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Justifying accounting change through global discourses and legitimation strategies.  
The case of the UK central government.

Noel Hyndman  
Queen’s University Management School, Riddle Hall, 185 Stranmillis Road, Belfast, UK,  
BT95DU, n.hyndman@qub.ac.uk

Mariannunziata Liguori  
Queen’s University Management School, Riddle Hall, 185 Stranmillis Road, Belfast, UK,  
BT95DU, +44 (0) 28 9097 4491, m.liguori@qub.ac.uk
Abstract

Accounting has been viewed, especially through the lens of the recent managerial reforms, as a neutral technology that, in the hands of rational managers, can support effective and efficient decision making. However, the introduction of new accounting practices can be framed in a variety of ways, from value-neutral procedures to ideologically-charged instruments. Focusing on financial accounting, budgeting and performance management changes in the UK central government, and through extensive textual analysis and interviews in three government departments, this paper investigates: how accounting changes are discussed and introduced at the political level through the use of global discourses; and what strategies organisational actors subsequently use to talk about and legitimate such discourses at different organisational levels. The results shows that in political discussions there is a consistency between the discourses (largely NPM) and the accounting-related changes that took place. The research suggests that a cocktail of legitimation strategies was used by organisational actors to construct a sense of the changes, with authorisation, often in combination with, at the very least, rationalisation strategies most widely utilised. While previous literature posits that different actors tend to use the same rhetorical sequences during periods of change, this study highlights differences at different organisational levels.

Keywords: accounting change, legitimation strategies, central government accounting.
1. Introduction
Accounting techniques have often been viewed, especially in the light of the most recent managerial reforms, as a neutral technology that, in the hands of rational managers, can support effective and efficient decision making within organisations (Knights and Collinson 1987). However, the introduction of new accounting practices can be framed in a variety of ways, ranging from value-neutral procedures to ideologically-charged instruments. The final framing of a change is often the result of the interplay of more general ideas present within the field and is affected by the particular implementation context (Sahlin and Wedlin 2008). Therefore accounting changes are not necessarily isolated events, but are often embedded in more global discourses present in a certain field at certain points in time and are ultimately determined by the way organisational actors understand and construct them. Local translations of particular changes may alter the object of translation almost beyond recognition, and the institutional features or particular contexts may be much more resistant to change than agents of change frequently anticipate. A preliminary condition for the implementation of change is that any change has to be considered as ‘legitimate’ within the very context in which it is to be applied; legitimacy possibly being seen by those involved in terms of how ‘reasonable’, ‘logical’ and ‘right’ a change is. Existing accounting literature on the topic is not only limited in scope, but also takes on only a partial view of how change is talked about, mainly dealing with external disclosure of information (i.e. the external legitimation of change). In this paper, we take on the lenses of ‘rhetorical institutionalism’ (Green and Li 2011), which has scantly been used to investigate accounting change. This differs from general legitimacy theory which, in accounting research, has focused on the process of legitimation through which an organisation seeks approval (or avoidance of sanction) from groups in society, frequently through voluntary external disclosures (Suchman, 1995).

This paper sheds more light on the internal and organisational use of legitimisation strategies and rhetorical arguments during accounting change. To do so, it: proposes a new theoretical lens; investigates how accounting changes are discussed and introduced at the political level through the use of global discourses; and analyses the strategies organisational actors subsequently use to talk about and legitimate such discourses at different organisational levels. In particular, focusing on financial accounting, budgeting and performance management changes in the UK central government, two organisational levels are considered: the central finance level, Her Majesty’s Treasury (HMT), responsible for steering and supporting other departments in the adoption of accounting changes; and the more operationally-focussed department level, where the changes were received (two departments are studied: the Department for Environment, Food and Rural Affairs (DEFRA), and the Department for Business, Innovation and Skills (BIS)).

Over the last thirty years, the UK central government has often engaged in change processes under the banner of New Public Management (NPM), aimed at bringing business concepts, techniques and values into the public sector. Aspects of this have involved adjustments to accounting systems (including financial accounting, budgeting and performance management) that have concerned, for example, moves from cash to accruals accounting, from budgeting systems based on strict annuality1 to more flexible schemes allowing carry over, and from limited performance management systems to extensive planning, control and reporting arrangements utilising performance data.

The research posits that, while a cocktail of legitimisation strategies is used to construct a sense of change, if change is not seen by organisational actors as legitimated in terms of both authority and rationality, it is highly unlikely that it will embed inside the organisation itself. This is despite the presence of external pressures (such as regulation or political discussions) and regardless of the reform discourses (PA, NPM, GOV) pushing it. Interestingly,

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1 Annuality being the requirement for budget allocations to be spent by the financial year-end or be surrendered to the centre.
HMT displayed considerable pathos with the accounting changes that were being introduced, a legitimating strategy clearly absent in other departments. In addition, the paper shows that in political discussions there is consistency between the discourse (which is largely NPM) and the accounting-related changes that took place, albeit there is a degree of layering of the main discourses in the political debate. Moreover, while previous literature (Green et al. 2008) suggests that different actors tend to use the same rhetorical sequences during successive periods of change, this study highlights differences at different organisational levels, when greater complexity is taken into account. The paper is organised as follows: the next section reviews relevant literature on accounting, discourses and legitimation strategies as a basis for interpreting the empirical work; section 3 outlines the methods used relating to the empirical work; this is followed by sections discussing and analysing the results; and, finally, conclusions are drawn and areas for further research are identified.

2. Accounting, discourses and legitimation strategies

Accounting is often seen, for example by supporters of NPM ideas and policy makers (Accounting Standards Board 1999; Chan 2003; Likierman 2003), as an instrumental technology useful in terms of providing valuable information for decision makers as they strive to make economically rational decisions. This often assumes that decision-makers’ preferences map perfectly onto organisational preferences, and that these preferences provide the basis upon which accounting systems are designed and developed. Yet, new accounting practices can also be used to promote particularly ideological thrusts, far from the traditional view of them being value-free procedures (Sahlin and Wedlin 2008). How accounting evolves through time and within specific organisational settings has been addressed in a number of studies (Burns and Scapens 2000; Covaleski et al. 2003; Ezzamel et al. 2007; Liguori and Steccolini 2012; Liguori 2012a and 2012b). Many authors have highlighted the importance of accounting changes to support restructuring processes within the public sector, where an increasing body of research has focused on the phenomenon of homogeneity and convergence of reforms (Pollitt 2001; Olsen 2006; Bouckaert 2007; Christensen and Lægreid 2007; Hyndman et al. 2014). However, changes linked to similar ideas and global discourses can be translated, talked about and legitimated differently by different organisational actors, suggesting the important role of ‘agency’ during change (Green, 2004).

This paper claims that it is not only important to understand accounting technicalities, but also to appreciate the way they are interpreted and talked about, and the aspirations and ambitions attached to the new tools (Carruthers and Espeland 1991). As accounting instruments and related ideas travel, they come into contact with local ideas which define different and variable relationships across space, actors and aspirations (Hyndman et al. 2014). Accounting changes are not isolated events, but are embedded in more global discourses present in a certain field at certain points in time and are ultimately determined by the way actors understand and construct them. Brunsson (1989) suggests that ideas, generated in the political sphere, and actions, generated in the action sphere, are interrelated. Indeed, ideas (or, in our case, discourses) can create or control action; they can explain or justify behaviours. This study adopts a similar perspective in exploring how global reform discourses are used in the political arena, where decisions about accounting policies have to be ultimately approved, and how these discussions and ideas are linked to the actions and legitimation strategies of the organisational actors. How rhetoric and legitimation strategies shape the implementation and reproduction of generally accepted changes within organisations has been little investigated in the past in both the organisational and accounting literature. How legitimisation (or delegitimation) arguments are used to construct a sense of the change is still unclear (Friedland and Alford 1991; Suchman 1995;

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2 We adopt here the definition of a discourse as a set of ideas that provides characteristic standard narratives, vocabularies, concepts or instruments that signify adherence to a particular model or system (Mills, 1940).
Vaara et al. 2006; Green et al. 2008). As a consequence, there have been calls for more field-based and micro-analyses in order to reach a better understanding of the complexity and the contradictions that can arise in explaining change (Vaara et al. 2006; Green et al. 2008).

