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Testing the limits of structuration theory in accounting research

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ABSTRACT

In 1985 I published a paper in *Accounting Organizations and Society* with Bob Scapens titled *Accounting Systems and Systems of Accountability; understanding accounting practices in their organisational contexts*. The paper suggested the potential usefulness of Anthony Giddens' structuration theory for efforts to understand accounting in its organisational contexts. Rather than engage in a further review of the use of structuration theory in accounting, this paper sets out to test our original proposition as to the usefulness of Giddens ideas for accounting research. I explore three points of possible criticism in the paper. That structuration theory does not take the 'agency' of accounting sufficiently seriously; that Foucault and Lacan allow us to get much closer to the ways in which accounting information works back upon human subjects; and that Giddens and accounting share a lack of ethics.

This opportunity to revisit earlier work, in this instance introducing structuration theory to accounting research (Roberts and Scapens, 1985), is very welcome. By way of an introduction I want to say a few things about the context in which this early paper was written. I had done a PhD with David Knights at UMIST which had drawn extensively on Giddens' work, and was waiting for my viva when Bob Scapens telephoned to ask if I would be interested in a research position working on an ESRC funded grant on the use and usefulness of accounting information in divisionalised UK companies. Bob Scapens imagination for the research was that it should attempt to follow what were then relatively new injunctions to explore accounting in its organisational and social contexts (Burchell et al., 1980). My management degree had done little more than try to teach me the non-intuitive art of double entry, but it was apparently my organizational research skills that would be valuable on the project.

Our field research consisted of a whole series of case studies in the north west of England in companies like Pilkington, Turner and Newall, and BICC. A number of memories from the research are still strong. One is of a cable factory floor, the size of several football fields, stuffed to the brim with different forms and types of cable in various stages of manufacture. Having had sight of this I could more readily understand the urgency with which the implementation of new operations management and accounting systems was being pursued. They were needed to trace and track, and then cost and price the

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vast number of jobs that were moving through the factory, and often disappeared along the way as a consequence of the valuable copper they contained (Scapens and Roberts, 1993). One cue for differentiating between accounting systems and systems of accountability came not only from the struggles in this factory to implement new systems, but also from a conversation with a works accountant at a brake linings factory. Throughout our interview people came into his office and left packs of figures on his desk, to the point where I began to imagine that he had perhaps staged managed this to show me how useful he was. Asked what he did with the growing pile of numbers he pointed to a metal cupboard behind him. It was clear from this that one could infer neither the *use* nor *usefulness* of accounting information simply from its existence. A third memory is of a lone accountant working for a Foundry that made engine turbine blades near Birmingham; his problem was how to persuade his engineering colleagues that accounting information could be useful. The problem was intractable since as engineers they believed that accounting was tangential to their primary concerns, and so did not listen to him. It seemed that accounting did not always automatically provide the terms of reference for organisational conversations. In another firm we observed the peculiar tensions set up by accounting in the relationships between production managers seeking to minimise costs through long product runs, and marketing managers seeking to maximise revenues through responding rapidly to customer demands. These tensions were then compounded by a disabling game of 'pass the inventory' that preceded the closing off of half-year and year-end accounts (Roberts and Scapens, 1990).

Within all these plant level studies was the hovering presence of distant head offices, and beyond them the demands of shareholders. Many decisions and performance imperatives seemed to emanate from elsewhere and to a high degree it was accounting information, and how it was then used, that allowed (or otherwise) these distant interests to get a purchase on the messy realities we were studying. In the companies we visited, divisionalisation was at the time an ongoing experiment in the internal organisation of accounting entities around plants or profit centres. For the most part, however, it was not yet a reality in terms of the practice of accountability. Market power had allowed these companies to be price setters but the fruits of monopoly or oligopoly were then 'shared' throughout the hierarchy. Multiple levels of management dining rooms, a lack of product focus and customer service, and endless struggles between centralisation and decentralisation, between different functional groups, and between management and unions all smelt strongly of the fading and now obviously inefficient glories of the British Empire along whose conduits these firms had grown. Most if not all of these companies no longer exist; which possibly says a great deal about the consequences that subsequently flowed from the inadequate grip that accounting seemed to have upon their managers and their practice. Only later was I able to observe how accounting information could be used by head offices in such a way as to enforce a divisional or unit company accountability that secured internal 'efficiency' whilst retaining all the benefits of market power (Williamson, 1975; Roberts, 1990).

It was on the basis of this empirical work that, towards the end of the project, we began work on the structuration paper. Giddens has proved useful to management and accounting scholars in part because of the synthesis he offers of the founding fathers of sociology – Marx, Weber and Durkheim – and the critical, interpretative and functional traditions that flowed from their work. In the context of our case studies, structuration theory appeared as a potentially useful way to think about the role that accounting played in the structuring of both the individual and departmental relations that we had observed. Our focus was organisational and 'strategic' in the sense that Giddens uses this term; we wanted to convey the central role that accounting seemed to play in the making and remaking of these organisations. Through the lens of structuration theory accounting could be seen to serve as a core structure of 'signification' which was drawn upon as a ready-made, but very particular set of meanings through which to make sense of organisational events. Its 'legitimacy' seemed to be implied in its ability to mediate and translate between a variety of functional languages and associated activities – sales, marketing, production – by providing authoritative norms or standards for the evaluation of performance or investments. Finally, accounting could be thought about as an aspect of structures of domination which represented, carried and imposed distant interests and made them count.

These three aspects of accounting structures must then be understood within Giddens' core concept of 'the duality of structure' through which he seeks to take account of the influence of structures on conduct whilst retaining a central role for human agency in the production and reproduction of organisational and social life. Giddens is opposed to forms of explanation or theorising that 'derogate the lay actor' or suggest that society works 'behind the backs' of people. On this basis he is critical of functional or managerial explanations which invoke the 'needs' of organisations or society to explain why things are as they are; such explanations treat individuals as mere socialised puppets whilst masking the interests of particular groups behind seemingly universal functional imperatives. Giddens is equally critical of radical structuralist modes of explanation that suggest that human agency is wholly determined by macro historical forces. Following his notion of the 'duality of structure' we could argue in our 1985 paper that the organisational realities we had observed in our case companies were *only* 'produced and reproduced' through the routine interactions of people, including those we had interviewed. Accounting could be seen to play a central role in the patterning of organisational life as individuals drew upon its 'virtual' structures of signification, legitimation and domination to frame what had, should and must happen within their relationships. However, these virtual structures of accounting were themselves only produced and reproduced through being drawn upon in this way, such that the 'seed of change is there in every act'. It was this latter concern with preserving a proper space for human agency in explaining the production and reproduction of organisational life that we sought to express in the paper's title – '*Accounting Systems and Systems of Accountability*'. We wanted to shatter accounting's self image as a neutral and innocent observer of organisational reality; accounting does not work by itself in organisations but rather is effective only through being drawn upon in interaction to shape how and what is seen, to advertise the norms of performance set for self and others, and to frame and represent different interests. Accounting, we argued, becomes central

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