (1)).

The new CEO arrived at Gladiator with substantial experience having worked in the local authorities sector, at several such organisations across Ireland. Such experience underpinned his ability to relate to Gladiator's staff and shape a vision

that they were “inclined to endorse” (Battilana *et al.*, 2009, p.80). Senior Executive Officer (1) remarked:

The CEO has worked in a number of other local authorities across Ireland, and anyone with that experience has seen certain things work well, and other things that don't make sense.

The CEO explained how, particularly through his re-handling of the budget processes, he immediately began to see opportunities for change, and eventually put alternative procedures in place:

When I first arrived, I couldn't get my head around the budget. I had to rely on what the finance department was telling me. The way the whole budget process moved along I found it risky. I was used to situations where I get some sense of the figures, and can then 'see' how it is all going to pan out. But here, I couldn't believe it, each of the units (A, B, C) all operated differently. I couldn't stand over it.

He also explained how he would increasingly question certain metrics:

I found it very hard to grasp the organisation as a whole. I struggled to understand the budget presented to me during my first year of tenure. And, when I asked questions about the figures in the budget, I got three different answers from each of the three units (A, B, C). For example, with questions like 'what is our overall spend on roads?' or 'what are the total number of water treatment plants in existence?'. It appeared that the three units were following different service-delivery practices. And, I was uncertain of the accuracy of information being presented to me.

Also, there was no complete and timely management information about the performance of the organisation as a whole due to its unit organisational structure:

When the CEO asked for example how many staff were involved in road services, the individual units could not give a definitive answer, because it might be 40% of one person's time and 30% of another person's time but also not exclusively related to roads. So, the question becomes how can we manage this and how do we ensure efficiency and performance, when someone is pulled and dragged across a broad range of services. We did not know what the various services were actually costing us, and the CEO came here and said “if we can't measure it, how can we manage it” (Senior Executive Officer (1)).

“Most managers are not satisfied with the information made available to them for performance management or decision-making” (Simons, 2011 cited in Jack, 2013, p.156) and a perceived uneasiness towards the accuracy of managerial

information at Gladiator convinced the CEO of a need for reform. Accordingly, one of the first things he did was request details on how the local authority was resourced, and how its services were delivered:

Early on [the CEO] questioned the staffing and other costs needed to deliver our services – for example, in housing, water, roads and waste. What were the processes involved, and how efficient are we in terms of current operations? (Senior Executive Officer (1)).

The CEO was *co-opting* senior management and staff into Gladiator's policy and decision-making. It became apparent to him from this questioning, that there were variations in the service-deliveries and management controls across the three units (A, B, C). A regional director of services managed each unit and each unit delivered services independently from the others. Each unit interpreted the service-delivery legislation rules differently and had slightly different ways of delivering their services, illustrating different routines being in operation at each of the three units. This is consistent with Burns and Scapens (2000, p.12), "in the process of enactment and reproduction of the emerging routines, the intended rules may become modified..". An example from the housing service (see Chapter Six) illuminates this difference:

Our architects in A always applied for Part 8 planning when they were drawing up plans for extensions to houses for disabled people. After reviewing this process and the planning legislation I told them "we don't need to get Part 8, it is not a new house and it is not over 126 sq ft which requires it". But, the architects' reply was "we have always done it". It transpired that unit C also followed the same routine as unit A but unit B did not apply for Part 8 planning. After my questioning, it meant that A and C no longer had to routinely apply for planning permission so a big chunk of time was saved. I was delighted (Director of Service (1)).

This difference in each unit's approach to housing-delivery only became known when the new CEO and the newly appointed director of housing questioned it. The identification of the inconsistency between the planning legislation (rule) and architects' practice (routine) helped shape staff "consciousness and action to change the present order" (Seo and Creed, 2002, p.225). Consequently, for example, the accepted way of applying for planning permission for extensions to disabled persons houses was abandoned when the new director of housing instructed architects that this was no longer a requirement.

The second phase of the new CEO's attempt to better understand and hopefully improve service-delivery and management controls was asking senior management to pinpoint the main problems in service-delivery:

I asked the directors of services at each unit to tell me what the big burning issues were. What were the big strategic issues facing the organisation; and what was *wrong* with Gladiator? I still have the feedback there in the cupboard, and it will die with me. Asking a director or a manager to say what they think is wrong, and how it can be fixed, engages them and stops them complaining. So I gave them a chance to say what they thought. Now, if I had only got one view, I would have thought to myself that they all got together to decide a plan together. In fairness they didn't, and I actually got so many different views. I realised then that there wasn't any clarity across the management team in respect of what they wanted to do (CEO).

The CEO explained, "this was a technique I learned from one of my previous managers". He was drawing from his 'stock of knowledge' (Giddens, 1984; Burns and Scapens 2000). Through his questioning, the CEO was subtly and, gradually eroding the existing interpretive schemes at Gladiator (see Laughlin, 1991, p.227). Senior management were now conscious of the inefficiencies in their service deliveries and management control practices because the CEO had brought Gladiator's problems (contradictions) out into the open.

Thus, in the initial stages, the CEO involved senior managers and directors in the reform of Gladiator's service-delivery and management control practices. The next section investigates further into the individual efforts and actions specifically of the CEO to create a vision of a need for change in Gladiator's delivery of public services and management control practices (see Figure 5.3) including his dealing with various challenges along the way.

The Development Directorate (DD) and Efficiency Committee (EC) driven by a desire to achieve efficiency improvements in Gladiator's delivery of public services, happened before the financial crisis of September 2008. The Strategic Service Review Groups (SSRGs) came about because of the financial crisis and the resulting slowdown of economic activity (i.e. declining revenues), in-conjunction with the Irish central government's austerity pressures. These strategic tactics were ongoing during Gladiator's reform process and are discussed in the following sections.

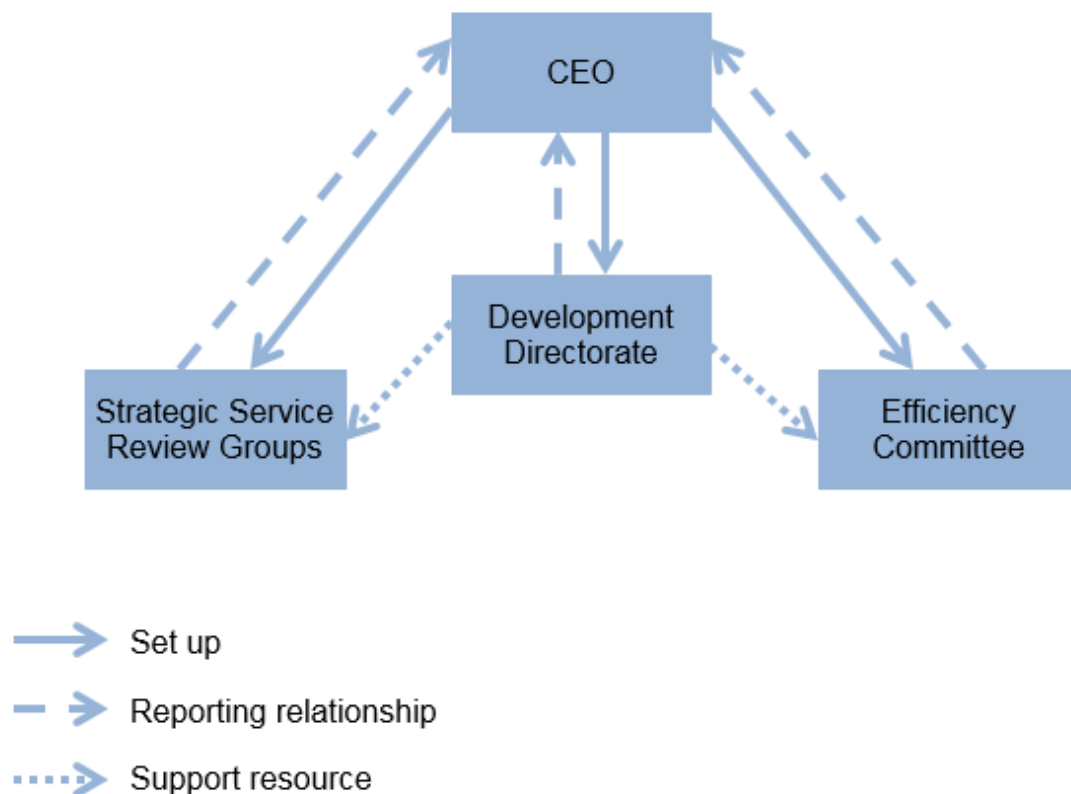


Figure 5.3 CEO's strategic reform tactics

The main driver of reform in Gladiator (post September 2008) became budgetary stress. ter Bogt (2008(a)) highlighted similar findings where he found budgetary deficits in the 1980's to be the main reasons for management control reforms in Dutch local authorities. In Gladiator, both the internal and external change jolts were intertwined and supportive of each other. Each of the strategic tactics in Figure 5.3 formed part of the *why* and *how*, Gladiator, predominantly, through the *entrepreneurship* of the new CEO, reformed its delivery of public services and management controls.

5.3.1.1 Internal strategic tactic (1) - DD

The CEO established a DD in 2007, the overriding role of which was to:

Deal with change really; to progress the whole change agenda, and, to look at the whole area of performance management (Director of Service (1)).

In essence, DD was a support department to the other existing units A, B, and C in terms of trying to manage their performance and seeking alternative ways to improve operational efficiencies:

DD was set up as a dedicated resource that would work with the other directorates in terms of generating ideas and being a fresh pair of eyes in terms of how to do things (Senior Executive Officer (1)).

The DD was only a relatively small department, comprising a director and one other senior executive officer, whose remit was to seek efficiency improvements. This reflects the sentiment of NPM literature, which “often suggests that an important explanation for changing the control of government organisations is the desire to improve performance, that is, to increase economic efficiency and effectiveness” (Sharma *et al.*, 2014, p.192). DD, in particular, was central to the processes of reforms in the delivery of services and use of management controls. In particular, DD had no specific allegiance to the traditional practices for service-delivery and had enthusiasm to explore alternative new ways:

The directors of services (units A, B and C) could be doing things ‘right’ but are they doing the ‘right things’? That’s where the benefit of an independent department can come in, with no hidden agenda or axe to grind. There is value to such a facility and resource in the organisation, and that was why the DD was set up (Senior Executive Officer (1)).

Thus, it was “central to the process through which new ways could be carved out” (Sharma *et al.*, 2014, p.206).

The main recommendation of DD was the centralisation of service-delivery (see Section 5.4, below for more detail). This was intended to ensure that services were delivered according to the same rules rather than by different variations of the same rule:

The units were doing a ‘jack of all trades’ for everyone. They were doing everything, but no one really knew what they were doing. The DD suggested a centralised function, managed by one director, as a solution to this (CFO).

This new ‘standardisation’ approach mirrors similarities with Alvesson and Kärreman’s (2004, p.429) case study, Global, whose “organisational dimension of control is characterised by a fine-tuned *hierarchy, standardised work procedures, output measurements and the HRM system*”. It is also one of the

doctrinal components of NPM reflecting a *corporatized style* “with detailed service-wide rules, common service provision in key areas of operation, detailed central control of pay bargaining and staffing levels” (Hood, 1995, p.97).

5.3.1.2 Internal strategic tactic (2) - EC

In February 2008, the CEO went a stage further in his *efficiency agenda* by establishing an EC. Such a committee had already existed, since 2003, with a dual responsibility for internal control and efficiency. However, the CEO separated the functions and gave responsibility for internal control to the Internal Audit Department. This strategic move by the CEO consequently freed up the EC to focus solely on efficiency matters, and demonstrates what Burns and Scapens (2000, p.18) referred to as intentional change by the CEO, that is, change which “occurs by conscious design.....through the actions of a powerful individual...”.

The EC was a part-time committee that met monthly. Its appointments were over a three-year period and the retirement of members was on a rotational basis. Having said that, special arrangements applied in relation to the retirement of the committee’s inaugural members. The projects officer was a member of the EC and acted as secretary. He was the senior executive officer who also sat on the DD:

The projects officer sits on the EC but he is the common link because he is also the person who heads up the DD section (Senior Executive Officer (1)).

EC’s primary role was to review, and advise the CEO and senior management of the levels of efficiency and effectiveness around the organisation²⁹. Its typical tasks included examination of any business process improvement reviews and/or review expenditures, for example in relation to phone bills or documentation storage. As Senior Executive Officer (1) puts it, EC’s main role was to:

Identify processes and *projects* that would be worthy of a review, and then to prioritise which projects actually get done.

The CEO appointed all EC members, twelve in total and its chairperson. Members were drawn from senior and middle management staff levels from

²⁹ Internal document- title not revealed for confidentiality purposes.

across the whole organisation. The CEO filled the EC with members he was confident would agree on organisational issues that he believed needed to be examined. It was suggested by some that a more random committee composition, drawing from the management level would less likely have reached agreement on what should be reviewed, as multiple agendas would have got in the way:

From the management's perspective, if the CEO had put a team of directors and seniors into this, he'd never have reached agreement, never (Senior Executive Officer (3)).

Each EC member was required to think about the raised issues from the local authority's perspective, not the perspective of their unit (A, B, C). The committee worked closely with the DD, promoting the efficiency agenda throughout the whole of the local authority.

So EC was set up to identify areas across the organisation where efficiency reviews would be worthwhile and maybe should be carried out while the DD provided the resource of a senior executive officer's time to carry out such efficiency reviews (Senior Executive Officer (1)).

However, the urgency for these efficiency reviews to be completed was made ever more critical, in September 2008, when a worldwide financial crisis struck.

5.3.2 External jolts – worldwide financial crisis and central government funding cuts

In September 2008, Gladiator felt a major jolt in the shape of a worldwide financial crisis. Its impact was first borne out in the collapse of the Irish construction industry, alongside reduced bank lending and a fall in Irish tax receipts. The Irish central government consequently came under pressure to reduce public expenditure and public sector staff numbers. This coercive pressure stemming from the regulatory expenditure rules pressured central government to slash the funding it was giving Irish local authorities by 24% (Department of Finance, 2009). Consistent with DiMaggio and Powell's (1983, p.150) comments of "in some circumstances, organisational change is a direct response to government mandate.." and because Gladiator was/is dependent on Irish central government for part of its finance it had to accordingly comply with its expenditure rules.

Simultaneously, the financial crisis had a direct knock on effect on Gladiator's own revenue streams, one such example was decreased rates intake due to businesses going out of operation. It became very evident to all Gladiator staff that the local authority was struggling for cash as was highlighted by its CEO:

Cost is now a major pressure because the money has dried up.

The CFO explained:

Pre-2008 pressure was about responding to the delivery of service. You did not have time to say "hang on a second could we deliver this better, or cheaper, or even did it matter?". Efficiency never was our priority, which was indicative of the prices being charged. It was also indicative of what was happening across the whole country, and the way that we had lost the run of ourselves.

These quotes signal how management financial controls and economic efficiency were not being strictly adhered to prior to 2008 and is similar to Sharma *et al's*, (2014, p.200) case study of a telecommunications organisation where "costs mattered little". Burns and Baldvinsdottir (2005, p.732) also illustrated similar findings in a UK-based manufacturing pharmaceuticals company revealing, "a culture of money didn't matter".

In trying to handle the new financial extremes, the Irish central government established an advisory committee on 'Public Sector Numbers and Expenditure Programmes' (PSNEP), the remit of which was to give advice on areas where public expenditure could be reduced. Established in 2008, the PSNEP was formed from a realisation that government finances had become reliant upon a credit-fuelled and speculative property boom, which no longer existed.

While these cost-cutting actions were taking place external to Gladiator, internally Gladiator's CEO was continuing to drive his efficiency agenda, highlighting how the internal and external dynamic processes of reform were interwoven and continuous. According to some at Gladiator, their CEO was a visionary:

The CEO could see what was coming down the line, if he didn't restructure the organisation, and look for efficiencies, it would be imposed on us instead by the Department of Environment (Senior Executive Officer (1)).

I think what drove the CEO to implement change was that if we don't reorganise ourselves, the government will just send somebody else who will do it for us (Director of Service (2)).

5.3.2.1 Internal strategic tactic (3) - Strategic Service Reviews and SSRGs

At the start of 2009, the DD project officer with four newly assigned staff members were commissioned by the CEO with the task of carrying out four strategic service-delivery and management reviews (SSRs), focused on each of its core services - waste, housing, water and roads. At this stage not all the services listed in Table 5.1 were reviewed. In the context of an economic crisis, the aim of the SSRs was "to develop the most economic, efficient and effective management structures for service-delivery" (Source: Internal document³⁰, 2009). The term SSRs quite soon became a familiar part of the day-to-day discourse in Gladiator, as one interviewee explained:

We've come up with the term Strategic Service Reviews (SSRs) ourselves. The word strategic is in there because we're hoping that the structures that we develop will serve us into the future. We're looking forward, strategically, so they should be *best* for the organisation, but not just for 2010, or 2011, or 2012. Hopefully they'll be best all the way into the future like 2015 or 2020 (Senior Executive Officer (1)).

The SSRs were monitored by four new SSRGs (i.e. Waste, Housing, Water, Roads). The latter comprised of senior managers each of whom were again appointed by the CEO. The CEO placed individuals who were in support of reform with staff members who were indifferent or opposed to the service-delivery change at Gladiator. By doing this, staff who were resistant to service-delivery reform at Gladiator would find it hard to stand up against other senior management colleagues who were in support of the changes. One senior executive officer explained how the forming of SSRGs was very intentional and calculated by the CEO, rather than some *creative* innovation:

I don't think creative thinking is the right way of putting it. Again, I suppose in any management team scenario you're going to have people who are supportive of change, you're going to have people who are perhaps totally resistant to it, and you might have people that are somewhere in between, that one might regard as possible blockers who are more intent in protecting their own patch. They might not be visibly opposed to the change but you might have what you might call

³⁰ Internal document title withheld for confidentiality purposes.

passive resistance. They are giving all the signals that they're in agreement with things but in reality they're actually doing nothing at all to actually make it happen. So they're nodding in agreement with the CEO, that yes CEO we should be doing this, but in actual fact they're not doing a whole lot to make it happen (Senior Executive Officer (1)).

The *entrepreneurship* of the CEO was a pertinent illustration of what Hardy (1996) referred to as 'the mobilisation of power over decision-making'. The CEO recognised "that interests and grievances might not be articulated, remaining outside the formal decision-making arena, and...that conflict could exist even if it was not directly observable" (Hardy, 1996, p.S7). The calculative choice over who comprised such important decision-making groups was further highlighted by Senior Executive Officer (1):

So you have people who are very proactive compared to the people who are passively resistant and visibly resistant and then all shades and colours in between. I would say that in terms of these groupings there's a certain element of selection where the people that may be somewhat resistant are put into these groups where they have some say but at the same time they're counteracted or maybe outnumbered by people who would be more positive and more disposed to change. So it eventually *forces* them into a situation where they're brought along with the tide. There *is* an element of that.

Once the SSRGs were established, the DD review team set out to understand and improve the existing structures and everyday practices for delivering services. For example, if a staff member was involved in processing housing grants, the DD team examined how many grants were received annually in 2005 to 2009 and what were the numbers of staff involved in that task. This could have shown that grant volumes had gone down but staff numbers remained the same.

The DD team also worked very closely with a senior accountant to gather staff costs and view how payroll costs were allocated out to the three various units (A, B, C). Senior Executive Officer (1) described how the SSRs were based on data, which helped legitimise our actions to staff. They had to be based "on some sort of (defensible) principles and priorities" (Pollitt, 2010, p.29). Thus, emphasising how accounting had become "part of the institutional framework within and through which public services" were "now delivered" (Humphrey and Miller, 2012, p.306).

We knew that down the line, if we came up with a new structure, one of the first things people would ask was how we made that decision, or how did we work out the number of staff each service should have. So we had to bring things back to numbers (Senior Executive Officer (1)).

Lockett, Wright and Wild (2015, p.80) highlighted similar characteristics in their study of UK universities illustrating “the potentially central role that metrics can play in the establishment of a new institution”. And, in this respect, management accounting information was particularly relevant for providing visibility to the reasons for service-delivery and management control reforms as they helped to “identify and ex-ante legitimise such a need” (Hiebl, 2018, p.28).

In summary, the overall objective of the SSRs, carried out by DD, was to re-develop delivery methods to ensure high quality services in, for example, waste, housing, water, roads at the lowest possible cost (Source: Internal organisation document, 2009). Once completed, the DD team would then report its findings to the SSRGs and EC. So respectively, DD, EC and SSRGs were central to the process by which new ways of service-delivery and management controls would be designed and implemented in Gladiator. The SSRs were further strengthened by their project charter, CEO’s letter and a variety of staff involvement.

Each project charter was signed off on by each respective SSRG. It communicated what was within the SSRs scope and, possibly even more importantly, what was *not* within its scope. By having clear guidelines, the impression of objectivity was created. The project charter also communicated *why* the service review was required,

The project charter summarised what the need for change was, in other words why are we doing this at all, what’s the driving force? And the driving force for those service reviews was the loss of staff, the reduction of staff numbers, the pressures in budgets and the likely reduction of staff into the future and the need to look at things completely afresh and you know take a clean sheet approach to it (Senior Executive Officer (1)).

The project charter was facilitating the CEO “develop a vision that frames a change project (1) in terms of the problem it helps to resolve; (2) as preferred to existing arrangements; and (3) as motivated by compelling reasons” (Battilana *et*

al., 2009, p.79). The project charter also set out the post review organisations goals - for example, a new service-delivery and management control structure, with clear roles and responsibilities for all positions in the new service structure. This was effectively an outline of the *to be* vision of service-delivery in Gladiator. The project charter document was only one page in length and was deemed simple but *effective* for conveying at a glance: (1) the purpose of the reviews; (2) what the reviews aimed to achieve; and (3) the reviews' remit.

A further part of the CEO's *entrepreneurship* was in how he wrote a letter, in June 2009, to all the staff, outlining how "the purpose of the reviews - in the context of the current economic conditions, in particular - is to develop the most efficient and effective service-delivery structure for each of these key service areas" (Source: CEO letter, 2009). The CEO stressed to staff how their input and cooperation was invaluable to the review process, helping to ensure that best service-delivery and management control structures were put in place. Thus, the CEO's letter reinforced the importance of staff commitment to organisational reforms in the management of controls and delivery of public services at Gladiator:

There is nothing to beat a letter from the CEO informing all staff of what is ahead, in this case, the service-delivery and management reviews; and highlighting the *need* for change and the need for staff participation and cooperation (Senior Executive Officer (1)).

Communication from senior management to less senior staff was also critical to the SSRs process, as were the information gathering interviews with these less senior staff. Less senior staff were an essential input to the SSRs because they knew the everyday workings of service-delivery and management at Gladiator. The SSRs enhancers were informing staff about the change, its reasons and values, thus, staff "were involved in what was happening" (Yazdifar, 2013, p.199) so it would make reform smoother. While the internal SSRs were in progress (completed in late 2010), externally, the McCarthy Report, LGERG and Croke Park Agreement were also in motion.

5.3.3 External jolts – McCarthy Report, Local Government Efficiency Review Group and Croke Park Agreement

In July 2009, the PSNEP committee published a report entitled the “McCarthy Report” which was given the name *An Bord Snip Nua* by the Irish media, because it recommended cutting (i.e. snip) public sector spending and staff numbers. Moreover, this threat of job losses came on top of a general pay cut already imposed on public sector employees by the Irish central government. An Administrative Staff Officer explained:

Staff are now fearful for their jobs because it had always been the case that your job was the one thing you didn't have to worry about (Administrative Staff Officer).

In December 2009, the Irish central government then established a LGERG to undertake a review of the cost base and staff numbers in Irish local authorities. Their report in 2010 outlined a number of recommendations, most of which were efficiency-grounded recommendations for Irish local authorities. In addition, this report specifically highlighted that there were too many senior and middle managers in Irish local authorities. Then based on the findings in both the *An Bord Snip Nua* report and the LGERG report, the Croke Park Agreement was signed in June 2010.

In essence, the Croke Park Agreement was an agreement between the government and public sector unions. It was signed against a backdrop of private-sector pay cuts and layoffs; and a need for greater efficiency in local authority service-delivery. However, according to the terms, central government guaranteed that no further pay or pension cuts, or compulsory redundancies, would be enforced. Additionally, there were to be restrictions and safeguards against changing work practices. There would also be more consultation and greater union involvement when changes in public sector management were being proposed, as well as further protection against outsourcing any in-house operations. Moreover, independent, but binding, third party adjudication on disagreements would be adhered to. In return for such government guarantees, public sector staff promised no industrial action, and agreed to cooperate with wide-scale government reform that were intended to reduce cost and headcount but also deliver more efficiencies, flexibility and job redeployment. The Croke

Park Agreement communicated the seriousness of the financial crisis in Ireland, signalling a need for change and presenting levers for change for the Irish central government, as conveyed by a member of staff at Gladiator:

Salary cuts and the Croke Park Agreement signalled the significance of the economic crisis to us, and that our taken-for-granted *job security* mentality had come to be threatened (Administrative Staff Officer).

Scott (2014, p.63) argued, “to confront a system of rules backed by the machinery of enforcement is to experience, at one extreme, fear, dread, and guilt...”. Interestingly, and as will be seen later in Housing (see Chapter Six), staff fears of redundancies made openings for service-delivery and management reform in Gladiator. However, these findings are in contrast to Powell (1991, p.194) who contended that any attempt to change existing routines are often resisted as they threaten individuals’ sense of security.

Thus, post-2008, due to the external jolts staff were aware of Gladiator’s budgetary stress:

Our staff knew times had changed and that we did not have enough money (CFO).

This staff realisation put reform of its management control practices into motion:

So we had to change the way we ‘sang’, we now controlled our expenditures, and I hope that going forward we would retain that control. I think it is something that takes a while. It requires staff attitudes to change and accept expenditures must be controlled. Because if you don’t change your attitude, you lose that expenditure control again (CFO).

Similar findings were found by Dent (1986) when he traced changes in European Railways (ER). He traced the “way the railway culture, one of the central elements in the interpretive schemes, changed from what he called a ‘railway culture’³¹, to a new cultural base whereby the commercial, financial and accounting concerns became dominant” (Laughlin, 1991, p.226). This major shift in ER’s taken-for-granted assumptions was ruptured (Burns and Scapens, 2000) by harsh

³¹ ‘Railway culture’ means that “the purpose of the railway was to run trains. In doing so, financial considerations were secondary” (Dent, 1986, p.27).

government “policies in all areas of private and public endeavour” (Dent, 1986, p.27). This echoes similarity to the findings in Gladiator above.

5.3.4 Findings of the strategic service reviews

In November 2010, the final report compiled by DD which documented all of the findings of the SSRs acknowledged that while the previous service-delivery model served the local authority well, inefficiencies were also revealed in both service related structures and processes [Source: Internal document³²].

Table 5.2 SSRs findings

<i>SSRs findings</i>
Different reporting structures and operational practices
Staff roles and responsibilities were not clearly defined

The two main findings from the SSRs as set out in Table 5.2 were as follows: different reporting structures and operational practices were evident across the three geographic units (A, B, C) in Gladiator. According to one director of service “the three different ways of delivering services at units A, B and C, seemed to create a mind-view with bad habits”. This is further explained by Senior Executive Officer (2) who outlined the ramification of such differences, for example, in housing:

So, we could have two tenants who are in similar accommodations, but they are paying different rents based on different rent schemes, even though everyone is governed by the same legislation. At one point, we had twelve slightly different rent schemes.

This is an example of how “in the process of routinisation, previously formulated rules may become modified as the group locates mutually acceptable ways of implementing them” (Burns and Scapens, 2000, p.6). The SSRs facilitated “the catching-up of underlying technical inefficiencies that have been masked over the

³² Internal document title withheld for confidentiality purposes.

years by virtue of conforming to the prevailing institutional arrangements at a particular time and space” (Burns and Baldvinsdottir, 2005, p.729).

Furthermore, staff roles and responsibilities were not clearly defined. Individual staff were regularly found to be involved in the delivery of multiple services (e.g. delivery of water, roads *and/or* housing) and, according to some interviewees’ this jack-of-all-trades situation was not necessarily seen in a positive light:

How do you manage, and how do you ensure efficiency, and performance, and so on when somebody is pulled and dragged across a broad range of services? These were the big concerns that we came across when we did the reviews (Senior Executive Officer (1)).

Thus, the findings of the SSRs helped make explicit the weaknesses/inconsistencies of the existing service structures and this awareness incited reflection and questioning of fundamental (institutional) service-delivery logics by senior management. The next section presents the dynamics of implementing a new service-delivery and management control structure at Gladiator, and thus, continuing to address *how* Gladiator handled reforms in its delivery of services and management controls that strove to achieve greater efficiencies during a time of austerity.

5.4 The *how* dynamics of implementing new delivery of services and management control practices

The DD project officer and his team were tasked with deciding how the business units (for example, Figure 6.1, Chapter Six) in each service (i.e. waste, housing, water and roads) should begin to interact with each other post-transformation. They also had responsibility to identify and document each of the services’ core objectives, staff roles, responsibilities, key performance indicators, and targets. These responsibilities are in line with NPM practices outlined in Hyndman and Lapsley, (2016). In so doing, DD reviewed the organisation structures of other local authorities and state agencies, and even private sector organisations such as hotels and airlines. Because, “there is reassurance if not actual safety in numbers, and in the absence of a compelling reason to strike out on their own, organisations do what others are doing” (Carruthers, 1995, p.317).

We looked at how other State Agencies were structured, to see could we learn something new from it. Doesn't necessarily mean it's the ideal way of structuring an organisation either. So we made a conscious effort to look beyond that again and even look at the likes of ordinary private companies, hotels, airlines and so on, how they're structured and how they operate. Because if you look at how the hotels are structured, the airlines and so on, you'll learn something new from each of them (Senior Executive (1)).

They reviewed strategy and annual reports, searched online as well as visiting some private companies. One of the main consequences of this external benchmarking was a decision to appoint a single service decision maker for each service. There would no longer be three geographic unit deliveries of services. As Senior Executive Officer (1) explained:

Now that's a big departure here. Where you once had three different geographic units (A, B and C), each having their own responsibilities for their own units, and now the organisation is moving towards a situation of one central service decision maker (Senior Executive Officer (1)).

Another new organisational principle suggested from the DD SSRs was the elimination of multi-functional staff roles. Staff would no longer be spread across various services such as waste, housing, roads and water but instead focus on the delivery of one service only. This represents a radical change to staff roles and routines, and will be explained in the housing service (see Section 6.3.2, Chapter Six).

DD members addressed four SSR reports (i.e. waste, housing, water and roads) to the four SSRGs (comprised of senior management) outlining its advice and recommendations in terms of what could be done in terms of improving its delivery of its services and management controls. It is important to stress that DD's role was advisory, and that it held no power with regard to enforcing its suggestions for service-delivery reforms:

We can't hold a gun to a director's head and say you must do it this way, or you must do it that way. The process owner is the person who has ultimate responsibility for the process. They are free to consider our report and take it on board, or dismiss it, or, maybe elements are taken on board, or elements are put on hold for a while (DD Project Officer).

The DD then presented the four SSR reports findings and suggestions to EC. Moreover, as senior managers had been common to both the SSRGs and EC, it would have been hard for them to argue with the findings:

Senior staff were involved in the drawing up of the new structure through the SSRGs. So they would not go against their own structure. Staff were part of the change process from the start, so it wasn't suddenly one morning they were told this is what is happening - it was a gradual process that started a couple of years ago really (Director of Service (1)).

Consistent with this, Tessier and Otley (2012, p.796) found “the fact that control users participated in the initial phase of development, led to the implementation of accepted controls”.

The recommendations were sanctioned by the CEO and councillors, effectively representing new rules which underpinned the intended new service-delivery and management control practices at Gladiator. However, the new staff roles and service-delivery designs and controls would also require the active support of the directors of services and their managers³³ to be implemented successfully.

5.4.1 Breaking established mind-sets

Therefore, drawing on his formal authority as head of the organisation, the CEO set about instructing the directors and senior managers that it was their responsibility to ensure that the new service structures and management control practices were implemented (see Chapter Six, Housing). Therefore, the CEO strove to have the historical business assumptions re-orientated towards cost-efficiency and effective management - the reasons cited by many organisations for introducing NPM practices (ter Bogt, 2008(a)). However, DiMaggio and Powell (1983, p.147) argued “today,.. structural change in organisations seems less and less driven by competitiveness or by the need for efficiency”. They contend that organisation mimicry and a desire to comply with external rules and regulations are drivers of organisational change. Nevertheless, ter Bogt's (2008(a)) research

³³ Managers are akin to senior executive officers of each function in a service, for example, see Chapter Six, Housing, Figure 6.1.

findings in Dutch local authorities indicates that efficiency and effectiveness will continue into the future as pushers of organisational reform.

Consequently, the directors of services and senior managers were quite instrumental in shaping the new processes of service-delivery, which were intended to become the new and generally accepted approach in Gladiator. The CEO pressed, “The new director of each of the functions is to ensure that change happens”. Senior Executive Officer (2) also remarked how he remembered the CEO making it clear in his early days that the directors and senior managers did the jobs they were paid for. He recalled the CEO saying to senior members:

Make no doubt about it, you are going to be tested in the next few years, not the staff downstairs. Your management skills are going to be tested. If you can't manage, then it will fall apart and we will quickly see criticism from the councillors. So, you have to manage and you have to be prepared to manage (Senior Executive Officer (2) citing the words of CEO).

Having received such instructions from the CEO, the senior managers then had to consider *how* they would approach making sure that staff in Gladiator would embrace or accept, and implement the enforced change. Figure 5.4 illuminates factors utilised by senior staff to instil reform acceptance in Gladiator's lower level staff.



Figure 5.4 Factors utilised by senior management to achieve staff acceptance

They referred to the Croke Park Agreement for nurturing staff buy-in to the reforms, as the CFO explained:

We will absolutely listen to suggestions from staff where they think we may be doing it incorrectly but most of this restructuring is done with a lot of thought and a lot of evaluation. We are effectively using the Croke Park Agreement as the driving mechanism and saying “Well, the Croke Park Agreement says we have to do this”, and so we are doing it.

The Croke Park Agreement legitimised the restructuring actions taken by senior management at Gladiator helping them increase their survival prospects. This resonates with Meyer and Rowan’s (1991, p.41) argument that organisations are forced to adopt new practices and procedures to increase their legitimacy and survival prospects.

A sense of urgency was also created by senior managers by drawing on the financial crisis and austerity pressures:

My opinion is in terms of change management if there isn’t an urgency, you know, forget it. The urgency was there but then I always find the implementation comes along then and if you don’t create that urgency as well with the implementation you are lost. You have got to just keep driving it (Director of Service (1)).