The paper proposes a new perspective and investigates the transposition of rhetorical sense at different stages of change implementation. To this end, it focuses on a particular context (central government), where external pressures have been recognised as playing a major role in favouring the homogenisation and convergence of ideas and changes, especially in accounting (Collier 2001; Ezzamel et al. 2007; Nor-Aziah and Scapens 2007). The following sub-sections provide: a review of what previous literature proposes in relation to the main reform discourses; and an overview of the legitimation strategies that can inform actors’ understanding of accounting change in the field under analysis.

2.1 Accounting change, discourses and public sector

When accounting changes are discussed, the way in which they are debated and the rhetoric and accounts used to promote or oppose them are linked to the more general discourses that are historically available to the actors involved at that specific point in time (Fischer 2003; Hajer 2003). As far as the public sector is concerned, over the last decades, many studies have shown Western governments to have engaged in reform processes aimed at improving public sector practices, moving away from the traditional bureaucratic Public Administration (PA) systems, in favour of NPM-type of accounting tools and ideas inspired by the private sector (Hood 1995; Pollitt and Bouckaert 2011). Governments claimed that better accounting, budgeting and performance management practices would provide more appropriate information for decision makers; better information would lead to superior decisions; and better decisions would lead to a more efficient and more effective public sector (Chan 2003; Likierman 2003). More recently, some authors have proposed the emergence of a third set of ideas, under the banner of Public Governance (GOV) (Rhodes 1997; Mayntz 2009; Osborne 2010). While NPM stresses the introduction of accrual accounting as well as output and performance-oriented systems, GOV puts greater emphasis on the need for external accountability and transparency (Hyndman et al. 2014). PA, NPM and GOV have been seen by the existing literature as three different discourses (Pollitt and Bouckaert 2011; Hyndman et al. 2014), with financial accounting, budgeting and performance management each being capable of being viewed through each of these separate lenses.

In public-sector accounting, the NPM discourse has been recognised as dominating from the late 1980s to the beginning of the 2000s (Pollitt and Bouckaert 2011) fostering: the introduction of private sector managerial and accounting techniques (output-based budgeting, accruals and resource accounting, annual reports, extended performance measurement and reporting, managerial control systems, balanced scorecards, etc.); the contracting out of public services; and the break-up of large units of government into smaller quasi-autonomous units. Accrual accounting, in particular, is claimed to support better-informed decisions (when compared with the traditional cash-based system), taking into account the opportunity cost of capital and the consumption of capital assets over time (Chan 2003; Likierman 2003; Lüder and Jones 2003; Anessi-Pessina and Steccolini 2007). Consistently, the focus of accounting tools has shifted from spending and incremental budgets to costs and revenues, assets and liabilities, definitions of goals in terms of outputs, and efficiency and effectiveness (Hyndman et al. 2014).

NPM ideas were originally meant to replace the old PA discourse where the budget played a central role as a basis for the political negotiation and the (generally incremental) allocation of resources among different political programmes and purposes. The budget was seen as a political act which translates political goals into appropriations of financial resources (Wildavsky 1964). Attention was, in this case, focused on the legitimacy of the budget process and, ex-post, on the comparison between actual and authorised expenditure (ter Bogaert 2003;
Liguori et al. 2012). In such a scheme, accounting is intended primarily to ensure compliance and curtail spending.

Finally, GOV ideas have more recently been proposed to challenge NPM itself, with an increased focus on integration and networks and a partial rediscovery of rules and legal principles (Hill and Hupe 2007; Osborne 2010). The GOV model hinges on more devolved and participative (task-specific) controls (Rhodes 1997; Pierre and Peters 2000; Pollitt and Bouckaert 2011). It builds on ideas relating to more efficient and flexible service delivery procedures (concepts highlighted in the NPM discourse) to answer the needs of an increasingly diverse citizenry and acknowledges an increased complexity of public-sector accountability mechanisms as a response to increasing numbers of stakeholders and ambiguous objectives (Bovens 2007; Christensen and Lægreid 2011).

Despite the tendency for homogenisation and convergence towards these three main sets of ideas, studies have often shown that accounting changes are interpreted and carried out differently at the organisational level (Connolly and Hyndman 2006; Christiaens and Peteghem 2007; Pettersen 2001; Liguori 2012a; Liguori and Steccolini 2012). In addition, some ideas and concepts, while being afforded greater prominence by one model rather than another, have been shown to overlap and, as Hyndman et al. (2014) argue, public-sector reform discourses tend not to replace, but rather supplement, each other. While similar ‘ingredients’ may have been used, each organisation makes its own specific translation of those ideas and concepts, and the layering of the various elements of the discourses will consequently result in the heterogeneity of change. It has to be noted that PA, NPM and GOV (as presented by the literature) represent extreme categorisations, and, while this can be useful to develop appropriate analytical tools, it also represents a clear simplification of reality. In practical implementation, elements of each model can coexist with each other or overlap, and differences across systems are much more blurred (Hyndman et al. 2014). In this paper, we adopt this classification as a framework of analysis for the UK central government political debates.

2.2 Change and legitimation strategies

Once new ideas and discourses emerge within particular fields and organisations, the preliminary condition for the actual implementation of change is that they are considered legitimate within the very context in which they are to be applied. According to Scott (1995, p. 45), ‘legitimacy is not a commodity to be possessed or exchanged but a condition reflecting cultural alignment, normative support or consonance with relevant rules or laws.’ Legitimation involves a generalised perception that actions are desirable, proper, or appropriate within a certain system of norms, values and beliefs (Suchman 1995; Bitektine 2011). In this paper, we take on the lens of ‘rhetorical institutionalism’ (Green and Li 2011) to investigate the use of rhetorical accounts to gain legitimation. Change in organisational practices and policies requires the new arrangements to be viewed as more legitimate than pre-existing ones (Suddaby and Greenwood 2005). Compliance with established prescriptions is, indeed, rewarded by social legitimacy, while deviance is sanctioned (Rao et al. 2003). Within an organisation, actors legitimate change through accounts, i.e. rhetorical devices that are instilled with and show the shift in the actors’ judgment and behaviours. These accounts are developed through the use of (more or less conscious) legitimation strategies. Only a few studies, however, have examined how organisational actors judge existing institutional arrangements as legitimate or illegitimate and how these judgments are formed (Tost 2011; Vaara et al. 2006). This highlights the importance of focusing on the

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3 The label ‘rhetorical institutionalism’ mainly includes research on rhetoric (Green 2004 – the one used in this study), framing (Fiss and Zajac 2006) and discourses (Phillips et al. 2004) within a certain institutional field. It has to be noted that while legitimation strategies represent a rhetorical device to create and develop legitimation, the study of the process of legitimation itself goes beyond the scope of this paper. We particularly thank one of the reviewers for highlighting this important distinction.
micro (rather than macro) level (Phillips et al. 2004; Suddaby and Greenwood 2005), which is the focus of this paper.

Actors need to mobilise consent and minimise dissent within their local contexts in order to gain support for the interpretation of a certain model (Meyer 2013). To explain the success or failure of new practices in an institutional field, it is essential to understand how actors talk about, legitimate or delegitimate, the change vis-a-vis the status quo and the arguments they utilise. The ambiguity regarding the process and the outcome of change induces actors to use rhetorical arguments to construct reality and gain legitimacy on certain structures and ideas (Fligstein 2001; Suddaby and Greenwood 2005). The rhetorical strategies set in place during change influence the validity of these beliefs and can strengthen or weaken the adoption of practices and the way actors justify the usefulness of change itself (Green 2004; Birektine and Haack 2015). The more persuasive the supporting reasons justifying the change, the more acceptable its adoption will be perceived.

