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Critical Perspectives on Accounting

journal homepage: www.elsevier.com/locate/cpa



Towards constructing the governable worker in nineteenth-century Britain

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ARTICLE INFO

Article history:

Received 18 April 2016
Received in revised form 30 April 2017
Accepted 1 May 2017
Available online xxx

Keywords:

Accounting
Foucault
Governable worker
Piece rates

ABSTRACT

The governable worker, in Britain, is defined by the existing literature as a creation of the scientific management movement of the early twentieth century and, within the accounting domain, through standard costing as a disciplinary practice. This paper studies actions taken by the administrators and managers of Britain's government military manufacturing establishments (GMMEs), from the 1850s onwards, to create a more governable workforce. This objective was achieved through the imposition of disciplinary practices, most importantly the use of time records to ensure attendance at the workplace and expert knowledge-based piece rates to monitor and control labour intensity. The absence of scientifically-established labour standards at GMMEs is acknowledged but, in other important respects, accounting is shown to have played a key role in the formulation of disciplinary practices designed to construct a governable labour force some decades before standard costing became the mechanism for rendering visible efficiency within the workplace.

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1. Introduction

Prime Minister Margaret Thatcher's first administration (1979–1984) was committed to improving the public finances through the elimination of wasteful and unnecessary expenditure and the pursuit of efficiency savings. A fundamental problem which needed to be overcome to create a 'lean and more competitive' public sector capable of supplying its citizens with greater value for money was the perceived lack of managerialism (Groot & Budding, 2008, p. 2). The phenomenon which became known as New Public Management (NPM) was 'strongly related to the adoption of business-like management and accounting instruments' (van Helden, 2005, p. 9) and, in the years that followed, corresponding accounting reforms were introduced in many other countries (Christiaens & van Peteghem, 2007, p. 375).

Nineteenth century British government witnessed an earlier emergent interest in the pursuit of efficiency and economy in the conduct of public affairs. Leading politicians such as Joseph Hume, Sir Henry Parnell and Sir James Graham were influential advocates of improved productivity. Hume as the leader of the radical party in Parliament has been described as 'the self-elected guardian of the public purse' and credited with causing the word 'retrenchment' to be added to the radical party's agenda of 'peace and reform' (*Encyclopaedia Britannica*, 1910, p. 884). Parnell was an indefatigable critic of excessive government expenditure both in Parliament and in a series of publications, the most influential of which was *On Financial Reform* (Parnell, 1830). Graham, as First Lord of the Admiralty and overlord of the main spending departments, was in a position to employ his 'brilliant administrative talents' to help put these ideas into action (Ward, 1967, p. xv).

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<http://dx.doi.org/10.1016/j.cpa.2017.05.001>

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More broadly, the changing composition of Parliament was important in transforming attitudes towards public expenditure. During the second quarter of the nineteenth century the landed aristocracy came under increasing challenge from the commercial and industrial classes for control over the nation's affairs. Perkin (1969, p. 272) sums things up as follows:

neither contemporaries nor historians have doubted that the capitalist middle class were the 'real' rulers of mid-Victorian England, in the sense that the laws which were passed and executed by landed Parliaments and Governments were increasingly those demanded by the business men.

The policy objective of such 'business men' was to pursue 'cheap and efficient government' as part of the endeavour to create a 'society based on capital and competition' (Perkin, 1969, p. 320). The concern to achieve full value for public expenditure featured prominently in the deliberations of government-appointed committees whose work is recognised in this paper with, for example, the terms of reference of the Select Committee on Military Organization (BPP 1860 (441), p. iii, *emphasis added*) comprising the obligation 'to inquire whether any Changes are required to secure the utmost *Efficiency and Economy* in the Administration of Military Affairs'. The introduction of the commercial system of double entry to supply a better system of financial control and accountability in response to these concerns is well documented (Edwards & Greener, 2003; Funnell, Mann, & Jupe, 2016). This paper focuses on the use of new ways of accounting to help minimise production costs in the British government's military manufacturing establishments (GMMEs).