For instance, ter Bogt (2008(b), p.230) discovered in Dutch local governments that “the change processes will take quite some time, especially if the persons involved do not feel an urgent need for radical changes”. In addition, Kotter (1995) found over 50% of companies transformation efforts failing because they did not create enough of a sense of urgency to reform themselves into more competitive organisations, thus, illustrating the importance of a sense of urgency in reforms.

In addition, Administrative Staff Officer explained how staff awareness of the external factors (i.e. financial crisis) also helped management in their efforts to gain staff acceptance of service-delivery reforms:

Well the good thing from the management point of view was that people were losing their jobs right left and centre outside of Gladiator and the pension levy had been cut in Gladiator, there is so much going on and that is why people accepted the changes, they don’t like it but they were scared for their jobs.

As well, Director of Service (2) described how staff acceptance of the service-delivery changes was further achieved by:

Constantly talking with staff and telling them these were the roles and duties which were there. I would have done this with each of them on a number of occasions. I then reinforced this is the way we're doing things now. This is how the organisation is set up. There is no going back, the money has dried up and we have less resources.

Director of Service (2) also explained, "I kept shoving that message down their throats until they got it". The above evidence reflects verbal repetition of the new rules and routines at Gladiator, which would eventually impact on its existing ways of thinking and doing. Thus, illustrating what Burns and Scapens, (2000, p.12) refer to as "existing routines and institutions".

The service reforms were also further promoted by an Organisational Partnership Committee (OPC). OPC was a national initiative, introduced to the Irish public sector in 2001, where representatives of local authority management and unions met on a quarterly basis. The CEO of Gladiator attended two of the four yearly meetings, and he was permitted to signal any future plans within the organisation. Equally, however, this setting also allowed union representatives and local authority staff members to flag any areas that warranted immediate management attention.

The OPC is a two way communications process, it is all about communication. It gets the message out in good time, that change is on the way and that reviews 'are' on the way; and all that helps. It helps to ensure that people are open to the changes, and that unions are aware of the changes at an early stage. The last thing you want is unions hearing about it at the last minute and then feeling they were excluded from the process, or that their role was not recognised or acknowledged (Senior Executive Officer (1)).

This is in line with earlier research, which found that a reform process tends to be smoother when it is facilitated by clear communication (Contrafatto and Burns, 2013).

So far, this chapter has covered the complexities of the processes (why and how) leading up to and implementing reform in Gladiators services. As this research is examining reforms in service deliveries and management controls, the following sections present the consequences of service-delivery reforms on Gladiator's

budgeting practices. Public budgeting represents public sector organisations' planning, control and accountability structures (Johansson and Siverbo, 2014) and budgets are effectively Gladiator's financial management control practice. Again, let's reiterate, that management control, in this thesis, is viewed in its broad sense. It is concerned with a manager's ability to monitor and focus "worker behaviour, output and/or the minds of employees" on its organisation's objectives via technical (i.e. formal) and, socio-ideological (i.e. informal) controls (Alvesson and Kärreman, 2004, p.424). Thus, it is about ensuring someone does what they are supposed to do (Macintosh and Quattrone, 2010), in effect, influencing individuals' behaviours (Agyemang and Broadbent, 2015), of which budgets are intertwined. The following sections deal with Gladiator's budgeting practices pre and post 2008 as this helps highlight and explain why and how budget practices evolved as they did, through time, and within Gladiator (Burns, 2000). While also continuing to address the two research questions outlined in Chapter One, Section 1.4.

5.5 Budget preparation and approval – pre-2008

This section presents Gladiator's budget setting and control practices pre-2008. Gladiator was (and is) required by legislation (Local Government Act, 2001) to prepare budgets. The annual budget setting process was a taken-for-granted routine at Gladiator as it was a statutory duty to present a budget to the councillors (Senior Accountant (3)). Senior Accountant (3) further explained:

If you don't give out budgets to keep within, then your cashflow will actually run into trouble.

Pre-2008, the budget preparation process was conducted from September to December, each year. It was viewed as an integral part of the management control process, involving the input of mostly middle management in the Finance section of each of the three units (A, B, C). Budgeting in Gladiator was shaped by statutory guidelines issued by the central government. The latter were written and formalised guidelines, originally issued to all Irish local authorities in 1976. The CFO explained:

First and foremost we do our budget because it is a statutory requirement to do so. We must produce an annual budget that *balances* and delivers services at the local level. This is subject to a political process, going through the rigours, and includes setting the

charges to be paid by our customers. So we are accountable and responsible to the extent that we must comply with the government's statutory requirements and also produce a budget that is acceptable to the elected council, who ultimately have to approve the budget and, at the same time, have to set customer charges that are both reasonable and acceptable. And that is the primary purpose of the budget.

The relationship described here between Gladiator and Ireland's central government resonates strongly with DiMaggio and Powell's (1983, p.150) notion of *coercive pressure* which "results from both formal and informal pressures exerted on organizations by other organizations upon which they are dependent and by cultural expectations in the society within which organizations function".

Traditionally, the budget information was produced by the finance managers at each of the three units (A, B, C) as opposed to being centralised and prepared by the senior accountant in the support Finance Department. Senior Accountant (3) met regularly and separately with each of the three unit's budget team members to discuss their budgets. Budgets at the three units were underpinned by dominant routines and beliefs that the budgets were akin to their *wish lists* and this was the *prevailing way of thinking* in Gladiator:

Originally, we would send out budgets to the three units and say, "this is the budget you had for 20XX. This is how much you've spent to date so how much do you want for 20XX based on what you have already and are there any other projects down the line that you'd like to do if you had the money". So they would send in their *wish list*, let's call it. So then the CFO would decide whether the funding was available and whether they will get the funding requested or not (Senior Staff Officer (3)).

Once the CFO approved the prepared unit's budgets, they were then approved at each of the three unit council meetings (A, B, C) in November of each year. With approval of the units' budgets, the senior accountant aggregated all three budgets to obtain an organisational budget for the local authority. This overall budget would then be approved at the full council budget meeting (i.e. comprising all councillors) in December of each year. For the most part, the councillors passed the budgets.

If the requested budgets were approved, it signalled, in the eyes of the units, legitimacy for their spending plans. In addition, even if the budgets allocated were reduced, budget holders still spent what they initially requested:

Even if we reduced a budget holder's budget what was their reaction? In the past, some of their reaction was I will spend it anyway or I will overspend. In the good times we allowed an element of overspend at local level and some discretion because we assumed they were doing the right thing (CFO).

This highlights how budget expenditure rules were not adhered to at Gladiator and again further reflected in the comment below:

Budget items were considered to be ongoing costs and they were not questioned (CFO).

The next section presents why embedded, traditional budget preparation and approval routines were challenged.

5.6 Budget preparation and approval – post-2008

The events, which catalysed the service-delivery restructuring at Gladiator (see Section 5.3 earlier) also effected changes in the budget setting and approval process, namely, (i) the arrival of a new CEO, (ii) a downturn in the global economy and (iii) the new CEO's move towards centralised services. Starting in 2009, the three units ceased to prepare individual unit budgets. Instead, a single organisation budget was prepared centrally by the Finance Department. Although, the CFO and Senior Accountant (3) - before the arrival of the new CEO - had spoken about centralising the budgeting process, they thought:

The councillors will never go for a centralized budget but then with the arrival of the new CEO and with the national level changes to refuse and water and because everything seemed to be changing, the CEO's budget process change was taken on-board as well (Senior Accountant (3)).

The new CEO reinforced the senior accountant's perspective about change by saying:

It is harder to change things the longer you are in an organisation, the longer you are there, the harder it is to achieve change and the less you change, it's a terrible thing to say, but that is what happens. Being new to the organisation helps (CEO).

Battilana (2006) also concurs with the CEO's sentiments as she contends that it has been shown that the longer the duration of an individual's tenure at an organisation the less likely they are to conduct divergent change. She argues that new managers bring fresh perspectives to their tasks. Thus, allowing them to introduce divergent change compared to managers with a long tenure in the organisation. The CEO articulated how the changes in the budget setting processes were not something a lot of thought went into. Speaking as someone with considerable power, the CEO recalled how:

I said to myself I can't live with the existing budget process and when I think about it now it was probably because I knew less and less about it. It was not a structure that you could manage but it was a facility that had kept everybody happy.

In a related way, the traditional budgeting process at the units was not completely transparent, according to the CEO, who remarked:

There was certainly a lot of loose money out in the divisions. We had some hint of that alright. There was a sense that the divisions had their own money, I knew they had money which we didn't know about.

Similarly, Director of Service (2) added that:

People in the divisions were squirrelling money away (Director of Service (2)).

A lack of clarity in the budget and taken-for-granted budgeting practices amongst the units (A, B, C) meant it came as little surprise that they were questioned by the CEO, and subsequently the budgeting process became centralised (one organisational budget) rather than the three individual unit budget approach.

These changes from individual unit to centralised budgeting processes did not meet any significant resistance, as was explained by Senior Accountant (3):

If Gladiator was a cash rich organisation, we might have had a stronger reaction to the budget process change. However, the fact was we had less money and we all *knew* we had less money and because of that the budget changes were taken on board.

The praxis of the CEO is present here, firstly, his self-awareness and critical understanding of how the existing budgeting practices did not meet the needs and interests of Gladiator (Burns and Nielsen, 2006, p.451); secondly, his mobilisations and, thirdly, the collective action of Gladiator's management to

reform the existing budget setting process at Gladiator (Burns and Nielsen, 2006, p.451).

Centralisation of budget preparation obviously brought change to the respective units' staff rules and routines. Staff located at the units would no longer be involved in budget preparations for Gladiator:

The finance people at units A, B and C were no longer required to prepare the budgets. They didn't have to prepare a *budget book* or anything like that, and they were happy with this new situation because it was less hassle for them. They no longer had *any* budget decisions to make (Senior Accountant (3)).

The new way of preparing the budget was accepted by Gladiator's staff because:

The new CEO could actually say "lets do something different" which an existing CEO wouldn't even attempt to do and also with the centralising of certain services such as housing and water, these all helped bring about this new budget process change (Senior Accountant (3)).

Thus, again it is evident that the CEO's formal position (i.e. "higher hierarchical positions" see Battilana, 2006, p.665) and being new in conjunction with the new service structures, helped bring about change in the historic budgeting processes.

While lower level staff was no longer required to prepare the annual budget, senior management at units A, B, C also no longer had a say in the budget. The directors of services lost some of their decision-making powers (Hardy, 1996) and they were now handed down a budget by the management accounting team³⁴ (comprised of senior accountant, senior staff officer and lower grade staff in the support Finance Department) and told they had to operate within its parameters. The budget control rules were changed by the CEO, stating that budgets *must* be met and not overspent.

The units' directors recognised that they had no decision-making input in to what budget they got. They also *knew* this was due to the economic times we were living in. They knew the budgets they were

³⁴ The management accounting team was comprised of only one accountant, the other members were a senior staff officer and a number of clerical officers. They are located in the Finance Department of Gladiator, which is a support department to units A, B and C (see Figure 5.1).

allocated were as good as what they would have prepared themselves. They knew they could not do any more than what I was doing (Senior Accountant (3)).

The CFO outlined how incremental budgeting³⁵ was no longer the accepted way of budgeting and how zero based budgeting (ZBB)³⁶ was becoming the new budgeting method:

We are I would not say quite zero based but we are approaching that. We have to start with a blank sheet because income has reduced, because you are under pressure to deliver services with less money. We are now forced to examine all items of expenditure, items which before you might have accepted as being an on-going cost. You are now questioning them, attempting to reduce them or, in some cases, eliminating them.

Centralising the budget-setting process elevated the importance and the involvement of the central management accounting team, in turn allowing them to more rigorously examine all the income figures included in the units' budgets. As a result, units-based income figures were quickly cut to perceived more realistic numbers and, according to Senior Accountant (3) this was "why, touch wood, we are now doing ok cash-flow-wise".

The above illustrates that there was not only a change in *how* the budget process was completed but also there was a change in *what* was being done. Because of the centralisation of the budgeting process, the management accounting team was better able to monitor the income figures and present more realistic income figures in their budget reports. The result being better management control of Gladiator due to the improved budget information. Senior Accountant (3) noted:

We were always very good at monitoring expenditure but we were not very good at monitoring incomes. When we centralized the budgeting process, we cut the incomes a way down. So, it is helping us to manage better, I think anyway (Senior Accountant (3)).

Despite overall acceptance of the changes amongst staff, politically the councillors were unhappy with the changes in the budget process. Traditionally,

³⁵ Incremental budgeting focuses on the increase between last year's and this year's budget.

³⁶ ZBB requires all managers to justify all costs as if the programmes involved were being proposed for the first time (Seal, Garrison, Rhode and Noreen, 2015, p.849).

at the local authority budget meetings held in November, unit-councillors would need to agree charges for water, housing, refuse, and so on. However, with centralisation, they no longer had authority to decide on such service charges. As a senior accountant put it “they now had no decision to make”. There had been radical changes in the decision-making processes for the councillors. Nevertheless, despite there now being no need for councillors to hold their annual budget meetings in November, they demanded that their unit budget meeting still took place before the full local authority budget meeting. This illustrates the enduring nature of embedded traditional routines as Senior Accountant (3) described:

I suppose it was a political thing, let's say there was a difficult decision to be made, the councillors could actually turn down the budget, which they have done on occasions. So they could then go back to their constituents and say “well, I didn't accept that budget at all” and then they would go into the full council meeting where the budget would be passed. However, they could always say they had not accepted it in their own unit council budget meeting, well that is my opinion on it anyway, it was political power. You see the council budget meeting is open to the press.

Additionally, the councillors also requested that they still be presented with budget reports on a per unit basis compared to a single report for the organisation. They claimed they needed to know what was going on in their own constituency. It seems the councillors saw the centralisation of the budget process as an erosion of their power. So even though there had been a change in the budget preparation routines the councillors still held onto the November unit budget meetings. Thus, some old budget approval legacy routines were held in place, which in terms of Burns and Scapens (2000) framework, illustrates the power of institutions. The next section examines budgetary control in Gladiator.

5.7 Budgetary control

As outlined earlier in this chapter, prior to 2008 and the financial crisis, Gladiator was a cash-rich organisation with a management knowledge that there was always surplus cash, as the following comment by the CFO indicated:

In the better times, people were just left to their own devices, and there was a mentality of everything will be ok in the end, because we were a wealthy organisation and we can get over it.

Being a cash-rich organisation was a taken-for-granted way of thinking and it underpinned the daily activities at Gladiator. Historically, the management accounting team monitored agreed budgets at units (A, B, C) - the aim of which was to ensure they operated within budgets. Such management behaviour, however, was rather *ceremonial*, and simply gave an appearance of legitimate and *rational* budgetary control at Gladiator. However, in practice, any questioning of over- or under-spending against the budget caused few problems for budget holders. This was because it was widely accepted there was abundant cash available to meet any budget deficits incurred, and in fact this was what always happened at budget year end. In effect, the budgeted and actual figures were independent and unrelated, as the following quotes reveal.

Traditionally in November and December there were situations where staff would have available budgets left and just to spend the budget they would buy equipment, machinery or road materials in order to use up their budgets. This behaviour was deemed acceptable if the budget holders were buying something they needed for the start of the next year. However, if they were buying something which was going to deteriorate before they were going to use it then that was an absolute waste of money (CFO).

The budget holders knew there was surplus cash there to begin with (Senior Staff Officer (2)).

However, with the downturn in the Irish economy, and the various NPM-rooted pressures to improve efficiencies and drive down costs, the once taken-for-granted discretion to overspend was ended by instruction from the new CEO. Senior Accountant (3) recalled how:

The directors of services knew the seriousness of the CEO's budget instruction, before we would ask them for cuts in expenditure and nobody would come back to us, but when the CEO said they were to come back, they did.

Gladiator was now enforcing the fundamentals of budgetary control (i.e. one cannot exceed budget figures). The management accounting team routinely enforced and monitored the budgets by communicating:

Now, not only can you *not* overspend, but also you *must* not spend anything you *don't have* to spend. We will not accept overspending, and we will monitor you on a regular basis to make sure you are not over spending (CFO).

Gradually, the management accounting team found that people's own practice began to change when staff understood that there were no longer abundant cash flows available, and that the management accounting team were no longer accepting budget overspend.

From a finance and management accounting perspective we sat on people more, from an earlier stage. We questioned the budgets from an earlier stage, and really sat on them (CFO).

The above quote reflects what van der Stede (2001) and Johansson and Siverbo (2014) refer to as *tight* budget control. Each month, the management accounting team sent monthly budget reports to the responsible budget holders holding them accountable for their own budgets.

A new ERP system (implementation initiated in 2012) enhanced the production and quality of these monthly budget reports. It was initially proposed due to its ability to deal with taxes such as VAT but it also allowed the management accounting team to run a lot more detailed reports on its units, service functions and cost and revenue codes. The new ERP system aided the management accounting team in their efforts to increase management control at Gladiator by providing better reports and restricting access to income and cost codes.

The new ERP system is going to make a big difference. I think it will anyhow, because the way we have it set up, not everyone has access to every code under the sun, whereas on our previous system we couldn't restrict people to codes. So they could have charged to whatever code they wanted. They could have charged to my code and they shouldn't be charging to it at all. Whereas the way we have it now, there is security on every person. So they only have access to their own group of codes. So I suppose it means they haven't the option to start charging to the wrong place. So they can only charge to their own little groups of things. So it'll become more obvious if codes are going over, out she goes. Do you know what I mean? And it was then the fact that we're harping on to them all the time with all our extra reports and all the rest of it, I think it has made a difference and will make a difference down the line (Senior Staff Officer (3)).

This new system triggered the creation of new rules restricting staff access to income and expenditure codes on the budgeting system thus enhancing management controls. As the implementation of the new ERP system was in its infancy at the point in time of this study's final interviews it was not explored any

further except for acknowledging it facilitated³⁷ management control changes which were already taking place within Gladiator. This is similar to Scapens and Jazayeri (2003, p.229) findings where a new ERP system “facilitated incremental changes to the existing ways of working (i.e. evolutionary change), rather than fundamentally challenging them (i.e. revolutionary change)”.

Capital budgets per job were also prepared by Gladiator. However, with the arrival of the new CEO and his questioning of how management controls were practised he instructed the management accounting team to now prepare a three-year capital programme. This was a new budget control rule, which was something entirely new for Gladiator. This was also a requirement of the Value for Money Unit Local Government Audit Service Report (VMULGAR) 2007.

We introduced capital budgeting which we didn't have before. Traditionally, we had a capital budget per job and if the job went on for a number of years, it didn't matter as long as you had the initial budget up. That initial budget was then your target but in many cases it overran, but there was no setting a new budget, you were just gone over (CFO).

In implementing this new capital budget control, the management accounting team upon the request of the CEO, closed all the capital codes on the ERP system except those that already had budgets allocated to them. This action reflected the CEO's mobilisation of power over resources (Hardy, 1996). In the past, budget holders could code expenditure items into a variety of capital codes, whereas this new practice required budget holders to explain why they wanted a capital code re-opened and what they needed the money for.

There was now capital budget control. What was very interesting in this was that let's say the directors of service asked for two hundred and fifty million and they only spent seventy million, the CEO wanted them all to answer why did they ask for this when they didn't actually need it? (Senior Accountant (3)).

The CEO held the directors of service accountable for their actions and according to Senior Accountant (3):

In June, the directors of services had to tell us whether they were on track or not with their budget targets rather than leaving it until year

³⁷ As opposed to being a driver of management control change.

end. They also had to come back in Sept and tell us what they were spending, why or why not?. Again the CEO said 'you are not to spend unless you have to'. So why should you ask for the budget when you don't actually have to spend it? So spending is way down.

However, the CEO subsequently changed the budget control rule from the preparation of a three-year capital budget programme to an annual capital budget programme. The CEO was of the opinion that with an unstable economy and so many changes continuously occurring in the environment, a three-year capital programme did not make sense. In effect, it would be "an act of fiction" (CEO). Despite this being in conflict with the requirements of the VMULGAR 2007, the CEO changed the rule to annual capital budgets. Annual capital budget preparation became an annual routine for service directors.

In addition, new performance management practices were also being developed at Gladiator. The CFO explained how the management accounting unit has always produced financial information based on financial inputs but the financial inputs had never been shown against the actual outputs in the organisation itself.

What we are trying to do now with the new service-delivery structures is to establish performance indicators that relate the financial input to the actual delivered output (CFO).

In addition, the VMULGAR (2007) also called for local authorities to report on key performance indicators, which focused on financial performance, and to include reports on the achievement of budgetary targets and accountability for significant variances. At the point in time when this research's interviews finished, these financial performance indicators had only started to be implemented in Housing (see next chapter).

5.8 Concluding remarks

This chapter reveals an ongoing, intertwined, complex relationship between both internal and external jolts in a process of reforms in Gladiator's delivery of public services and management controls during a period of austerity. The internal jolt and activities (i.e. DD, EC, SSRs, SSRGs) of a new CEO interwoven with the external jolts, such as the financial crisis and central government austerity measures, created a shift in staff thinking by impacting their taken-for-granted belief of a job for life and highlighting the seriousness of cash shortages at

Gladiator. The CEO's use of communication and individual power (i.e. over resources and decision-making) along with his ability to use both technocratic and socio-ideological controls were essential to the reform process.

There was also a strategic position given to management accounting in the reform process. The communication of management accounting information along with the enforcement of existing budget rules and the introduction of capital budgets all became tactics for creating a shift in existing staff interpretive schemes and institutions. Lasting reform required changes at the level of language and actions. Next, Chapter Six presents the findings of Gladiator's housing service.

CHAPTER SIX – CASE FINDINGS - HOUSING SERVICE

6.1 Introduction

Having covered the challenges faced by a local authority in Ireland during times of austerity, particularly highlighting the purposeful activities of a new CEO, this chapter becomes more focused. Section 6.2 hones into a particular service, housing, within that local authority. This is important because this was the service whose reforms were most developed at the time of this research. Then, Section 6.3 discusses how Gladiator, during a period of austerity, handled reforms in its delivery of housing and management controls. It illustrates how the reforms brought about radical change in its ways of thinking and doing about housing services (i.e. institutional change). It also reveals the tactics adopted to break potential staff resistance. Section 6.4 examines budgeting practices (i.e. the financial management controls) in Housing, presenting how historically budget control was not the norm but slowly it shifted to become the accepted way of managing. Section 6.5 presents the BSC, a new control technique implemented by the new housing director; effectively it was his housing plan for the year. Finally, Section 6.6 concludes this chapter.

6.2 Housing service

Traditionally, Gladiator delivered its housing service through each of its three units A, B, C (see Chapter Five, Figure 5.1). Its mission was to maximise the provision of accommodation for those who were unable to provide accommodation from their own resources (Source: Internal document³⁸). For example, each unit would independently process and assess applications for housing, and make subsequent awards. Such an approach caused the duplication of work, backlogs and inefficiencies. Additionally, there was no formal measurement on how long delays were for housing and each unit carried out its operations and service-delivery in different ways.

³⁸ Internal document title withheld for confidentiality purposes.

When the new CEO arrived, he immediately asked questions like “what are the costs and the staff requirements to deliver housing services?”. However, there was no information for the total performance of housing due to its geographical unit structures (i.e. housing was delivered in three ways by unit A, unit B and unit C and its information had never been aggregated). As Senior Executive Officer (1) explained:

We had three separate units and, no matter what questions were asked, each unit would interpret the questions differently. They would come back with somewhat inconsistent responses or maybe not quite what was being asked. It was very very difficult to get an overall view of housing in the organisation.

Thus, historically, there had been no overall management control system or mechanism for housing services. It was evident that having the organisation divided into three independent units, each with a different director of services led to variations in service-delivery and local management control. Senior Executive Officer (3) recalled how, when he started working at Gladiator:

Having three units, in my opinion, meant it was a nightmare to manage the housing service. It was more or less like dealing with three separate authorities.

The new CEO, having worked in various other local authorities across Ireland and bringing his previous local authority experience could not get his head around the geographic split into three units for delivering the same housing service at Gladiator. Senior Executive Officer (3) noted how when he first arrived at Gladiator:

I was an outsider coming in. It seemed to me the most natural thing to have housing delivered by one head of service to the city/county, and that this unit concept was inefficient. Personally, I am not one bit surprised that the CEO pushed for a centralised housing service.

The incompleteness and insufficiency of the housing service information base incited the CEO to request that the DD carry out a SSR on housing (see Chapter Five, Section 5.3.2.1). Senior Executive Officer (3) acknowledged the enormity of this task for DD:

It must have been a very difficult job for the DD, in particular because they had to look at all the activities in housing, water, waste and roads. And, they had to look at them in extreme detail. In other words, they had to carry out an ‘x-ray’ of the activities for each service, see what staff were tied into these activities, and think about how we could better

deliver and manage the services within housing. What staff would you need in each unit to serve the public and keep the politicians happy.

The SSR findings (see Chapter Five, Section 5.3.4) disclosed that staff generally did not have clearly defined job roles. Thus, Gladiator's *technical controls* (Tessier and Otley, 2012) were not clear. Rather, their roles were multi-functional which effectively meant that the same person could be responsible, for waste, housing, water, *and* roads. The directors of services time was consumed by routine, operational matters that should really have been handled by middle management, thereby, allowing the former to focus on more strategic issues. Worse still, tasks and activities, which were probably more appropriate for junior grades were being handled by senior staff - e.g. payments, administration work, recoupments, and more. Having said that, there were also some cases where junior staff were handling tasks that were more appropriate to middle-management or even senior staff. Highlighted in Chapter Five, Section 5.3.4, Senior Executive Officer (1) was mindful enough to question:

How can we manage this and how do we ensure efficiency and performance, when someone is pulled and dragged across a broad range of services?

Furthermore, a lot of the service-delivery information developed over the years was in people's heads, that is, their "tacit know-how" (Yazdifar, 2012, p.62).

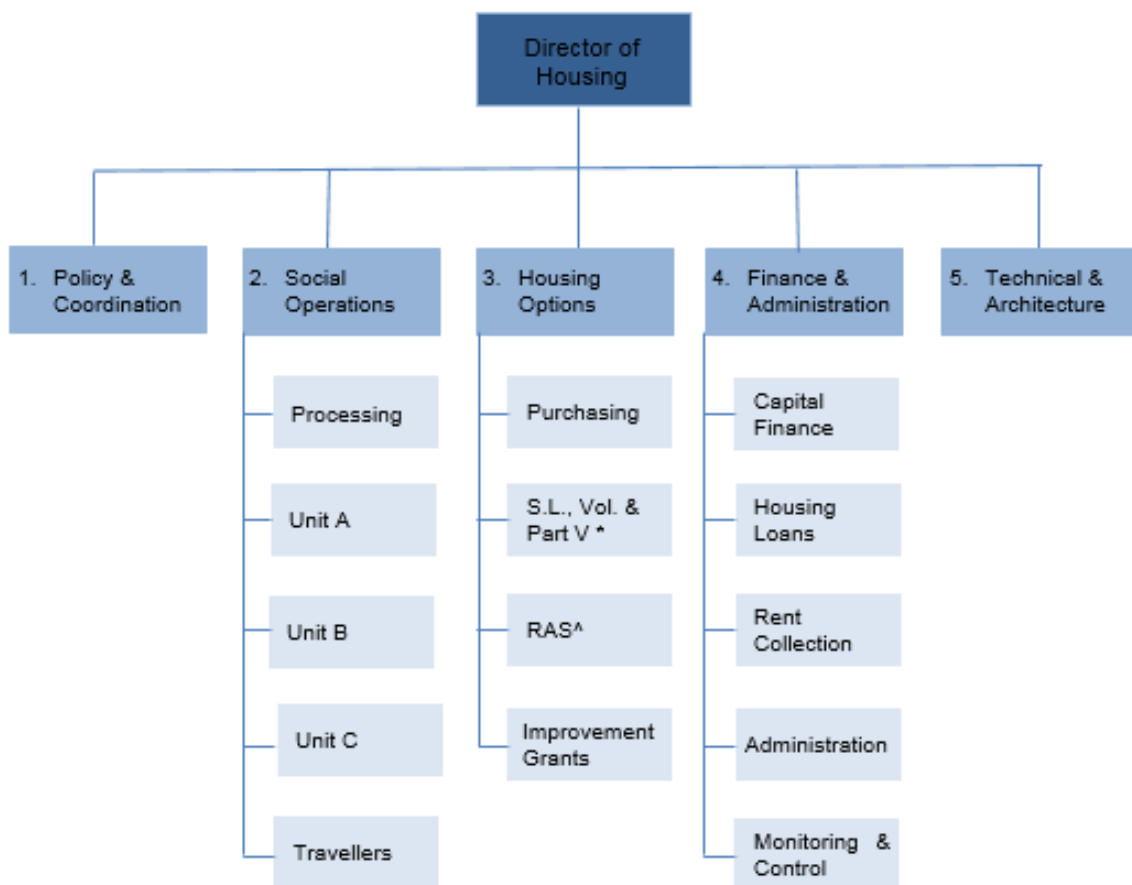
Upon completion of the housing SSR it was decided to change the existing structures in housing services. Some staff members were of the belief that the new housing structure was going to be implemented regardless of whether they thought it was a good idea or not. Senior management were seen to determine the housing structure outcomes with subordinates not really having any real input. Staff input was more of a strategic move to be seen to have included staff comments, however, the decision had already been made to restructure housing;

The new structure was imposed on staff whether they thought it was good, bad or indifferent and to be fair, staff were consulted to a certain degree but it was going to be done anyway (Senior Staff Officer (1)).

This is similar to Yazdifar's (2013, p.201) case study findings in Omega, where the change was imposed in a "democratic-autocratic" style. Democratic in the sense that "CC explained the present situation and justified the need for change,

and let people talk and discuss what they thought was relevant [...]” (Yazdifar, 2013, p.201), and it was autocratic in terms of, “if a decision was made and finalised, no delays and changes in the plan were acceptable, except reasonable ones” (Yazdifar, 2013, p.201).

Thus, Gladiator established five housing business units, which would report into an overall decision-maker, the director of housing (see Figure 6.1). One senior executive officer described the restructuring as “something which is fairly radical for a local authority”. The following will now explain in more detail what was the nature and purpose of each of the five housing business units.



* Social Leasing, Voluntary and Part V

^ Rental Accomodation Scheme

Figure 6.1 Gladiator’s new centralised housing structure

Policy and Coordination is a small business unit, comprised of only three staff members but deals with councillors’ representations on behalf of their

constituents and housing policies. This unit holds all the housing documentation with regard to staff roles and department structures. *Social Operations* is a business unit comprised of five sub units, namely Processing, A, B, C³⁹ and Travellers. It is the largest unit in the housing service. It involves managing the processing of housing applications within time deadlines set out in the Social Housing Regulations 2011. Applications are then forwarded to the housing officers to make a decision as to whether the applicant is approved or not for social housing support. The housing officers then notify the Processing unit of their decision and the Processing unit notifies the applicant as to whether their application has been successful or not. A, B, C are the counter locations where the public can call in and deliver housing application forms or query by telephone. The Travellers unit puts in place the legislative framework to meet the needs of travellers' resident within Gladiator's geographic area. Gladiator is committed to meeting the accommodation needs of the traveller community. *Housing Options* is a business unit, which is comprised of four sub-units: (1) Purchasing Options, (2) Social Leasing, Voluntary and Part V, (3) Rental Accommodation Scheme (RAS), (4) Improvement Grants. Purchasing Options is a unit, which deals with people who wish to buy their local authority house. The Social Leasing, Voluntary and Part V unit is allocated funding from the Irish central government to lease or rent residential properties from private owners. The local authority will enter into a legal arrangement with the private owner for the use of the property for an agreed term and guarantee rent payments for the term. These properties are then used to house people who are unable to source suitable accommodation from their own funding. RAS is a nationwide scheme availed of by people who are on rent supplement for 18 months or more and who have a long-term housing need. The aim of the scheme is to provide good quality rental accommodation for eligible persons. Housing grants are provided to older people and people with a disability to facilitate them in their continued independent living in their own homes. The *Finance*⁴⁰ and *Administration* business unit is comprised of five sub-units: Capital Finance, Housing Loans, Rent Collection, Administration and Monitoring and Control. The Capital Finance sub-unit deals with the management of the housing capital accounts. In the original housing function layout, housing

³⁹ A, B and C represent the three geographic units in Gladiator (see Chapter Five, Figure 5.1).

⁴⁰ The Finance and Administration unit in housing is not to be confused with the support Finance department where the management accounting team reside (see Figure 5.1, Chapter Five).

loans were to be managed by the Housing Finance and Administration unit. However, the CFO said his department was keeping the housing loans under his remit and as a result, housing loans were not transferred to the Housing Finance and Administration unit. This resonates with Hardy's (1996) power over resources as the CFO held onto the resources he wanted. The rent collection sub-unit manages the rent collections for the whole local authority – A, B and C. Rent is no longer collected by the separate units A, B and C. Monitoring and control supervises the internal controls across the housing function. It also keeps track of income, expenditure, procurement procedures, budget management and control. The *Technical and Architecture* business unit is comprised of a small number of housing architects and engineers. They are involved in drawing up housing plans for buildings and extensions and carrying out housing and maintenance and repairs.

Together, the five housing business units (see Figure 6.1) are accountable to one individual, the director of housing. Having housing services under the remit of one director ensures housing issues are dealt with properly and as efficiently as possible. The five to one (i.e. five business unit heads to one director) reporting structure means control is much tighter and staff can now be held accountable due to their clear responsibilities. It ensures a two-way communication across the new flat service structure.

If one service unit is getting frustrated by the fact that another service unit is not delivering their part of the service fast enough, the unit heads can try and hammer out the issue between themselves and if it's the case that they cannot sort the issue among themselves then there is one decision maker who can intervene and make the call. So control is now much tighter. The structure is now very clear (Senior Executive Officer (1)).

Historically, the business units would have been headed up by a senior executive officer. However, Senior Executive Officer (1) described how:

Business units are no longer managed by a senior executive officer. Firstly, we wouldn't have the staff numbers to allow that, but what we are introducing now is a system whereby it could be a grade seven or a grade six who heads up the business units. Traditionally, a grade six or grade seven would have to report directly to a grade eight before getting to the director of service; but now they will report directly to the

director in charge - i.e. the central decision maker. This is a radical change for the local authority.