The implementation of financial accounting, budgeting and performance management is not a mechanistic, simplified introduction of a new practice into formal organisational structures, procedures or mechanisms. In organisations which implement new tools on the basis of pre-standardised templates (such as those pushed by global discourses in the public sector – Meyer and Hammerschmid 2006; Jones and Mellett 2007; Hyndman et al. 2014), change requires the interaction of individuals and units inside and outside of the organisation. According to Green (2004) and Green and Li (2011), this can happen by utilising agency as a source of ‘endogenous change’ within the organisation and it can be investigated by looking at the different accounts and legitimation strategies deployed. During change, indeed, the ‘active role of agency’ is often enacted through the use of rhetorical arguments that signal the way change is interpreted. Following Vaara et al. (2006) and van Leeuwen and Wodak (1999), new techniques and ideas can be put forth relying on one of five discursive strategies (or a combination of these): authorisation, rationalisation, normalisation, moralisation and narrativisation. Authorisation refers to legitimation through authority of tradition, custom, law and persons upon whom institutional authority of some kind has been bestowed. Rationalisation is related to legitimation by institutionalised social action and knowledge that society has constructed, giving the proposed change(s) cognitive validity. Such a strategy mainly focuses on the benefits, purposes or outcomes that a certain course of action can bring. Normalisation legitimates by exemplarity that can involve ‘retrospective’ (similar cases, events or practices in the past) or ‘prospective’ (new cases, events or practices to be expected) references, which make the case at hand something ‘normal’. Moralisation refers to legitimation by reference to specific value systems. Finally, narrativisation is about legitimation conveyed through narratives, with ‘telling a story’ providing evidence of acceptable, appropriate or preferential behaviour. Authorisation, rationalisation and normalisation strategies align with Green’s (2004) notion of logos (legitimation of change through the adoption of rational arguments from different sources), while moralisation strategies align with what Green (2004) called ethos (legitimation through credibility, moral authority or tradition). Green (2004) also identified a route of legitimation via pathos, i.e. legitimation by appealing to emotions, which does not necessarily coincide with the above strategies. The variation in the acceptance of a particular change depends upon the variation in the deployment of specific arguments in a particular situation.

If we look at these strategies in the light of the discourses available to the different actors in the area of public sector accounting, we can expect: PA ideas (and the associated accounting changes) to be legitimated and constructed by the organisational actors mainly in terms of authorisation (e.g. through the recognition and acceptance of rules and bureaucracy); NPM ideas to be more easily understood in terms of rationalisation and normalisation (thanks to the prominence of ideas related to private sector practices and economic rationality); and GOV to be carrier of ideas that most often associate with moralisation strategies. Narrativisation strategies can be linked with each of the discourses and may often appear in combination with other
strategies. Similarly, we can expect stories and examples to be used to (de)legitimate all of the above discourses. The use of legitimation strategies is not always intentional or conscious, and it usually decreases with time, when justifications are less needed as a change becomes accepted or a new practice is taken for granted (Green 2004). Legitimation strategies, and discursive acts in general, play a role in creating organisational conditions that can help to restore or justify social status quo, or can even destroy them through delegitimation (Van Leeuwen and Wodak 1999). In this context, Van Leeuwen and Wodak (1999) identified four macro-strategies, which summarise the ways in which strategies can be used: constructive strategies to build or establish particular groups or ideas; strategies of perpetuation and justification to maintain and reproduce existing ideas and identities; strategies of transformation to support change; and destructive strategies to delegitimize the new. In order to undermine or stop change, different actors might use antagonistic framings or destructive strategies, criticising the validity or ridiculing the source of information (Berger and Luckmann 1966; Van Leeuwen and Wodak 1999; Lefsrud and Meyer 2012).

Previous literature suggests that legitimating strategies are often intertwined. For instance, frequently normalisation is strongly supported by narrativisation. Vaara et al. (2006) also found authorisation frequently to be associated with rationalisation and moralisation, because authorities themselves symbolically represent specific institutions and viewpoints. Rationalisation seems to be based on moral and ideological bases, even when not stated explicitly; moralisation is often an attempt to put authorisation and rationalisation into a particular legitimating or delegitimating perspective. Narrativisation, by its nature, has often been found to be associated with multiple ‘legitimations’, as stories are usually used to support actors’ arguments and not in isolation (Vaara et al. 2006). Green et al. (2008) opined that different actors tend to use the same rhetorical sequences during successive periods of change. Moreover, movements from the status quo, or stable institutional field arrangements, are often initially brought about by emotional appeals to redirect limited social attention. Here, pathos arguments may have a part to play, particularly at the beginning of the institutionalisation process, because institutions have inherent social inertia. Once a course of action is chosen, ethos arguments more regularly justify the new institutional arrangement as morally responsible and appropriate (Green 2004).

Only a few accounting studies have investigated the legitimacy strategies used in relation to accounting practices. These are fairly recent, limited and focused on very specific issues. Our aim is to contribute to this literature gap. Previous accounting research has investigated legitimation mainly from an external disclosure perspective, such us, for instance, in discretionary environmental accounting narratives, through the lenses of impression management (Lee and Sweeney 2015). Cho et al. (2015) found that the breadth of CSR disclosure has increased significantly over time, while the relationship between legitimacy factors (such as size and industry type) and CSR disclosure is not as powerful as expected and did not change with time. Some have also adopted legitimacy theory to investigate environmental disclosure as a mandatory practice or as a social contract (Mobus 2005; Cho 2009). Others have used the lens of structuration theory, focusing on the moral and pragmatic strategies used to justify environmental issues and sustainability reporting (Buhr 2002; O‘Dwyer et al. 2011; Hrasky 2012). Discourse analysis has been used to look at accounting and marketing communications (Oakes and Oakes 2012): the role of communication has been seen to be shaped by the breadth of accountability to diverse stakeholders, and accounting has been found to be primarily conceptualised as a modern discourse. Preston et al. (1995) argued that codes of ethics (or professional conduct), and discourses surrounding them, appeal to meta narratives of legitimation; through this, the accounting profession seeks to legitimate itself within its social realm. Accountants’ codes, and the discourses surrounding them, have undergone a number of profound changes, where right and wrong, integrity and responsibility were found somehow in contrast with the current concerns of a consumer-oriented culture.
Covaleski et al. (2003) explored legitimation strategies of the ‘Big Five’ accounting firms to investigate how competing factions seek to re-institutionalise societal expectations of proper professional behaviour to legitimate a transformation of jurisdictions. They found that accountants tend to use abstract rhetorical arguments to legitimate and justify changing jurisdictions; their rhetoric often fashioned around ‘knowledge-speak’, deploying societally-prized, highly-abstract terms such as ‘market forces’, ‘globalisation’, ‘world class’, ‘client-driven’ and ‘value-added’. With particular reference to the public sector, Malsch and Gendron (2013) pointed out that financial statements and public accounts are required to adhere to the dominant logics and structural features of the time in order to be granted legitimation by political authorities and public opinion. The authors saw legitimation as professional legitimacy and showed how fragile this can be in the presence of change: they claimed that ‘the dismantling of the old “institutional inhibitions” depends in turn on successful diversification of services’ (Malsch and Gendron 2013, 888).

Existing accounting literature on the topic is not only limited in scope, but also mainly focused on the moral and normative aspects of legitimation. Studies take on only partial views of how change is talked about, mainly dealing with external disclosure of information (i.e. external legitimation of change). This paper contributes to shed more light on the internal, organisational use of legitimation strategies and rhetorical arguments in the presence of accounting changes. Moreover, it does not focus only on one type of change, but spans financial accounting, budgeting and performance management.

3. Methods

The paper focuses on financial accounting, budgeting and performance management changes in a context (central government) where competing discourses accompanied the introduction of new practices. In this setting, competing rationales for change could be identified: on the one hand, authority-based (both political and managerial) pressures have been recognised to play a major role in public-sector accounting changes; and on the other hand, the wave of accounting changes was also meant to introduce and strengthen rational decision-making processes and management practices, by importing business-like ideas into the public realm.

The study focuses on a range of changes which were discussed and implemented, and on the discourses and strategies used to construct a sense of legitimation (or delegitimation) around them. It has been suggested that this can be facilitated by document and interview analysis, looking at the written or spoken discourses (Fairclough and Wodak 1997; Van Leeuwen and Wodak 1999). On this basis, we adopt a new perspective and focus on the transposition of rhetorical sense and actors’ use of legitimation strategies at different stages of change implementation, i.e. from when global discourses are discussed, to when accounting changes are introduced and interpreted at the different organisational levels. The case of analysis, the UK central government, was identified following a purposeful sampling criterion (Flick 2009; Patton 2002), and, in particular, critical case sampling. The UK, indeed, has been categorised as an early and high-intensity adopter of new managerial and accounting practices, often introduced through the lens of economic rationality (Likierman, 2003; Pollitt and Bouckaert 2011). The UK has been seen as the cradle of both NPM (particularly from the first Thatcher government in the late 1970s) and GOV (possibly with the Labour party in the late 1990s and into the 2000s) ideas. As this research focuses on the way accounting reform discourses have been discussed and rhetorically justified by actors at different organisational levels, the UK central government can be considered a reference point for others who may attempt to implement similar changes.

