



Rationalisation, charisma and accounting professionalisation: perspectives on the intra-professional conflict in Greece, 1993–2001

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Abstract

During the 1990s Greek auditors and branches of international accounting firms in Greece fought a veritable professional war over the jurisdiction of statutory auditing. This intra-professional conflict developed against a backdrop of profound changes in the socio-economic and political fabric of the country, along pro-liberal, free market lines. This paper looks at a particular episode of that conflict—an attempt by the indigenous auditors to regain the monopoly of practice they lost, following the ‘liberalisation’ of the Greek auditing profession in 1992. The paper argues that Max Weber’s theoretical work on history and social development can be applied in helping to understand complex processes of contemporary change in the accounting profession. The analysis of this case study posits that *rationalisation* and *charisma* play a major role in helping to effect historical change through their influence on *class–status–party*, the tripartite stratificatory structure of modern society. In these encounters, multifarious social, economic and political actors with overlapping or differing interests interact with one another. The end result is that historical development is read as a fluid process whose outcome appears uncertain, although certain trends may be discernible in the particular historical juncture examined in this case study.

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Introduction

Changes that occur in the accounting profession take place within a broader socio-economic context, which can help or hinder competing occupational groups as they attempt to define, defend or extend their jurisdiction of practice¹

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¹ Abbott’s work focusses attention on inter-professional jurisdictional conflicts, i.e., on how the boundaries of existing or emerging domains of practice are attacked or defended by rival professional groups. However, as this paper illustrates, the concept of professional jurisdiction is equally relevant in analysing intra-professional conflicts (see also Sikka & Willmott, 1995, p. 548; Caramanis, 1999).

(Abbott, 1988). Given the importance of accounting in the functioning of the capitalist system, the amount of research on the accounting profession is considerable and covers multiple locales and historical periods. Although the literature exhibits a variety of theoretical approaches, in the last few decades—following developments in the literature on professions in general—two broad perspectives have come to dominate the field. The first is the neo-Weberian view,² which

² For a review of the sociological literature on professions, see Saks (1983) and Abbott (1988).

sees the accounting profession as a status group within the division of labour (Macdonald, 1984, 1985; Richardson, 1987; Walker, 1991, 1995; Chua & Poullaos, 1993, 1998). The second is the Marxist view, which examines accountancy in terms of class structure and the relations of production (Johnson, 1972, 1980; Armstrong, 1985; Puxty, Willmott, Cooper, & Lowe, 1987; Robson, Willmott, Cooper, & Puxty, 1994; Cooper, Greenwood, Hinings, & Brown, 1998; Annisette, 2000).

These two approaches—which have been developed and used primarily in studies that attempt to analyse the accounting profession within the broader Anglo-American context of advanced capitalism—have yielded significant insights into the professionalisation process and the position of the profession in society and in the economy. However, both approaches have been criticised for certain methodological shortcomings and for failing to properly address a number of significant issues (e.g., Chua & Poullaos, 1993, 1998). Some of these limitations may become more apparent when one examines professionalisation projects in other countries with different traditions, economies and societies. For example, little is known—theoretically and empirically—about the trajectories of aspiring occupational groups in continental Europe or in countries at the margins of advanced capitalism that are currently undergoing rapid and profound socio-economic changes, against the backdrop of advancing globalisation. In these contexts, the existence of strong and organised interests pushing the globalisation process in opposite directions may result in prolonged and poorly resolved thrusts of social change.

The theoretical underpinning of this paper relies on the Weberian school of thought which, by and large, centres on the concept of market closure to shed light on the professionalisation trajectories of aspiring occupational groups. Much of this literature, however, has made rather limited use of the wealth of Weber's thought in trying to understand complex historical processes. The present analysis, following Chua and Poullaos (1998), who supplemented 'closure' with the class–status–party model, employs an even more all-inclusive approach and argues for the usefulness of two other Weberian concepts, namely rationalisation and charisma.

The empirical focus is on a particular episode in the trajectory of the Greek accounting profession that took place in the 1990s (see also Caramanis, 1999, 2002). Specifically, the paper examines a failed attempt by SOL,³ a group of local auditors in Greece, to reinstate their professional monopoly over statutory audits. SOL—a state corporatist institution since its birth in the 1950s—had lost control over the jurisdiction of statutory auditing in 1992, in the wake of liberalisation measures introduced by the conservative (New Democracy) government then in power (Caramanis, 1999). The audit reform of 1992—the result of a bitter intra-professional conflict—'opened' the profession to SELE,⁴ an aspiring occupational group representing the international accounting firms operating in Greece. The discussion is largely an historical interpretative account that sets out to uncover the complex mechanisms of historical change.

SOL's attempt to reverse liberalisation was prompted by the return of the Greek socialist party PASOK to power in 1993. However, SOL's attack was mounted within an unfavourable socio-political climate: the advance of globalisation and the prevalence of a neo-liberal politico-economic discourse and rationalisation processes, largely imported in Greek politics and society in the 1990s (Pagoulatos, 2003). The role of globalisation and various powerful international agents in the Greek intra-professional conflict in the 1990s has been documented elsewhere (Caramanis, 2002). In general, Caramanis has examined the implications of the advent of 'globalisation' for accounting professionalism, as smaller nations experience a diminution of their power and sovereignty, while a complex system of superimposed, overlapping and often competing national and international agencies of governance takes hold. In particular,

³ SOL is the abbreviation (in English) of the Greek Σώμα Ορκωτών Λογηστών—ΣΟΛ (Soma Orkoton Logiston—SOL, which translates as Body of Sworn-in Accountants).

⁴ SELE is the abbreviation (in English) of the Greek Σύλλογος Εγκεκριμένων Ορκωτών Λογηστών-Ελεγκτών—ΣΕΛΕ (Sylogos Egkekrimenon Elegton—Logiston—SELE, which translates as Association of Certified Accountants—Auditors).

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