These structural changes saw staff jobs being redefined with new rules being established clearly outlining what their job roles entailed. “Rules routinize organisational activities and define authority relations, connections among sub-units, and decision-making structures” (March, Schulz and Zhou, 2000, p.9) this, in turn, nurtured increased staff accountability and is evident in the following comment.

Staff were now held more answerable to tasks. They could no longer simply pass tasks on to their senior executive officers. Management staff were being made manage. With this type of arrangement, if there is a grade six in charge of the business unit, and they are reporting directly to the director of service, they will have to perform. There is no other option. There is nobody else they can go to (Senior Executive Office (1)).

The CEO was very proactive and vocal in pressing his intention for managers to manage (see Chapter Five, Section 5.4.1). In so doing, he believed that the increase *hands on* management would turn around staff performance that in turn would bring about improvements in organisational efficiency. The next section describes the implementation of the new housing structure, illuminating the activities of the CEO and his allies in handling the reforms.

6.3 Implementation of the new housing structure - *how*

In order to achieve the new centralised housing structure, the CEO had to decide which unit, A, B, or C would be designated head of housing or water or roads⁴¹. The CEO knew that politically he would have to allocate one service to A, one to B and another to C. He was aware that to ensure a successful implementation of the housing structure, he had to keep the councillors on board with the new plans. He knew that if housing, roads and water were all centralised at A, councillors at B and C would have felt their power and influence was being diminished. Knowing this, the strategic decision was made that the directorship for housing would be

⁴¹ Upon completion of SSR's, Waste was sold off as it was no longer cost effective to continue to deliver this service.

located at C, while roads at A and water at B. This presented the idea that services were fairly allocated between the three units.

The decision as to which unit got which service was determined by where the newly appointed directors of service were currently located and for the CEO to push the restructuring through:

[The CEO] handpicked the three directors, for housing, water and roads. He needed to select three people who believed in the process, who believed in the change and who were solid with the workers. The CEO could not have put someone into the role who thought this whole thing was a mess, no consultation, no this, no that (Senior Executive Officer (3)).

The CEO gained the support of his potential allies by presenting the structure in terms of values and problems that resonated with them. He also promoted and communicated the housing SSR report as superior to the existing housing structure.

The first newly appointed director of housing was asked personally by the CEO to stand in, for one year only, to ensure the implementation of the new housing structure happened. The reason for one-year tenure was that housing already had an incumbent director. Interviewees were puzzled by the appointment, because the incumbent had years of housing experience but in hindsight they could see why this new person was selected - he “worked days and nights” (Burns, 2000, p.575) and was a keen advocate of performance management and risk control, as highlighted in the quote below:

He was brought in for the year to set up the new housing structure. The year has now gone and he is still here. To be fair, he did a super job. He had no major background in housing, an engineer by background. To be fair, he managed it, worked so hard on it, working days, nights, weekends and all. The CEO hand-picked him. And you know, I suppose at the time, people would have questioned that was a bit of a strange thing, because there were directors who had experience in housing, but when you stand back from it a year later you could understand how he was picked and put in there (Senior Executive Officer (3)).

Also, another interviewee stated:

The director was mad into performance management and risk (Senior Executive Officer (2)).

These comments highlight how the new director was an ally of the CEO as he shared the CEO's vision of reform and had the determination to drive it as explained by the CEO:

At least mentally, he was committed to making the new housing structure happen, rather than another director who might say, well, that's all very fine, but that won't work around here. So that helped. He was the best person to head it up on the basis he had all the thought processes he wanted. If you look at it, you can see it in his management report.

The new director's management report will be examined later in Section 6.5. It elaborates on how the new housing director reformed management control in housing. Next, how the CEO mobilised allies, cultivated cooperation, and strategic alliances for housing reform is described.

6.3.1 Changing mind-sets for a new housing service structure

There was a shared consensus among the interviewees that one of the main personal concerns for the majority of Gladiator's staff was where they would be placed geographically. If they were located at A, they did not want to be moved to B or C. This could result in increased travelling time and travel costs for staff. Interviewees explained how:

The CEO had a thinking in his own head and explained how he could have taken people from C and placed them at A because [this] is allowed within their contracts. The CEO has authority over staff roles and location. However, the CEO believed that would get him/her nothing, it would only get him bad will (Senior Executive Officer (1)).

I suppose the fact that the conscious decision was made as far as it was possible to not relocate staff, that was appreciated and in terms of staff motivation that made a huge difference. Whereas if they had been moved there would have been absolute murder (Director of Service (3)).

This strategic job location approach helped lessen potential internal conflict for the CEO and senior management team. Similar sentiment findings were revealed by Yazdifar (2013, p.195) in his case study of Omega where the FD commented that to break possible resistance to change "you have to be seen to be doing something for the employee, not just money".

Another possible obstacle to the successful restructuring of Housing was the potential loss of job identity. Some housing staff members were very upset when they learned that their job role in housing located at unit B was being relocated to unit A. So, despite having maintained their location at unit B they were now going to be allocated a new job role. According to interviewees, housing is a service where staff members are emotionally attached to their jobs. They feel their job role purpose is to provide good quality housing for people in need as described by Senior Executive Officer (2):

There are some people who have a personal attachment to the job. Like the Head of C said at one of our meetings, he said, "you really do have to have a heart to work in housing. I see staff who are very attached to particular aspects of their job. You have staff dealing with rent applications for elderly people and people with disabilities and you have staff that see very sad situations here. It is hard to explain to people why anybody would want to hold on to that job role, but some staff do". And, in this day and age, when the public sector is being run down to such a huge extent, some staff need to feel that they're doing something that confers meaning for them.

This is similar to Shamir (1991, p.440) who argued "the motivation for carrying out tasks and continuing in an employment are not only a matter of instrumental or even 'hedonistic' motives (such as pleasure from the activity itself), but the motivation may come from the meaning for the individual, e.g. in terms of affirmation of his or her identity and collective affiliations". Nevertheless, despite some evidence of staff upset at their changing job roles, this was overcome by what was happening in the Irish economy. Senior Accountant (3) explained:

Staff were also aware that people were losing their jobs right left and centre outside of the local authority and our wages and pensions had been cut so that is why people accepted it, they don't like it but they got on with it.

Additionally, the existing housing service mind-set, as explained by the CEO, was another potential obstacle to reform:

Housing by its nature is about people and people in lots of difficulty. And housing staff are very good at thinking about housing and social problems and all that mix of what they're trying to fix. However, they don't necessarily spend a lot of their time thinking about the management structures and the reporting and the project management and the KPI's. So it's a pretty challenging directorate for anybody to kind of say, well, we really are about fixing all of these

problems with people who need housing but we also need to sustain the view that you still need to have financial management.

Lapsley and Pallot (2000, p.225) illustrated how at one of their case study sites “it was necessary to remind managers that financial constraint always matters when dealing with public money”. So how was this contradiction in mind-sets overcome? According to the CEO:

You have to have perseverance and it takes a long time. I’ve used the management team, I have probably lost sight a small bit of it now, but each director of service is required to come with a management report every quarter to our management meeting. So even if they don’t agree with this new management accountability ethos or they’re milk and watery about it, they know they have to present a management report on their service activities at the meeting.

This new quarterly management reporting rule and routine (Burns and Scapens, 2000) to present the financial performance of their services to the CEO and their colleagues was radical for the senior managers. As the CEO put it:

This creates competition among the directors because nobody wants their figures to be low in front of their colleagues. It gets them to question why certain figures are poor etc. It is a slow process but they know it will be asked for and they have to present their quarter results.

Thus, we can see the CEO acknowledges that change can be slow, but by requesting management accounting information on a consistent basis staff behaviours began to change. They also began to interact more favourably with management accounting information. Furthermore, the factors utilised by the CEO and senior managers to drive the reform agenda (see Chapter Five, Figure 5.4) also formed part of the complex process of minimising possible housing staff resistance to reform. The next section examines the interaction between the five housing business units (i.e. the new housing structure).

6.3.2 Interaction between the new five housing business units

The managers of the five housing business units (set out in Figure 6.1) came together and set out work procedures (i.e. technical controls (Tessier and Otley, 2012)) detailing how each business unit would interact with each other. They then sat down with all the business unit supervisors and worked through the new job role duties and responsibilities. Subsequently, the managers, wanting to gather staff input into these new duties and responsibilities, asked the supervisors to

discuss them with the subordinates who report directly into them. Clear communication and lower level staff involvement was essential to establishing new housing service procedures.

However, due to the tacit knowledge held by these lower level staff members, it transpired that some of the housing service procedures belonged to A, some to B and some to C; some of the procedures belonged to social operations and some belonged to housing options. This triggered the managers to question how the five business units were going to interact with each other. Senior Executive Officer (2) described how they overcame the issue:

So what we did was we called a day-long meeting of all the section heads below us, so we had ourselves, the senior staff officers and staff officers that were in charge of sections. And we sat down and went through the housing structure one by one, starting with social operations, saying who is going to interact with social operations, in what context and we listed out all the procedures that we had to develop just to interact with each other. I think we ended up with something like 156 procedures. And then we devised who does what. The business unit heads signed off on the new agreed procedures and they were saved up on a shared server for the housing unit staff to refer to when needed.

The procedures outlined who was responsible for what, as explained by Senior Executive Officer (2):

Before we offer to sell a house on the tenant purchase scheme we need to know whether the house is capable of being sold. Is it freehold. We have to know the tenant has the right to buy the house, that they have the required tenancy and that their rent is up to date. We don't have that information, social operations do. So, we must interact with the social operations unit and housing finance unit.

This highlights how each housing business unit is independent but they were also interrelated. The Social Operations business unit is linked to the Housing Options business unit and the Finance business unit and vice versa. The managers wrote all of the procedures down and had them as their rulebook (i.e. management control) which was open to reform once it was agreed with all units.

What we said was let's get the procedures on paper, which was a lot of work, but we got them on paper step by step. They are not written in stone but as you go through it you might need to change them. BUT, if you are changing something you *have* to discuss it with the other business units first. Any housing policy updates are maintained by the

Housing Policy and Coordination business unit (Senior Executive Staff Officer (2)).

The housing procedures noted above provided structure to service-delivery as well as “making them more understandable for users” (Tessier and Otley, 2012, p.786) and objectifying “know-how” (Tessier, 2014, p.163). They were also allowing for “control improvement” by allowing revisions if they were deemed appropriate (Tessier, 2014, p.155). Housing now had clear objectives and job roles for staff.

If you have a central function managed by one director and responsible for a clear set of objectives well then those are the objectives they will follow. It is now taking some of the power away from the unit levels who were doing a jack of all trades, doing everything but no one really knew what they were doing. The new structure resulted in changes to power relations, the new structure clearly displayed what staff were required to do resulting in transparent job roles (CFO).

Having user involvement in the design of the new housing procedures reflects what Adler and Borys (1996) refer to as good practice in the design of new controls. Senior Staff Officer (1) described how staff supported the restructuring because they were included in the redesign:

Now in fairness, everybody is trying to look at things, trying to review them all the time and trying to do things better. We are not just changing it for the sake of changing it.

Nevertheless, despite the downward and upward interactions between staff members in the housing business units, it is important to realise that the new staff roles were, according to Senior Staff Officer (1) “akin to learning to drive” for them:

If you get behind the wheel as a learner driver, you say “Crikey!, how can I drive?”, I have to steer it, I have to change the gears and I have to press the brake. But, after a while things become automatic. That is a similar scenario to our new housing structures and job roles.

Senior Staff Officer (1) has clearly described how, by following the rules and continually repeating them, things eventually became automatic (unconscious). The new routine job roles and structures over time became the norm in the new housing structure. In terms of Burns and Scapens (2000) framework, Senior Staff Officer (1) has described (in his own words) housing’s process of institutionalisation. Burns and Scapens (2000, p.12) describe it as “if, over time, the emerging routines become widely accepted in the organisation such as they

become the unquestionable form of management control then they can be said to be institutionalised”.

The above described how the housing business units’ managers established new service rules. They clearly outlined how each housing unit should interact with each other, as well as each individual staff member’s role. Interaction and direct communication between higher and lower level staff was a necessity. The next section will continue to address RQ2, by describing *how* the management of budgets⁴² during a period of austerity was reformed.

6.4 Budgets in housing

Budget control was not a practice enforced at Gladiator. Senior Executive Officer (3) described how when he arrived at Gladiator:

I couldn’t get over it when I arrived here first, actually, I was aghast really. Nobody in my business unit knew about budgets. People just continued to charge to codes over the years. The codes would have been massively overspent and still nobody took people to task on it.

In the newly implemented housing structure, the manager of the Finance and Administration business unit (see Figure 6.1) controls the capital and revenue expenditure budget codes.

We’re monitoring the budget, we control both the expenditure and income side to see if they have exceeded 50% of the budget, if half the year is gone, we are asking questions of the code holders, who are responsible for the codes as to why you have exceeded the budget, or if they are not up to the 50% as to why isn’t the money being spent. It is monitoring and controlling budgets to an extent that was never there before (Senior Staff Officer (2)).

Housing staff were now being held accountable for their spending and income figures. New stricter budget control rules formally recognising the way in which “things should be done” were being enforced (Burns and Scapens, 2000, p.6). For example, in order to open a new budget code or use an existing budget code on the new ERP system (see Chapter Five, Section 5.7), the requesting person had to get approval from their senior executive officer.

⁴² Budgets are part of Gladiator’s housing financial management control practice.

If somebody opens a budget code and they don't have funding towards it, then the senior executive officer will be asked at the end of the year "why did you open that code when there isn't any budget for it. Where are you going to get the money for it". There is now more strict guidance for people to follow (Senior Executive Officer (4)).

Historically, the support Finance Department of Gladiator (see Figure 5.1, Chapter Five) had authority to open budget codes, but that task was taken away from them and allocated specifically to the senior executive officer of the housing Finance and Administration business unit.

Finance cannot open a budget code in housing because the senior executive officer is responsible for the housing codes, not them. Whereas before, you see, it would have been them. He has to keep drilling it into them and saying "how many times do I have to tell you, you can no longer open a budget code". I think that is the only way, by drilling it into them and I think they are getting there now. We have more control now (Senior Executive Officer (4)).

This is an illustration of a reform to Housing's management of controls. Senior Executive Officer (4) explained how necessary it was for him to continually re-enforce to staff, that their historic routine of opening budget codes was no longer acceptable. He had to keep repeating this new rule until the practice became routine and eventually over time the norm to no longer open budget codes without his approval. Thus, housing staff were now held responsible for their allocated budgets, which according to Burchell *et al.*, (1980, p.5) shapes their views because what gets "accounted for" represents what is important and the organisation's reality. Budgets were no longer prepared to legitimise spending but used to plan and control housing's spending and income activities.

The next section discusses the BSC, a new management control tool implemented by the newly appointed director of housing. This continues to develop our understanding of research objective two by illuminating further how an Irish local authority handled reforms in its management controls. The BSC was a new management control tool and practice for housing.

6.5 BSC and performance management

Brunsson and Sahlin-Andersson (2000, p.727), for instance, contended, "top management is expected to achieve control with the help of management

accounting techniques, whereby people or units are made accountable for certain activities and results". In June 2011, the new director of housing implemented a BSC in the housing service, known locally as the department's *business plan*. The business plan was prepared manually on a word document and it represented the housing department's new management control system. According to Director of Service (1):

Business planning is back on the agenda again, the CEO has it on his agenda, he mentions performance management a lot now and I think he is seeing it coming through now in housing so it is diffusing.

Historically, there were always three housing business plans prepared in terms of unit A, B and C. Now the housing department has a centralised business plan under the responsibility of one individual, i.e. the director of housing. Thus, the performance management information available now for housing was different.

Now we have a centralised business plan and we've one person responsible. For example, if you go back to the unsold affordable housing at A, B and C. C had no problem, they had eight houses. B had five hundred houses and A had about two hundred houses. And, each unit is trundling along in its own way and trying to get the houses let or sold. Being centralised means they are all in one place, it is all amalgamated, it is a lot clearer to move them all along together. So it is different in that sense. It is easier to control, you should achieve your targets more easily, because they are within the control of one body, not three different geographical units. That's the change there really (Director of Service (1)).

The housing business plan allowed the managers to communicate strategically to staff as it provided the "context for organisational actions, the meaning of events, knowledge, information and motivation" (Mazzei, 2014, p.91). However, the actual term *BSC* was not used, because the director of housing believed that the housing staff would just view it as another irrelevant academic management accounting tool. That is why no use of BSC terminology was made, instead it was referred to as the housing business plan as the term *business plan* was understood by staff and accepted.

The director of housing implemented the BSC in the housing department. Now the director would not use that lingo out there, because that lingo is the worst thing you could use. The director referred to it as their business plan (Director of Service (1)).

The director of housing explained that for him to be able to manage an efficient and effective delivery of service, he needs clear rules, routines and reporting structures. As Director of Service (1) explained about the housing director's reasoning for introducing the BSC:

You see he would find it very hard to work in a place where he is not clear about things. He likes clear structures, he would hate to go into a meeting if he was not clear about something. He just has to have the facts, perhaps that is the engineering background in him. He likes to have things simple and straightforward in as far as he can. Some people would think the business plan (BSC) could be simplified further but for him they are happy with this process, it is as simple as it can be.

Thus, the new procedures made "life more predictable and thereby reduce ambiguity and anxiety" (Schein, 2017, p.198). The director's newly developed business plan (see Figure 6.2) listed the organisation's 2011 strategy for housing. It displays the four BSC perspectives - Customer, Internal Process, Learning and Growth and Financial. These were drawn upon by the director to outline Housing's strategic objectives. The director believed that by clearly outlining Housing's strategic objectives to his staff, its mission of "improving the quality of life of the people of XX by enhancing the physical, social, cultural and economic environment in a sustainable and socially inclusive manner" would be achieved (Source: Figure 6.2). The business plan helped the director manage his staff by clearly communicating to them what they should be striving towards:

I suppose the main thing about people is that they don't know what their big performance indicator is, what are we existing for? What do we get up in the morning for? The business plan sets out key performance indicators (KPI) for staff. The overall KPI for housing is the waiting list and how many people are on the waiting list (Director of Service (1)).

Table 6.1 presents the key strategic housing objectives determined by the housing director for 2011. These are described next.

The customer perspective outlined how Gladiator wanted to provide its communities with the best housing service it could afford to provide. The internal process perspective displayed Gladiator's desire to provide necessary housing where needed and explained it will work closely with other government and external agencies who also impact on this process. Gladiator also looked at

where shared services could be incorporated to enhance service-delivery of housing. For the learning and growth perspective, Gladiator wanted to ensure its management information systems were up to date and that they had the required technologies to provide the best housing service possible. They also wanted to implement an effective staff performance management system. Finally, for the financial perspective, Gladiator wanted to collect income and control expenditures.

However, the business plan was not without its risks. A lack of both financial and staff resources were identified as being key limitations, and risks, to the achievement of the business plan. Each of the objectives in Figure 6.2 and Table 6.2 were assigned performance measures and targets (see Appendix C, due to size not presented here). The staff held responsible for attaining each of the objectives were named on the business plan (for confidentiality reasons they were removed from Appendix C) and they could see how they were being measured and whether they were on target or not. “Ambiguity can cause tension and anxiety”, whereas “formalisation can help reduce ambiguity by making it clearer for employees what is expected of them” (Tessier, 2012, p.152). Management accounting information facilitated the director of housing in alleviating any ambiguities for staff by helping to clarify their roles, responsibilities and targets which according to Hopwood (1990, p.12), is “why many organisations are looking afresh at the power of accounting information”. In addition, Hiebl (2018) also argues that management accounting information is a political resource to aid change agents in organisational reforms.

In addition, the risk of not achieving the targets was also incorporated into the plan (see Appendix C).

What is the risk of not achieving the target, i.e. between 1- 4. Would the impact be big or very small, it is either a level 1, 2, 3 or 4. If the risk is low or high you have to think what have I got to do to achieve this. A lot of people can create targets but they don't do anything with them, they just sit there. So the business plan outlines when is the start and finish date and who is responsible for each target (Director of Service (1)).

B. Organisational Strategy Map 2011 for Housing Services

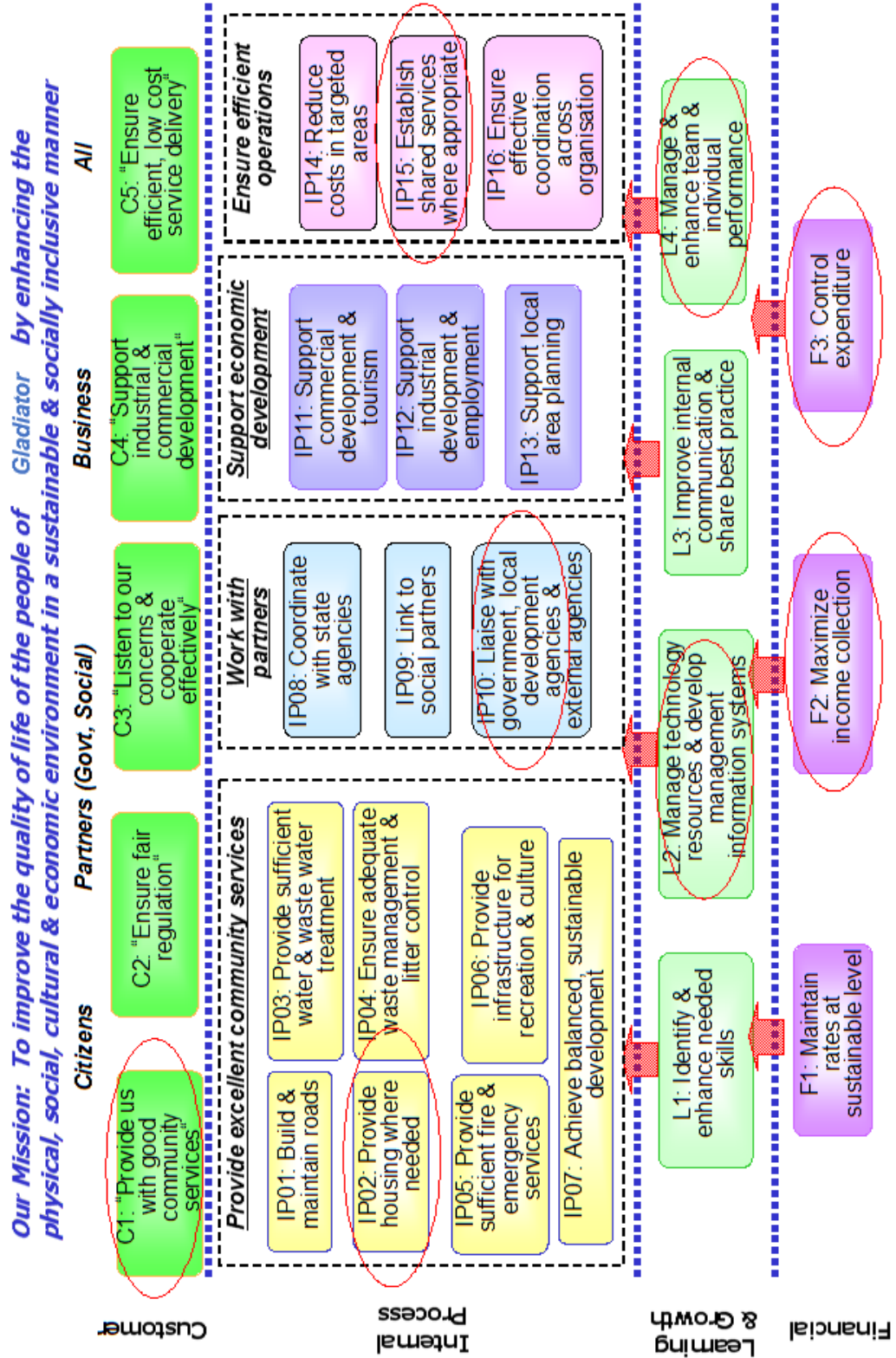


Figure 6.2 Gladiator’s Housing Department’s business plan (BSC)

Source: Internal document.

E. Strategic Objectives for 2011

C1: Provide us with good community services

We will assure that our communities have the best services we can affordably provide

IP02: Provide housing where needed

We will work to ensure that necessary housing is provided to support a comfortable lifestyle and the continued development of Gladiator

IP10: Liaise with government, local development agencies & external agencies

We will assure effective liaison between our plans and activities and the plans and activities of other government, local development and external agencies whose activities impact Gladiator

IP15: Establish shared services where appropriate

We will identify areas where a shared service approach can be implemented with improved service-delivery

L2: Manage technology resources & develop management information systems

We will ensure that we manage the technology resources available to us and that we have the management information systems we need, and that these systems work together in an integrated and effective fashion

L4: Manage and enhance team & individual performance

We will implement an effective performance management system that will allow us to measure performance and to enhance the performance of each individual and team in the organisation

F2: Maximize income collection

We will continue to collect income for services provided, where appropriate, while identifying additional areas where fees would be appropriate and ensure that fees fully reflect the cost of services

F3: Control expenditure

We will continue to control all expenditure and will work to provide the required levels of services

Table 6.1 Gladiator's Housing Department's strategic objectives

Source: Internal document.

The business plan transformed management controls in housing and its targets were reviewed every 6 months.

At the end of the year you have either met the target or exceeded it. If it is half way through the year you may need to take action to get back on target if you are below it (Director of Service (1)).

Having this performance management information allowed the managers to see where there were backlogs in their business units. The following explores why housing staff supported the new management control system.

6.5.1 Housing staff buy-in to the BSC

The housing director argued that the housing staff had in general accepted the new performance management system (i.e. the BSC), because many were involved in setting the targets, and providing the director with the information 'for' the business plan. Senior Executive Officer (4) agreed with this sentiment:

The BSC drives people, because we are always telling them we are going to get caught on our targets. We tell them if we are not going to meet the target and ask what can we do to meet it. If we don't meet the target, we're letting people down.

Senior Executive Officer (2) concurred:

Well, we have our business plan and we look at the business plan and we set our targets and, for example, with affordable housing, we will say, what houses do we currently have on our hands, and then we will intend to have those occupied by a certain day, we look at that.

In addition to staff participation, effective communication was also part of the process in gaining staff acceptance of the new management control practices.

You will always have 1% or ½% of staff that will have problems, they might be afraid to do certain things or they do things very well but at their own pace and they disregard whatever target you set. Generally, I find that most people are ok. I think it is about clear communication and about having monthly meetings with the housing management team (Director of Service (1)).

Furthermore, the director of housing was a motivated, driven and passionate director. He strove to succeed as a director of housing which is evident in the following statements.

Every quarter the director of housing reports back to the CEO and senior management team on housing's progress. He never wants his

results way down. Before the quarterly meeting, he starts preparing 3-4 weeks in advance, he has to gather all the data from his staff and pull the results all together. That drives the importance of performance down the line, so it is a continuous circle, isn't it (Director of Service (1)).

While staff participation, communication and a motivated, effective leader were all important actions for staff acceptance of management control reform in housing, they were not carried out in a vacuum. It is important to remember the jolts in Chapter Five, Figure 5.1. These outlined how the financial crisis triggered a reduction in revenues as well as pressuring central government to cut public expenditure and public sector staff numbers through the McCarthy Report, LGERG and the Croke Park Agreement. These had all occurred prior to the implementation of Housing's new business plan, and thus helped pave the way for its acceptance.

6.6 Reflections on Housing's reforms

Reflecting on Housing's reforms, Director of Service (1) concluded:

Everything is up for change all of the time. I suppose looking at it now, when the new housing structure is up and running, it took a number of months to change it obviously, it is like changing the engine in a car while it is still running. You have to keep it going and keep everything happy but at the same time you have to pull everything out. A lot of staff are open to change I would say, but then again it makes a difference to have the likes of the housing management team who will drive it and make it happen because you cannot do it on your own.

The above director of service's comments aptly reflect the need for allies to implement new public service reforms. Service-delivery reform is something, which cannot be achieved by a single individual. It is also evident how the housing restructuring and new management control system could not have been implemented without buy-in from staff. The consequences of the changes in Gladiator's management control system has seen more discussion and improved accountability emerging. Senior Executive Officer (2) described how he communicates on a weekly basis with his staff. They discuss the priorities around their unit and how they are going to achieve them.

I would say alright that there is more calling to account in the sense that there is more discussion. I suppose we are more focused on what we said we would do as opposed to being focused on what we have

to work with. We are more focused, I personally think we now look at tasks and say this is what we want to do. We want to have these houses leased, how are we going to do this? We are not saying we have only one engineer, we have only one architect, we have only one this, how do we do it? What we do is we shift priorities and we change things depending on demand out there. So there is a lot more discussion, I think (Senior Executive Officer, (2)).

Thus, to summarise here, to achieve staff buy in, power, good communications, and an institutional entrepreneur with allies, were essential.

6.7 Concluding remarks

Gladiator's housing structure was centralised during a period of austerity. This was a radical change for this local authority as it now had only one overall decision maker, i.e. the director of housing. In implementing this new structure, the CEO was strategic in choosing his allies. His chosen director of housing believed in reform and pushed it through via his new BSC, and budgets were now actually enforced. Staff resistance was minimised through a mix of tactics, for example, examining staff locations and considering their job role identities. Institutional entrepreneurship, power, management accounting information and communication, were all intertwined in housing's reform process. The next chapter presents more in-depth discussion of Chapters Five and Six.

CHAPTER SEVEN – DISCUSSION

7.1 Introduction

By addressing the two research questions posed in Chapter One, Section 1.4, this chapter explores the complexities and interplay of internal and external jolts in a *settled* and staid Irish local authority during a period of austerity. The existing beliefs and practice in Gladiator was to *deliver services as fast as possible and at any cost*. In addition, staff at Gladiator generally assumed that they had a *job for life*. This chapter discusses how the combination of a new CEO and external jolts enabled efficiency reforms in Gladiator's delivery of public services and management controls despite initially not having an *efficiency logic*⁴³. It does this by employing insights from the adopted pluralistic theoretical approach (see Chapter Three) and extant management control and NPM literatures (see Chapter Two).

Burns and Scapens' (2000) framework helps to place an emphasis on unpacking management accounting practices (such as budgeting and BSC) in Gladiator and highlights them as unfolding processes over time. NIS theory (e.g. DiMaggio and Powell, 1983; 1991; Scott, 2014) facilitates unravelling the relationships between Gladiator and its environment (i.e. financial crisis and central government austerity measures) Seo and Creed (2002) complement earlier NIS theory by highlighting Gladiator's contradictions, which helps explain "when, how and why" Gladiator's "embedded agents might come to question, and subsequently attempt to change, their and others' taken-for-granted ways and beliefs" (Burns and Baldvinsdottir, 2005, p.728). Battilana *et al.*'s (2009) institutional entrepreneurship work advances the exploration of the actions of people who "have power" (Jack, 2016, p.54), in this case study, Gladiator's CEO. He initiated change and proactively drove its implementation. Why and how he achieved this, is discussed in Sections 7.2 and 7.3. Nevertheless, despite his strategic actions, it is not the intention of this study to celebrate the CEO as an exceptional *heroic*

⁴³ Efficiency logic is to achieve efficiencies in service-delivery.

individual, rather he is conceptualised as an *institutional entrepreneur* who played a role in the complex, dynamic processes of reforms in Gladiator.

That said, while agency is an important part of this thesis, it is not the whole story. Therefore, Laughlin's (1991) model of organisational change aids the tracing of environmental jolts (such as a new CEO and a financial crisis) in Gladiator from its sub-systems (i.e, Gladiator's staff) through to its interpretive schemes (i.e. Gladiator's beliefs, values and norms), stressing the importance of context when examining organisational change. Finally, this thesis also draws insight from Hardy's (1996) framework of power, highlighting how the CEO utilised different sources of power and shaped the reform process in Gladiator as he did. Such theoretical pluralism exemplifies the complex *why and how* of reform processes in Gladiator's delivery of public services and management controls during a period of austerity.

Chapter Seven is structured as follows. Section 7.2 discusses *why* Gladiator reformed its delivery of public services and management controls. The section explains how a new CEO questioned the existing ways of delivering and managing its services in-conjunction with the role of the external financial crisis in its reform process. This is followed, in Section 7.3, by a discussion of *how* Gladiator reformed its delivery of public services and management controls, particularly in the context of a forthcoming period of austerity. This section and its sub-sections illuminate the dynamic impact of the arrival of a new CEO and a period of austerity on shaping the new ways of thinking and doing (i.e. institutional change) about public service-delivery and management control in Gladiator. The reform process was a complex, continuous process in which strategic actions (for example, establishment of DD, EC and SSRGs), power, communication and accounting information were all intertwined. Section 7.4 specifically focuses on one local authority service in Gladiator, housing. It unpacks how it reformed its delivery of housing and management controls in addition to highlighting how staff resistance was curtailed.

7.2 RQ1: Why did Gladiator reform its delivery of public services and management controls?

The following two subsections tease out the complexities of why Gladiator reformed its service delivery and management control practices, thus helping to understand the context in which the reforms came to be.

7.2.1 Internal jolt- new CEO

Battilana (2006, p.667) argues that an individual who has been exposed to a variety of organisational contexts is less likely to take-for-granted their current organisation's operations. This was the case in Gladiator. The new CEO arrived with substantial experience having worked at several such organisations across Ireland and this inter-organisational mobility⁴⁴ had him question Gladiator's existing practices and structures. One of the first significant actions taken by him was to request management accounting information on how Gladiator was resourced and services were delivered. This questioning revealed an uneasiness towards the managerial information in Gladiator as a whole, leading him to further query its existing technical controls⁴⁵ (Tessier and Otley, 2012). This questioning of technical controls illuminated the previously taken-for-granted assumptions (i.e. institutions) about *service-delivery as fast as possible and at any cost* (i.e. a 'technical inefficiency' contradiction) and "carved the way for a process of designing and implementing high-level strategic change" (Burns and Baldvinsdottir, 2005, p.738). Interestingly, it was management accounting information, which revealed such inefficiencies in service deliveries.

The next action taken by the CEO was to ask senior management to problematise what they perceived as being the main issues and problems in service-delivery at Gladiator. In so doing, he was coercing his new colleagues to identify and make explicit what they perceived to be Gladiator's management control and service-delivery imperatives - effectively getting "them to question the taken-for-granted assumptions" (Yazdifar, 2013, p.197). This action also formed part of the *how* in

⁴⁴ Inter-organisational mobility means "the number of different organisations in which institutional entrepreneurs worked" (Battilana, 2006, p.666).

⁴⁵ Technical controls are defined as "rules, procedures or standards describing how to accomplish certain tasks" (Tessier and Otley, 2012, p.777).