The history of the accounting changes decided and implemented in the UK central government was reconstructed on the basis of the relevant official documents, archival materials (such as published articles) and interviews with central government managers. The discourse dynamics were identified through a textual analysis approach (Fairclough 2003) and reconstructed on the basis of specific text genres that were included in documents that
accompanied the legislative process covering the period from the 1980s to 2010. These comprised a total of 50 documents (2,688 pages) including: (i) text of an enacted law in parliament’s national archives; (ii) explanatory notes to the Resource Accounting and Budgeting (RAB) bill (the only relevant bill issued over the analysed period); (iii) administrative reports which explored areas with some significant focus on accounting reform (such as reports discussing how accountability might be discharged or performance measured) issued by governmental and parliamentary committees; and (iv) transcripts of the first and the final bill discussions in both chambers of parliament (House of Commons and House of Lords) and parliamentary committee reports examining modifications to law or existing administrative regulation. PA, NPM and GOV have been recognised to have characteristic standard narratives, vocabularies, ideas, concepts and instruments (Mills 1940; Hyndman et al. 2014) that signify adherence to their major thrusts. For example, to stress the importance of adherence to rules in a positive tone implies support for a PA system, whereas to emphasise the worth in setting targets and measuring performance suggests a commitment to NPM ideals. Of course, these categorisations serve here only as heuristic and analytical tools, since they represent a clear simplification of reality.

In order to identify the discourses that the texts invoked, we used the dictionary developed and tested by Hyndman et al. (2014), identifying ‘signature elements’ or ‘cues’, i.e. verbal expressions that suggest core concepts of each system (see Appendix 1). It should be noted that the analysis exceeded an automatic search or quantitative counting of words: the dictionary greatly aided the coding, but all documents were read by the coders in detail and it was left to the coders’ interpretation whether a keyword was used to cue a particular commitment to a system or not. Data coding and analysis were supported by the software ATLAS.ti.6. A statement could draw on a specific cue to either endorse or criticise a particular system. To identify this, we distinguished between ‘positive’ (i.e. supporting codes – PA1, NPM1 and GOV1 codes) versus ‘negative’ (i.e. criticising or challenging codes – PA2, NPM2 and GOV2) usage of the cue words within each vocabulary. In order to increase internal validity and reliability (Trochim and Donnelly 2006), the codebook was applied to each of the documents independently by two researchers, with all cases of disagreement being reviewed and resolved by discussion. The unit of analysis was the paragraph. The resulting relative prevalence of each discourse (PA, NPM or GOV, see Table 2) is indicated by the number of occurrences of different signature cues within each paragraph (e.g. when four different NPM1 codes, supporting NPM arguments, occurred in a single paragraph, the paragraph was ‘weighted’ as NPM1 multiplied by 4). However, we were not only interested in the discourses being used, but also in what accounting techniques were being discussed. As a consequence, discourses are shown in relation to each area of change (financial accounting, budgeting and performance management) that emerged in the discussion in each specific document. During the analysis, it was clear that there were few documents (or indeed paragraphs) focusing on only one area of change, rather, they tended to discuss financial accounting and budgeting changes together (Financial Accounting+Budgeting), performance management and financial accounting changes (Performance Management+Financial Accounting), performance management and budgeting changes (Performance Management+Budgeting) or all the areas of reform as a whole (Whole Reform). The identification of the areas of accounting change emerging from the textual analysis was then compared to the interviewees’ answers as shown in the results section.

In the public sector, the political level has the ultimate say on the accounting changes, policies and practices to be implemented.4 Ideas floating in the political arena will have to be discussed and, at the very least, acknowledged by the political bodies for them to be compelling

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4 This does not deny the interactions between political actors and relevant organisational actors, including those from finance departments (such as HMT). Ideas, indeed, travel and specialists’ talk, in particular, may impact on a variety of arenas (see, for example, Ezzamel et al. 2005). However, this avenue of exploration is beyond the scope and focus of this paper.
at the organisational level. After discourses have been discussed and changes passed by the political decision makers, the related ideas are introduced into the organisation, where organisational actors have to interpret them in order to implement the changes. Confronted with similar requirements for change, these actors may use different legitimation strategies based on their personal background, experience and opinions. To explore the organisational actors’ emerging legitimation strategies, we differentiated between those designing and pushing the changes, and those merely receiving them. Thus we looked at different organisational levels: (i) the central finance department, HMT, which (after receiving the political input) was responsible for centrally driving the changes and ensuring that they were introduced in the other departments within central government, and (ii) two more operationally-focussed departments which were among the receivers of the changes, namely the Department for Environment, Food and Rural Affairs (DEFRA) and the Department for Business, Innovation and Skills (BIS). Within each of the latter, we focused the analysis on the fields of rural development (DEFRA) and higher education (BIS). HMT had the task of translating the political ideas relating to change into technical requirements and then pushing the change to the other central government departments; the departments themselves had to interpret the new changes and implement them in their everyday life or, perhaps, marshal forces to oppose and hinder these changes. The selection of the operationally-focused departments follows Brown and Potoski’s (2003) classification of public services (in terms of measurability of their output). According to this, rural development activities are expected to show higher output measurability than higher education ones (Brown and Potoski 2003). This sampling criterion aims at providing maximum variation (Patton, 2002) in the accounting changes and the legitimation strategies used, both of which may differ depending on the type of activity performed and its level of measurability.

Central government rural development activities in the UK (when compared to educational ones) tend to result in outputs that could be viewed as much more commercial, marketable and easily measurable. Moreover, comparing and contrasting, through intensive qualitative analysis, a limited number of cases allows us to keep a more compact and explicit theoretical focus on the complex issue of accounting change and to overcome some of the generalisation problems arising from the analysis of a few cases (Eisenhardt 1989; Pettigrew 1990).

Exploring (de)legitimation strategies required asking organisational actors about their experiences and perceptions. This involved conducting semi-structured interviews to reconstruct the understanding and perceptions of these key actors as to the main accounting changes affecting their department over the last three decades, and the related (implicit) rhetorical strategies of legitimation or delegitimation. Questions were asked about the most relevant accounting changes and their sources, as well as people’s reactions and views of such changes. In all three departments, interviews were conducted with four senior managers (able to reconstruct the changes thanks to their extended tenure) responsible both for policy and accounting issues. All the interviewees had comparable positions and responsibilities across the different departments. In particular, they were responsible for their department accounting systems and for the implementation of the related changes. Each interview lasted for about one hour and was recorded and transcribed in full for coding. A preliminary coding scheme was developed based on the relevant literature on change and legitimation strategies discussed in the previous sections. As we engaged with the data, the coding scheme was further refined and applied in an iterative manner to ensure data consistency. As done for the document analysis, the scheme was applied to each of the interviews independently by two researchers, with all cases of disagreement being reviewed together. Data coding and analysis were supported by ATLAS.ti 6. It is important to note that the interviewees’ reconstruction of events could be influenced and limited by their memory and ability to recollect the changes that took place in the past. In order to strengthen the credibility of the study, we relied on triangulation of investigators, informants and data sources (Patton 2002). In organisations, time frames are subjective and their social construction can vary across individuals, so that it is important to study both events and their social
constructions to understand the unfolding of change. Therefore, it is possible that in the short term the sources of change may appear blurred, however, in the long term, relationships may become clearer to organisational members (Pettigrew 1990). As found in other studies (Liguori and Steccolini 2012), in some cases the interviewees admitted that the interview was useful also to them to understand the actual implications and meaning of the changes that were implemented over the past years. This strengthened the validity of our findings.