Consistent with the nineteenth-century political philosophy of *laissez-faire*, however, many influential politicians and bureaucrats believed that the manufacture of armaments should best be left to the 'private trade' as revealed, for example, in the House of Commons debate on 'Government Manufacturing Establishments' on 22 July 1864 (Hansard, vol. 176, cols 1907–1977). British industrialists were also, of course, keen to maintain such an arrangement. The case for the government taking a degree of control over weapon manufacture came from military personnel on grounds of cost and reliability of supply (Edwards, 2015, pp. 418–420). The initial, compromise solution was to employ both sources of supply with the GMMEs weaponry costs of production also serving as 'a check upon the price of contractors' (BPP 1854 (236), p. x).

The senior managers of GMMEs were invariably military men, and their preference for the in-house supply of armaments provided a clear incentive to drive down production costs and develop reporting practices which showed them to be least-cost suppliers of weaponry required by the state (Edwards, 2015).¹ In 1858, for example, the Superintendent of the Royal Small Arms Factory [RSAF] at Enfield Lock, Colonel William Manley Hall Dixon, and its chief engineer, James Henry Burton,² devised a financial report for presentation to Parliament which showed 'profit' as 'the difference between the cost price of the Arms [manufactured at the RSAF] and the price at which they could be purchased from the Trade' (Burton Papers, 1858, February 24). Dixon informed the 1860 Select Committee on Military Organization that 'a saving to the Government of 93,920*l.* 14*s.* 5*d.*' had been made 'as contrasted with the present price of the same rifle made in the trade' at Birmingham and London (BPP 1860 (441), q. 5538). It subsequently became standard practice to make annual returns to parliament which (i) provided a detailed build-up of the unit cost of every item manufactured at GMMEs, and (ii) revealed savings on armaments which could, alternatively, be acquired from the business sector (e.g. BPP 1864 (392), pp. 73–74, p. 76).

These financial reports were not used, however, to manage the labour force, and the research question addressed in this study is the extent to which the administrators and managers of Britain's GMMEs created a governable workforce through the imposition of a range of disciplinary procedures as theorised by Michel Foucault (see Section 2). We will see that the catalyst for the introduction of procedures capable of achieving better control over labour was changes in workplace practices associated with adoption of a technological phenomenon known as 'the American system of manufacturing'³ (Chandler, 1977, p. 75) developed at the Springfield Armory, Massachusetts and Harpers Ferry, Virginia during the first half of the nineteenth century.⁴ Hoskin and Macve (1988) attribute the genesis of managerialism, based on the use of accounting to achieve more intensive utilisation of the workforce, to a series of events at the former of these two government armories in the 1830s and 1840s. In Britain, corresponding arrangements awaited the scientific management era, with the premium and piece-rate arrangements operated at Boulton & Watt from about 1795 onwards dismissed by Fleischman, Hoskin, and Macve (1995, p. 171, p. 174; cf. Toms & Fleischman, 2015) as an imprecise, 'one-off' exercise. This paper will show, however, that the formulation of piece rates based on careful empirical study was instrumental in achieving, within GMMEs, more intensive utilisation of the labour force from the middle of the nineteenth century onwards. As a result, management assumed a

¹ Concern with the efficiency and effectiveness of the government's operations was by no means confined to GMMEs. Sir Charles Trevelyan, who (with Stafford Northcote) is famous for advocating the introduction of competitive examinations as the meritocratic basis for admission to the civil services, wrote to the Chancellor of the Exchequer, W.E. Gladstone in 1854, urging radical reform of the civil service designed to make 'the Treasury really a *supervising* Office, possessed of a firm hold of all the branches of business which it had to deal with' (Trevelyan to Gladstone, quoted in Hughes, 1949, p. 55). As Trevelyan put it in 1850, his aim was that the working of departments should be watched over by the Treasury 'as a master-manufacturer watches his machinery' (BPP 1854–1855 (1870), p. 433).

² Burton was recruited from Harpers Ferry, Virginia, to manage the installation and operation at the RSAF of machinery acquired from the United States (Lewis, 1996, p. 23, p. 340; Tate, 2006, pp. 106–107). As shown in Section 3, below, mass production and assembly-line techniques were disseminated from American to Britain around this time and this naturally resulted in the movement of skilled personnel between the two countries.

³ This term contrasts with the earlier English system of manufacturing discussed in Section 4.

⁴ Paradoxically, features of this system were devised by Marc Isambard Brunel (father of the even more famous Isambard Kingdom Brunel) for the manufacture of pulley blocks at the Portsmouth dockyards in about 1803 (Lewis, 1996, p. 19; see also p. 311). Whether any debt is owed to Brunel from American engineers is unclear.

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