RQ2. The CEO was getting senior management to slowly realise that reform was necessary and legitimate. It also facilitated him in gaining visibility into the existing values, beliefs and norms about service-delivery and management control in Gladiator (i.e. interpretive schemes, Laughlin, 1991). This is a clear example of how the CEO was utilising socio-ideological forms of control over his managers and also his power over meaning (Hardy, 1996; Alvesson and Kärreman, 2004). Socio-ideological (i.e. informal) forms of control “attempt to control worker mindsets” (Alvesson and Kärreman, 2004, p.425) by “persuading people to adapt to certain values, norms and ideas about what is good, important, praiseworthy, etc in terms of work and organisational life. Ideologies justify certain principles, actions and feelings, and discourage others” (Alvesson, 1987; Czarniawska-Joerges and Joerges, 1988; Alvesson and Kärreman, 2004, p.426). Similar to Yazdifar’s (2013, p.197) findings in Omega the CEO was convincing “staff that things were not right and that change was necessary, otherwise the company would not survive”. The CEO described how many of the senior management team knew the existing models of delivering services were inefficient and ineffective and he was not necessarily asking senior management to change a delivery and management control system all managers were necessarily happy with:

A cohort of people realised that this can’t go on. So I wasn’t really coming in and changing what people were necessarily happy with, and comfortable with, or going to defend. They realised that *something had to change* (CEO).

This resonates with Laughlin’s (1991) colonisation mode where he argues one could envisage change here as being *chosen*, “when what Laughlin (1987, p.485) calls ‘positive’ inner colonisation is occurring (i.e. where the colonising challenges to the interpretive schemes were welcomed, or in some sense deemed to be ‘good for the organisation’)” (Laughlin, 1991, p.220). It is important to remember this as when we next examine the external jolts, that is, the financial crisis, we could argue that change was *forced*. Thus, it will be illuminated how senior management can also choose forced change.

7.2.2 External jolts - financial crisis and central government austerity measures

As this is a processual approach to reform in an Irish local authority, context is significant and reform is “regarded as a continuous process that unfolds through the interplay of multiple variables within and outside of organisations” (Yazdifar *et al.*, p.53). It is thus appropriate at this point to return to the external factors, which emerged, from September 2008, from the financial crisis, as they are part of, and, interwoven in the complex reform process at Gladiator. The *An Bord Snip Nua* Report, the LGERG Report and the Croke Park Agreement all communicated and legitimated the urgent need for public sector reforms. They acted as levers for the Irish central government for imposing austerity measures on all Irish local authorities. These levers strengthened the implementation of the new austerity rules imposed by central government as they appealed to staff members’ logic, being similar to the classical rhetorical category ‘logos’ (Suddaby and Greenwood, 2005). Logos covers everything individuals can establish “through reason and includes both logical and empirical argumentation” (Nørreklit and Mitchell, 2007, p.188). Gladiator’s staff were very much aware from media reports of the cash flow problems of central government and of how spending cuts seemed to be the only solution to the financial crisis. In Laughlin’s (1991) terms, the lower level staff interpretive schemes at Gladiator were altered due to the external shock of the financial crisis and central government funding cuts. Staff had a traditional belief that their jobs were secure and *for life*, but when the Croke Park Agreement was signed, it was signed in a period of public sector salary cuts and staff redundancies. Historical staff norms and beliefs about job security were jolted and the implementation was further driven by staff feelings of job loss and insecurity. van der Kolk *et al.*, (2015, p.946) found similar job insecurity feelings in a local authority in the Netherlands:

It’s for the first time in the history of [Bluetown] that such vigorous measures are being applied, and that job security is no longer assured for everyone. That’s not common for the public sector. It’s a situation which leads to a lot of stress on the part of the employees (Alderman BI).

Thus, the status quo at Gladiator was ruptured not only by the appointment of a new CEO but also by a combination of external factors. The *internal* and *external*

jolts created and enabled service-delivery and management control reforms in Gladiator. This tracing of jolts through an organisation has also been carried out in similar studies like Contrafatto and Burns (2013). They traced three exogenous factors, mainly comprising of increased regulation, and the impact they had on sustainability issues. Gladiator's external jolts gave further strength to the CEO's vision of an efficient and effective service-delivery structure. They legitimised his actions, that is, "they were in accordance with relevant legal or quasi-legal requirements" (Scott, 2014, p.74). The importance of the *external* jolts in Gladiator was witnessed when the CFO acknowledged that reforms in its service-delivery and management control structures would probably not have taken place in their absence:

Would we have restructured and changed if we didn't have a cut in our revenues? I would say absolutely not (CFO).

This is a very interesting statement revealing how despite the historic embedded institution of *service-delivery at any cost*, not being in agreement with the majority of senior management's interpretive schemes, the CFO believed the external jolts were the main reasons for service-delivery reforms at Gladiator and not the CEO's questioning actions and efficiency agenda.

7.3 RQ2: How did an institutional entrepreneur handle reforms in Gladiator's delivery of public services and management controls, particularly in the context of a forthcoming period of austerity?

While this section focuses on the *how*, the previous section of *why*, is also interwoven in the reform process. The CEO by questioning management accounting information (for example, service revenues and costings) in combination with drawing on external factors such as central government austerity pressures (i.e. McCarthy Report, LGERG Report and Croke Park Agreement) were also part of *how* Gladiator reformed its delivery of public services and management controls. Next, Sections 7.3.1 to 7.3.6 illuminate a powerful CEO's process of institutional entrepreneurship. Again, it is important to reiterate, it is not the intention of this research to celebrate the CEO as an exceptional *heroic* individual - rather it offers a process-oriented account of purposeful institutional entrepreneurship in Gladiator's reform processes.

7.3.1 Continuous questioning of delivery of services and management controls

The CEO's continuous questioning of service deliveries and management controls was chipping away at, and gradually deinstitutionalising⁴⁶ the existing norms of service-delivery and management control in Gladiator. By questioning the historic and existing embedded understandings and beliefs of *service-delivery as fast as possible and at any cost*, he was slowly starting to develop an awareness and shift (if not already there) in senior management mind-sets. In an effort to "persuade people to adapt to certain values, norms and ideas about what is good, important, praiseworthy, etc in terms of work and organisational life" (Alvesson and Kärreman, 2004, p.426), the CEO, in terms of the Battilana *et al's.*, (2009) model was slowly creating a vision of the need for divergent change via socio-ideological control. This activity epitomised *praxis*, the *doing* of change (Benson, 1977; Seo and Creed, 2002). The CEO knew his management needs and interests were not being met in the existing service-delivery and management control practices.

Due to the discussions with the CEO about the inadequacies of the existing service-delivery and management control practices in Gladiator, senior management were bringing into their consciousness the need for reforms (Seo and Creed, 2002). This resonates with Hardy and Maguire's (2008, p.208) review, of one body of institutional entrepreneurship work, that argued an "institutional entrepreneur's communication creates shared cognitions (and emotions) that support institutional change". In this research, Gladiator's CEO is conceptualised as an *institutional entrepreneur* because he initiated reform ideas via his questioning and, subsequently actively drove it by leveraging resources such as DD, EC and SSR's to achieve it (see DiMaggio, 1988; Battilana *et al.*, 2009). He was seen to be slowly generating a shift in senior management's interpretive schemes by communicating Gladiator's inappropriate revenue and expenditure service results.

⁴⁶ Deinstitutionalisation is defined as "the process by which the legitimacy of an established institutionalised organisational practice erodes or discontinues (Oliver, 1992, p.564).

7.3.2 Development Directorate established

Upon the CEO's own realisation of a need for reforms in Gladiator, he drew on his 'power over resources' in establishing a new DD. Consistent with Hardy's idea of 'power over resources', the CEO was exercising power "to influence decision outcomes and bring about the desired behaviour through the deployment of key resources on which others depend, such as information, expertise, political access credibility, stature and prestige, access to higher echelon members, the controls of money, rewards and sanctions" (Hardy, 1996, p.S7). In addition, in terms of Laughlin's (1991) framework, the DD was a sub-system⁴⁷, whose sole remit was to progress efficiency improvements in Gladiator's delivery of public services. The DD's purpose echos the essence of NPM as laid out by Hyndman and Lapsley (2016). DD was a powerful internal environmental disturbance because it was central to Gladiator's reforms process by carving out *improved* ways of delivering services as it had no allegiance to the *old ways* of delivering services. And, consistent with Laughlin's (1991, p.219) ideas on organisational change, it was as though a revolution occurred in Gladiator "generated by shifts and changes in the design archetype⁴⁸ which designs and leads to its supporting interpretive schemes, with little reference to, or concern for, the previous interpretive schemes". The DD became a medium for reform in the service-delivery and management control structures (i.e. design archetype) at Gladiator and subsequently over time in the service-delivery and management control institutions.

7.3.3 Efficiency Committee established

The EC, another significant tangible organisational element, was introduced by the CEO in 2008 after the establishment of the DD. Similar to the DD it resonates with what Laughlin (1991) would refer to as a sub-system. The EC was separated from Gladiator's internal control department, which was handed over to internal audit, and the EC became a stand-alone committee. This building on, instead of disregarding, the old structures, is an example of evolutionary change at

⁴⁷ A sub-system "is a tangible organisational element, for example, buildings, people, machines, finance and the behaviours and natures of these elements" (Laughlin, 1991, p.211).

⁴⁸ Design archetypes which are defined as "...compositions of structures and (management) systems given coherence and orientation by an underlying set of values and beliefs" (Hinings and Greenwood, 1988, p.4).

Gladiator. Evolutionary change “is incremental with only minor disruption to existing routines and institutions” (Burns and Scapens, 2000, p.20). However, despite the restructuring of the EC being evolutionary in nature, the actual impact of its actions were revolutionary “involving a fundamental disruption to existing routines and institutions” (Burns and Scapens, 2000, p.20). As described by the CFO:

The target has been to deliver the same with less resources and I think that has been achieved except roads.

In the context of Hardy’s (1996) work, the CEO is viewed as a political mobiliser who drew upon his power over resources to create this new EC (and DD, above). The skilful entrepreneurship of the CEO is conceptualised here as active agency. He was “pursuing certain interests and acting strategically” (Weik, 2011, p.468) in influencing how the EC was to be established and run:

The way the EC is structured is that the committee is cross representational, drawing from staff across all the various directorates. If the committee is prepared to endorse a report for a particular service, with a whole series of recommendations, in effect it's going to be very hard for the director of that service to come along and counteract some of the recommendations or try to undermine some of the recommendations, especially if it has the backing of such a broad group of people from across the organisation. Now that is hard to argue with. (Senior Executive Officer (1)).

Hence, power over decision-making which “incorporates a variety of procedures and political routines that can be invoked by dominant groups to influence outcomes” (Hardy, 1996, p. S7), was, in addition to power over resources, also being exerted in Gladiator from ‘behind the scenes’ through the CEO’s use of political manoeuvring in committee member selections (Yazdifar *et al.*, 2005).

Furthermore, the EC impacted the communication systems and subsequently the decision-making processes in Gladiator by reporting on the economy, efficiency and effectiveness (three e’s) of the organisation. The terms *economy*, *efficiency* and *effectiveness* all reflect NPM language (see Hood, 1995; Hyndman and Lapsley, 2016). In terms of Laughlin’s (1991) work, we can view the communication systems and decision-making processes in Gladiator as design archetypes that were drawn upon by the CEO to trigger reforms in the existing interpretive schemes about service-delivery in Gladiator. The strategic tactics of the establishment of the DD and EC by the CEO achieved collective support for

Gladiator's efficiency reforms. Those resisting were fighting a losing battle because of the collective activism on the EC supporting efficiency reform.

7.3.4 Strategic service review groups and strategic service reviews

In 2009, concurrently and ongoing with the external jolts above (see Section 7.2.2), the CEO established three new SSRGs. The *entrepreneurship* of the CEO in his calculative choice over who comprised such important decision-making groups, was a pertinent illustration of what Hardy (1996) referred to as power over resources and mobilisation of power over decision-making. The CEO was conscious that staff in Gladiator might be working from different interpretive schemes and institutions (which can cause resistance to reform) than “what they communicate in public and may also not “mean what they say” (Cornelissen *et al.*, 2015, p.12). In this respect, we can refer back to Chapter Five, Section 5.3.2.1, when it was noted that the CEO was intent on precluding some colleagues from having any opportunity to resist his strategic service reform plans. The establishment of the SSRGs facilitated the CEO in mobilising allies, developing alliances and cooperation for reforms at Gladiator. Thus, revealing further activities (like the DD, EC, earlier) of the process of institutional entrepreneurship by the CEO (Battilana *et al.*, 2009).

The CEO instructed the SSRGs to monitor the internal SSRs carried out by DD. These service reviews were mainly driven by the down turn in the economy due to the financial crisis and central government funding cuts. Battilana *et al.*, (2009) contend that jolts such as a financial crisis, create openings for institutional entrepreneurship to occur, and in Gladiator it drove the CEO to request SSR's to be carried out. This also resonates with Laughlin (1991, p.218) who illustrates how “a financial crisis (an initial kick)” can feed into the design archetype (i.e. Gladiator's service-delivery and management control structures) calling for major changes to manage such threats and these in turn, through complex processes, colonises the guiding interpretive schemes of the organisation”. This epitomises how *external* and *internal* change drivers are not static but ongoing and dynamic.

The SSRs (see Chapter Five, Section 5.3.2.1) highlight *how* reform was handled in Gladiator. They sought to achieve efficiencies and effectiveness in Gladiator's

delivery of public services while also improving service-delivery to its customers. These strategic service reviews further reinforced the case for efficiency and effectiveness in service delivery and management control.

So what we've tried to do is look at how we're structured to see are there more efficient ways of delivering services with fewer resources. So hopefully, I suppose, a double edged sword, where we'll actually be able to deliver services with fewer staff but at the same time not just sustain the current level of service but improve the level of service to the customer at the same time (Senior Executive Officer (1)).

This comment echoes the ethos of NPM and not austerity management as Gladiator sought to “shift the policy focus from crude expenditure cuts to the pursuit of enhanced efficiency and value for money” (Bracci *et al.*, 2015, p.879). It also exemplifies the complexity of managing multiple demands simultaneously and over time. Moreover, being strategic also implied they were future looking, “we're looking forward, strategically, so they should be *best* for the organisation, but not *just* for 2010, or 2011, or 2012” (Senior Executive Officer (1)). The future orientation of the SSR's highlighted the senior managers' “capacity to imagine alternative possibilities” (Battilana and D'Aunno, 2009, p.47) for Gladiator's service deliveries reflecting agency in action.

Furthermore, the SSRs were each driven by a project charter document. They outlined why the reviews were needed, its objectives and what was within its remit. Hence, the project charter summarised the economic factors driving its origins, in addition to what its future hopes for service deliveries in Gladiator entailed. This project charter document illuminated the *future* and *present* dimensions of *agency*, in addition, to being a communication tool. The charter document communicated Gladiator's senior managers' “future imagination” of a better way of delivering services and how the “present” job losses and tight budgets were cause for its need (Battilana and D'Aunno, 2009, p.47). Thus, drawing on staff fears over job security and, in terms of Laughlin's (1991) organisational concepts, subsequently affecting their interpretive schemes. Senior managers in Gladiator knew in the context of an economic crisis, reform had to happen and keeping the charter document very simple and user relevant was crucial. This concurs with Baldvinsdottir, Burns, Nørreklit, and Scapens' (2010, p.5) findings of “the language test needs to be passed. It needs simple language – which 400,000 workers can connect to.....”. Contrafatto and Burns

(2013, p.357) agree with this idea, stating, “the change process tends to be smoother when there is clear communication about the required new ways”.

In addition, the CEO wrote a letter in June 2009 to staff outlining how the current environmental challenges dictated that further progress be made in enhancing efficiency, improving coordination, and maintaining high standards of customer service-delivery. Greater use of management accounting information was also occurring to make visible to staff the financial issues faced by Gladiator during a time of austerity. Economic vocabulary such as “efficiency, value for money, cost effectiveness” (Hopwood, 1990, p.15) were being drawn upon by the CEO to reform Gladiator. In so doing, he was drawing on what Hardy (1996) terms *power of meaning* to convince staff that management control and service-delivery reform was rational, necessary and legitimate (see also Burns, 2000; Jack, 2016). The letter represents the CEO’s push towards NPM style of control. That is “a government that works better and costs less” (Pollitt, 2000, p.183). Finally, in 2010, the strategic service review findings were communicated to Gladiator’s staff.

7.3.5 Strategic service reviews findings

The findings of the SSRs illuminated service delivery and management control inefficiencies. They highlighted how Gladiators service deliveries and management controls were nebulous in nature with different reporting structures and operational practices in use across the organisation. Additionally, staff were holding multiple jobs that were unclear in nature. The SSRs conclusions challenged the existing norms, values and beliefs at Gladiator and attempted to define new “interpretations and meanings that could become widely understood and shared by” (Smircich, 1983, p.161) Gladiators staff. They stressed the need for an improved focus on strategic issues, performance management and clear staff roles and responsibilities.

Upon communicating to staff the SSRs findings (as explained in Chapter Five, Section 5.3.4), the DD was commanded the task by the CEO to establish a new service-delivery and management structure. They had to identify and document each of the four services’ (waste, housing, water, and roads) core objectives, staff

roles and responsibilities, and establish key performance indicators and targets. The DD's recommendations were firstly, a centralised decision-making function (for example, see Chapter Six, Figure 6.1) for each service and secondly, an elimination of multi-functional staff roles. The CEO and councillors sanctioned these recommendations. However, to be implemented successfully the new service structures needed the support of the directors of services and managers.

Therefore, the CEO using his formal authority as head of the organisation set about *making the managers manage*. He called "the shots" (Burns, 2000, p.580). This is interesting and signals the CEO's coercive use of power by *making the managers manage* which is in contrast to public sector reforms which aim "at 'letting managers manage'" (Brunsson and Sahlin-Andersson, 2000, p.727). The CEO instructed the directors of services and senior managers that it was their responsibility to ensure that the new service-delivery structures and management control practices were implemented. The CEO's action illuminates what Hardy (1996) terms *power of resources*. Senior Executive Officer (2) recalled how:

I think that management mind-set, and I suppose, I'm not saying that we didn't have it already, it's not that, I think we are just becoming more aware of it.

Through the power of rhetoric, the CEO was triggering dormant interpretive schemes into action and making *service management practices* a personal reflection of the directors and managers work etiquette. He informed them that they needed to manage and were accountable for their actions. This concurs with Overmans and Noordegraaf's (2014, p.99) findings who wrote, "coping with austerity is the responsibility of public sector managers". The CEO's use of rhetoric reflects a new design archetype in Laughlin's (1991) framework that subsequently slowly fed into the interpretive schemes of Gladiator's staff.

The directors of services and senior managers were also important change agents⁴⁹ (mobilised by the CEO) to drive the service reforms. In driving the reforms to achieve efficiencies, they drew on the external environment, created

⁴⁹ They are change agents and not institutional entrepreneurs because the directors and managers did not initiate the change process.

a sense of urgency and carried out verbal repetition (see Chapter Five, Section 5.4.1). They specifically drew on the Croke Park Agreement mandate to legitimise and make appear rational the reforms. Effectively, they were emphasising “conformity to rules” (Scott, 2014, p.74). The Croke Park Agreement can be conceptualised as new central government rules enforced to achieve cost savings and efficiencies in the public sector. The CEO and senior managers also drew on austerity rhetoric (for example, stating expenditures in services are down by 10%⁵⁰ and our staff numbers are declining) to push service-delivery reforms through.

In addition, they also created a sense of urgency about the reforms, consistent with Tessier and Otley’s (2012, p.785) case studies findings where “controls were implemented in both companies in a hurry because sources of pressure were associated with a sense of urgency”. Dawson (2003, p.12) also argued that:

although one consequence of the September 2001 terrorist attack in New York has been a shake-up and restructuring of the airline industry, a number of commentators have suggested that the need for change preceded this event that brought into such stark relief the need and urgency for change.

Finally, directors and senior managers kept verbally repeating (i.e. forcing), this is “the new way of doing things”. These are the new job roles and there is no reverting back to past practices. Again, similar to Tessier and Otley’s (2012, p.790) case study findings where change eventually occurred because “the new CEO forced Company A to implement new controls”. This highlights how strategic management needs to be continually managed and reflects how institutional change in service-delivery and management control is being enhanced by the verbal repetition of “this is how we now do things around here”. This reform approach is on changing staff actions with the expectation that the thinking (i.e. interpretive schemes) will follow. Furthermore, the reform is actually *forced*, but it is presented to senior management staff as if they have *chosen* it from their own awareness (i.e. interpretive schemes) of service-delivery inefficiencies.

⁵⁰ Source: Project charter document.

In summary, this research conceptualises the new CEO, management accounting information, the project charter document, CEO's letter and the service review findings as jolts to the existing design archetypes (Laughlin, 1991). They all came about because of the external financial crisis combined with the work of the DD, EC and SSRGs, which were all driven by the powerful agency of the CEO. The continuous communication of management accounting information from the DD, EC and SSRs slowly colonized the interpretive schemes of Gladiator eventually resulting in "a totally new underlying ethos for the organisation as a whole" (Laughlin, 1991, p.219). Next, the process of reforms in Gladiator's budgets is specifically discussed. Budgets were Gladiator's financial management practice.

7.3.6 Reform of budgets

Budgets are conceptualised in this research as part of the management structure (i.e. design archetype) in Gladiator (Laughlin, 1991). According to Broadbent (1992), the elements of the design archetypes mirror elements of the interpretive schemes. Analysing reforms in Gladiator's budgeting process allows the researcher to display how the interpretive schemes developed "in the context of a process of change" (Broadbent, 1992, p.347). Budgeting was a statutory requirement at Gladiator, budgets were prepared separately at units A, B, and C. Budget preparation routines formed part of the taken-for-granted assumptions and beliefs concerning service management activities at Gladiator. Incremental budgeting was the accepted approach and budgets were akin to budget holder's *wish lists*. Approved budgets represented legitimised spending activities of the budget holders with little or no accountability. These budget practice findings resonate with the findings of James (2006, p.18) in an Australian electricity corporation:

....having achieved all that [the budget process], everyone put it in the bottom drawer and went ahead and spent and did what they wanted to anyway.

However, when the CEO questioned the budget information presented to him upon commencement of his tenure, it "fundamentally jolted" the taken-for-granted incremental budgeting practices at A, B and C because the lack of organisation clarity and poor budget controls became evident (Burns, 2000, p.574). Because

of the CEO's questioning, in conjunction with the broader societal influences of the financial crisis and central government austerity pressures for cutbacks, the traditional budgeting process at Gladiator was reformed becoming a centralised budget process (i.e. moving away from the individual budget unit (A, B, C) approach). In terms of the institutional entrepreneurship literature, the CEO's formal position, being new and his rhetoric ability to draw on the external austerity pressures placed on Gladiator, provided him with legitimacy in the eyes of the councillors and senior management to implement this new centralised budget setting reform (see Battilana, 2006; Battilana *et al.*, 2009). As Senior Accountant (3) explained in Chapter Five, Section 5.5.1, the CEO could actually say, "let's do something different" which an existing CEO wouldn't even attempt to do.

This is an interesting finding, clearly reflecting the paradox of embedded agency puzzle. That is, "if actors are embedded in an institutional field and subject to regulative, normative and cognitive processes that structure their cognitions, define their interests and produce their identities, how are they able to envision new practices and then subsequently get others to adopt them?" (Garud *et al.*, 2007, p.961). In Gladiator, it is evident that *agency* characteristics were already active in budgeting practices prior to the CEO's arrival. The CFO and senior accountants had spoken about revising Gladiator's budget process to a central function, but they believed that the councillors would never accept it:

We said the councillors will never go for a centralized budget (Senior Accountant (3)).

This demonstrates how despite individuals being settled in their ways of managing and delivering services had *imagined* and spoke about alternative budget practices, i.e. centralisation of budget preparation as opposed to unit A, B and C delivery of budgets. This represents a *reflective* moment for Gladiator's actors as they critiqued existing patterns and searched for alternatives (Burns and Baldvinsdottir, 2005, p.729). However, their lack of praxis was due to their perceived lack of power to mobilise councillors behind the budgeting process change idea. Thus, Gladiator's CFO and senior accountant did not have an *active* moment "involving mobilisation and collective action" (Seo and Creed, 2002, p.230).

Nevertheless, despite the councillors accepting the new CEO's centralised budgeting process, they still resisted elements of this new approach. They demanded budget meetings continue to be held in November in units A, B, C as had always been the practice. Despite them having no decision to make about service price setting they were still holding onto some of the historic "taken-for-granted ways of thinking" and managing at Gladiator (Burns and Scapens, 2000, p.5). A senior accountant was quoted in Chapter Five as saying he believed the reason the councillors wanted to hold on to this legacy budget routine was for strategic reasons. The media attended the budget meetings and the councillors wanted to use the media to signal to their constituents whether they were in favour of the current year's charges or not, thus achieving an appearance of legitimate budget activity and enhancing their own political support; and , thus illuminating how "pressures from the press and citizens and the 'volatility of voters' were regarded as the most important factors" for councillors (ter Bogt, 2008(a), p.42). This highlights how budgets are as much about politics as they are about control. Control is a means of achieving desired outcomes, whereas politics is "the practical domain of power in action" (Buchanan and Badham, 1999, p.11).

7.3.6.1 Budgetary control

The centralisation of the budget setting process now implied that the directors of units A, B, and C were given a budget by the support Finance Department that they were told they had to operate within. The fundamental budget control rules were now being enforced stating that budgets *must* be met and not overspent. In terms of Tessier and Otley's (2012, p.777) work, these are technical controls which are "rules, procedures or standards describing how to accomplish" budget control. This enforcement of the first principles of budgets removed the decoupling of budget rules from budget practices. Decoupling is an "organisational response to external pressure to implement new accounting routines" (Siti-Nabiha and Scapens, 2005, p.47). That is, to secure external legitimacy organisations implement new accounting routines, "but at the same time decouples them from day-to-day operations in order to maintain the technical efficiency of the organisation" (Siti-Nabiha and Scapens, 2005, p.47).

This historic budget practice in Gladiator of preparing the budget (for legitimacy purposes) and then not controlling it was removed. Budget practice now had to reflect the budget rule, which was, *no overspending* and according to Simons (1995, p.84) a manager is better off telling employees “what not to do”. Also, Johansson and Siverbo’s (2014, p.273) argued, that “in economic terms, the responsibility of public sector organisations is to try to make sure that the difference between budgeted costs and actual costs is zero, that is, to ensure that no more or no less than budgeted resources are consumed during the fiscal year”. These budget reform actions in Gladiator reflected an increase in technical management controls, which were underpinned by the power of the CEO. Gladiator’s senior management were now questioning budgets rather than accepting incremental budgets while staff were being held accountable for their budget spending behaviours. Budgets were no longer viewed as approved *wish lists* for unit spending. Instead, budgets were used to help generate staff self-awareness of the impact their budget behaviour would likely have on Gladiators available funds, in effect, budgets were strategic documents for governing services. Senior Staff Officer (3) explained:

Now it is crucial that the directors of services units stay within their budget. We are harping on about budget control the same amount as we did before, but now they are getting more and more involved than they ever did before and they are getting it.

Thus, there has been a *shift in thinking and doing*, as enforcement of budget control had now become routine. Burns and Scapens (2000) would conceptualise this reform as a change in budget rules and routines that over time became institutionalised. The directors of services were taking more responsibility for managing their own budgets and their staff, whose activities affected those budgets.

Furthermore, a new ERP system and capital budgets were also implemented (see Chapter Five, Section 5.7). These new technical controls reinforced the CEO’s power over change. He exerted his power over resources and decision-making “in the way that he dominated the process of determining what ought to be done” (Burns, 2000, p.580) in Gladiator’s budgetary control. He restricted staff access to income and expenditure codes on the new ERP system and he said capital budgets were to be prepared every three years. This new capital budget

preparation rule was subsequently revised during the change process to the preparation of annual capital budgets. Thus, showing how new rules can be modified during the reform process.

In summary, a combination of staff awareness of the external socio-political factors of the financial crisis and central government austerity measures (i.e. external jolts) and the authority of the new CEO enforcing the fundamentals of budgetary control (i.e. internal jolt), combined, triggered a kick in the existing budgetary control system (i.e. design archetype). This subsequently caused an imbalance in Gladiator's budgeting practices triggering strict enforcement of budget control practices where managers' managed and service-delivery was efficient and effective. Beliefs of abundant cash flows were no longer the norm. Next, a specific discussion on housing reforms is presented as housing was the main service examined.

7.4 Housing – *why* and *how* it was reformed

Traditionally, housing was delivered independently through each of its units A, B, C, and each unit carried out its housing operations and service-delivery in a slightly different manner. Having the housing service structured as three independent units with three directors of services, resulted in variations in service deliveries and management control practices leading to inefficiencies. The housing SSR (Chapter Five, Section 5.3.2.1) was ordered by the CEO when the economic recession hit and central government austerity measures kicked in. The external conditions played "an important enabling role in the institutional entrepreneurship" of the CEO (Battilana *et al.*, 2009, p.75). The SSR also made the housing service inefficiencies more transparent to staff. It recommended centralising the housing function under one director of service of which five business units; Policy and Co-ordination, Social Operations, Housing Options, Finance and Administration and Technical and Architecture would report directly in (see Chapter Six, Section 6.2).

The CEO throughout housings reform process had been very vocal about how he saw his role as being about getting management staff to *manage*. In terms of Hardy's (1996) work, this resonates with power over resources and processes.

Thus, by commissioning the strategic housing report, the CEO via the DD, EC and strategic groups *de-legitimised* the existing housing structures and strove towards achieving improved service-delivery and management control (Oliver, 1992). It was felt that this new housing management structure would ensure staff performance resulting in service efficiency and effectiveness. Reform in housing through the DD was being given a new meaning by communicating its benefits:

- One dedicated service manager with a sole focus on the management of housing services on a city/countywide basis.
- Five core housing business units, resulting in a more streamlined, co-ordinated and responsive management structure with standardized systems, policies and procedures.
- Policy separate from operations.

This communication process created shared cognitions (and emotions) that supported institutional change (Hardy and Maguire, 2008, p.208). The strategic housing report set out the key staff positions in housing and their respective duties. It represented Housing's formal rules (Burns and Scapens, 2000, p.6; Tessier and Otley, 2012). Key performance indicators (KPI's) were also established to help reinforce the new housing structure. Senior Executive Officer (2) explained how:

The housing report set out the key positions in housing and what that person's duties should be, who else they would likely be interacting with across the other silos, across the structures, so that they would have clarity in terms of who they would be liaising and interacting with. The review team flagged the priority KPI's for the individuals so that the individual knows what they have to strive towards. KPI's will be a work in progress for a few years I would say in getting all the KPI's up and running.

These new rules affected housing's management control structure (i.e. design archetype, see Laughlin, 1991) which was used to steer staff behaviours (i.e. sub-systems, see Laughlin 1991) in a direction coherent with the new management ethos of efficiency and effectiveness (i.e. interpretive schemes, see Laughlin 1991) in service-delivery. This is explained and seen diagrammatically in Chapter Eight, Figure 8.1. The KPI's are new management accounting targets for staff to strive towards creating a vision for staff of what housing represents and what they are responsible for.

7.4.1 Implementing the new housing structure - *how*

Continuing to progress reform in housing the CEO strategically selected which geographic unit housing would be located at, either A, B or C. The CEO knew that he needed to make the allocation decision carefully to avoid any possible struggles with councillors and staff. Hence, he allocated roads to A, water to B and housing to C. His logic for allocation was driven by where the appointed director of service was based.

The CEO knew that for housing reform to be a success he needed to appoint a director who believed in the reform. Therefore, he appointed a director (not the incumbent housing director) who would make the implementation happen. He initially appointed him for one year only. The CEO's formal "right to make decisions" (Battilana *et al.*, 2009, p.84) is evident here. He felt the new director was the "*best person to head it up as he had all the thought processes*" he wanted (CEO). His management report reflected commitment and reform to housing (see Chapter Six, Section 6.5 and Appendix C).

The new director of housing was an important ally and change agent to the CEO. He shared the CEO's vision for reform and had ideas of how to manage and drive housing's implementation. The director, when drawing up his business plan, drew from his past Master's qualifications, his past and present local authority service experience as well as his ability to imagine alternative service management possibilities (see Battilana and D'Aunno, 2009). He drove housing reform via his business plan that was in effect a BSC. The BSC (i.e. a new design archetype) allowed the director to communicate clearly with his staff and it "formed a key dimension to the discourse activity that was crucial for establishing new ways of thinking as well as helping to dismantle old taken-for-granted assumptions" (Burns and Baldvinsdottir, 2005, p.735). The BSC was a new key management accounting rule in the housing service (Burns and Scapens, 2000). It outlined in simple terms what housing staff must excel at. However, the director never used the term *BSC* when discussing his business plan with his staff because he believed that "accounting lingo is the worst thing you could say" (Director of Service (1)). This is intriguing; despite management accounting information playing an important role in Gladiator's reforms, it seems accounting language

could possibly be a cause of resistance to reform by staff. The business plan over the year of the director's tenure developed efficiencies in housing delivery as the performance management information allowed the managers to see any backlogs in the business units and consequently take action.

Furthermore, the CEO, to limit staff resistance to housing reforms acted strategically. He mobilised staff behind the reform by showing his conscious decision to minimise staff relocations between A, B and C. His power over resources being illuminated here (Hardy, 1996; Battilana, 2006). This strategic tactic helped lessen internal resistance to the reforms. Yazdifar (2013, p.204) illustrated similar findings in his Omega case study:

motivating people is important for business success, but it doesn't come just by reward, bonuses and pay. There are other psychological issues such as security or longevity and these sorts of issues are important and people need them.

Nevertheless, some staff members felt the new staff workloads were unrealistic and too much for one individual. However, when they raised their concerns with their housing superiors they were told:

You can look out that front door but there is no bus pulling up with a gang of staff in it. It is not going to happen and the longer the work is left piled up the more you are going to have to do and the more stress you are going to be under. This is the structure. It is written in stone in terms of staff numbers. It will be reviewed after one year but it is written in stone (Senior Executive Officer (3)).

Therefore, as the staff requests for less work was rejected, disillusioned staff who did not favour the organisational restructuring either took early retirement or left Gladiator for alternative employment. This resonates with Laughlin's (1991) colonisation findings, which revealed that when lasting and fundamental change was achieved in an organisation, some participants left the organisation when they could not live with the changes.