A specific argument was coded when a legitimation strategy (i.e., authorisation, rationalisation, normalisation, pathos, moralisation or narrativisation) was used with regard to one of the possible areas of change (i.e. financial accounting, budgeting, performance management or whole reform). In distinguishing the legitimation strategies, we combined the typologies proposed by Vaara at al. (2006), van Leeuwen and Wodak (1999), including authorisation, rationalisation, normalisation, moralisation, narrativisation strategies, and added ‘pathos’ (Green 2004; Green and Li 2011). This latter categorisation allowed us to take into consideration emerging references to the role of elements such as personal commitment, career dedication and patriotism in strengthening or weakening the change process. Legitimation strategies were coded as ‘1’, whereas delegitimation strategies were coded as ‘2’. Appendix 2 provides examples of quotations relating to particular legitimation (or delegitimation) strategies and briefly outlines how the codebook was used. For the analysis of the relative prevalence of each legitimation strategy, we considered, by area of accounting change mentioned, the number of occurrences (a repetition of the same argument within the same answer was only counted once – see Table 3). In addition, in order to explore the complexity and co-existence of the different arguments deployed, we analysed the co-occurrence of different strategies (Table 4). These were normalised by row for the total number of times (i.e. counts) they co-occurred. It should be noted that a number of strategies could co-exist and be used together in the same argument unit of analysis (consequently the co-occurrence counts for a specific strategy could be lower or higher than the absolute occurrence of the strategy itself, depending on the frequency of its recurrence with all the others).

4. Analysis of the results

4.1 An overview of the main accounting changes in the UK

Key changes in the budgeting, financial accounting and performance management systems in UK central government from the 1980s are outlined in Table 1. As can be seen, with respect to financial accounting, since the 1980s, where the financial accounting system was largely cash based, there has been a major change reflected in the announcement (1990s) and subsequent introduction (2000s) of accrual-based (resource) accounting, implemented under the title of Resource Accounting and Budgeting (RAB). The position of accrual accounting was further reinforced by: the decision in 1998 to produce Whole of Government Accounts (a consolidated set of accrual financial statements for the UK public sector), although the first set of accounts was not produced until 2011; and the 2007 announcement that the financial accounting of government departments was to be based on International Financial Reporting Standards (IFRS) (commenced 2009). In the case of budgeting, there was a parallel move to resource (accrual) budgeting, in order to facilitate the alignment with the external accounts in central government (implemented in full by 2003). In addition, annuality was abolished in 1997 at central government departmental level with end-year flexibility, allowing budget carry over, being permitted. However, as a consequence of financial pressures, this flexibility was removed in 2011. In 1998, Treasury-led Spending Reviews were initiated to set firm and fixed spending budgets over several years for each government department rather than rely on single-period budgeting. Moreover, in 2007 the Clear Line of Sight project commenced, with an objective of ensuring alignment of budgets, estimates and accounts. With respect to performance management, while the 1980s had seen moves towards a greater focus on performance (for example, in the Financial
Management Initiative of 1982 and in the Next Steps Initiative of 1988), performance management concepts became integral parts of the development of RAB (1990s and 2000s) and were central in the introduction of Public Service Agreements and Service Delivery Agreements in 1998. In this latter case, central government departments were held accountable for service delivery through the targets set out in their Public Service Agreements and Service Delivery Agreements.  

4.2 The political debate on accounting change: the three reform discourses

This section discusses the evidence concerning our first research question, i.e. how accounting changes are discussed and introduced at the political level through the use of global discourses. As highlighted earlier, a number of writers have suggested that, over time, public-sector accounting has moved from PA to NPM ideas, and latterly, towards a GOV approach. These systems are often presented as mutually exclusive and competing. Table 2 shows the results of the extensive document analysis (50 documents published between the 1980s and 2010) that was carried out for this research purpose. It highlights the extent to which the cues linked to these three public-sector accounting reform discourses (PA, NPM and GOV) are utilised in political discussions in the UK central government. The table shows, in absolute and percentage terms, the ‘weighted’ number of occurrences of different signature cues within each paragraph, categorised in each of the six possible codes. These are further divided into the four areas of accounting change that were found emerging from the textual analysis of the documents (Financial Accounting+Budgeting; Performance Management+Financial Accounting; Performance Management+Budgeting; and Whole Reform).

The analysis offers a clear picture that cues supporting NPM systems, techniques and logics (identified as NPM1 codes) dominated political discussions about accounting changes with an overall average of 61.8%. This is the case with each area of accounting change, although greatest in cases where the whole reform process of accounting was discussed (62.9%). NPM was clearly the most represented and discussed discourse in the political debate throughout and was almost always presented in positive terms (NPM2 cues only occurring in 1.0% of cases). However, despite multiple waves of managerial and accounting modernisation in the UK central government, PA cues clearly persisted (especially in the area of performance management and budgeting – Table 2) in the political discussions through time. When supporting the introduction of the RAB Bill, for instance, both NPM and PA arguments were often used:

“Cash controls will, of course, remain, but we shall also have proper measures of the resources used up, not just of the money spent. The accounts will be more recognisable to those familiar with private sector accounts; for example, the equivalents of profit and loss, cashflow and a balance sheet. One could say that we are putting the Government’s accounts on a more business-like footing” (Chief Secretary to the Treasury, Mr. Andrew Smith, House of Commons Hansard, 6th December 1999)

As can be observed in Table 2, positive PA cues (PA1) related to 27% of total cues, although care should be exercised in interpreting this number. Truly taken-for-granted topics (probably emanating from the time-honoured tradition of a PA system) do not easily surface in

5 Public Service Agreements and Service Delivery Agreements provide detail on targets and how they will be delivered by central government departments in return for the budget allocation. They represent a quasi-contract between the HMT and government departments. In 2004, Service Delivery Agreements were replaced by performance-focused Delivery Plans.
official discourses and may not need to be included in the arguments. This would tend to result in an understatement of PA ideas. With respect to GOV ideas, these only related to a total of 1,189 cues (GOV1 and GOV2 combined), 7.7% of the overall count of cues; by far the weakest discourse. The areas of change where this discourse was more visible were performance management and accounting (Performance Management+Financial Accounting, 18.9% of the identified discourse cues – Table 2). As can be seen (Table 2), finally, the total of the negative cues (PA2, NPM2 and GOV2 combined) accounted for less than 4% of the overall number of cues. All of the areas of change were therefore overwhelmingly discussed in positive terms and introduced identifying their strengths, rather than a previous (or competing) system’s weaknesses.6

4.3 The actors’ legitimation strategies: understanding change
The previous section explored the ideas emerging from the political debate in relation to accounting changes and reform areas, showing the dominance of the NPM paradigm and its emphasis on such issues as effectiveness, efficiency and cost. Political documents – whether they are White policy papers (governmental reports issued to support decision making and summarise complex issues/reforms) or committee reports considering possible changes – largely voice managerial arguments supporting these changes. But how were these arguments and changes interpreted by the actors who had to implement them? How were they talked out? What legitimation strategies were employed? This section investigates our second research question, i.e. what strategies organisational actors use to talk about and legitimate reform discourses at different organisational levels. As discussed before, NPM ideas, based on rationality arguments and business-like solutions, could be expected to be more intuitively constructed through the use of rationalisation and normalisation strategies. This is explored below, at two different organisational levels: HMT, the central finance department of government who originally pushed the changes, and two individual government departments that focus on the delivery of services and can, thus, be seen as the final receivers of change.

4.3.1 Legitimation strategies at the central department level – Her Majesty’s Treasury (HMT)
HMT is the UK government department (one of 24 ministerial departments within the UK central government) responsible for developing and executing the British government’s public finance policy and economic policy. It exercises central control over the annual budget of over £700 billion. Key to this is ensuring effective spending control. A range of financial and accounting changes has been introduced under the auspices of HMT in order to facilitate effective management in the more operationally focused departments.