Housing by its nature is about people - and people in difficulty - and in Gladiator housing staff are viewed as being very good at housing issues. They thought about housing and social problems from their heart and financial concerns were not priority. This is an example of organisational fragmentation at Gladiator where different job levels within the housing department hold different perspectives, that

is, different interpretive schemes (i.e. different beliefs and values) (see Broadbent, 1992; Gurd, 2008). As Broadbent (1992, p.362) outlined, “agreement of organisational members at higher levels of the interpretive schemes (e.g. the meta-rules) might be contrasted with disagreement at the lower levels (e.g. the cultural level)”. To overcome this fragmentation, power over resources was exercised and the senior executive officers drew on the new housing staffing rules to embed the new staff structures at Gladiator. “Rules are procedures that people follow to fulfil their identities” and “an identity is a conception of self-organised into rules for matching actions to situations” (March, 1994, p.61). As the housing service and management control rules were changed in Gladiator and staff had to follow the new rules, subtle and gradual erosion of the former housing values and beliefs occurred, resulting in a shift in the existing interpretive schemes (Laughlin, 1991) which subsequently fed into the settled ways of thinking (Burns and Scapens, 2000). The external environment jolts enhanced acceptance of these new housing rules. Laughlin (1991) also found this to be true in the case study of European Railways carried out by Dent (1986) (see Chapter Five, Section 5.3.3). The director of housing also explained how the external environment created the urgency for reforms in housing but how that sense of urgency also had to be maintained during housing’s new structure implementation.

However, reform to the level of colonisation in Gladiator was gradual. It took perseverance and holding to account for service delivery practices and expenditure and income figures. For instance, Lapsley and Pallot (2000) found that, over time and due to the persistence of a new chief executive, accounting was integrated with its management decisions. Gladiator’s CEO required senior management every quarter to present a management report on their service activities and performance at the management meeting. This, in terms of Burns and Scapens (2000), reflected a new management rule and routine for senior management. Management accounting language (i.e. a design archetype) was being used to motivate and create competition among senior managers, as no managers wanted their performance figures to be poor in the presence of their colleagues. By continually repeating what must not be done, that is, *no overspending*, in conjunction with questioning staff budget behaviours, staff

actions and thinking slowly started to change and become embedded (Laughlin, 1991; Burns and Scapens, 2000).

7.5 Concluding remarks

This chapter drew Chapters Five and Six together by discussing in-depth the findings in relation to the two research questions outlined in Chapter One:

RQ1: Why did an Irish local authority (Gladiator) reform its delivery of public services and management controls?

RQ2: How did an institutional entrepreneur handle reforms in Gladiator's delivery of public services and management controls, particularly in the context of a forthcoming period of austerity?

The findings provide a holistic insight into the dynamic complexity of public service reform. Internal and external organisational factors were intertwined in Gladiator's reform process. A process-oriented account of how a new CEO delegitimised the existing service-delivery and management control practices was presented. His rhetoric skills and transforming ability of senior managements' existing management control beliefs - through his questioning of existing service structures and practices - was revealed. The CEO's skilful use of management accounting information combined with his ability to draw on external austerity pressures to progress reform was made clear. His power over resources and decision-making by establishing the DD, EC and SSRGs was illustrated as well as showing the role of these sub-systems in transforming Gladiator's service-delivery and management control structures and practices.

The historic budget practices were challenged and the budget rule of *no over spending* was enforced, in addition, to managers being made manage. Financials now mattered and capital budgets and a new ERP system were implemented. It was no longer about service-delivery as fast as possible and at any cost. Changes in existing interpretive schemes and institutions about service-delivery and management control at Gladiator were gradually emerging. The new housing structure was examined and staff resistance to its reform were curtailed by a number of strategic tactics: staff locations, job identity, a sense of urgency due to external austerity pressures and clear communication of how the reforms would

be implemented. The findings highlighted how perseverance and continuous accountability for actions were required to achieve reforms in Gladiator. The next chapter concludes the study by drawing together the major findings in Chapters Five, Six and Seven. The key contributions of the study are also presented.

CHAPTER EIGHT – CONCLUSION, CONTRIBUTION AND IMPLICATIONS

8.1 Introduction

This chapter presents an overview of the process of public service reforms in an Irish local authority with regard to its delivery of public services and management controls during a period of austerity. It is divided into five sections: theory, literature, practical contributions, limitations and areas for future research. First, an overview of this thesis.

8.2 Overview

This thesis presented a longitudinal case study of an Irish local authority, where reforms in its delivery of public services and management controls were implemented during a period of financial crisis. As explained in Chapter One, this research was driven by a combination of factors. First, the researcher has a personal interest in public service deliveries and management controls, having had practical experience in such an organisation as a financial accountant. Second, after reviewing the extant literature, it was interesting that “the public sector has been criticised during the last two decades for being insufficiently effective and efficient” (van Helden *et al.*, 2010, p.83). Third, “little is known yet about the effects of austerity measures on the management control in the organisations affected” (Bracci *et al.*, 2015; van der Kolk, *et al.*, 2015, p.934) and this would certainly seem to warrant further investigation. Fourth, and related, the researcher was also inspired by the works of Hopwood (2009, p.801) who argued, “management accounting research gives little or no guidance on the modes of organisational response to economic crises” and which according to Bracci *et al.*, (2015, p.894) “is all the more true in the context of public sector organisations”. Fifth, and based again, on a review of the literature, the researcher became particularly interested in the ways through which actors affect institutions (Scott, 2014, p.94); or as Sharma *et al.*, (2014, p.194) argued, “very few studies look at individuals acting as institutional entrepreneurs”. Consequently, the research questions as per Chapter One were derived:

RQ1: Why did an Irish local authority (Gladiator) reform its delivery of public services and management controls?

RQ2: How did an institutional entrepreneur handle reforms in Gladiator's delivery of public services and management controls, particularly in the context of a forthcoming period of austerity?

Thus, in order to understand how the complexities and consequences of service-delivery and management control reforms in a highly institutionalised Irish local authority came about, a more in-depth understanding of the nature of organisational contexts and management control practices (i.e. rules and routines) was required. In particular, an understanding of how new *ways of doing and thinking* were implemented was essential in this research. Therefore, the next section discusses how this research contributes to knowledge, that is, how reforms in the existing ways of doing and thinking (i.e. new institutions) came to be at Gladiator.

8.3 Contributions

This research offers a number of contributions. Primarily, as far as the researcher is aware, this study is the first of its kind to be conducted in an Irish local authority from a management control perspective, and during a time of austerity. Second, the thesis offers new insight into Jack's (2016) investigation of whether accounting has the capacity to change social structures and/or human actions? Furthermore, in relation to the latter, the following section summarises how structures *and* actions were reformed through the complex and dynamic processes underpinning both external austerity pressures and intra-organisational entrepreneurship. In particular, both the power of communication and management accounting information was seen in the way organisational leaders mobilised power over meaning, thereby convincing other staff that reform was a rational and legitimate move. More specific theoretical, literature and practical contributions are now outlined.

8.3.1 Theoretical contributions

As explained in Chapter Three, the researcher adopted a theoretical approach which combined Burns and Scapens (2000) framework of management accounting change with other theoretical inputs such as ideas put forward by

DiMaggio and Powell (1983; 1991), Scott, (2014), Seo and Creed (2002), Battilana *et al.*, (2009), Laughlin (1991) and Hardy (1996). This pluralistic combination of complementary theories enabled the researcher to illuminate the complexities and dynamic processes through which service-delivery and management control reforms in Gladiator unfolded as they did. Had the analysis of the case been carried out using a single framework, the results would have likely lacked detail in its conceptualisation of institutional change. The adopted pluralistic theoretical approach overcomes some of the limitations for each of the individual frameworks thus providing greater and more detailed analysis. This, in turn, responds to Burns and Baldvinsdottir's (2005, p.728) call for institutional theorists to further conceptualise and provide empirical evidence for "when, why and how actors influence change while embedded within the institutional fabric of a particular time and space".

8.3.1.1 Contextualist framework

The theoretical pluralism adopted here *sensitises* the researcher (and the reader) to the holistic, complex, cumulative, interwoven aspects of organisational change. Moreover, out of this broad understanding, Figure 8.1 was developed. Its purpose is to put forward analytical concepts, which can be used to interpret organisational reforms and it will now be discussed in more detail.

Figure 8.1 clearly has links with Burns and Scapens (2000) framework, but it is also influenced by Laughlin's (1991) model of organisations, Battilana *et al.*'s., (2009) process of institutional entrepreneurship and NIS concepts of external pressure. The combination of insights provides a rich caption of the relationships between: (1) external pressures (see NIS theory); (2) agency (see institutional entrepreneurship); (3) organisations (see Laughlin's 1991 framework); and institutions (see Burns and Scapens framework). Other writers previously attempted to extend and augment Burns and Scapens (2000) framework; e.g. Baker (2006), Lukka (2007), Jabbour and Abdel-Kader (2015), Oliveira and Quinn (2015), and Figure 8.1 continues in this stream.

It also shows the institution within the organisation. The organisation is depicted as an amalgam of interpretive schemes, design archetypes and sub-systems.

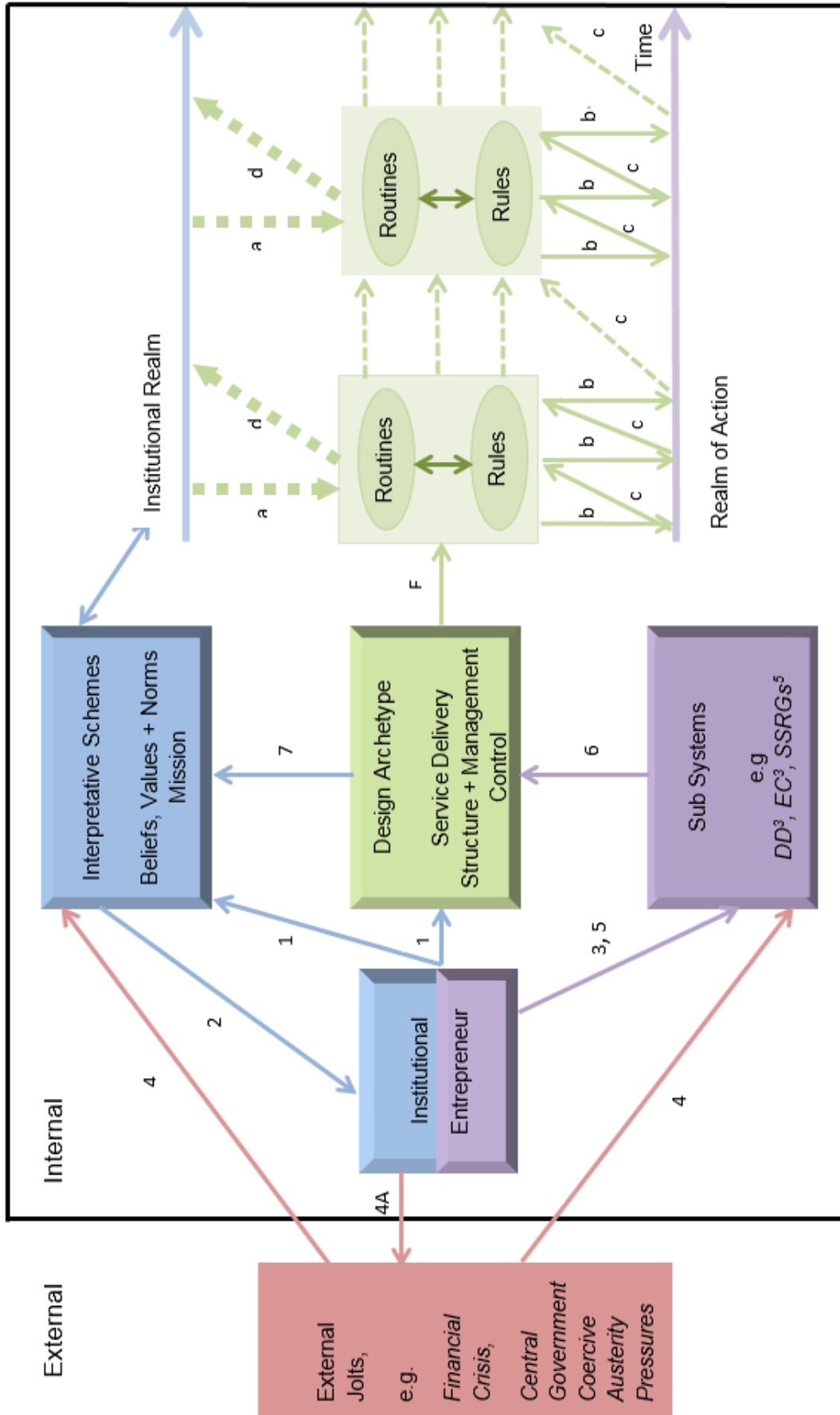


Figure 8.1: Framework for analysing organisational reforms

Such conceptualisation helps interpretation of how reform can occur in a highly institutionalised organisation. Underpinning an organisation's interpretive schemes are the institutions; whereas underpinning the design archetypes are the rules and routines; and finally, underpinning the sub-systems are human actions. We can think of such interrelationships as being similar to Russian nesting (or stacking) dolls. Each amalgam has the potential to reinforce each other and act as complements, and consequently reinforce both the institutional realm and the realm of action.

An organisation is situated in a particular context; the latter being external pressures which are shown on the left hand side of Figure 8.1. Moving from left to right, the framework depicts a scenario where institutional change unfolds through the combined influence of institutional entrepreneurs and external environmental factors. The institutional entrepreneur's actions and external factors affect structures and actions. In contrast, the OIE approach adopted in Burns and Scapens (2000) emphasises a "reconstitutive downward effect" whereby institutions influence the "individual habits of thought and action" (Hodgson, 2006, p.7). Figure 8.1 highlights the complex process of how institutional entrepreneurs and external factors employ their organisation's 'interpretive schemes' 'design archetypes' and 'sub-systems' thereby creating an opening for reform, and subsequently to implement that reform.

Some shortcomings of Burns and Scapens' (2000) OIE view of management accounting change are also brought to the fore in Figure 8.1. For instance, this view has said little about how original rules which are not implemented as expected, can later become enforced; and also, how new rules and routines can then emerge (Oliveira and Quinn, 2015). In addition, Burns and Scapens' (2000) framework only includes human activity in their 'realm of action' (Burns and Scapens, 2000, p.6). This research, on the other hand, defined more explicitly what is meant by *agency* (see Chapter Three, Section 3.5), and specifically analyses the human activities of an *institutional entrepreneur*. It also examines the processes through how historic budget rules and new management controls in general can be enforced and might become institutionalised. Such contributions address previous concerns of ter Bogt (2008(b), p.231), who said "to more fully understand accounting change in local government, the roles of

individuals and groups, the “rationality” of responses to various pressures, as well as the role of external institutions, probably deserve more explicit attention than they seem to receive in the Burns and Scapens framework”. Thus, in line with ter Bogt’s concerns, the extended theorisation here provides a holistic ‘contextualist⁵¹’ framework for understanding service-delivery and management control reforms in a highly institutionalised local authority setting. Next, the case study findings are recounted in the context of Figure 8.1 - demonstrating its power in analysing public service-delivery and management control reforms.

Gladiator’s existing service-delivery and management control structures were first brought into question by the arrival of a newly appointed CEO. The latter is conceptualised as an *institutional entrepreneur*, and represented by the institutional entrepreneur box in Figure 8.1. This box is mixed in colour, to reflect the relationship between structure and agency. An individual’s beliefs, values and norms (i.e. interpretive schemes; or more specifically, the CEO’s internal structure) are represented by the colour blue, whereas the colour purple symbolises the CEO’s actions/behaviours (e.g. communication). Moreover, in the framework (Figure 8.1), the colour blue symbolises intangible or abstract elements of peoples’ internal structure, while purple represents the more tangible things like actions.

Upon the CEO’s arrival at Gladiator and drawing on previous local authority works experience, he questioned the existing service-delivery and management control practices. Arrow 1 represents this questioning action, causing a jolt to both the existing interpretive schemes and to the service-delivery and management control structures. He asked questions such as what costs, including staff resources, were required to deliver Gladiator’s services. Upon receiving conflicting information, he then asked senior managers to outline what they perceived to be the most pressing issues in terms of the existing service deliveries and management controls at Gladiator. This rather strategic tactic allowed the CEO to gain insight into the existing beliefs, values and norms (i.e.

⁵¹ An approach that is able “to combine a processual analysis of change with an inner and outer organisational analysis of context” (Alsharari *et al.*, 2015, p.481). According to Yazdifar *et al.*, (2012, p.52) “the terms “processual approach” and “contextualist approach” are interchangeable”.

interpretive schemes) at Gladiator (Laughlin, 1991) (depicted by arrow 2). It exposed that not all senior managers were satisfied with the existing ways of delivering the services, thus revealing that there was a difference between existing interpretive schemes and existing institutions. The reproduced service institution at Gladiator was one of *service-delivery as fast as possible and at any cost*. According to the CEO, “There was a cohort of people who realised that this situation can’t go on”. This illuminated a difference between senior managers’ beliefs about how services *should* be delivered and managed, and taken-for-granted assumptions about the nature of service-delivery and management control at Gladiator. Institutions are conveyed in Figure 8.1 by the lighter shade of blue colour, (to make a distinction from interpretive schemes). That is, they are embedded within interpretive schemes, but for the purpose of analysis, the framework (Figure 8.1) shows them underneath the interpretive scheme, thus enabling micro level analysis of the interpretive scheme.

After prompting discussions on Gladiator’s service-delivery and management control structures, one of the first actions (arrow 3) taken by the CEO was to establish the DD (i.e. sub-system) (see Chapter Seven, Section 7.3.2) (Laughlin, 1991). Its aim was to progress change in Gladiator. He subsequently set up the EC (see Chapter Seven, Section 7.3.3) (i.e. sub-system) (arrow 3) in early 2008 which was focused on the economy and achieving efficiency and effectiveness in Gladiator’s operations. These new sub-systems were helping to communicate and enhance staff awareness of the inefficiencies in Gladiator’s service-delivery way of doing things and management controls. However, in 2008, when the Irish financial crisis occurred, it resulted in a scarcity of financial resources for Gladiator. Media reports about the worldwide financial crisis and Ireland’s financial difficulties re-enforced the necessity of reforms in Gladiator. Images of the troika arriving in Dublin to audit the Department of Finance were familiar to Irish citizens. The Irish central government placed external coercive austerity pressures on Gladiator to reduce spending indicated by arrow 4 in Figure 8.1. The external factors further affected the existing interpretive schemes and sub-systems in Gladiator. The CEO additionally drew on the external environmental factors to effect staff interpretive schemes, shown by arrow 4A. However, he explained how staff were already aware of the seriousness of the economic crisis from media reports, which further strengthened his position concerning the need

for service-delivery and management control reform at Gladiator. The external factors were interwoven with the CEO's strategic actions of allocating resources towards establishing the DD, EC, SSRGs (see Chapter Seven, Sections 7.3.2 to 7.3.4). These new sub-systems enabled the CEO to make visible the inefficiencies in Gladiator's existing delivery of public services and management controls (i.e. design archetype) (Laughlin, 1991) and are denoted by arrows 3 and 5⁵² respectively, in Figure 8.1. Nevertheless, in order to achieve this, and as was discussed in Chapter Seven, it was important for the CEO to be able to exert power over resources (Hardy, 1996). Indeed, we draw considerably upon Hardy's (1996) framework of power and political mobilisation (see Chapter Three, Section 3.8) to help in the analysis of the role of an institutional entrepreneur within Gladiator.

The new sub-systems (i.e. DD, EC, SSRGs), which underpinned the CEO's power over resources (Hardy, 1996), then subsequently affected the existing design archetypes, (depicted by arrow 6). For instance, new communication methods [e.g. via management accounting information, a CEO's letter, SSR findings] revealed the failings of existing service structures as well as the vision for new service-delivery and management control structures. These communication methods are conceptualised as *socio-ideological* controls within the design archetype, drawn upon by the CEO and other senior managers to reinforce a need for greater efficiency in service-delivery and management controls (Alvesson and Kärreman, 2004). They also helped to mobilise other supporters of Gladiator's reforms. In Figure 8.1, arrow 7 represents the disturbance, which this new design archetype has on interpretive schemes.

Furthermore, the research study findings exposed how despite years of budget preparations and established rules of budget control at Gladiator, budget efficiencies seeking were not really embedded in the organisation. The historical budget rules had been implemented by Gladiator's senior managers only in so far as it would bring some legitimacy to external stakeholders such as the central

⁵² SSRGs is denoted by arrow 5 and not 3 due to timing. SSRGs were set up in 2009 after the financial crisis had unravelled. The DD and EC were established before the financial crisis, in 2007 and 2008 respectively.

government (Carruthers, 1995), and thereby assist in ensuring that they received sufficient state funding. Thus, in this sense, budgeting practices were rather ceremonial (Burns and Scapens, 2000). However, out of the work of the sub-systems a new service and management control structure was presented. The colour green represents the link between the interpretive schemes and sub-systems and then consequently the institutional realm and realm of action. The design archetype in this research is conceptualised as comprising of rules and routines. The historic/new rules were continuously (verbally) repeated to enforce/encode the technical controls such as the newly designed service structure and job roles, the historic budget rules such as “no overspending on budget codes”, new capital budgets and a BSC, (arrows E, a, b). As the historic and new rules were repeatedly enforced (encoded) arrows c, d, they became repeated routines, the process of institutionalisation outlined in Burns and Scapens (2000) came into play. This in turn, saw the emergence of new *settled ways of thinking and/or doing* (institutions) about service-delivery and management control coming into existence in Gladiator. This framework shows how the interpretive schemes were aligned with the new settled ways of thinking and/or doing (institutional realm) in Gladiator thus achieving reform. Yang and Modell (2012) found that when interpretive schemes, institutional expectations, beliefs, and mental attitudes were not aligned, then the change agent lost her power and reforms stopped.

Thus, this contextualist framework provides a holistic view of the complexity of public service reforms during a period of austerity and illuminates the effect of austerity measures on public service management controls (van der Kolk *et al.*, 2015, p.934). Furthermore, it also addresses Hopwood (2009) and Bracci *et al.*'s., (2015) concern that management accounting research has given little or no guidance on the modes of organisational response to economic crises. As observed in Gladiator, service-delivery and management control reform was a “complex and multi-dimensional process, extending well beyond the purely technical” (Yazdifar, 2013, p.240). The study illuminated why and how external jolts such as the financial crisis and austerity measures enabled, rather than constrained, a powerful institutional entrepreneur in creating an opening for and subsequently implementing reform in Gladiator.

8.3.1.2 Institutional entrepreneurship activities

Figure 8.1 illuminates the activities employed by an institutional entrepreneur to achieve public service reforms, improving our understanding of the processes of institutional entrepreneurship as few studies “using case evidence have noted how institutional entrepreneurs enable this change” (Sharma *et al.*, 2014, p.195). Gladiator’s CEO through his questioning of the taken-for-granted ways of doing things revealed a misalignment between the existing interpretive schemes and institutions. The taken-for-granted assumption of *service-delivery as fast as possible and at any cost* was not the shared belief held by all senior managers. For example, drawing on the case study in Housing (see Chapter Six), fragmentation was evident. Different staff levels held different beliefs, that is, different interpretive schemes (Broadbent, 1992; Gurd, 2008). Some managers believed housing was about providing good quality houses as efficiently as possible (a financial perspective akin to NPM ethos) while lower level staff members viewed housing from a *social perspective*, essentially, how could they solve the housing shortages of people in desperate need. Business management was not their priority. Furthermore, the incumbent director of housing came from a strong housing background where business management was not a settled way of thinking. The CEO explained how to effect this difference in thinking (housing as a basic right compared to business management) took a lot of perseverance and a long time to change. Nevertheless, he achieved it through a combination of activities. He held regular senior management team meetings holding managers accountable for their service achievements. In addition, management accounting information and the external context (economic recession and central government austerity measures) formed part of these discussions. He also drew on his power over resources, decision-making and meaning (Hardy, 1996) when he established new sub-systems (i.e. DD, EC, SSRGs). He used the new sub-systems to reinforce his vision for public service reforms in Gladiator and to mobilise allies behind it. His strategic selection of staff members for these new sub-systems was critical to reform achievement. Furthermore, existing staff interpretive schemes about budget control were affected by the CEO’s enforcement of historic budget rules (which had never been followed) such as “no overspending on budget codes”, in addition, to the implementation of new capital budgeting practices. These institutional entrepreneurship activities gradually led

to the formation of new *settled ways of thinking and doing* about service-delivery and management control at Gladiator.

8.3.1.3 Power of communication in reform processes

The framework (Figure 8.1) also emphasises the role of communication in institutional theory. In the Burns and Scapens (2000) framework rules are something which *should* be done whereas in Gladiator through communication they became what *must* be done (see Chapter Five, Section 5.6). The researcher contributes to the Burns and Scapens (2000) framework by including communication especially when implementing historic or new rules and routines. Historically, Gladiator's budget holders did not adhere to budget targets because this was what *had always been done*. The consequence being that strict budget control was not enforced or embedded in Gladiator. However, with the downturn in the economy and the arrival of a new CEO, this over spending discretion was taken away by oral instruction at management meetings. The CEO changed the rule from the top and instructed managers that they were no longer allowed to overspend. These new management control rules were enforced by the management accounting team by communicating to staff the rules *must* be followed as opposed to what *should* be followed. They were further reinforced through consistent monitoring by the management accounting team. Furthermore, as staff were now held accountable for their budget spending behaviours, their budget practices began to change. Staff had to explain/communicate why they were or were not obeying the new budget control rules. The findings in Chapters Five and Six presented how communication and monitoring were essential to embedding the historic/new rules. Budgets were no longer viewed as approved *wish lists* but they were control rules, which had to be followed, and any deviations explained.

Furthermore, the BSC communicated housing's "strategic objectives and measures into objectives and measures" acceptable and appropriate to Gladiator's housing staff (Nørreklit and Mitchell, 2007, p.178). Thus, the power of communication dominated the reform process by determining "what ought to be done, and what outcome should be achieved" (Hardy, 1996; Yazdifar, 2013, p.192).

8.3.1.4 Environmental disturbance pathways

The path a disturbance takes through an organisation and the degree of transformation it generates differs across organisations and over time. Figure 8.1 also helps to present the tracks environmental disturbances took through a public service organisation. It illuminated how both the internal and external environmental jolts eventually contributed to reforming existing staff interpretive schemes. Ultimately resulting in reforms in service-deliveries and management controls at Gladiator. Budget control and cost efficiencies were now the way of doing and thinking about service-delivery. *Job for life* and *service delivery as fast as possible and at any cost* were no longer taken-for-granted assumptions.

In summary, all of the above helps to contribute to a theory of action that accounts for how embedded agents bring about change in highly institutionalised public service organisations. This study through its pluralistic theoretical approach helps improve our understanding of the processes of institutional entrepreneurship and it shows the importance of power, communication and management accounting information in public service reform processes.

8.3.2 Literature contributions

The following sub-sections provide contributions to literature on the following topics; management accounting, austerity, NPM, methodology and communications.

8.3.2.1 Management control and austerity

The findings of this research contribute to the literature addressing expectations for studies “on the pressures and difficulties of budgeting processes in government and public sector organisations facing quite massive levels of austerity” (Bracci *et al.*, 2015, p.890). The findings revealed how in times of austerity, Gladiator reverted back to enforcing the fundamentals of budgetary control and also introduced capital budgets. Thus, resonating with Bracci *et al.*'s., (2015, p.891) argument that in times of austerity “a stronger reliance on the constraining elements of management controls” is found.

This research also addressed Hopwood's (2009) calls for management accounting research to illustrate how organisations respond to economic crisis. It

is evident from the findings that the new CEO of Gladiator viewed the financial crisis as an enabler to enhance his, already initiated, reforms in service-delivery and management control use. Chapters Five and Six highlighted how staff interpretive schemes were slowly changed through a combination of external and internal jolts (see Laughlin, 1991).

The external environment clearly communicated how the Irish central government and the European and International Funding Partners required all Irish local authorities to cut public expenditure and public staff numbers. Additionally, the McCarthy Report was published in 2009 calling for cuts in public sector staff numbers and public spending. This report created further unease amongst Gladiator's staff, as an Administrative Staff Officer explained, "staff are now fearful for their jobs because it had always been the case that your job was the one thing you didn't have to worry about". Their values and beliefs about job security for life and Gladiator being a cash rich organisation were jolted by the financial crisis (see Laughlin, 1991). The LGERG also called for a reduction in senior and middle manager staff numbers, in addition to highlighting areas for cost efficiencies. These external pressures all communicated to staff the seriousness of the financial crisis. Thus, existing staff interpretive schemes had been challenged and a shift in their taken-for-granted ways of thinking about service-delivery and management control came about. Their ontological security of a job for life had been jolted by the financial crisis. This created a fear in staff and as a result created a new belief that their jobs were not for life. Fearful for their jobs staff took on board the service structure and management control reforms developed by the CEO and senior managers. The economic crisis saw Gladiator reverting back to the first principles of budget control. This research reveals how the economic crisis assisted rather than constrained reform in Gladiator. Further, addressing calls by Modell (2007) and Yazdifar (2013) for research on how economic and institutional factors, for example, management control, interact in a change process.

8.3.2.2 Ireland, NPM and austerity pressures

This research, located in Ireland, also contributes to Broadbent and Guthrie's (2008) call for more studies of public service organisations in a variety of locations

throughout the world. They claim this would facilitate contrast and comparison and help us learn from the mistakes and successes of others.

The literature review in Chapter Two presented the idea of NPM and its origins being due to a myriad of factors, for example, recessions, party politics and English speaking countries. However, drawing from the case study findings in Chapters Five and Six, it emerged how an institutional entrepreneur was the initial instigator and driver of NPM ideas in Gladiator. Also illuminating how an institutional entrepreneur drew on central government austerity measures to enforce NPM ideas to improve service-delivery and operational efficiency. An interesting finding was to discover the term *austerity* being used as a way to communicate and enforce NPM practices. Despite *austerity* meaning cost cutting and reductions in service levels and quality, compared to NPM meaning to maintain service levels and quality during cost cutting. Thus, the two terms despite being different were intertwined in the process of public service reform in Gladiator.

In addition, real life examples of NPM practices (for example, BSC, capital budgeting, frugality in resource use, hands on top management, performance measurement and management) in action were highlighted, which were not undertaken under the term *NPM*. During interviews with Gladiator's staff, it transpired that they were unaware of the term *NPM* and its meaning. Upon further questioning, it emerged BLG was the equivalent of NPM in Gladiator. However, some interviewees firmly argued that BLG had come and gone and was a waste of money. This is insightful because the case study findings revealed Gladiator striving towards achieving efficiency and effectiveness in its service-delivery and management control structures. It also revealed how in a time of austerity and economic uncertainty Gladiator reverted back to the first principles of budgeting and a BSC was also developed. All of these actions could be grouped under the NPM umbrella.

Furthermore, it was revealed contradictions existed between the purpose of BLG and the actions on the ground. The aim of BLG was to enhance local democracy, serve the customer better, develop efficiency and provide proper resources for local authorities (Keogan, 2003, p.88). Thus, it represented efficiency and

effectiveness in services delivery and management controls in Irish local authorities. However, the case study findings in Chapters Five and Six revealed the contradictions of BLG in Ireland. The BLG document was calling for efficiencies and better customer service but what was happening on the ground was different. Gladiator was at the behest of councillors and customers and the internal staff belief was one of *give the customer what he wants at any cost*. Politics were in action. The councillors' political mind-set was one of happy customers' equals re-elected councillors. Gladiator's CEO explained how:

BLG was a bit of a mistake. It kind of came from an academic strategic management view. Essentially, we ended up with someone writing structures long before anyone decided what they wanted local government to do. In my view again, the department of the environment had a view as to what local government was about, but it didn't convince other departments that local government was going to deliver services. So a document was written on the basis the other departments would get behind the programme, they built the structure but it was never enforced. It's a simple description of BLG in my mind, it started at the centre, it was a good theoretical strategic document, but it wasn't grounded in negotiations. I think negotiations should take place before you build the structure.

The CEO's comments re-enforce the importance of negotiations and follow-through in progressing public service reforms.

8.3.2.3 Methodology

Suddaby's (2010) calls for research based on the interpretivist methods as opposed to the dominant positivist methods were also met. The researcher adopted a case study design because case studies are typically suited for *when*, *how* and *why*-type questions (Yin, 2009, p.13) as was the case in this research, and "when a theoretical framework is informing data compilation and, interpretation" (Yazdifar, 2013, p.113). According to Lowndes (2005, p.306) "researching the ongoing process of institutional emergence is dirty work". Therefore, in order to reveal the *real* rules that shape local government behaviour it is necessary to speak with local government actors themselves (Lowndes, 2005) as was achieved and revealed in Chapters Five and Six of this thesis.

Furthermore, Langley *et al.*, (2013, p.4) called for researchers to acknowledge the "centrality of time" arguing "process conceptualisations offer an essential contribution to organisation and management knowledge that is not available

from most variance-based generalizations”. This thesis researched the service-delivery and management control reforms in an Irish local authority during a time of austerity. Thus, providing evidence of how an Irish public sector organisation responded to a financial crisis and how service-delivery and management control reforms were achieved during a time of huge economic uncertainty.

8.3.2.4 Internal organisation communication processes

This research addresses Parker’s (2013) concern for the neglect of research on internal organisational communication processes. The case study findings illuminate how communication was an essential part of Gladiator’s reform process. Upon his arrival, the new CEO verbally questioned Gladiators managers’ ways of thinking and doing of service-delivery and management control. He held management meetings to verbally question management information. Out of that process, he then asked them to document what they believed to be the strategic issues of service-delivery and management control at Gladiator. He kept their written thoughts and suggestions in his cupboard and commented that it will die with him. The CEO subsequently established the DD, EC and SSRGs, which all further communicated to staff the seriousness of the funding crisis and how reform was needed. Much of the communication comprised of top down and bottom up methods. For example, meetings, e-mail and surveys were all methods of communication used in Gladiator. The project charter was a top down document, which clearly outlined to staff the reasons for the service reforms. Meetings were held with staff when new staff job roles were being designed in housing. Staff input was essential to the redesign process. In addition, the BSC was used by the director of housing to clarify strategy, to motivate staff and to appraise staff (see Clarke *et al.*, 2013). Thus, all of the aforementioned illuminated the importance of internal communication processes, of which accounting was interwoven, in an Irish local authority in a time of reform and austerity.

This research also reiterates Nørreklit and Mitchell’s (2007) argument that it is critical employees can understand and interpret the performance measures designed to reflect the organisation’s strategy. Essentially, it is important that a BSC be rooted in a language and comprehension that is understandable to all employees (Nørreklit and Mitchell, 2007). The director of housing in Chapter Six

explained how he never referred to the BSC as the BSC. Staff would have just thought it was more accounting lingo. He referred to the BSC as their business plan. This language was what they understood and they accepted the business plan as their strategy document. Thus, indicating that accounting language could be cause for reform resistance.

8.3.3 Practical contributions

The theoretical framework (Figure 8.1) developed from the case study findings facilitates a depth of insight into a theory of action highlighting a number of important practical issues for institutional entrepreneurs.

8.3.3.1 Institutions matter

An understanding of how “symbols and language, of myths and ceremony, of decoupling, of the interplay of social and cognitive processes, of the impact of organisational fields, of the potential for individuals and groups to shape their environments, and of the processes through which those environments shape individual and collective behaviour and belief” (Lawrence *et al.*, 2009, p.2) are essential to those working in organisations. However, it still appears that these organisational issues remain largely within academic confines rather than within the domain of the everyday organisational worker (Lawrence *et al.*, 2009). By illuminating the practical work of the CEO and his change agents (i.e. directors and senior managers), in Chapters Five, Six and Seven, it is hoped this will lead to integrating institutional ideas into the everyday organisational practices of workers in an organisation.

8.3.3.2 Change as a process

Moreover, this research, illustrates how institutional entrepreneurs and change agents in public sector organisations should understand that change is not a linear process. In fact, public sector organisations are inherently complex and require knowledgeable agents who understand the external environment and the organisation’s business/service. The institutional entrepreneur(s) and (or) change agent(s) need to be aware of the existing ways of thinking and doing things within their organisation before introducing reforms and to avoid resistance. This concept of the significance of the past is in line with Kuhn’s (1962) writings that

state that an old norm will not vanish immediately. Reform also requires power and to be skilled in effective communication methods (including accounting communication) to implement divergent change.

8.3.3.3 Role of good communication and management accounting information

Communication skills were illuminated as an essential part of the public sector reform process. Institutional entrepreneurs/change agents need to be strategic communicators, they need to be able to contextualise past habits and future projects within the contingences of the moment. The power of communication and accounting was seen in the CEO's record "if you cannot measure it, you cannot manage it". Management accounting information was used to affect existing staff interpretive schemes (i.e. beliefs, values, norms) and subsequently rupture settled assumptions (ways of thinking and/or doing) of management control and service-delivery. Thus, change agents need to be good communicators and have an understanding of the power of accounting in their communications.

8.3.3.4 Institutional entrepreneurship – process and power

This research also provided an empirical example to demonstrate the robustness of Battilana *et al's.*, (2009) process of institutional entrepreneurship model through its specific empirical case study (see Chapters Five, Six and Seven). It displayed how a new CEO with vast local authority experience from outside the organisation was able to initiate and push reform implementation. Other public sector organisations looking to make reforms within their organisations might consider this approach. That is, an outsider, with vast previous experience in the services being reformed.

Furthermore, it also revealed how an institutional entrepreneur/change agent requires power. Power over resources, decision-making and meaning are required to drive reform in public sector organisations. By having power over resources, institutional entrepreneurs/change agents can establish departments and committees that will strengthen their push for reform. This study showed strategic intent by the CEO in his selection of individuals for the DD, EC and SSRGs (see Chapter Five). He comprised these groups with people who were in

strong favour of reform with those who were not (i.e. power over decision-making and meaning). The purpose was that advocates of service-delivery and management control reform would pull the opponents along with them, as happened, in Gladiator.

8.4 Limitations

Despite this research providing an increased understanding of the dynamic process of reforms in the delivery of public services and management controls in an Irish local authority during a period of austerity, more research needs to be done. The key findings, contributions and conclusions of this thesis come from a qualitative, interpretive case study. Therefore, they can only be interpreted by acknowledging the limitations of the study.

First, this research was carried out in a single Irish local authority organisation. Therefore, it is not possible to generalise from this specific case study to general populations (Easterby-Smith *et al.*, 2008). However, this research was not motivated by a desire to offer generalisations, but rather to seek insights into the dynamic processes and complexities of public service reforms, notwithstanding, the difficulties of trying to capture unfolding processes over time, particularly, given the limitation of interviews data gathering available. Thus, the findings and contributions of this research need to be read within the financial crisis context and Irish local authority sector in which it was conducted. However, this may help our understanding of similar processes in other contexts. Additionally, this study was carried out in Ireland, a small nation on the west of Europe. The findings cannot claim to be representative of other countries' public sector organisations reactions to the worldwide financial crisis.

Second, this study focuses on how managers influenced staff behaviour by drawing on technical and socio-ideological controls. However, OIE also requires examination of how these influential activities become embedded in the organizational members – staff, but this has not been discussed, since interviewees are all (senior and other) managers.

Third, qualitative research may result in some researcher bias and subjectivity. Data collection methods such as semi-structured interviews and documentary evidence were used in this study. These methods have been challenged for being time consuming and possibly resulting in interviewer and interviewee bias in interpreting social reality (Creswell 2014). It is impossible to eliminate these limitations but they were addressed in Chapters Four, Five, Six and Seven by the researcher who made every effort to minimise these limitations.

Fourth, Figure 8.1 needs further empirical examples to amplify our understanding of organisational reforms. Through such research, managers will be better able to anticipate issues and challenges involved in service delivery and management control reforms, thus, also advancing and refining Figure 8.1.

8.5 Future research

The role of public sector change agents has not been widely researched and is underdeveloped theoretically. One of this study's most significant contributions is the presentation of a theoretical framework (Figure 8.1) through which to examine the process of institutional entrepreneurship (agency) in organisational reforms. Similar research could be carried out in other sectors of the public sector, for example, health services, police services and non-profit agencies. This type of research would expand our existing body of knowledge and understanding of the role of change agents and service-delivery and management control reforms in a variety of public sector organisations. Personal traits and emotions of institutional entrepreneurs could also be explored.

The findings also suggest that reform in public sector organisations can be enhanced by a new CEO (or equivalent leadership role) coming from outside the organisation and bringing vast relevant past local authority experience. This could be explored in other public service organisations. One such organisation could be An Garda Síochána⁵³, where there were many calls in recent years for a commissioner from outside the force to implement a successful reform agenda. It would be interesting to delve into An Garda Síochána's senior management's

⁵³ An Garda Síochána is Ireland's national police force, headed up by a commissioner.

beliefs, values and norms about its management controls (i.e. interpretive schemes) and see how they differ from the frontline staff's existing ways of doing and thinking about management controls (i.e. institutions). Given the recent appointment of an external commissioner, this would be an opportune time to carry out this research.

Further research could also be carried out at a different Irish local authority. It would be interesting to see how other local authority leaders responded to the Irish financial crisis. Did they introduce service-delivery and management control reforms or alternatively, did they reinforce current governance patterns due to the strength of existing governance practices (i.e. institutions).

The findings disclosed how in a time of austerity Gladiator reverted back to enforcing the first principles of budgeting. Johansson and Siverbo (2014, p.271) wrote "it is surprising how little research has been devoted to the design, use and effectiveness of public sector budget control systems in controlling budgets and budget behaviour". Thus, another area for potential future research might be to explore why in times of austerity a public sector organisation would (or not) revert back to the first principles of tight budget control.

The extant institutional literature has been criticised for its lack of understanding of how individuals experience institutions (Barley, 2008; Voronov and Vince, 2012). Voronov and Vince (2012) argue the emotional aspects of institutional work needs attention from researchers. In this research, emotional issues were evident in staff job insecurity and changes in housing staff job roles. It would be interesting to explore how emotions drive decision-making and reforms in other public service organisations. Scott (2014, p.63) argues, "emotions are among the most important motivational elements in social life".

The findings also revealed a new ERP system was implemented in Gladiator. However, due to timing restrictions this was not explored in detail. Further research could explore the dynamic processes of change in implementing a new ERP system.

Finally, scholars could also explore the effect of language in institutional processes (Suddaby, 2010). As well as how different types of communications are employed to create and discard interpretive schemes. This has the potential to feed directly back to practice.

8.6 Concluding remarks

This thesis contributes to a deeper understanding of the reform processes in the delivery of public services and management controls in an Irish local authority during a period of austerity. It particularly, illuminates how structures *and* actions were reformed through the complex and dynamic processes underpinning both external austerity pressures and intra-organisational entrepreneurship. Figure 8.1 presents a pluralistic theoretical framework combining Burns and Scapens (2000) framework of management accounting change with other theoretical inputs, such as ideas put forward by DiMaggio and Powell (1991), Scott, (2014), Seo and Creed (2002), Battilana *et al.*, (2009), Laughlin (1991) and Hardy (1996). This theoretical combination offered a holistic insight into the role of internal and external environmental pressures in public service-delivery and management control reform during a time of austerity. It displayed the activities carried out by the new CEO and how they drove reform.

Questioning and feedback from senior managers helped the CEO develop an understanding of the existing ways of working and managing at Gladiator. Communication of management accounting information outlining budget control issues in combination with the external financial crisis and austerity measures further strengthened the CEO's argument of the need for reform. Similarly, the skillful strategic tactics applied by the CEO in developing a new DD, EC and SSRGs to progress and communicate a new vision of efficiency and effectiveness in service-delivery all slowly affected the existing interpretive schemes at Gladiator. Upon the completion of new service-delivery and management control structures by the DD, they were subsequently enforced and encoded by consistent repetition and monitoring. These new service-delivery and management control rules and routines became institutionalised, thus achieving reform in the historic ways of delivering and controlling services at Gladiator.

Bibliography

- Abernethy, M.A. and Chua, W., 1996. a field study of control system “redesign”: the impact of institutional processes on strategic choice. *Contemporary Accounting Research*, **13**(2), pp. 569-606.
- Abrahamson, E., 1991. Managerial fads and fashions: the diffusion and rejection of innovations. *Academy of Management Review*, **16**(3), pp. 586-612.
- Abrahamsson, G. and Gerdin, J., 2006. Exploiting institutional contradictions: the role of management accounting in continuous improvement implementation. *Qualitative Research in Accounting and Management*, **3**(2), pp. 126-144.
- Adam, F. and Healy, M., 2000. *A practical guide to postgraduate research in the business area: Coping with Pandora’s box*. Dublin: Blackhall.
- Adler, P.S. and Borys, B., 1996. Two types of bureaucracy: enabling and coercive. *Administrative Science Quarterly*, **41**(1), pp. 61-89.
- Adler, P.S. and Chen, C.X., 2011. Combining creativity and control: understanding individual motivation in large-scale collaborative creativity. *Accounting, Organizations and Society*, **36**(2), pp. 63-85.
- Agyemang, G. and Broadbent, J., 2015. Management control systems and research management in universities: an empirical and conceptual exploration. *Accounting, Auditing and Accountability*, **28**(7), pp. 1018-1046.
- Ahmed, N.M., 1992. *A critical evaluation of the methodological underpinnings of management accounting research: an alternative institutional economics framework*. Unpublished PhD thesis. University of Manchester.
- Ahmed, M.N. and Scapens, R.W., 2000. Cost allocation in Britain: towards an institutional analysis. *European Accounting Review*, **9**(2), pp. 159-204.
- Ahrens, T., 2004. Refining research questions in the course of negotiating access for fieldwork. In: C. Humphrey and B. Lee (eds.): *The real life guide to accounting research – a behind the scenes view of using qualitative research methods*. Oxford: Elsevier, pp. 295-308.
- Ahrens, T., Becker, A., Burns, J., Chapman, C.S., Granlund, M., Habersam, M., Hansen, A., Khalifa, R., Malmi, T., Mennicken, A., Mikes, A., Panozzo, F., Piber, M., Quattrone, P. and Scheytt, T., 2008. The future of interpretive accounting research — a polyphonic debate. *Critical Perspectives on Accounting*, **19**(6), pp. 840-866.
- Ahrens, T. and Chapman, C.S., 2006. Doing qualitative field research in management accounting: positioning data to contribute to theory. *Accounting, Organisations and Society*, **31**(8), pp. 819-841.
- Ahrens, T. and Chapman, C.S., 2007. Management accounting as practice. *Accounting, Organisations and Society*, **32**(1-2), pp. 1-27.

- Ahrens, T. and Dent, J.F., 1998. Accounting and organizations: realizing the richness of field research. *Journal of Management Accounting Research*, **10**, pp. 1-39.
- Ahrens, T. and Ferry, L., 2015. Newcastle city council and the grassroots: accountability and budgeting under austerity. *Accounting, Auditing and Accountability*, **28**(6), pp. 909-933.
- Ahrens, T. and Ferry, L., 2018. Institutional entrepreneurship, practice memory, and cultural memory: choice and creativity in the pursuit of endogenous change of local authority budgeting. *Management Accounting Research*, **38**(1), pp. 12-21.
- Alford, J. and Hughes, O., 2008. Public value pragmatism as the next phase of public management. *The American Review of Public Administration*, **38**(2), pp. 130-148.
- Al Asimi, S., 2017. *Power, rewards and management accounting practice: evidence from an Omani packing organisation*. Unpublished PhD thesis. University of Exeter.
- Alsharari, N.M., Dixon, R. and Youssef, A.E., 2015. Management accounting change: critical review and a new contextual framework. *Journal of Accounting and Organizational Change*, **11**(4), pp. 476-502.
- Alvesson, M., 1987. Organizations, culture, and ideology. *International Studies of Management and Organization*, **17**(3), pp. 4-18.
- Alvesson, M. and Kärreman, D., 2004. Interfaces of control. technocratic and socio-ideological control in a global management consultancy firm. *Accounting, Organizations and Society*, **29**(3-4), pp. 423-444.
- Ansari, S. and Euske, K.J., 1987. Rational, rationalising, and reifying uses of accounting data in organizations. *Accounting, Organizations and Society*, **12**(6), pp. 549-570.
- Anthony, R.N., 1965. *Management planning and control systems: a framework for analysis*. Boston: Harvard Business School Press.
- Arena, M., Arnaboldi, M. and Azzone, G., 2010. The organizational dynamics of enterprise risk management. *Accounting, Organisations and Society*, **35**(7), pp. 659-675.
- Asquith, A. and O'Halpin, E., 1998. The changing roles of Irish local authority managers. *Administration*, **45**(4), pp. 76-92.
- Baker, R.H., 2006. *An institutional perspective on management accounting change in the public sector: a case study from Canada*. Unpublished PhD thesis. Aston University.

- Baldvinsdottir, G., Burns, J., Nørreklit, H. and Scapens, R., 2010. Risk manager or risqué manager? The new platform for the management accountant. *Research Executive Summary Series*, **6**(2), London: CIMA.
- Barley, S. R., 2008. Coalface institutionalism. In: R. Greenwood, C. Oliver, R. Suddaby, and K. Sahlin (eds.): *The sage handbook of organizational institutionalism*. LA: Sage, pp. 491-518.
- Barley, S.R. and Tolbert, P.S., 1997. Institutionalization and structuration: studying the links between action and institution. *Organization Studies*, **18**(1), pp. 93-117.
- Bartunek, J.M., 1984. Changing interpretive schemes and organizational restructuring: the example of a religious order. *Administrative Science Quarterly*, **29**(3), pp. 355-372.
- Battilana, J., 2006. Agency and institutions: the enabling role of individuals' social position. *Organization*, **13**(5), pp. 653-676.
- Battilana, J. and D'Aunno, T., 2009. Institutional work and the paradox of embedded agency. In: T. Lawrence, R. Suddaby, and B. Leca (eds.): *Institutional work actors and agency in institutional studies of organizations*. Cambridge: Cambridge University Press, pp. 31-58.
- Battilana, J., Leca. B. and Boxenbaum, E., 2009. How actors change institutions: towards a theory of institutional entrepreneurship. *The Academy of Management Annals*, **3**(1), pp. 65-107.
- Baumann, P., 2005. Theory choice and the intransitivity of 'is a better theory than'*. *Philosophy of Science*, **72**(1), pp. 231-240.
- Baxter, J. and Chua, W., 2008. The field researcher as author-writer. *Qualitative Research in Accounting and Management*, **5**(2), pp. 101-121.
- Behn, R., 2005. On the ludicrous search for the magical performance system. *Government Finance Review*, **21**(1), pp. 63-64.
- Benson, J.K., 1977. Organizations: a dialectical view. *Administrative Science Quarterly*, **22**(1), pp. 1-21.
- Berger, P. and Luckmann, T., 1979. *The social construction of reality: a treatise in the sociology of knowledge*. England: Penguin.
- Bhaskar, R., 1989. *Reclaiming reality: A critical introduction to contemporary philosophy*. New York: Routledge.
- Black, S., Briggs, S. and Keogh, W., 2001. Service quality performance measurement in public/private sectors. *Managerial Auditing Journal*, **16** (7), pp. 400-405.
- Boyle, R., 2003. *Performance measurement in local government*. CPMR Discussion Paper 15. Dublin: Irish Institute of Public Administration.

- Boyle, R., Humphreys, P.C., O'Donnell, O., O'Riordan, J. and Timonen, V., 2003. *Changing local government: a review of the local government modernisation programme*. CPMR Research Report 5. Dublin: Irish Institute of Public Administration.
- Boyle, R., 2014. Public sector reform in Ireland: views and experiences from local government senior executives. *Local government research series*, **7**, May 2014. Dublin: Irish Institute of Public Administration.
- Boxenbaum, E. and Strandgaard Pedersen, J., 2009. Scandinavian institutionalism—a case of institutional work. In: T.B. Lawrence, R. Suddaby and B. Leca (eds.): *Institutional work: actors and agency in institutional studies of organization*. Cambridge: Cambridge University Press, pp.178-204.
- Bracci, E., Humphrey, C., Moll, J. and Steccolini, I., 2015. Public sector accounting, accountability and austerity: more than balancing the books? *Accounting, Auditing and Accountability*, **28**(6), pp. 878-908.
- Brignall, S. and Modell, S., 2000. An institutional perspective on performance measurement and management in the 'new public sector'. *Management Accounting Research*, **11**(3), pp. 281-306.
- Broadbent, J., 1992. Change in organisations: a case study of the use of accounting information in the NHS. *The British Accounting Review*, **24**(4), pp. 343-367.
- Broadbent, J. and Guthrie, J., 2008. Public sector to public services: 20 years of "contextual" accounting research. *Accounting, Auditing and Accountability*, **21**(2), pp. 129-169.
- Broadbent, J. and Laughlin, R., 2009. Performance management systems: a conceptual model. *Management Accounting Research*, **20**(4), pp. 283-295.
- Broadbent, J. and Laughlin, R., 2013. *Accounting control and controlling accounting: interdisciplinary and critical perspectives*. Bingley: Emerald Group Publishing.
- Brownell, P., 1995. *Research methods in management accounting*. Melbourne: Coopers and Lybrand.
- Bruns, W., Kaplan, R., 1987. *Accounting and management field study perspectives*. Boston: Harvard Business School Press.
- Brunsson, N. and Sahlin-Andersson, K., 2000. Constructing organizations: the example of public sector reform. *Organization Studies*, **21**(4), pp. 721-746.
- Bryman, A. and Bell, E., 2015. *Business research methods*. 4th edition. Oxford: Oxford University Press.
- Bryman, A., 2008. *Social research methods*. Oxford: Oxford University Press.

- Buchanan, D. and Badham, R., 1999. *Power, politics and organizational change: winning the turf game*. London: Sage.
- Burchell, S., Clubb, C., Hopwood, A. and Hughes, J., 1980. The roles of accounting in organisations and society. *Accounting Organisations and Society*, **5**(1), pp. 5-27.
- Burgess, R.G., 1982. *Field research: a source book and field manual*. London: Allen and Unwin.
- Burnes, B., 2004. *Managing change: a strategic approach to organisational dynamics*. Harlow: Prentice Hall.
- Burns, J.E., 1996. *The routinisation and institutionalisation of accounting routines*. Unpublished PhD thesis. University of Manchester.
- Burns, J.E., 1997. The institutionaisation of accounting routines: Keano Ltd. *Proceedings of the 1995 Management Control Association Symposium*, pp.217-233.
- Burns, J., 2000. The dynamics of accounting change inter-play between new practices, routines, institutions, power and politics. *Accounting, Auditing and Accountability*, **13**(5), pp. 566-596.
- Burns, J., 2014. Qualitative management accounting research in QRAM: some reflections. *Qualitative Research in Accounting and Management*, **11**(1), pp. 71-81.
- Burns, J. and Baldvinsdottir, G., 2005. An institutional perspective of accountants' new roles – the interplay of contradictions and praxis. *European Accounting Review*, **14**(4), pp. 725-757.
- Burns, J. and Nielsen, K., 2006. How do embedded agents engage in institutional change? *Journal of Economics Issues*, **40**(2), pp. 449-456.
- Burns, J. and Scapens, R.W., 2000. Conceptualizing management accounting change: an institutional framework. *Management Accounting Research*, **11**(1), pp. 3-25.
- Burns, J., Hopper, T. and Yazdifar, H., 2004. Management accounting education and training: putting management in and taking accounting out. *Qualitative Research in Accounting and Management*, **1**, pp. 1-29.
- Burns, J., Quinn, M., Warren, L., and Oliveira, J., 2013. *Management Accounting*. Berkshire: McGraw-Hill.
- Burrell, G. and Morgan, G., 1979. *Sociological paradigms and organisational analysis*. Aldershot: Ashgate.
- Burrell, G. and Morgan, G., 1985. *Sociological paradigms and organisational analysis: elements of the sociology of corporate life*. Aldershot: Ashgate.

- Busco, C. and Scapens, R.W., 2011. Management accounting systems and organisational culture: interpreting their linkages and processes of change. *Qualitative Research in Accounting and Management*, **8**(4), pp. 320-357.
- Butterfield, R., Edwards, C. and Woodall, J., 2004. The new public management and the UK police service. *Public Management Review*, **6**(3), pp. 395-415.
- By, R.T., 2005. Organisational change management: a critical review. *Journal of Change Management*, **5**(4), pp. 369-380.
- Byrne, S., 2009. 'Antecedents, characteristics and consequences associated with the roles of management accountants, and assisting managers in their roles'. Unpublished PhD thesis. Dublin City University.
- Caiden, N., 2010. Challenges confronting contemporary public budgeting: retrospectives/prospectives from Allen Schick. *Public administration review*, **70**(2), pp. 203-210.
- Callanan, M. 2003. The role of local government. In: M. Callanan and J.F. Keogan (eds.): *Local government in Ireland: inside out*. Dublin: Irish Institute of Public Administration, pp. 3-14.
- Carruthers, B.G., 1995. Accounting, ambiguity, and the new institutionalism. *Accounting, Organizations and Society*, **20**(4), pp. 313-328.
- Chambers, R.J., 1986. *Financial Management*. Sydney: The Law Book Company.
- Chenall, R.H., 2003. Management control systems design within its organizational context: findings from contingency-based research and directions for the future. *Accounting, Organizations and Society*, **28**(2-3), pp. 127-168.
- Chenhall, R.H. and Moers, F., 2015. The role of innovation in the evolution of management accounting and its integration into management control. *Accounting, Organizations and Society*, **47**, pp. 1-13..
- Child, J., Lu, Y., and Tsai, T., 2007. Institutional entrepreneurship in building an environmental protection system for the people's Republic of China. *Organization Studies*, **28**(7). pp. 1013-1034.
- Chua, W. F. 1986. Radical developments in accounting thought. *Accounting review*, **61**(4), pp. 601-632.
- Citizens Information, 2018. http://www.citizensinformation.ie/en/government_in_ireland/localand_regional_government/county_or_city_manager.html last accessed 15 June 2018.
- Clarke, F., Dean, G., and Edwards, J.R., 2013. An historical perspective from the work of Chambers. In: L. Jack, J. Davison and R. Craig (eds.): *The routledge companion to accounting communication*. Cornwall: TJ International Ltd, pp. 26-43.

- Clemens, E.S. and Cook, J.M., 1999. Institutionalism: explaining durability and change. *Annual Review of Sociology*, **25**, pp. 441-446.
- Cohen, S., Guillamón, M.D., Lapsley, I. and Robbins, G., 2015. Accounting for austerity: the troika in the Eurozone. *Accounting, Auditing and Accountability*, **28**(6), pp. 966-992.
- Collier, P.M., 2001. The power of accounting: a field study of local financial management in a police force. *Management Accounting Research*, **12**(4), pp. 465-486.
- Contrafatto, M. and Burns, J., 2013. Social and environmental accounting, organisational change and management accounting: A processual view. *Management Accounting Research*, **24**(4), pp. 349-365.
- Cooper, D.J., Hayes, D. and Wolf, F., 1981. Accounting in organized anarchies: understanding and designing accounting systems in ambiguous situations. *Accounting, Organizations and Society*, **6**(3), pp. 175-191.
- Cornelissen, J.P., Durand, R., Fiss, P.C., Lammers, J.C. and Vaara, E., 2015. Putting communication front and centre in institutional theory and analysis. *Academy of Management Review*, **40**(1), pp. 10-27.
- Covaleski, M.A. and Dirsmith, M.W., 1988. An institutional perspective on the rise, social transformation, and fall of a university budget category. *Administrative Science Quarterly*, **33**(4), pp. 562-587.
- Covaleski, M.A., Dirsmith, M.W. and Samuel, S., 1996. Managerial accounting research: the contributions of organizational and sociological theories. *Journal of Management Accounting Research*, **8**, pp. 1-35.
- Covaleski, M.A., Dirsmith, M.W. and Weiss, J.M., 2013. The social construction, challenge and transformation of a budgetary regime: the endogenization of welfare regulation by institutional entrepreneurs. *Accounting, Organizations and Society*, **38**(5), pp. 333-364.
- Covaleski, M.A., Evans, J.H., Luft, J.L. and Shields, M.D., 2003. Budgeting research: three theoretical perspectives and criteria for selective integration. *Journal of Management Accounting Research*, **15**, pp. 3-49.
- Creswell, J., 2014. *Research Design, Qualitative, Quantitative, and Mixed Methods Approaches*. London: Sage.
- Crotty, M., 1998. *The foundations of social research: meaning and perspective in the research process*. London: Sage.
- Cummings, T.G., and Huse, E.F., 1989. *Organization development and change*. 4th edition. USA: West.
- Cyert, R. and March, J., 1963. *A behavioural theory of the firm*. NJ: Englewood Cliffs.

- Czarniawska-Joerges, B. and Joerges, B., 1988. How to control things with words: organizational talk and control. *Management Communication Quarterly*, **2**(2), pp. 170-193.
- Dambrin, C., Lambert, C. and Sponem, S., 2007. Control and change—analysing the process of institutionalisation. *Management Accounting Research*, **18**(2), pp. 172-208.
- D'andrade, R.G. 1984. Cultural meaning systems. In: R. A. Shweder and R. A. LeVine (eds.): *Culture theory: essays on mind, self, and emotion*. Cambridge: Cambridge University Press, pp. 88-119.
- Dawson, P., 1994. *Organizational change: a processual approach*. London: Paul Chapman.
- Dawson, P., 2003. *Reshaping change: a processual perspective*. London: Routledge.
- Dawson, P., 2012. The contribution of the processual approach to the theory and practice of organizational change. In: D. Boje, B. Burnes and J. Hassard (eds.): *The routledge companion to organizational change*. London: Routledge, pp.119-132.
- den Heyer, G., 2011. New public management: a strategy for democratic police reform in transitioning and developing countries. *Policing: An International Journal of Police Strategies & Management*, **34**(3), pp. 419-433.
- Dent, J., 1986. Accounting and organisational cultures: a field study of the emergence of a new organisational reality. *Unpublished discussion paper*, London Business School.
- Denzin, N.K. and Lincoln, Y.S., 1998. *The landscape of qualitative research: theories and issues*. CA: Sage.
- Denzin, N.K. and Lincoln, Y.S. 2011. *The Sage handbook of qualitative research*. CA: Sage.
- Department of Finance. 2008. *EU Funding to Ireland, 1973-2007*. Dublin: Stationery Office.
- Department of Finance. 2009. *Budgets*. Dublin: Stationery Office.
- Diaz, M., 2016. Long-Term Orientation in Multi-Generational Family Firms: A Multiple Case Study Analysis. Unpublished PhD thesis. Dublin City University.
- Diefenbach, T., 2009. New public management in public sector organisations: the dark sides of managerialistic 'enlightenment'. *Public Administration*, **87**(4), pp. 892-909.

- Dillard, J., Rigsby, J. and Goodman, C., 2004. The making and remaking of organization context - duality and the institutionalization process. *Accounting, Auditing and Accountability*, **17**(4), pp. 506-542.
- DiMaggio, P.J., 1988. Interest and agency in institutional theory. In: L.G. Zucker (ed.): *Institutional patterns and organizations: culture and environment*. Cambridge, MA: Ballinger, pp. 3-21.
- DiMaggio, P.J. and Powell, W.W., 1983. The iron cage revisited: institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, **48**(2), pp. 147-160.
- DiMaggio, P.J. and Powell, W.W., 1991. Introduction. In: W.W. Powell and P.J. DiMaggio (eds.): *The new institutionalism in organizational analysis*. Chicago: The University of Chicago Press, pp. 1-40.
- Dollard, G., 2003. Local government finance: trends in revenue and expenditure. In: M. Callanan and J. Keogan (eds.): *Local government in Ireland: structures, functions and developments*. Dublin: Irish Institute of Public Administration.
- Doolin, B., 2003. Narratives of change: discourse, technology and organization. *Organization*, **10**(4), pp. 751-770.
- Dorado, S., 2005. Institutional entrepreneurship, partaking, and convening. *Organization Studies*, **26**(3), pp. 385-414.
- Drudy, P. and Collins, M., 2011. Ireland: from boom to austerity. *Cambridge Journal of Regions, Economy and Society*, **4**(3), pp. 339-354.
- Dunleavy, P., Margetts, H. and Bastow, S., 2006. New public management is dead-long live digital-era governance. *Journal of Public Administration Research and Theory*, **16**(3), pp. 467-494.
- Dunleavy, P. and Hood, C., 1994. From old public administration to new public management. *Public Money and Management*, **14**(3), pp. 9-16.
- Dunphy, D. and Stace, D., 1993. The strategic management of corporate change. *Human Relations*, **46**(8), pp. 905-918.
- Durant, R.F., Girth, A.M. and Johnston, J.M., 2009. American exceptionalism, human resource management, and the contract state. *Review of Public Personnel Administration*, **29**(3), pp. 207-229.
- Easterby-Smith, M., Thorpe, R. and Jackson, P., (2008). *Management research: an introduction*. London: Sage.
- Eisenhardt, K.M., 1989. Building theories from case study research. *Academy of Management Review*, **14**(4), pp. 532-550.

- Eisenhardt, K.M. and Graebner, M.E., 2007. Theory building from cases: opportunities and challenges. *The Academy of Management Journal*, **50**(1), pp. 25-32.
- Emirbayer, M. and Mische, A., 1998. What is agency? *American Journal of Sociology*, **103**(4), pp. 962-1023.
- Empson, L. Cleaver, I. and Allen, J., 2013. Managing partners and management professionals: institutional work dyads in professional partnerships. *Journal of Management Studies*, **50**(5), pp. 808-844.
- Englund, H. and Gerdin, J., 2008. Structuration theory and mediating concepts: pitfalls and implications for management accounting research. *Critical Perspectives on Accounting*, **19**(8), pp. 1122-1134.
- Englund, H. and Gerdin, J., 2011. Agency and structure in management accounting research: reflections and extensions of Kilfoyle and Richardson. *Critical Perspectives on Accounting*, **22**(6), pp. 581-592.
- Englund, H. and Gerdin, J., 2018. Management accounting and the paradox of embedded agency: A framework for analyzing sources of structural change. *Management Accounting Research*, **38**, pp. 1-11.
- Englund, H., Gerdin, J. and Burns, J., 2011. 25 years of Giddens in accounting research: achievements, limitations and the future. *Accounting, Organizations and Society*, **36**(8), pp. 494-513.
- Exley, M., 1987. Organisation and managerial capacity. In: J. Gretton and A. Harrison (eds.): *Reshaping central government*. NJ: Transaction Books.
- Feeney, O., 2013. *Accounting information in new product development: a structuration perspective*. Unpublished PhD thesis. Dublin City University.
- Ferreira, A. and Otley, D., 2009. The design and use of performance management systems: an extended framework for analysis. *Management Accounting Research*, **20**(4), pp. 263-282.
- Flamholtz, E. Das, T. and Tsui, A., 1985. Toward an integrative framework of organizational control. *Accounting Organizations and Society*. **10**(1), pp. 35-50.
- Fligstein, N., 1997. Social skill and institutional theory. *American Behavioral Scientist*, **40**(4)pp. 397-405.
- Forde, C., 2005. Participatory democracy or pseudo-participation? local government reform in Ireland. *Local Government Studies*, **31**(2), pp. 137-148.
- Fraser, M., 2012. 'Fleshing out' an engagement with a social accounting technology. *Accounting, Auditing and Accountability*, **25**(3), pp. 508–534.

- Friedland, R. and Alford, A., 1991. Bringing society back in: symbols, practices, and institutional contradictions. In: W. Powell and P. DiMaggio (eds.): *The new institutionalism in organizational analysis*. Chicago: The University of Chicago Press, pp. 232-266.
- Fryer, K., Antony, J. and Ogden, S., 2009. Performance management in the public sector. *International Journal of Public Sector Management*, **22**(6), pp. 478-498.
- Garud, R., and Karnoe, P., 2001. *Path dependence and creation*. NJ: Lawrence Erlbaum Associates.
- Garud, R., Hardy, C. and Maguire, S., 2007. Institutional entrepreneurship as embedded agency: an Introduction to the special issue. *Organization Studies*, **28**(7), pp. 957-969.
- Garvin, D.A., 1993. Building a learning organization. *Harvard Business Review*, **71**(4), pp. 78-91.
- Giddens, A., 1984. *The constitution of society*. Cambridge: Polity Press.
- Goddard, A., 2005. Accounting and NPM in UK local government– contributions towards governance and accountability. *Financial Accountability and Management*, **21**(2), pp. 191-218.
- Gow, J.I. and Dufour, C., 2000. Is the new public management a paradigm? Does it Matter? *International Review of Administrative Sciences*, **66**(4), pp. 573-597.
- Grabner, I. and Moers, F., 2013. Management control as a system or a package? conceptual and empirical issues. *Accounting, Organizations and Society*, **38**(6-7), pp. 407-419.
- Greenwood, R. and Hinings, C.R., 1996. Understanding radical organizational change: bringing together the old and the new institutionalism. *Academy of Management Review*, **21**(4), pp. 1022-1054.
- Greenwood, R., Suddaby, R., and Hinings, C.R., 2002. Theorizing change: the role of professional associations in the transformation of institutionalized fields. *Academy of Management Journal*, **45**(1), pp. 58–80.
- Guba, E. G. and Lincoln, Y. S., 1994. Competing paradigms in qualitative research. In: N. K. Denzin and Y. S. Lincoln (eds.): *Handbook of qualitative research*. CA: Sage.
- Gurd, B., 2008. Structuration and middle-range theory - a case study of accounting during organizational change from different theoretical perspectives. *Critical Perspectives on Accounting*, **19**(4), pp. 523-543.
- Hakim, C., 1987. *Research design strategies and choices in the design of social research*. London: Great Britain Billing and Son Ltd.