Perhaps consistent with their role of ‘driver’ of change, when discussing accounting changes, HMT interviewees concentrated much more strongly on legitimation strategies (rather than delegitimation strategies). As can be seen in Table 3, delegitimation strategies (AUT2, NAR2, NOR2, PAT2 and RAT2) were only mentioned in 66 cases out of 454 counts (14.5% of all cases) in HMT. In other words, changes were largely interpreted through positive statements (85.5% of cases) and with limited opposition. The most frequently employed legitimation strategies related to rationalisation (RAT1 25.8% – Table 3) and authorisation (AUT1 22.5%). This order was the case with each of the specific areas of accounting change (financial accounting, budgeting and performance management) but was reversed when interviewees discussed the whole reform. HMT interviewees seemed emotionally connected to the changes, with positive pathos strategies (PAT1) utilised overall in 8.1% of cases, much higher than in the individual departments of DEFRA and BIS where it was rarely found (see later results). For

6 Although not the focus of this paper, from the 1990s onwards, these discourse trends have been shown to be reasonably stable over time in the UK central government (see Hyndman and Liguori forthcoming).
example, one interviewee extolled the virtues of both resource accounting and resource budgeting:

“I am extremely enthusiastic about both of the reforms. I suppose I’m involved in both, I’ve worked with both. I’ve been a strong advocate of both and would continue to do so. But I think from the way departments operate, treasury operates, parliament oversees, you can see the clear benefits.” HMT 1

This difference between the central finance function (HMT) and the other departments regarding pathos may have reflected the fact that HMT was, to an extent, the persuader and implementer of the accounting changes, whereas the other departments merely had the changes ‘visited’ or ‘imposed’ upon them. Although referred to much less extensively than other areas of change (Table 3), when mentioned, performance management was relatively frequently viewed as rational and positive (performance management – RAT1 33.3%), with stories often being used to legitimate it (performance management – NAR1 33.3%) (Table 3). With respect to rationalisation, interviewees reflected on the need for these new forms of account to support upward communication (to politicians) and within-department communication (to managers) as a basis for discussion and better decisions, especially when talking about RAB. With respect to upward communication, for instance:

“It’s useful for parliament to have these accounts... The committees are probably most interested in their individual departments. What they’d be interested in primarily is kind of trends. Trends and whether they are sufficiently explanatory of what has happened in their department. I think if they didn’t have the reporting that they have in now [RAB], you couldn’t get to that.” HMT 1

Interestingly, delegitimising strategies linked to rationality (RAT2) accounted for only 5.7% of the cases (Table 3). This was not particularly with respect to the unsuitability of specific individual tools, but largely in relation to implementation problems connected to the initial misalignment between accounting and budgeting systems. Such was viewed by some interviewees as being in the main overcome as a result of the Clear Line of Sight project; providing evidence of learning and adjusting as new tools and techniques are introduced and bed down.

In the case of authorisation, the main source of authority referred to was political or government. The authority was seen to be pushing or supporting the changes, although, in most cases, this seemed to be appreciated by HMT (perhaps viewed as providing welcome back-up to accounting changes that were considered ‘rational’ and ‘normal’ by HMT interviewees). One interviewee, who had lived through the change process since the early 1990s, commented with respect to changes in governments in 2010 (when a New Labour Government was replaced by a Conservative/Liberal Democrat coalition) and in 1997 (when a Conservative Government was replaced by New Labour):

“With the changes in government, we’ve been very fortunate with both resource accounting and Clear Line of Sight. The changes in government have not created problems. With the Clear Line of Sight, we actually spent time talking to the shadow treasury team before the introduction. We’re obviously going to seek their agreement. With resource accounting and budgeting, in fact, the RAB reforms fitted perfectly with what the new government wanted to do in terms of moving to multi-year budgeting, in terms of resource DEL [Department Expenditure Limit] control and so on.” HMT 1

Normalisation arguments being used to legitimate accounting changes were presented relatively frequently (overall NOR1 9.9% – Table 3). In the interviews, normalisation was often related to the role professionals play because of their specialised training and active involvement in networks, and how they influence what were viewed as appropriate processes and behaviours. This finding highlights that many of the accounting changes that had been introduced
(particularly the financial accounting changes, but not the performance management changes) were viewed as positive because they related to ‘what was professional’ or what ‘was done in the private sector’. Such views, attempting to legitimate the changes in terms of normalisation, are likely to be influenced by the interviewees’ background. In HMT, indeed, all the interviewees were professionally-qualified accountants. For example, in referring to financial accounting, one interviewee expressed the opinion that using such accounts was important to give discipline to the public sector, as it did in the private sector:

“Accounting to my mind is incredibly important despite the fact that very few people read the accounts. It’s the discipline of the company that they have to communicate well. That’s as true for the public sector as it is for the private sector.” HMT 3

When we consider the HMT co-occurrences between legitimation strategies (i.e. the joint use of strategies to legitimate one or more changes), it is clear that a combinations of strategies were frequently used. For example, in the 102 HMT cases where authority (AUT1 – see Table 4) co-occurred with another strategy, 28.4% of the times it was used together with a positive rationalisation strategy (RAT1); with positive narrativisation it co-occurred 25.5% and with positive normalisation 18.6%. A similar mix of co-occurring strategies was found with respect to HMT rationalisation (RAT1): in the 96 cases of it co-occurring, 32.3% were with positive narrativisation strategies (NAR1), 30.2% with positive authorisation (AUT1) and 19.8% with positive normalisation (NOR1).

4.3.2 Legitimation strategies at the operationally-focused departmental level
Turning to the final implementers of change (DERFA and BIS), in DEFRA authorisation was by far the main legitimation strategy used in each of the areas of accounting change (Table 3), at a much higher level than in both HMT and BIS. In DEFRA, and with respect to authorisation, references to HMT dominated, although mentions of wider political and government sources also occurred.

“Change comes pretty much from the centre, which is either Treasury or the Cabinet Office. Parliament also I think. Parliament pushed Clear Line of Sight through. They were fed up with getting three different reports… and every one of those is correct. And parliament, I think, just got fed up with all the smoke and mirrors and the constant trying to reconcile between the three to get facts.” DEFRA 2

In the case of DEFRA, rationalisation arguments (RAT1 being the second most used legitimation strategy, Table 3) were often at the core of responses; comments related to economic logic, effective planning and optimal choice (typical of the NPM discourse), For example, one interviewee, when talking about the switch to planning periods focusing on longer-term horizons, rather than having a single period concentration (an idea central to Spending Reviews), suggested:

“... that [the introduction of longer-term planning periods] makes a huge difference because all of a sudden you’re having to plan over a much longer horizon. You’re having to take a much more strategic view of your resource allocation.” DEFRA 3

Interestingly, in DEFRA, delegitimation related to rationalisation (RAT2) occurred much more frequently than in HMT and BIS (Table 3). This picture highlights that staff in DEFRA had more doubts about the meaning of what they were doing and the changes they were implementing. As a consequence, the changes were more often perceived as authority-based and
imposed. Rural development activities (although apparently easier to measure) are characterised by higher diversity and fragmentation when compared to the higher education ones. DEFRA was perceived as having less clearly defined core activities and this may have led to the proposed changes being perceived as more problematic:

“We are making effort to disclose performance targets, but for DEFRA I think it’s very very difficult to really do that. With transaction processing, functions of Treasury, HMRC, DWP, I can see how they can have metrics. But it’s difficult for us because, if you want a better word, we are a ‘sock hole’ department in that a lot of the money we spend is on research or on preventative measures.” DEFRA 4

While in BIS the rhetorical strategies most often used were also rationalisation and authorisation, in contrast to DEFRA, the order of primacy was reversed. Positive rationalisation strategies (RAT1) were substantially more frequently expressed than positive authorisation strategies (Table 3). In the former case, the main arguments referred to effective planning and control (including the control of resources):

“I think it [RAB] was to demonstrate costs in and around each department because before that we weren’t; we were only thinking about the cash costs. You weren’t ever thinking about any non-cash elements.” BIS 1

With BIS and authorisation, the main source of authority was identified, like in DEFRA, as HMT. It was perceived as directing and insisting upon all the main accounting, budgeting and performance management changes of the department; steering typical of a PA system, which emphasises such aspects as the importance of hierarchical decision making. For example, one interviewee, mentioning both HMT and the desire to reflect what was happening in the private sector (the latter being more related to normalisation), argued that:

“I think, through time, you did get the feeling that Treasury were driving it [RAB and performance management changes]. And there seemed to be a drive towards making the public sector more commercial.” BIS 3

Higher education activities (BIS), given the lower external visibility and the more subjective assessment of outputs, would be expected to be less easily measurable than DEFRA’s rural development ones (particularly because certain rural development activities have well-established links to markets). It is interesting to note, however, that the usefulness of accounting tools in managing and controlling these tasks seemed more understood and less controversial in BIS. This was particularly the case, for both accountant and non-accountant BIS interviewees, when RAB, Clear Line of Sight and end-year flexibility were discussed.