- Hall, S., 2001. Foucault: power, knowledge and discourse. In: M. Wetherell, S. Taylor, and S. J. Yates (eds.): *Discourse theory and practice*. London: Sage.
- Hall, M., 2010. Accounting information and managerial work. *Accounting, Organizations and Society*, **35**(3), pp. 301-315.
- Hamilton, W.H., 1932. Institution. In: E.R.A. Seligman and A. Johnson (eds.): *Encyclopaedia of social science*, **73**(4), pp. 560-595.
- Hansen, A., 2011. Relating performative and ostensive management accounting research: reflections on case study methodology. *Qualitative Research Accounting and Management*, **8**(2), pp. 108-138.
- Hardy, C., 1996. Understanding power: bringing about strategic change. *British Journal of Management*, **7**, pp. S3-S16.
- Hardy, C., and Maguire, S., 2008. Institutional entrepreneurship. In: R. Greenwood, C. Oliver, K. Sahlin and R. Suddaby (eds.): *Sage handbook of organizational institutionalism*. London: Sage, pp. 198-217.
- Hardy, C., Palmer, I. and Phillips, N., 2000. Discourse as a strategic resource. *Human Relations*, **53**(9), pp. 1227-1248.
- Haslam, D., 2001. 'The county manager'. In M. E. Daly (ed.): *County and town - one hundred years of local government in Ireland: RTE Thomas Davis Lecture Series*, Winter 1999. Dublin: Irish Institute of Public Administration.
- Hassan, M.K., 2005. Management accounting and organizational change: an institutional perspective. *Journal of Accounting and Organizational Change*, **1**(2), pp. 125-140.
- Hayne, C. and Free, C., 2014. Hybridized professional groups and institutional work: COSO and the rise of enterprise risk management. *Accounting, Organizations and Society*, **39**(5), pp. 309-330.
- Hiebl, M.R.W., 2018. Management accounting as a political resource for enabling embedded agency. *Management Accounting Research*, **38**(1), pp. 22-38.
- Hines, R., 1988. Financial accounting: in communicating reality, we construct reality. *Accounting, Organisations and Society*, **13**(3), pp. 251-262.
- Hinings, C.R. and Greenwood, R., 1988. *The tracks and dynamics of strategic change*. Oxford: Blackwell.
- Hitchins, J., and Taylor, T., 2013. A big four practitioner view. In: L. Jack, J. Davison and R. Craig (eds.): *The routledge companion to accounting communication*. Cornwall: TJ International Ltd, pp. 213-228.
- Hodgson, G.M., 1993. *Introduction to the economics of institutions*. xi-xx edn. Aldershot: Edward Elgar.

- Hodgson, G.M., 2000. What is the essence of institutional economics? *Journal of Economic Issues (Association for Evolutionary Economics)*, **34**(2), pp. 317-329.
- Hodgson, G.M., 2006. What are institutions? *Journal of Economic Issues*, **40**(1), pp. 1-25.
- Hoffman, A., 1999. institutional evolution and change: environmentalism and the us chemical industry. *Academy of Management Journal*, **42**(4), pp. 351-371.
- Holm, P., 1995. The dynamics of institutionalisation: transformation processes in Norwegian fisheries. *Administrative Science Quarterly*, **40**(3), pp. 398-422.
- Hood, C., 1991. A public management for all seasons? *Public Administration*, **69**(1), pp. 3-19.
- Hood, C., 1995. The “new public management” in the 1980s: variations on a theme. *Accounting, Organizations and Society*, **20**(2–3), pp. 93-109.
- Hood, C. and Jackson, M., 1994. Keys for locks in administrative argument. *Administration and Society*, **25**(4), pp. 467-488.
- Hood, C. and Peters, G., 2004. The middle aging of new public management: into the age of paradox? *Journal of Public Administration Research and Theory*, **14**(3), pp. 267-282.
- Hopper, T. and Hoque, Z., 2006. Triangulation approaches to accounting research. In: Z. Hoque, (ed.): *Methodological issues in accounting research: theories and methods*. London: Spiramus, pp. 477-486.
- Hopper, T. and Major, M., 2007. Extending institutional analysis through theoretical triangulation: regulation and activity-based costing in portuguese telecommunications. *European Accounting Review*, **16**(1), pp. 59-97.
- Hopper, T. and Powell, A., 1985. Making sense of research into the organizational and social aspects of management accounting: a review of its underlying assumptions. *Journal of Management Studies*, **22**(5), pp. 429-465.
- Hopper, T., Northcott, D. and Scapens, R.W., 2007. *Issues in management accounting*. Harlow: Pearson.
- Hopper, T., Storey, J. and Willmott, H., 1987. Accounting for accounting: towards the development of a dialectical view. *Accounting, Organizations and Society*, **12**(5), pp. 437-456.
- Hopwood, A.G., 1990. Accounting and organization change. *Accounting Auditing & Accountability*, **3**(1), pp. 7-17.
- Hopwood, A.G., 2009. The economic crisis and accounting: implications for the research community. *Accounting, Organisations and Society*, **34**(6-7), pp. 797-802.

- Hoque, Z., Arends, S. and Alexander, R., 2004. Policing the police service: A case study of the rise of “new public management” within an Australian police service. *Accounting, Auditing and Accountability*, **17**(1), pp. 59-84.
- Hoque, Z. and Chia, M., 2012. Competitive forces and the levers of control framework in a manufacturing setting: A tale of a multinational subsidiary. *Qualitative Research in Accounting and Management*, **9**(2), pp. 123-145.
- Hoque, Z., Covalleski, M.A. and Gooneratne, T.N., 2013. Theoretical triangulation and pluralism in research methods in organizational and accounting research. *Accounting, Auditing and Accountability*, **26**(7), pp. 1170-1198.
- Hoque, Z., Covalleski, M.A. and Gooneratne, T.N., 2015. A response to “theoretical triangulation and pluralism in accounting research: a critical realist critique”. *Accounting, Auditing and Accountability*, **28**(7), pp. 1151-1159.
- Humphrey, C., Guthrie, J., Jones, L.R. and Olsen., 2005. The dynamics of public financial management change in an international context: progress or progression of questions, contradictions and challenges? In: J. Guthrie, C. Humphrey, L.R. Jones and O. Olsen (eds.): *International public financial management reform, progress, contradictions and challenges*. Connecticut: Information Age Publishing, pp. 1-22.
- Humphrey, C. and Miller, P., 2012. Rethinking impact and redefining responsibility: the parameters and coordinates of accounting and public management reforms. *Accounting, Auditing and Accountability*, **25**(2), pp. 295-327.
- Humphrey, C., and Scapens, R., 1996. Theories and case studies of organizational accounting practices: limitation or liberation? *Accounting, Auditing and Accountability*, **9**(4), pp. 86-106.
- Hussain, M. and Hoque, Z., 2002. Understanding non-financial performance measurement practices in Japanese banks: a new institutional Sociology Perspective. *Accounting, Auditing and Accountability*, **15**(2), pp. 162-183.
- Hutchinson, T.W., 1991. Institutional economics old and new. In: E.G. Furubotn and R. Richter (eds.): *The new institutional economics*. Cambridge: Cambridge University Press.
- Hyndman, N. and Lapsley, I., 2016. New public management: the story continues. *Financial Accountability and Management*, **32**(4), pp. 385-408.
- Hyndman, N. and Liguori, M., 2016. Public sector reforms: changing contours on an NPM landscape. *Financial Accountability and Management*, **32**(1), pp. 5-32.
- Jabbour, M., and Abdel-Kader, M., 2015. Changes in capital allocation practices – ERM and organisational change. *Accounting Forum*, **39**, pp. 295-311.

- Jack, L. 2013. Accounting communication inside organizations. pp. 154-165. In: L. Jack, J. Davison and R. Craig (eds.): *The routledge companion to accounting communication*. Cornwall: TJ International Ltd, pp. 154-165.
- Jack, L., 2016. Accounting and social theory: an introduction. New York: Routledge.
- Jacobs, K., 2012. Making sense of social practice: theoretical pluralism in public sector accounting research. *Financial Accountability and Management*, **28**(1), pp. 1-25.
- James, W., 2006. A processual view of institutional change of the budget process within an Australian government-owned electricity corporation. *International Journal of Public Sector Management*, **19**(1), pp. 5-39.
- Javidan, M. and Dastmalchian, A., 1993. Assessing senior executives: the impact of context on their roles. *Journal of Applied Behavioral Science*, **29**(3), pp. 328-342.
- Jeacle, I. and Carter, C., 2011. In TripAdvisor we trust: rankings, calculative regimes and abstract systems. *Accounting, Organizations and Society*, **36**(4-5), pp. 293-309.
- Jepperson, R.J., 1991. Institutions, institutional effects, and institutionalism. In: W.W. Powell and P.J. DiMaggio, (eds.): *The new institutionalism in organizational analysis*. Chicago: The University of Chicago Press, pp. 143-163.
- Jick, T.D., 1979. Mixing qualitative and quantitative methods: triangulation in action. *Administrative Science Quarterly*, **24**(4), pp. 602-611.
- Johansson, I. and Baldvinsdottir, G., 2003. Accounting for trust: some empirical evidence. *Management Accounting Research*, **14**(3), pp. 219-234.
- Johansson, T. and Siverbo, S., 2009. Why is research on management accounting change not explicitly evolutionary? taking the next step in the conceptualisation of management accounting change. *Management Accounting Research*, **20**(2), pp. 146-162.
- Johansson, T. and Siverbo, S., 2014. The appropriateness of tight budget control in public sector organizations facing budget turbulence. *Management Accounting Research*, **25** (4), pp. 271-283.
- Johnson, P. and Duberley, J., 2000. *Understanding management research*, London: Sage.
- Jones, R. and Pendlebury, M., 2000. Public Sector Accounting. Harlow: Prentice Hall.
- Kelman, S., 2006. Downsizing, competition, and organizational change in government: Is necessity the mother of invention? *Journal of Policy Analysis and Management*, **25**(4), pp. 875-895.

- Keogan, J., 2003. Reform in Irish local government. In: M. Callan and J. Keogan (eds.): *Local government in Ireland inside out*. Dublin: Irish Institute of Public Administration, pp.82-96.
- Kettl, D.F., 1997. The global revolution in public management: driving themes, missing links. *Journal of Policy Analysis and Management*, **16**(3), pp. 446-462.
- King, N., 2004. 'Using templates in the thematic analysis of text'. In: C. Cassell and G. Symon (eds.): *Essential guide to qualitative methods*. London: Sage.
- Kotter, J.P., 1995. Leading change: why transformation efforts fail. *Harvard Business Review*, March-April, pp. 59-67.
- Kuhn, T.S. 1962. The structure of scientific revolutions. Chicago: Chicago University Press.
- Kumar, R., 2005. *Research methodology; A step by step guide for beginners*. London: Sage.
- Kurunmäki, L., Lapsley, I. and Miller, P., 2011. Accounting within and beyond the state. *Management Accounting Research*, **22**(1), pp. 1-5.
- Langfield-Smith, K., 1997. Management control systems and strategy: a critical review. *Accounting, Organizations and Society*, **22**(2), pp. 207-232.
- Langley, A., Smallman, C., Tsoukas, H. and van de Ven, A., 2013. Process studies of change in organization and management: unveiling temporality, activity and flow. *Academy of Management Journal*, **56**(1), pp. 1-13.
- Lapsley, I., 2008. The NPM agenda: back to the future. *Financial Accountability and Management*, **24**(1), pp. 77-96.
- Lapsley, I. and Oldfield, R., 2001. Transforming the public sector: management consultants as agents of change. *European Accounting Review*, **10**(3), pp. 523-543.
- Lapsley, I. and Pallot, J., 2000. Accounting, management and organizational change: a comparative study of local government. *Management Accounting Research*, **11**(2), pp. 213-229.
- Lapsley, I. and Wright, E., 2004. The diffusion of management accounting innovations in the public sector: a research agenda. *Management Accounting Research*, **15**(3), pp. 355-374.
- Laughin, R.C., 1987. Accounting systems in organisational contexts: a case for critical theory. *Accounting, Organizations and Society*, **12**(5), pp. 479-502.
- Laughlin, R.C., 1991. Environmental disturbances and organizational transitions and transformations: some alternative models. *Organization Studies*, **12**(2), pp. 209-232.

- Laughlin, R.C. 1995. Empirical research in accounting: alternative approaches and a case for “middle-range” thinking. *Accounting, Auditing and Accountability*, **8**(1), pp. 63-87.
- Lawrence, T.B., 1999. Institutional strategy. *Journal of Management*, **25**(2), pp. 161-187.
- Lawrence, T.B., and Suddaby, R., 2006. Institutions and institutional work. In: S. Clegg, C. Hardy, T.B. Lawrence and W.R. Nord (eds.): *Handbook of organisation studies*. 2nd edition. London: Sage, pp. 215-254.
- Lawrence, T.B., Suddaby, R., Leca, B., 2009. Introduction: theorizing and studying institutional work. In: *Institutional work: actors and agency in institutional studies of organisations*. Cambridge: Cambridge University Press, pp.1-28.
- Lazaer, E., 2000. Economic imperialism. *Quarterly Journal of Economics*, February, 115, pp. 99–146.
- Lee, W. L., 1999. *Using Qualitative Methods in Organizational Research*. Thousand Oaks, CA: Sage.
- Ledford, G.E., Mohrman, S.A., Mohrman, A.M. and Lawler, E.E., 1989. The phenomenon of large-scale organizational change. In: A.M. Mohrman, S.A. Mohrman, T.G. Ledford, T.G. Cummings, E.E. Lawler and Associates (eds.): *Large-scale organizational change*. San Francisco: Jossey-Bass, pp. 1-31.
- Levy, D. and Scully, M., 2007. The institutional entrepreneur as modern prince: the strategic face of power in contested fields. *Organization Studies*, **28**(7), pp. 971-991.
- Lewin, K., 1958. Group decisions and social change. In: G. E. Swanson, T. M. Newcomb and E. L. Hartley (eds.): *Reading in social psychology*. New York: Holt, Rhinehart and Winston.
- Lincoln, Y.S. and Guba, E.G., 1985. *Naturalistic inquiry*. CA: Sage.
- Lockett, A., Wright, M., and Wild, A., 2015. The institutionalization of third stream activities in uk higher education: the role of discourse and metrics. *British Journal of Management*, **26**, pp. 79-92.
- Lodge, M. and Hood, C., 2012. Into an age of multiple austerities? public management and public service bargains across OECD countries. *Governance*. **25**(1). p. 79-101.
- Lounsbury, M., 2008. Institutional rationality and practice variation: new directions in the institutional analysis of practice. *Accounting, Organizations and Society*, **33**(4–5), pp. 349-361.

- Lowndes, V., 2005. Something old, something new, something borrowed... how institutions change (and stay the same) in local governance. *Policy Studies*, **26**(3), pp. 291-309.
- Lukes, S., 1974. *Power: A radical view*. London: Macmillan.
- Lukka, K., 2007. Management accounting change and stability: loosely coupled rules and routines in action. *Management Accounting Research*, **18**(1), pp. 76-101.
- Lukka, K. and Mouritsen, J., 2002. Homogeneity or heterogeneity of research in management accounting? *European Accounting Review*, **11**(4), pp. 805-811.
- MaCartney, H., 2011. Crisis for the state or crisis of the state. *The Political Quarterly*, **82**(2), pp. 193-203.
- Mac an Bhaird, C., 2010. *Ireland and the financial crisis*. In: Lagoarde Segot, Thomas, (eds.): *After the crisis: rethinking finance. Global recession. Causes, impacts and remedies*. New York: Nova Science Publishers, pp. 35-46.
- Macintosh, N. and Quattrone, P., 2010. *Management accounting and control systems. An organisational and sociological approach*. United Kingdom: Wiley.
- Maguire, S., Hardy, C. and Lawrence, T., 2004. Institutional entrepreneurship in emerging fields: HIV/AIDS treatment advocacy in Canada. *Academy of Management*, **47**(5), pp. 657-679.
- Maguire, S. and Hardy, C., 2006. The emergence of new global institutions: A discursive perspective. *Organization Studies*, **27**(1), pp. 7-29.
- Mäki, U., 1993. Economics with institutions: agenda for methodological enquiry. In: U. Mäki, B. Gustafsson and C. Knudsen (eds.): *Rationality, institutions and economic methodology*. London: Routledge, pp. 3-42.
- Makrygiannakis, G. and Jack, L., 2016. Understanding management accounting change using strong structuration frameworks. *Accounting, Auditing and Accountability*, **29**(7), pp. 1234-1258.
- March, J.G., 1994. *A primer on decision making how decisions happen*. New York: The Free Press.
- March, J.G., and Schulz, M. and Zhou, X., 2000. *The dynamics of rules: change in written organizational codes*. Stanford University Press.
- Markowitz, L., 2007. Structural innovators and core-framing tasks: how socially responsible mutual fund companies build identity among investors. *Sociological Perspectives*, **50**(1), pp. 131-153.
- Marshall, C., and Rossman, G., 1995. *Designing qualitative research*. CA: Sage.

- Mason, J. and Dale A., 2011. *Understanding social research: thinking creatively about method*. London: Sage.
- Malmi, T. and Brown, D.A., 2008. Management control systems as a package—opportunities, challenges and research directions. *Management Accounting Research*, **19**(4), pp. 287-300.
- Mattimoe, R., 2000. *An institutional study of room rate pricing in the Irish hotel industry*. Unpublished PhD thesis. University of Manchester.
- May, T. 1997. *Social research: issues, methods and process*. Philadelphia: Open University Press.
- Mazzei, A., 2014. Internal communication for employee enablement: strategies in American and Italian companies. *Corporate Communications*, **19**(1), pp. 82-95.
- McCracken, G., 1988. *The long interview*. CA: Sage.
- McKinnon, J. 1988. Reliability and validity in field research: some strategies and tactics. *Accounting, Auditing & Accountability*, **1**(1), pp. 34-54.
- Merriam, S.B., 1998. *Qualitative research and case study applications in education*. San Francisco: Jossey-Bass Publishers.
- Merchant, K. and Otley, D., 2007. A review of the literature on control and accountability. In: A.G. Hopwood, C.S. Chapman, and M.D. Shields (eds.): *Handbook of management accounting research*. Amsterdam: Elsevier.
- Merchant, K. and van der Stede, W., 2007. *Management control systems performance measurement, evaluation and incentives*. 2nd edition. Harlow: Prentice Hall.
- Meyer, J.W. and Rowan, B., 1977. Institutionalized organizations: formal structure as myth and ceremony. *The American journal of sociology*, **83**, pp. 340-363.
- Meyer, J.W. and Rowan, B., 1991. Institutionalized organizations: formal structure as myth and ceremony. In: W.W. Powell and P.J. DiMaggio, (eds.): *The new institutionalism in organizational analysis*. Chicago: The University of Chicago Press, pp. 41-62.
- Meyer, J.W., Scott, W.R. and Deal, T.E., 1983. Institutional and technical sources of organizational structure: explaining the structure of educational organizations. In: J.W. Meyer and W.R. Scott, (eds.): *Organizational environments: ritual and rationality*. New York: Sage, pp. 45-67.
- Miles, M. B., and Huberman, A. M., 1994. *Qualitative data analysis: an expanded sourcebook*. CA: Sage.

- Misangyi, V.F., Weaver, G.R., and Elms, H., 2008. Ending corruption: the interplay among institutional logics, resources, and institutional entrepreneurs. *Academy of Management Review*, **33**(3), pp. 750–770.
- Modell, S., 2001. Performance measurement and institutional processes: a study of managerial responses to public sector reform. *Management Accounting Research*, **12**(4), pp. 437-464.
- Modell, S., 2002. Institutional perspectives on cost allocations: integration and extension. *European Accounting Review*, **11**(4), pp. 653-679.
- Modell, S., 2007. Managing accounting change. In: T. Hopper, D. Northcott, and R. Scapens (eds.): *Issues in management accounting*. 3rd edition. Harlow: Prentice Hall.
- Modell, S., 2013. Making sense of social practice: theoretical pluralism in public sector accounting research: a comment. *Financial Accountability and Management*, **29**(1), pp. 99-110.
- Moll, J. and Humphrey, C., 2007. Management accounting and accountants in the public sector: the challenges presented by public-private partnerships. In: T. Hopper, D. Northcott and R. Scapens (eds.): *Issues in Management Accounting*. 3rd edition. Harlow: Prentice Hall, pp. 297-316.
- Moll, J., Major, M., and Hoque, Z., 2006. The qualitative research tradition. In: Z. Hoque (ed.): *Methodological issues in accounting research: theories and methods*. London: Spiramus, pp. 375-398.
- Mongkol, K., 2011. The critical review of new public management model and its criticisms. *Research Journal of Business Management*, **5**(1), pp. 35-43.
- Morgan, G. and Smircich, L., 1980. The case for qualitative research. *Academy of Management Review*, **5**(4), pp. 491-500.
- Morgan, G. and Sturdy, A., 2000. *Beyond organisational change: structure, discourse and power in UK financial services*. London: Macmillian.
- Munir, K.A., 2015. A loss of power in institutional theory. *Journal of Management Inquiry*, **24**(1), pp. 90-92.
- Myers, M.D., 1997. Qualitative research in information systems. *MIS Quarterly*, **21**(2), pp. 241-242.
- Neuman, W. L., 2006. *Social research methods: qualitative and quantitative approaches: international edition*. Harlow: Pearson.
- Nørreklit, H., 2003. The balanced scorecard: what is the score? a rhetorical analysis of the balanced scorecard. *Accounting, Organizations and Society*, **28**(6), pp. 591-619.

- Nørreklit, H., and Mitchell, F., 2007. The balanced scorecard. In: T. Hopper, D. Northcott and R. Scapens (eds.): *Issues in Management Accounting*. England: Prentice Hall, pp. 175-198.
- Nørreklit, L., Nørreklit, H. and Israelsen, P., 2006. The validity of management control topoi: Towards constructivist pragmatism. *Management Accounting Research*, **17**(1), pp. 42-71.
- OECD, 1995. *Governance in transition*. Paris: OECD.org
- OECD, 2005. *Modernising government; the way forward*. Paris: OECD.org
- OECD, 2008. *Public management reviews: Ireland towards an integrated service*. Paris: OECD.org
- Oliveira, J., 2010. *Power and organizational change. A case study*. Unpublished PhD thesis. University of Dundee.
- Oliveira, J., and Quinn, M., 2015. Interactions of rules and routines: re-thinking rules. *Journal of Accounting and Organizational Change*, **11**(4), pp. 503-526.
- Oliver, C., 1991. Strategic responses to institutional processes. *Academy of Management Review*, **16**(1), pp. 145-179.
- Oliver, C., 1992. The antecedents of deinstitutionalization. *Organization Studies*, **13**(4), pp. 563-588.
- Olson, O., Humphrey, C. and Guthrie, J., 2001. Caught in an evaluatory trap: a dilemma for public services under NPFM. *European Accounting Review*, **10**(3), pp. 505-522.
- Osborne, D. and Gaebler, T., 1992. *Reinventing government: how the entrepreneurial spirit is transforming the public sector*. MA: Addison-Wesley.
- Otley, D., 1999. Performance management: a framework for management control systems research, *Management Accounting Research*, **10**(4), pp. 366-382.
- Otley, D., 2003. Management control and performance management: whence and whither?. *British Accounting Review*, **35**(4), pp. 309-326.
- Otley, D., and Soin, K., 2014. *Management control and uncertainty*. London: Palgrave Macmillan.
- Overmans, J.F.A. and Noordegraaf, M., 2014. Managing austerity: rhetorical and real responses to fiscal stress in local government. *Public Money and Management*, **34** (2), pp. 99-106.
- Pandey, S.K., 2010. Cutback management and the paradox of publicness. *Public administration review*, **70**(4), pp. 564-571.

- Parker, L.D., 2003. Qualitative research in accounting and management: the emerging agenda. *Journal of Accounting and Finance*, **2**, pp.15-30.
- Parker, L. D., 2012. Qualitative management accounting research: assessing deliverables and relevance. *Critical Perspectives on Accounting*, **23**, pp. 54-70.
- Parker, L.D., 2013. *The accounting communication research landscape*. In: L. Jack, J. Davison and R. Craig (eds.): *The routledge companion to accounting communication*. Cornwall : TJ International Ltd, pp. 7-25.
- Patton, M.Q., 1980. *Qualitative evaluation methods*. CA: Sage.
- Patton, M.Q., 1990. *Qualitative evaluation and research methods*. CA: Sage.
- Patton, M. Q., 2002. *Qualitative evaluation and research methods*. CA: Sage.
- Pettigrew, A., 1985. *The awakening giant: continuity and change in imperial chemical industries*. Oxford: Blackwell.
- Pettigrew, A., 1987. Context and action in the transformation of the firm. *Journal of Management Studies*, **24**(6), pp. 649-670.
- Pettigrew, A., 1990. Longitudinal field research on change: theory and practice. *Organization Science*, **1**(3), pp. 267-292.
- Pettigrew, A.M., 1995. Longitudinal field research on change: theory and practice. In: G. Huber and A.H. van de Ven (eds.): *Longitudinal field research methods: studying processes of organisational change*. CA : Sage.
- Pettigrew, A.M., 1997. What is a processual analysis? *Scandinavian Journal of Management*, **13**, pp. 337-348.
- Pettigrew, A., Ferlie, E. and McKee, L., 1992. *Shaping strategic change: making change in large organizations: the case of the National Health Service*. London: Sage.
- Phillips, N., Lawrence, T.B. and Hardy, C., 2004. Discourse and institutions. *Academy of Management Review*, **29**(4), pp. 635-652.
- Politics.ie., 2011. <http://www.politics.ie/forum/economy/155284-how-many-irish-people-does-take-fill-hole.html> last accessed 20th June 2018.
- Pollitt, C., 2000. Is the emperor in his underwear? An analysis of the impacts of public management reform. *Public Management*, **2**(2), pp. 181-199.
- Pollitt, C., 2007. New labour's re-disorganization. *Public Management Review*, **9**(4), pp. 529-543.
- Pollitt, C., 2010. Cuts and reforms -- public services as we move into a new era. *Society and Economy*, **32**(1), pp. 17-31.

- Pollitt, C. and Bouckaert, G., 2011. *Public management reform – a comparative analysis*. Oxford: Oxford University Press.
- Potter, J., and Wetherell, M., 1987. *Discourse and social psychology: beyond attitudes and behaviour*. London: Sage.
- Powell, W.W., 1991. Expanding the scope of institutional analysis. In: W.W. Powell and P.J. DiMaggio, (eds.): *The new institutionalism in organizational analysis*. Chicago: University of Chicago Press, pp.183-203.
- Quattrone, P., 2013. Rhetoric and the art of memory. In: L. Jack, J. Davison and R. Craig (eds.): *The routledge companion to accounting communication*. Cornwall: TJ International Ltd, pp.94-108.
- Quattrone, P. and Hopper, T., 2001. What does organizational change mean? speculations on a taken for granted category. *Management Accounting Research*, **12**(4), pp. 403-435.
- Quinn, M., 2010. *Continuity and change in management accounting – evidence from the corrugated container sector*. Unpublished PhD thesis. University of Dundee.
- Quinn, M. and Warren, L., 2017. New public management a re-packaging of extant techniques?: some archival evidence from an Irish semi-state power company. *Qualitative Research in Accounting and Management*, **14**(4), pp. 407-429.
- Rao, H., Morrill, C., and Zald, M.N., 2000. Power plays: how social movements and collective action create new organizational forms. In: B. Staw and R.I. Sutton (eds.): *Research in organizational behavior* (Vol. 22). New York: JAI Press.
- Rathe, A.W., 1960. *Management controls in business*. Wiley, New York.
- Reckwitz, A., 2002. Toward a theory of social practices. A development in culturalist theorizing. *European Journal of Social Theory*, **5**(2), pp. 243-263.
- Rescher, N., 1996. *Process metaphysics: An introduction to process philosophy*. Albany: State University of New York Press.
- Ribeiro, J. and Scapens, R., 2006. Institutional theories in management accounting change: contributions, issues and paths for development. *Qualitative Research in Accounting and Management*, **3**(2), pp. 94-111.
- Richards, S., 1987. The financial management initiative. In J. Grettan and A. Harrison (eds.): *Reshaping central government*. London: Policy Journals, pp. 22-41.
- Robalo, R., 2007. *Explaining processes of change in management accounting: the case of a Portuguese postal company*. Unpublished PhD thesis. University of Porto.

- Robbins, G. and Lapsley, I., 2005. NPM and the Irish public sector: from reluctant reformer to statutory codification. In: J. Guthrie, C. Humphrey, L.R. Jones and O. Olsen (eds.): *International public financial management reform: progress, contradictions and challenges*. Connecticut: Information Age Publishing, pp.109-138.
- Robbins, G. and Lapsley, I., 2014. The success of the Eurozone crisis? *Public Money and Management*, **34**(2), pp. 91-98.
- Robbins, G., Mulligan, E. and Keenan, F., 2015. e-Government in the Irish revenue: the revenue on-line service (ROS): A Success Story? *Financial Accountability and Management*, **31**(4), pp. 363-394.
- Roberts, J. and Scapens, R., 1985. Accounting systems and systems of accountability – understanding accounting practices in their organizational contexts. *Accounting, Organizations and Society*, **10**(4), pp. 443-456.
- Robson, C., 2002. *Real World Research*. Oxford: Blackwell Publishers.
- Roche, D., 1982. Local government, *Administration*, **30**(2) (3), pp. 133-146.
- Rutherford, M. 1996. *Institutions in Economics: The Old and the New Institutionalism*. Cambridge University Press.
- Ryan, B., Scapens, R.W. and Theobald, M., 2002. *Research method and methodology in finance and accounting*. 2nd edition. London: Cengage Learning.
- Salvato, C. and Moores, K., 2010. Research on accounting in family firms: past accomplishments and future challenges. *Family Business Review*, **23**(3), pp.193-215.
- Sandberg, J. and Alvesson, M., 2011. Ways of constructing research questions: gap-spotting or problematization? *Organization*, **18**(1), pp. 23-44.
- Sapir, A., Wolff, G.B. De Sousa, C. Terzi, A., 2014. The Troika and financial assistance in the Euro Area: successes and failures, *Study on the request of the economic and monetary affairs committee*, economic governance support unit, available at: www.europarl.europa.eu/ECON
- Saunders, M., Lewis, P. and Thornhill, A. 2009. *Research methods for business students*. Pearson.
- Scapens, R.W., 1990. Researching management accounting practice: the role of case study methods. *The British Accounting Review*, **22**(3), pp. 259-281.
- Scapens, R.W., 1994. Never mind the gap: towards an institutional perspective on management accounting practice. *Management Accounting Research*, **5**(3–4), pp. 301-321.

- Scapens, R., 2004. Using case studies in accounting research: the role of theory, *2nd Doctoral Summer School in Management Accounting*. Siena: University of Siena.
- Scapens, R.W., 2006. Understanding management accounting practices: a personal journey. *The British Accounting Review*, **38**(1), pp. 1-30.
- Scapens, R.W. and Macintosh, N.B., 1996. Structure and agency in management accounting research: a response to Bolands interpretive act. *Accounting, Organizations and Society*, **21**(2), pp. 222-247.
- Scapens, R. W. and Jazayeri, M. 2003. ERP systems and management accounting change: opportunities or impacts? A research note. *European Accounting Review*, **12**(1), pp. 201-233.
- Schein, E.H., 2017. *Organizational Culture and Leadership*. NJ: Wiley.
- Schick, A., 1996. The spirit of reform: managing New Zealand state sector in a time of change. A report prepared for the State Service Commission and The Treasury, New Zealand. Available at <https://www.ssc.govt.nz/spirit-of-reform> last accessed 15 June 2018.
- Schick, A., 2009. Evolutions in budgetary practice: Allen Schick and the OECD Senior Budget Officials. *Organisation for economic co-operation and development*. Paris and Washington, D.C.: Organisation for Economic Co-operation and Development.
- Schui, F., 2014. *Austerity: the great failure*. Yale University Press, Boston, MA.
- Scott, W.R., 2014. *Institutions and organizations, ideas, interests, and identities*. CA: Sage.
- Seal, W., 1999. Accounting and competitive tendering in UK local government: an institutionalist interpretation. *Financial Accountability and Management*, **15**(3), pp. 309-327.
- Seal, W., 2003. Modernity, modernization and the deinstitutionalization of incremental budgeting in local government. *Financial Accountability and Management*, **19**(2), pp. 93-116.
- Seal, W. and Ball, A., 2011. Interpreting the dynamics of public sector budgeting: a dialectic of control approach. *Financial Accountability and Management*, **27**(4), pp. 409-436.
- Seal, W., Garrison, R.H., Rhode, C. and Noreen, E.W., 2015. *Management accounting*. 5th edition. Berkshire: McGrawHill.
- Selznick, P., 1949. *TVA and the Grass Roots. A Study of Politics and Organization*. Berkley: University of California Press.
- Selznick, P., 1957. *Leadership in administration: a sociological interpretation*. Berkley: University of California Press.

- Seo, M. and Creed, W.E.D., 2002. Institutional contradictions, praxis, and institutional change: a dialectical perspective. *Academy of Management Review*, **27**(2), pp. 222-247.
- Sewell, W., 1992. A theory of structure: duality, agency and transformation. *American Journal of Sociology*, **98**(1), pp. 1-29.
- Shamir, B., 1991. Meaning, self and motivation in organizations. *Organization Studies*, **12**(3), pp. 405–424.
- Sharma, U., Lawrence, S. and Fowler, C., 2012. New public management and accounting in a Fiji telecommunications company. *Accounting History*, **17**(3-4), pp. 331-349.
- Sharma, U., Lawrence, S. and Lowe, A., 2014. Accountants as institutional entrepreneurs: changing routines in a telecommunications company. *Qualitative Research in Accounting & Management*. **11**(3), pp. 190-214.
- Sheehy, E., 2003, 'City and county management'. In: M. Callanan and J. Keogan (eds.), *Local Government in Ireland*, Dublin: Irish Institute of Public Administration.
- Simons, R., 1995. *Levers of control: how managers use innovative control systems to drive strategic renewal*. Boston: Harvard Business School Press.
- Simons, P., 2011. 'Surviving and thriving with business intelligence', CIMA Insight, March, online: www.cimaglobal.com/en-gb/Thought-leadership/Newsletters/Insight-e-magazine/Insight-2011/Insight-March-2011/Surviving-and-thriving-with-business-intelligence/. In: L. Jack, J. Davison and R. Craig (eds.): *The routledge companion to accounting communication*. Cornwall: TJ International Ltd, pp. 154-165.
- Siti-nabiha, A.K. and Scapens, R.W., 2005. Stability and change: an institutional study of management accounting change. *Accounting, Auditing and Accountability*, **18**(1), pp. 44-73.
- Smircich, L., 1983. Studying organizations as cultures. In: G. MORGAN (ed.), *Beyond method, strategies for social research*. Beverly Hills: Sage.
- Smith, M., 2003, *Research methods in accounting*. London: Sage.
- Soin, K., 1996. *Organizational change and the introduction of activity based costing in a UK clearing bank*. Unpublished PhD thesis. Sheffield Hallam University.
- Soin, K., Seal, W. and Cullen, J., 2002. ABC and organizational change: an institutional perspective. *Management Accounting Research*, **13**(2), pp. 249-271.
- Speklé, R.F., 2001. Explaining management control structure variety: a transaction cost economics perspective. *Accounting, Organizations and Society*, **26**(4-5), pp. 419-441.

- Stinchcombe, A.L., 2001. *When formality works: authority and abstraction in law and organizations*. University of Chicago Press, Chicago, IL.
- Strang, K.D., 2015. *The palgrave handbook of research design in business and management*. US: Palgrave Macmillan.
- Suddaby, R., 2010. Challenges for institutional theory. *Journal of Management Inquiry*, **19**(1), pp. 14-20.
- Suddaby, R. and Greenwood, R., 2005. Rhetorical strategies of legitimacy. *Administrative Science Quarterly*, **50**(1), pp. 35-67.
- Tan, S. and Koonce, L., 2011. Investors' reactions to retractions and corrections of management earnings forecasts. *Accounting Organizations and Society*, **36**(6), pp. 382-397.
- ter Bogt, H., 2008a. Recent and future management changes in local government: continuing focus on rationality and efficiency? *Financial Accountability and Management*, **24**(1), pp. 31-57.
- ter Bogt, H., 2008b. Management accounting change and new public management in local government: a reassessment of ambitions and results – an institutionalist approach to accounting change in the Dutch public sector. *Financial Accountability and Management*, **24**(3), pp. 209-241.
- ter Bogt, H., Budding, T., Groot, T. and van Helden, G.J., 2010. Current NPM research: digging deeper and looking further. *Financial Accountability and Management*, **26**(3), pp. 241-245.
- ter Bogt, H. and Scapens, R.W., 2012. Performance management in universities: effects of the transition to more quantitative measurement systems. *European Accounting Review*, **21**(3), pp. 451-497.
- ter Bogt, H. and van Helden, G.J., 2012. The practical relevance of management accounting research and the role of qualitative methods therein: the debate continues. *Qualitative Research in Accounting & Management*, **9**(3), pp. 265-273.
- ter Bogt, H., van Helden, J. and van der Kolk, B., 2015. Challenging the NPM ideas about performance management: selectivity and differentiation in outcome-oriented performance budgeting. *Financial Accountability and Management*, **31**(3), pp. 287-315.
- Tessier, S. and Otley, D., 2012. From management controls to the management of controls. *Accounting, Auditing and Accountability*, **25**(5), pp. 776-805.
- Tessier, S., 2014. Managing management controls. In: D Otley and K Soim (eds.): *Management Control and Uncertainty*, Palgrave Macmillan.
- Thompson, J.D., 1967. *Organizations in action; social science bases of administrative theory*. New York: McGraw-Hill.

- Tolbert, P.S. and Zucker, L.G., 1983. Institutional sources of change in the formal structure of organizations: the diffusion of civil service reform, 1880-1935. *Administrative Science Quarterly*, **28**(1), pp. 22-39.
- Tolbert, P.S. and Zucker, L.G., 1996. The institutionalization of institutional theory. In: S.R. Clegg, C. Hardy and W.R. Nord, (eds.): *Handbook of Organization Studies*. CA: Sage, pp.175-190.
- Tomkins, C. and Groves, R., 1983. The everyday accountant and researching his reality. *Accounting, Organizations and Society*, **8**(4), pp. 361-374.
- Tsamenyi, M., Cullen, J. and González, J.M.G., 2006. Changes in accounting and financial information system in a Spanish electricity company: a new institutional theory analysis. *Management Accounting Research*, **17**(4), pp. 409-432.
- Tsoukas, H. and Chia, R., 2002. On organizational becoming: rethinking organizational change. *Organization Science*, **13**(5), pp. 567-582.
- Turley, G. and Flannery, D. 2013. The impact of the economic boom and bust on local government budgets in Ireland. *Administration*, **61**(2), pp. 33–56.
- Vaivio, J., 2008. Qualitative management accounting research: rationale, pitfalls and potential. *Qualitative Research in Accounting and Management*, **5**(1), pp. 64-86.
- van de Ven, V.D. and Poole, M.S., 1995. Explaining development and change in organizations. *Academy of Management Review*, **20**(3), pp. 510-540.
- van der Kolk, B., ter Bogt, H. and van Veen-Dirks, P., 2015. Constraining and facilitating management control in times of austerity: Case studies in four municipal departments. *Accounting, Auditing and Accountability*, **28**(6), pp. 934-965.
- van der Meer-Kooistra, J. and Vosselman, E., 2012. Research paradigms, theoretical pluralism and the practical relevance of management accounting knowledge. *Qualitative Research in Accounting and Management*, **9**(3), pp. 245-264.
- van der Stede, W.A., 2001. Measuring 'tight budgetary control'. *Management Accounting Research*, **12**(1), pp. 119-137.
- van der Steen, M., 2006. *Human Agency in management accounting change. A cognitive approach to institutional theory*. Unpublished PhD thesis. University of Manchester.
- van Helden, G.J., 2005. Researching public sector transformation: the role of management accounting. *Financial Accountability and Management*, **21**(1), pp. 99-133.
- van Helden, G.J., Aardema, H., ter Bogt, H. and Groot, T.L.C.M., 2010. Knowledge creation for practice in public sector management accounting by

- consultants and academics: preliminary findings and directions for future research. *Management Accounting Research*, **21**(2), pp. 83-94.
- van Sluis, A., Cachet, L. and Ringeling, A., 2008. Results-based agreements for the police in the Netherlands. *An International Journal of Police Strategies and Management*, **31** (3), pp. 415-34.
- Veblen, T., 1961. *The Place of Science in Modern Civilisation and other essays*. New York: Russell; Russell.
- Voronov, M. and Vince, R., 2012. Integrating emotions into the analysis of institutional work. *Academy of Management Review*, **37**(1), pp. 58-81.
- Wahyuni, D., 2012. The research design maze: understanding paradigms, cases, methods and methodologies. *Journal of Applied Management Accounting Research*, **10**(1), pp. 69-80.
- Weber, M., 1968. *Economy and society: an outline of interpretive sociology*. New York: Bedminster.
- Weik, E., 2011. Institutional entrepreneurship and agency. *Journal for the Theory of Social Behaviour*, **41**(4), pp. 466-481.
- Wickramasinghe, D. and Alawattage, C., 2007. *Management accounting change, approaches and perspectives*. Abingdon: Routledge.
- Wiesel, F., Modell, S. and Moll, J., 2011. Customer orientation and management control in the public sector: a garbage can analysis. *European Accounting Review*, **20**(3), pp. 551-581.
- Yang, C. and Modell, S., 2012. Power and performance: institutional embeddedness and performance management in a Chinese local government organization. *Accounting, Auditing and Accountability*, **26**(1), pp. 101-132.
- Yazdifar, H., 2012. *Insight into the processes of management accounting change facilitating the implementation of management accounting innovations*. Germany: Lambert Academic Publishing.
- Yazdifar, H., 2013. *Management accounting systems the dynamics of management accounting systems implementation in complex and multi-national organizations*. Germany: Lambert Academic Publishing.
- Yazdifar, H., Askarany, D., Askary, S. and Daneshfar, A., 2005. Power and politics and their interrelationship with management accounting change. *International Journal of Cultural Change Management*. **5**(5), pp. 149-157.
- Yazdifar, H., Askarany, D., Nasser, A. and Moradi, M.A., 2012. A processual approach towards studying management accounting change. *Journal of Accounting, Business and Management*, **19**(2), pp. 44-58

- Yazdifar, H., Zaman, M., Tsamenyi, M. and Askarany, D., 2008. Management accounting change in a subsidiary organisation. *Critical Perspectives on Accounting*, **19**(3), pp. 404-430.
- Yin, R., 2009. *Case study research: design and methods*. 4th edition. CA: Sage.
- Zhao, N., 2011. *An investigation of social and environmental reporting practices - in a Chinese context*. Unpublished PhD thesis. Royal Holloway, University of London.
- Zilber, T., 2007. Stories and the discursive dynamics of institutional entrepreneurship: the case of Israeli high-tech after the bubble. *Organization Studies*, **28**(7), pp. 1035-1054.
- Zimmerman, J.L., 2001. Conjectures regarding empirical managerial accounting research. *Journal of Accounting and Economics*, **32**(1–3), pp. 411-427.
- Zucker, L.G., 1991. The role of institutionalization in cultural persistence. In: W.W. Powell and P.J. DiMaggio, (eds.): *The new institutionalism in organizational analysis*. Chicago: University of Chicago Press, pp. 83-107.

Appendix A – Outline of general interview questions guide

- 1) Describe your role in the organisation?
 - a. How long have you been here?
 - b. Where are you situated in the organisation structure?
 - c. Previous experience
- 2) Tell me about the organisation
- 3) Describe your historical costing system before the implementation of ABC. Would you consider this costing system to be embedded in the routines of staff?
- 4) Describe your new costing system (ABC) and discuss how it is different from your old costing system. Is there a change in staff thinking and behaviours with this new system?
- 5) Why did you implement a new costing system?

Was it in order to acquire legitimacy and guarantee the resources required for the survival of the organ?
- 6) How did you implement the new ABC system – describe the implementation process. Was there a powerful actor/member in advocating ABC both external and internal to the organisation?
- 7) Explain how the new cost system facilitates better budgeting and management control (if it does).
- 8) How does the new cost system allow easier identification of costs and understanding of cost structures?
- 9) Does central government policy dictate most of this organisation's management accounting practices such as costing and budgeting? Can you explain how formalized management accounting practices are here? Are there formal rules and are these documented, do you create informal rules?
- 10) Does a documented/written manual of costing rules exist here (both before and after the new cost system).

If yes, where did this manual come from? Is the manual open to human interpretation of the rules i.e informal rules? (Summary: do written rules exist? When did they come into effect? Are the rules at national or local level or both?)
- 11) What is your interpretation of the term rules in management accounting?

- 12)** Did the introduction of new cost accounting rules lead to a change in daily/weekly/monthly/ yearly costing routines of staff?
- 13)** Was there resistance by staff to the new cost accounting rules, if yes, did they create their own new costing routines or stay with the old costing routines?
- 14)** Did the cost accounting process (i.e. costing routines) change or remain the same in here after the implementation of ABC?.

Appendix B – Phase two – organisational and management control change - outline of revised interview questions guide

- 1)** Describe your role in the organisation?
 - i. How long have you been here?
 - ii. Where are you situated in the organisation structure?
 - iii. Previous experience
- 2)** Why did this local authority decide to restructure its organisation?
 - i. Who was the driving force behind this restructuring and organisational change?
 - ii. What was the real push?
- 3)** What/Who is the efficiency committee? What is their role? Who set this group up?
- 4)** Can you please describe how you have restructured the organisation? Who choose a new strategy for the local authority?
- 5)** Who is managing all of this restructuring? Are there specific rules to be followed?
- 6)** How did they change the organisational goals and how did they communicate them to staff?
- 7)** In your opinion did management accounting practice (i.e. costing, budgeting etc) play a role in this organisational change?
- 8)** Was management accounting used by certain individual's as a means of giving legitimacy to new ways of 'thinking' and as a means of clarifying and strengthening existing perceptions about what organisational staff are supposed to do or not do?.
- 9)** Did staff workers want to remain the same, tied to their historical ways of doing things/working?
- 10)** Has this organisational change been met with some resistance from staff. If yes, how was this resistance overcome?
- 11)** New key performance indicators (KPI's) for water, housing, roads and waste. Were you involved in establishing the KPI's?
- 12)** Are KPI's actually being used today?
- 13)** How do you view the role of KPI's in Housing?

- 14)** How have staff responded to the use of KPI's? With KPI's is there a target measure?
- 15)** Was performance measurement a priority for this local authority before the arrival of the new CEO?
- 16)** Had the elected council members any role in the organisational restructuring?
- 17)** Due to this restructuring were there job cuts?
- 18)** Have the proposed changes been implemented?
- 19)** How do you feel about all these organisational changes, do you think the organisational staff have got behind the changes?
- 20)** Any other points you consider relevant about organisational and management control change?

Appendix C – Extracts from Housing business plan

E. Strategic Objectives for 2011 – Customer C1

DIRECTORATE: Housing Services													
ORGANISATIONAL STRATEGY MAP OBJECTIVE: <u>C1: “Provide us with good community services”</u>													
We will assure that our communities have the best services we can affordably provide													
ORGANISATIONAL MEASURE: (Insert)					ORGANISATIONAL TARGET: (Insert)								
CONTRIBUTION OF DIRECTORATE TO THIS ORGANISATIONAL OBJECTIVE: (To achieve this Objective, what must we do well?): (Insert)													
TOP 10 ORGANISATIONAL RISKS LINKED TO THIS OBJECTIVE: No. 2 Loss of Key Staff; No. 10 Leave Schemes													
Success Factor	Measure(s)	Target	Risk			Initiative(s)	(S) and (F)				Responsibility	Evaluation	
			I	L	I x L		Q1	Q2	Q3	Q4		Mid-Yr M/E/A/T	End-Yr M/E/A/T
Freedom of Information Requests	A) Number of FOI requests received dealt within statutory time limit of 20 working days ^L	100%	2	1	2	Timely liaison with Section Head.	S			F			
	B) Percentage of FOI requests received which are dealt with within statutory time limit of 20 working days ^L	100%	2	1	2	Timely liaison with Section Head.	S			F			
Ombudsman’s Complaints	A) Number of cases referred by Ombudsman dealt within 20 working days ^L	100%	2	1	2	Timely liaison with Section Head.	S			F			
	B) Percentage of Ombudsman’s complaints received which are dealt with within 20 working days ^L	100%	2	1	2	Timely liaison with Section Head.	S			F			

Elected Members' Representations	A) Percentage of Members' Representations acknowledged within 5 working days ^L	100%	2	2	4	Timely inputting of representations into the Customer Contact System (CCS).	S	F		
	B) Percentage of Members' Representations dealt with by way of full response within 10 working days of receipt of representation ^L	100%	2	2	4	Timely inputting of representations into the Customer Contact System (CCS).	S	F		

E. Strategic Objectives for 2011 – Internal Process IP02

DIRECTORATE: Housing Services													
ORGANISATIONAL STRATEGY MAP OBJECTIVE: IP02: Provide housing where needed													
We will work to ensure that necessary housing is provided to support a comfortable lifestyle and the continued development of Gladiator													
ORGANISATIONAL MEASURE: Number of Households on Waiting List					ORGANISATIONAL TARGET: Reduction from 8,000 (April 2011)								
CONTRIBUTION OF DIRECTORATE TO THIS ORGANISATIONAL OBJECTIVE: (To achieve this Objective, what must we do well?): See Success Factors below.													
TOP 10 ORGANISATIONAL RISKS LINKED TO THIS OBJECTIVE: No. 2 Loss of Key Staff; No. 10 Leave Schemes													
Success Factor	Measure(s)	Target	Risk			Initiative(s)	(S) and (F)				Responsibility	Evaluation	
			I	L	I		Q1	Q2	Q3	Q4		Mid-Yr. M/E/A/T	End-Yr. M/E/A/T
Housing Vacancies (H1)	A) The total number of dwellings in local authority stock ^N	Increase on 2010 number of 4,928 (Gladiator) to 5,035	2	2	4	Review with Architects Team to monitor progress.	S			F			
	B) The total number of dwellings, excluding those subject to major refurbishment projects ^N	Increase on 2010 number of 4,928 (Gladiator) to 5,035	2	2	4	Review with Architects Team to monitor progress.	S			F			
	C) The overall percentage of dwellings that are empty (excluding those subject to major refurbishment projects) ^N	Maintain 2010 level of 3% (Gladiator)	2	2	4	Review with Housing Maintenance and Architects Team to monitor progress.	S			F			
	D) The percentage of empty dwellings unavailable for letting ^N												
	E) The percentage of empty dwellings available for letting ^N												
Average Time Taken to Re-Let Available Dwellings (H2)	A) The average time taken from the date of vacation of dwelling to the date when all necessary repairs are carried out which are deemed necessary to re-let the dwelling ^N	Maintain 2010 time of 13 weeks (Gladiator)	2	4	8	Regular team meetings.	S			F			
	B) The average time taken from the works (above) being completed to the date of the first rent debit ^N	Maintain 2010 time of 10 weeks (Gladiator)	1	3	3	Review processing procedures between Social Operations (A, B, C) and Processing Units.	S			F			

Housing Repairs (H3)	A) Number of repairs completed as a percentage of the number of valid repair requests received ^N	Maintain 2010 level of 87% (Gladiator)	2	3	6	Review progress at end of each quarter.	S	F		
Traveller Accommodation (H4)	A) Total number of Traveller families accommodated as a percentage of the targets set in the local Traveller accommodation programme ^N	Maintain 2010 level of 66% (Gladiator)	2	3	6	Ensure linkages between Travellers Unit and Social Operations (A, B, C).	S	F		
Enforcement of Standards in Private Rented Sector (H5)	A) Total number of registered tenancies ^N									
	B) Number of dwelling units inspected ^N C) Number of inspections carried out ^N D) Number of dwellings inspected as percentage of registered tenancies (i.e. B as percentage of A) ^N	Maintain 2010 level of 9.27%	2	1	2	Regular team meetings in RAS and liaison with ACFO's.	S	F		
Grants to Adapt Housing for the Needs of People with a Disability (H6)	A) Average time taken (in weeks) to process applications under the Mobility Aids Grant Scheme, including any necessary inspection(s), from the date of receipt of a valid application to the date of decision on the application ^N	Maintain 2010 level of 9.7 weeks	2	2	4	Establishment of team and regular meetings.	S	F		
	B) Average time taken (in weeks) to process applications under Housing Adaptation Grant for People with a Disability, including any necessary inspection(s), from the date of receipt of a valid application, to the date of decision on the application ^N	Maintain 2010 level of 20.92	2	2	4	Establishment of team and regular meetings.	S	F		
Pre-Tenancy Familiarisation Courses (H7)	A) Total number of new local authority tenants ^N	Reduction on 2010 number of 399 to 250 (due to reduced numbers of newly constructed units coming on-stream)	2	2	4	Liaison with Architects for 106 new units. (No control over number of casual vacancies).	S	F		
	B) Percentage of new local authority tenants who have been offered pre-tenancy familiarisation courses ^N	100%	1	2	2	Training to be provided for newly appointed staff.	S	F		
Affordable Housing	A) The total number of units leased under the short-term letting initiative ^L	190 units (approximately) to be delivered	4	1	4	Agree schemes take-up with Approved Housing Bodies. Agree and execute leasing agreements.	S	F		

Tenant Purchase Scheme	A) The average time taken to process an application from date of receipt of fully completed application ^L	20 weeks	2	2	4	Review existing procedures and agree new procedures.	S		F		
Sale of Serviced Sites	A) The number of sites sold/developed/planned for development ^L	All sites on hands – designated for one of the options selected	1	1	1	Develop and implement programme of work.	S		F		
Social Leasing Scheme/Long-term Leasing	A) The number of units/leases Delivered ^L	Value of Leases completed to equal 2011 allocation	4		8	Develop/implement and market programme.	S		F		
Rental Accommodation Scheme	The number of new contracts as a percentage of the number of contracts set by DoEC&LG ^L	Increase over 2010 level of 60% (i.e. 181 actual/300 target)	4	2	8	Develop and implement new processes.		S	F		

E. Strategic Objectives for 2011 – Internal Process IP10

DIRECTORATE: Housing Services													
ORGANISATIONAL STRATEGY MAP OBJECTIVE: IP10: Liaise with government, local development agencies & external agencies													
We will assure effective liaison between our plans and activities and the plans and activities of other government, local development and external agencies whose activities impact Gladiator; this will include the Environmental Protection Agency, educational institutions and others													
ORGANISATIONAL MEASURE: (Insert)					ORGANISATIONAL TARGET: (Insert)								
CONTRIBUTION OF DIRECTORATE TO THIS ORGANISATIONAL OBJECTIVE: (To achieve this Objective, what must we do well?): See Success Factor below.													
TOP 10 ORGANISATIONAL RISKS LINKED TO THIS OBJECTIVE: No. 2 Loss of Key Staff; No. 10 Leave Schemes													
Success Factor	Measure(s)	Target	Risk			Initiative(s)	(S) and (F)				Responsibility	Evaluation	
			I	L	I L		Q1	Q2	Q3	Q4		Mid-Yr. M/E/ A/T	End-Yr. M/E/ A/T
Return of Information to the Department of the Environment, Community and Local Government	A) The number of returns sent the required date as a percentage of returns received from the DoEC&LG ^L	100%	2	2	4	Establish and implement work programmes.		S		F			

E. Strategic Objectives for 2011 – Internal Process IP15

DIRECTORATE: Housing Services													
ORGANISATIONAL STRATEGY MAP OBJECTIVE: <u>IP15: Establish shared services where appropriate</u>													
We will identify areas where a shared service approach can be implemented with improved service delivery													
ORGANISATIONAL MEASURE: (Insert)					ORGANISATIONAL TARGET: (Insert)								
CONTRIBUTION OF DIRECTORATE TO THIS ORGANISATIONAL OBJECTIVE: (To achieve this Objective, what must we do well?): See Success Factor below.													
TOP 10 ORGANISATIONAL RISKS LINKED TO THIS OBJECTIVE: No. 2 Loss of Key Staff; No. 10 Leave Schemes													
Success Factor	Measure(s)	Target	Risk			Initiative(s)	(S) and (F)				Responsibility	Evaluation	
			I	L	I X L		Q1	Q2	Q3	Q4		Mid-Yr. M/E/ A/T	End-Yr. M/E /A/T
Integrated Housing Service	A) Overlap in system ^L	Reduce overlap across Divisions and Directorates using structure proposed to come into force in April 2011	3	1	3	Implement New Housing Structure. Develop new processes.		S		F			
								S		F			

E. Strategic Objectives for 2011 – Learning & Growth L2

DIRECTORATE: Housing Services													
ORGANISATIONAL STRATEGY MAP OBJECTIVE: <u>L2: Manage technology resources & develop management information systems</u>													
We will ensure that we manage the technology resources available to us and that we have the management information systems we need, and that these systems work together in an integrated and effective fashion													
ORGANISATIONAL MEASURE: (Insert)					ORGANISATIONAL TARGET: (Insert)								
CONTRIBUTION OF DIRECTORATE TO THIS ORGANISATIONAL OBJECTIVE: (To achieve this Objective, what must we do well?): See Success Factor below.													
TOP 10 ORGANISATIONAL RISKS LINKED TO THIS OBJECTIVE: No. 2 Loss of Key Staff; No. 10 Leave Schemes													
Success Factor	Measure(s)	Target	Risk			Initiative(s)	(S) and (F)				Responsibility	Evaluation	
			I	L	I		Q 1	Q 2	Q 3	Q 4		Mid-Yr.	End-Yr.
			I	L	I							M/E/A/T	M/E/A/T
Management Information Systems	A) The number of representations processed as a percentage of the number of representations processed through the Customer Contact System (CCS) ^L	100%	1	2	2	Implement CCS system.	S			F			
	B) The number of rent accounts on ERP system as a percentage of the total number of rent accounts ^L	T.B.A.	1	3	3	Commence implementation of ERP system.		S		F			

E. Strategic Objectives for 2011 – Learning & Growth L4

DIRECTORATE: Housing Services													
ORGANISATIONAL STRATEGY MAP OBJECTIVE: <u>L4: Manage and enhance team & individual performance</u>													
We will implement an effective performance management system that will allow us to measure performance and to enhance the performance of each individual and team in the organisation													
ORGANISATIONAL MEASURE: (Insert)					ORGANISATIONAL TARGET: (Insert)								
CONTRIBUTION OF DIRECTORATE TO THIS ORGANISATIONAL OBJECTIVE: (To achieve this Objective, what must we do well?): See Success Factor below.													
TOP 10 ORGANISATIONAL RISKS LINKED TO THIS OBJECTIVE: No. 2 Loss of Key Staff; No. 10 Leave Schemes													
Success Factor	Measure(s)	Target	Risk			Initiative(s)	(S) and (F)				Responsibility	Evaluation	
			I	L	I		Q1	Q2	Q3	Q4		Mid-Yr.	End-Yr.
			I	L	I							M/E/A/T	M/E/A/T
Working Days Lost to Sickness (C1)	A) Percentage of working days lost to sickness absence through certified leave ^N	Reduction from 2010 rate of 4.45% (Gladiator) to 4%	2	2	4	Monitor absenteeism.		S		F			
	B) Percentage of working days lost to sickness absence through uncertified leave ^N	Reduction from 2010 rate of 0.89% (Gladiator) to 0.7%	2	2	4	Monitor absenteeism.		S		F			

E. Strategic Objectives for 2011 – Financial F2

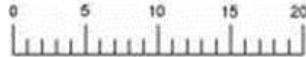

DIRECTORATE: Housing Services													
ORGANISATIONAL STRATEGY MAP OBJECTIVE: F2: Maximize income collection We will continue to collect income for services provided, where appropriate, while identifying additional areas where fees would be appropriate and ensure that fees fully reflect the cost of services													
ORGANISATIONAL MEASURE: (Insert)					ORGANISATIONAL TARGET: (Insert)								
CONTRIBUTION OF DIRECTORATE TO THIS ORGANISATIONAL OBJECTIVE: (To achieve this Objective, what must we do well?): See Success Factors below.													
TOP 10 ORGANISATIONAL RISKS LINKED TO THIS OBJECTIVE: No. 2 Loss of Key Staff; No. 10 Leave Schemes													
Success Factor	Measure(s)	Target	Risk			Initiative(s)	(S) and (F)				Responsibility	Evaluation	
			I	L	<u>Lx</u> <u>L</u>		Q1	Q2	Q3	Q4		Mid-Yr M/E/ A/T	End-Yr M/E/ A/T
House Rent (Rev 1)	A) Amount collected at year end as a percentage of amount due from Housing Rent ^N	Retain 2010 level of 90.58% (Gladiator units)	1	2	2	Monitor arrears continuously.	S			F			
	B) Percentage of Housing Rent arrears that are less than 4 weeks old ^N	Reduce arrears on 2010 level	1	2	2	Monitor arrears continuously.	S			F			
	C) Percentage of Housing Rent arrears that are 4 weeks old or more, but less than 6 weeks old ^N	Reduce arrears on 2010 level	1	2	2	Monitor arrears continuously.	S			F			
	D) Percentage of Housing Rent arrears that are 6 weeks old or more, but less than 12 weeks old ^N	Reduce arrears on 2010 level	1	2	2	Monitor arrears continuously.	S			F			
	E) Percentage of Housing Rent arrears that are more than 12 weeks old ^N	Reduce arrears on 2010 level of 52.25% to 50% (Gladiator units)	1	2	2	Monitor arrears continuously.	S			F			

Government Funding	A) Amount of funding claimed as a percentage of amount allocated by DoEC&LG under SHIP and Other Grants ^L	100%	3	1	3	Prepare full work programmes e.g. energy efficiency, housing adaptation grants (private), DPG's, IWILS.	S	F		
--------------------	--	------	---	---	---	---	---	---	--	--

E. Strategic Objectives for 2011 – Financial F3

DIRECTORATE: Housing Services													
ORGANISATIONAL STRATEGY MAP OBJECTIVE: F3: Control expenditure We will continue to control all expenditure and will work to provide the required levels of services													
ORGANISATIONAL MEASURE: (Insert)					ORGANISATIONAL TARGET: (Insert)								
CONTRIBUTION OF DIRECTORATE TO THIS ORGANISATIONAL OBJECTIVE: (To achieve this Objective, what must we do well?): See Success Factors below.													
TOP 10 ORGANISATIONAL RISKS LINKED TO THIS OBJECTIVE: No. 2 Loss of Key Staff; No. 10 Leave Schemes													
Success Factor	Measure(s)	Target	Risk			Initiative(s)	(S) and (F)				Responsibility	Evaluation	
			I	L	I M L		Q1	Q2	Q3	Q4		Mid-Yr. M/E/A/T	End-Yr. M/E/A/T
Budget Control	A) Actual expenditure as a percentage of budget expenditure ^L	100%	3	2	6	Monitor expenditure continuously.		S		F			
Procurement	A) Level of compliance with Gladiator procurement thresholds ^L	100%	3	2	6	Continuous monitoring. Refresher training of personnel.		S		F			

F. Terms Used (1)

Term	Explanation
Business Unit(s)	Section(s) run by <u>direct report</u> to Director/Head.
Strategy Map	A one-page graphical representation of the broad priorities of Gladiator. A Strategy Map comprises of objectives spanning four perspectives that link to tell the organisation's strategic story.
Organisational Strategy Map Objective To be agreed with CEO prior to writing the Business Plan	Organisational Strategic Objectives describe important medium- and long-term goals that Gladiator is striving to achieve. These Objectives appear on the Organisational Strategy Map 2010. Each Directorate will be responsible for contributing to several of these Objectives (exact Objectives for each Directorate to be agreed with Gladiator). Example: <i>"IPOI: Build & maintain Roads"</i> .
Organisational Measure To be agreed by Gladiator Management Team prior to Business Plan exercise	The Measure Gladiator will use to determine whether or not it is meeting its Strategic Objective.
Organisational Target To be agreed by Gladiator Management Team prior to Business Plan exercise.	The Target Gladiator is trying to achieve: equal to successful accomplishment of the Strategic Objective in 2010.
Success Factor	This is the element which the Directorate must complete to achieve the Strategic Objective. It is derived by asking <i>"To achieve this Strategic Objective, what must we do well?"</i>
Measure(s)	This is how we measure performance for success. 
Target Set only one Target per Measure.	This is the required level of performance to ensure success by closing the gap between current and expected performance. 
Initiative(s) Also known as Task(s), Key Action(s), or Programmes	These are actions the Directorate must take to achieve success, and, thus, Gladiator's Strategic Objectives. Please include initiatives that will assist in off-setting some or all of the Risk that may otherwise hamper success.
Responsibility	The named person(s) reporting directly to the Director/Head with lead responsibility for the Initiative (Key Action).
Start (S) and Finish (F)	The Quarter during which the Initiative will be Started and Finished.
Evaluation	To assess performance (<u>Mid-Year</u> and <u>End-of-Year</u>): 'Met Target (M)', 'Exceeded Target (E)', 'Action to Get Back on Track (A)', 'On Target (T)' (if Mid-Year).

F. Terms Used (2)

Term and Explanation

Top 10 Organisational Risks (Risk Register December 2006 as Reviewed in December 2009)

This should reflect how a Strategic Objective may be affected by giving the relevant risks from the Top 10 Corporate Risks which are:

1. Reduction in income and impact on services and staff (new risk)
2. Loss of key staff
3. Reorganisation of public bodies by government leads to loss of funding and / or provision of services / functions / areas
4. Staff / industrial unrest / industrial action
5. Inability to recruit and retain suitable skilled and experienced staff / high staff turnover (internal)
6. Lack of adequately skilled mid management
7. Lack of cross function understanding/communication
8. Failure to meet statutory requirements
9. Poor financial management would result in ineffective use of available resources / Inadequate budget management, including increases or decreases in funding
10. Leave schemes staff impact

Operational Risk

Risk is regarded as a possible loss or other adverse consequence that has the potential to impact on Gladiator's ability to achieve its objectives and fulfil its mission.

The **Risk Score** is found by multiplying Impact by Likelihood, i.e. $(I \times L)$.

I = Impact

What would be the impact on the organisation of not achieving this Objective? Apply a value of 1, 2, 3, or 4.

					IMPACT			
					1. MINOR	2. MODERATE	3. MAJOR	4. SEVERE
PERSPECTIVE	Impact on: CUSTOMERS							
	e.g. Affects only one group of stakeholders with minimum impact on performance		e.g. Affects more than one group of stakeholders but only short-term impact on reputation		e.g. Affects more than one group of stakeholders with widespread medium term impact on reputation		e.g. Affects all major stakeholders with long-term impact on public memory causing damage to reputation	
	Impact on: INTERNAL PROCESS (SERVICE)							
	e.g. Small fall in service levels, some minor quality standards are not met		e.g. Moderate fall in service levels, major partnership relationships strained		e.g. Significant fall in service levels, project deadlines not achieved, serious disruption in service standards		e.g. Catastrophic fall in service levels, failure of major partnership, complete failure in service standards	
	Impact on: LEARNING & GROWTH (STAFF)							
	e.g. Limited staff lost, on-going absenteeism		e.g. Loss of a number of key staff, health/illness epidemic, shrinking skilled labour market		e.g. Significant loss of key staff, defection to other local authority, strike action, drop in morale due to new delivery issues		e.g. Loss of key staff, mass defection to other local authority, lengthy strike action, drop in morale due to loss of key staff	
	Impact on: FINANCE							
Additional expenditure/Loss of service income inc. associated costs of <€2m		Additional expenditure/Loss of service income inc. associated costs of between €2m<€5m		Additional expenditure/Loss of service income inc. associated costs of between €5m<€10m		Additional expenditure/Loss of service income inc. associated costs of >€10m		

L = Likelihood

What is the likelihood that this Objective will not be achieved? Apply a value of 1, 2, 3, or 4.

LIKELIHOOD	1. LOW	2. MEDIUM	3. HIGH	4. VERY HIGH
	Extremely Unlikely (0%-25%)	Unlikely (25%-50%)	Likely (50%-75%)	Very Likely (75%-100%)