“We lay out priorities for teaching grants so our first of the teaching grant are high class subjects, strategically important subjects, wider participation, the additional cost of small specialist institutions. We will give priorities about how we expect HEFCE[7] to work with this strain in a new world, a different world, so we expect them to work a lot more closely with the student loans company. We will talk about quality in the context of HEFCE having the duty to ensure the quality of budget funds, and we’ll talk about that…and there will be stuff in there about the REF[8] and the priorities for research funding.” BIS 4

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7 Funding for research and teaching is channelled through various designated avenues in each of the countries of the UK (in England, it is facilitated through the Higher Education Funding Council for England (HEFCE), which is an executive non-departmental public body).
8 Funding in research in the UK is informed by a Research Excellence Framework (REF) which is used to influence the selective funding of research. The REF is a performance measurement framework that utilises expert review to assess, largely, research outputs and impacts.
Less than rationalisation and authorisation, narrativisation (both to legitimise and delegitimize change) was the third most used strategy in both DEFRA and BIS (Table 3). This was frequently utilised in combination with rational arguments as a means of justifying and strengthening the actors’ perspective (recollection of events and stories helped answer the question ‘why are we doing this?’) and was particularly visible when the interviewees were making reference to performance management changes. In addition, normalisation arguments were frequently made to legitimate accounting changes in both departments (10.5% NOR1 DEFRA; 8.8% NOR1 BIS – Table 3). Here, those charged with responsibility for accounting systems were either accountants (many of whom had moved from previous employment in the private sector) or people with business experience. These individuals are likely to both have particular accounting-based (and normative) logics and assess change in such terms. As in HMT, and particularly with financial accounting changes, there was clear evidence that many of the changes were viewed as positive because they related to professional practice.

“I suppose I’ve been an accountant for a while and I thought the UK GAAP was kind of a very sensible set of standards.” DEFRA 2

Differently from HMT, pathos arguments were almost totally absent in both DEFRA and BIS responses (PAT1: 8.1% HMT; 0.2% DEFRA; 0.3% BIS – Table 3). It seemed that the further the actors implementing the changes were from the centre, the less committed and personally involved they appeared to be. While decisions regarding the changes could ultimately be viewed as political, the charging of HMT to implement the changes appears to have resulted in a degree of emotional attachment to the proposals in HMT, something that was missing in the other two more operationally-focused departments.

When we look at the co-occurrences between legitimation strategies for DEFRA and BIS (Table 4), it is clear, as was the case with HMT, that a combination of strategies was used to legitimate changes, although the mix was different in the more operationally-focussed departments. For example, in the cases where positive authority (AUT1) co-occurred with another strategy, 43.9% (DEFRA) and 52.5% (BIS) of the times it was used together with a positive rationalisation strategy (RAT1), a much higher combination than in HMT (28.4%). Although narrativisation and normalisation strategies were utilised by the two departments in cocktails of strategies to legitimate the changes, they were much less to the fore than in HMT.

Interestingly, the use of a combination (or co-occurrence) of normalisation and rationalisation strategies in BIS was higher than in both DEFRA and HMT (Table 4). For instance, when discussing the Clear Line of Sight:

“I think it’s quite good because it brought the Finance family across parts of the business organisations together for sure, because now we have to work more as one team and from a much more corporate perspective. I think it started off as organisations that saw themselves as economists; they didn’t really see why they should give us that information in that much detail. There’s been a big cultural change” BIS 2

After being exposed to different reform discourse, BIS interviewees appeared to perceive the importance of measuring and using information to support decision making, probably as a consequence of the institutionalisation of NPM ideas such as those related to the REF and the students’ funding systems (as seen above). Management by numbers seems to have been more commodified. This could be explained in relation to the type of activity BIS carries out rather than to the managers’ personal characteristics and background (which were similar in BIS and DEFRA). In each of the departments the accounting profession was highly represented, although in BIS fewer had private-sector experience. This seems to suggest that the use of normalisation arguments to legitimate changes is not strictly dependant on the exposure to
particular discourses, but rather to being associated with the perception of belonging to a group (‘the accountants’). However, previous experience in the business sector, to which most of the changes were initially inspired, does not appear to have particularly influenced the interviewees’ use of legitimisation strategies.

5. Discussion

When looking at the way accounting changes were discussed and legitimised, the results highlight that while, in the political debate, change was mainly characterised by rational, business-like ideas (such as efficiency, effective planning, etc.), at the implementation level, the same changes were interpreted differently. At the political level, all the areas of change (financial accounting, budgeting and performance management) were discussed and justified mostly on the basis of the NPM discourse (although there was reasonably significant positive reference to the more-established PA discourse and some, to the newer, possibly emerging, GOV discourse). In considering the main changes in accounting over the period, there appears to be a consistency between the use of NPM cues and the final decisions to introduce NPM-related accounting changes. For example, accruals accounting, and its focus on accurate cost information as a driver of better decisions, is often attached to NPM concepts (Chan 2003; Likierman 2003). Moreover, the discourses were predominantly presented in positive terms. This confirms previous studies stressing the co-existence and layering, rather than replacement, of different ideas and discourses in different organisational fields (Hyndman et al. 2014). Such reduces the need for negative arguments and perhaps explains the very limited presence of negative codes (i.e. arguments criticising any of the three discourses). These results echo the findings of Christensen and Lægreid (2011), who proposed that the transition between NPM and post-NPM reflected a sedimentation process, where frequently even old PA ideas were brought back to life by reform translations and everyday activities. This is also consistent with Schneiberg’s (2007) findings, according to which even the most settled systems and structures are littered with elements of earlier alternative orders, often coexisting within apparently changed systems. Established institutional paths, indeed, may already contain in themselves structural possibilities and resources for transformation. Social, cultural and organisational fragments of projects and institutional paths previously not taken, or abandoned, are conceivably vehicles for experimentation, revival, recombination and, ultimately, transformation by organisational actors. In accounting, this co-existence has also been seen as evidence of the hybridisation process that the public sector is witnessing in a number of countries (Miller et al. 2010; Kurunmaki and Miller 2011).

As these ideas moved from the political level into the implementation stage (Brusson, 1989), however, departments translated and legitimised them on the basis of different arguments. Interestingly, at the organisational level, changes in financial accounting, budgeting and performance management, although meant to introduce a more ‘rational’ way of managing and taking decisions (NPM ideas), were often perceived as being imposed through ‘authority’, a legitimisation strategy that would be perhaps expected more under PA regimes. This duality of rationalisation and authorisation came to the fore in many of the interviews. Consistent with the political lever, however, both the central implementers (i.e. HMT), who first received the political ideas and interpreted them for the purpose of organisational adoption, and the more operationally-focussed departments tended to provide positive justifications for modifications to systems. They also made substantial use of stories (i.e. narrativisation) to justify the changes. This feature, combined with a dearth of significant delegitimation strategies (see Table 3) and the very positive political debate of NPM-related accounting changes (see Table 2), might encourage expectations of successful ‘outcomes’ of the changes (notwithstanding the difficulty of defining ‘success’), although such analysis is not the objective of this research.

HMT interpreted change mainly relying on rationalisation and authorisation (often referring to parliament and government as the source of authority) strategies. Narrativisation and
normalisation strategies were less frequently used, with pathos present to a degree (something noticeably missing in both BIS and DEFRA). It is interesting to note that, consistent with the NPM discourse, there has been a relative proliferation of professionally-qualified accountants in the UK central government, unlike in other countries (Connolly and Hyndman 2006; Hyndman et al. 2014). The vast majority of our interviewees were professionally-qualified accountants. While this may not be surprising for HMT, also in the operationally-focused departments, those charged with responsibility for accounting systems were either accountants or had previous business experience. The evidence shows that in the UK the accounting adjustments that had been introduced were viewed as positive also because they related to ‘what was professional’, ‘what was right’ and ‘what happens in the real world’ (clear examples of legitimation based on normalisation strategies). In a related vein, and in examining strategies by reform area, the most significant finding concerns the strongest reliance on normalisation explanations when discussing financial accounting changes. This is consistent with expectations, as normalisation strategies stress professional standards and values, and thus find perfect ground in the most technical and professionally-driven reform area. Many of the UK interviewees, being accountants, came from ‘privileged’ communities (Christensen and Parker 2010) and had ‘insider’ knowledge (Ezzamel et al. 2005). In such a context, not only was normalisation a probable legitimation strategy, but perceptions of rationality were also more frequent.

With respect to pathos, differences between HMT and the other departments may reflect HMT’s more central position and direct involvement in the design of the implementation process. BIS and DEFRA had limited contact regarding political debate and therefore had little opportunity to ‘own’ the changes and therefore develop any pathos. Changes were often perceived as ‘imposed’. Unlike other literature which argues that pathos develops at the start of the change process (Green 2004; Green et al. 2008), this research suggests that pathos is more likely to develop if the actors have ‘voice’ in the process, regardless of the stage in the change process.

While BIS showed a legitimation pattern similar to HMT (with slightly higher levels of rationalisation than authorisation, consistent with a significant use of NPM arguments in the political arena), in DEFRA, the changes were chiefly seen as based first of all on authorisation, and much less so on rationalisation. As suggested earlier, rural development (DEFRA) activities may have greater diversity and fragmentation than higher education (BIS) activities. Higher education outputs have, over time, become more standardised and commodified in the UK, through, for example, exercises relating to the REF and processes tying funding to student numbers via subject area. This possibly makes them more amenable to management by numbers and more fitting to managerial ideas; therefore accounting techniques supporting these may be viewed as more acceptable and more rational. Finally, perhaps surprisingly when compared to previous studies (Covaleski et al. 2003; Green 2004; Vaara et al. 2006), moralisation seems to be little associated with the implementation and achievement of change in the respondents’ minds. This perhaps mirrors the marginal role played by the GOV discourse (and its ideas of good administration, transparency and inclusion) in the political discussion of the same changes. Also, at the organisational level, accounting changes are largely seen by the actors as value neutral and rational, and not particularly related to the bigger ‘moral’ questions such as appropriateness of the service provision and the transparency of the organisation.

If we cross the strategies used with the areas of accounting change involved, financial accounting was the most referenced overall (and the most referenced in both HMT and DEFRA, but not BIS). This is perhaps due to two main factors. First of all, significant emphasis has been placed on financial accounting in the UK central government, and in the political debate and discourses surrounding major accounting changes such as those embedded in the RAB, Whole of Government Accounts and Clear Line of Sight projects; in our analysis, if we exclude the more general ‘Whole Reform’, ‘Financial Accounting+Budgeting’ has, by far, the greatest number of counts in the political debate documents. Such emphasis appears to have been
internalised also by the implementers of change at the organisational level. Secondly, because of the tendency in the central government to have relatively significant numbers of professionally-qualified accountants (particularly in DEFRA, with accountants who qualified and had substantial experience in the private sector), the financial accounting changes would have been the area of change where interviewees had most familiarity, and changes were likely to be perceived as more easily comparable with private-sector practice. This familiarity is also suggested by the fact that financial accounting is the area of change where each department (HMT, BIS and DEFRA) made the highest use of positive normalisation strategies.

As was the case in previous studies (Green 2004; Vaara et al. 2006; Green et al. 2008), legitimation strategies were often used in combination. However, the patterns we find in this study are different (possibly influenced by the type of change and the field investigated). Contrary to what we might have expected (particularly given the wave of NPM reforms), authorisation was one of the most present and pervasive ways of legitimating change. However, regardless of the organisational level, authorisation was often used in combination with rationalisation strategies to legitimate change. Actors seemed to justify authority via rationality, and this may be consistent with the predicament of the NPM discourse itself. Authorisation was often also accompanied by narrativisation. DEFRA, interestingly, made less use of stories (narrativisation strategy) to rationalise the change; while in BIS, authorisation strategies were less frequently associated with normalisation, partly because normalisation was most connected to financial accounting changes in all departments and, in BIS, there were relatively fewer references to financial accounting. This, again, may be influenced by the personal background of the interviewees, most of them being accountants with less private-sector experience compared to those in DEFRA. Overall, the evidence suggests that if accounting changes are not legitimated by the organisational actors on both authority and rational bases, they are less likely to embed inside the organisation, despite the presence of external pressures and regardless of the reform discourses supporting them.

6. Conclusions and further research

A necessary condition for the implementation of change is that it has to be considered as ‘legitimate’ within the very context in which it is to be applied. Rhetoric and legitimation strategies influence the implementation and reproduction of accounting change within organisations; nevertheless, the organisational and accounting literature on the topic is still limited. This paper contributes to this area of study by investigating how accounting changes are discussed and introduced at the political level through the use of global discourses; and what strategies organisational actors subsequently use to talk about and legitimate such discourses at different organisational levels. To this end, we focussed on accounting changes (namely, financial accounting, budgeting and performance management) in the UK central government. We looked at both the political debate surrounding accounting change and the subsequent implementation at two organisational levels (HMT, the department responsible for steering the adoption of accounting changes, and the more operationally-focussed DEFRA and BIS).

While previous literature suggests that different actors tend to use the same rhetorical sequences during successive periods of change, this study highlights differences in the way change is legitimated as different organisational levels are considered and greater complexity is taken into account. In particular, this research suggests that, with reference to accounting, a cocktail of legitimation (rather than delegitimation) strategies was used at each organisational level, with authorisation and rationalisation strategies dominating. This was not always consistent with the discourses and the changes passed at the political level. Interestingly, although the political debate and related discourses were meant to introduce a more ‘rational’ way of managing and taking decisions (elements typical of NPM), the changes were often perceived in the departments as being first of all based on ‘authority’. This suggests that, at the implementation level, accounting changes not legitimated on the basis of both authority and
rationality will have more difficulty embedding within organisations, regardless of both the presence of external pressures and the reform discourses supporting them. These features, combined with the strong presence of professionally-qualified accountants using normalisation strategies, contribute to the fact that in the UK the accounting changes implemented over this period were generally seen as ‘good’. We posit that this combination is also likely to facilitate the embedding of change. Finally, unlike previous literature arguing that pathos develops at the start of the change process, this research suggests that pathos is more likely to develop if the actors have ‘voice’ in the process, regardless of the stage in the change process. Moreover, the use of normalisation arguments to legitimate change does not seem to be associated with the actors’ exposure to particular discourses, but rather with their perception of belonging to a group.

This paper contributes to theory and previous literature in a number of ways. Firstly, existing studies still struggle to explain the role of ‘agency’ during processes of change and, in many cases, accounting has been assumed to converge towards the adoption of common practices merely on the basis of similar external pressures (Christensen and Lægreid 2007; Lounsbury 2008; Hyndman et al. 2014). This paper suggests that the way in which actors talk about and explain global discourses strongly shapes the change implementation process. This reinforces the importance for accounting research to acknowledge that decision making processes and tools, although structured to be rational and value-neutral, actually express the values of the social relations they are embedded within (Lapsley and Llewellyn, 1995). Secondly, how rhetoric and legitimation strategies affect the reproduction of generally accepted changes within organisations has been little investigated in the past. In particular, in accounting there is limited literature on the topic, and what exists mainly focuses on the moral and normative aspects of external disclosure. This paper broadens the lens of analysis to different legitimation strategies, as accounts and rhetorical devices, and engages in more fine-grained investigations, showing that some strategies are used differently from expectations. It also takes on an internal organisational perspective that has been missing from previous research, and explores a full range of accounting changes (in financial accounting, budgeting and performance management systems). Patterns between different legitimation strategies and between strategies and areas of change have been identified and discussed. Finally, we adopted a new perspective and investigated the transposition of rhetorical sense at different stages of accounting change implementation. In particular, we explored from when global discourses are discussed in the political debate, down to the central implementers, who first received the political ideas, finally looking at the reaction of the more operationally-focused departments. This allowed us, for the first time, to explore and comment on the (not always consistent) way reform discourses are received and understood by actors at different organisational levels.

The research also suggests important implications for managers and policy makers. Through the identification of the legitimation strategies most used, and the associations between these and the different areas of change, it is possible to identify patterns of behaviour that may support the embedding of accounting change. A combination of authority and rational arguments, in particular, may represent the right rhetorical strategy in the presence of organisational actors who also ‘own’ accounting professional knowledge and mind-set. Different strategies and rhetorical devices may be needed to push change and create consensus in contexts where accounting concepts are less understood or shared.

As with all empirical studies, this also has its limitations. Taken-for-granted issues and ideas may often remain ‘under the radar’ as information is assumed, so they do not need to be stated (Green, 2004). While this may particularly influence the results and interpretations with respect to the document analysis aspect of this research, it is less of an issue with the interview phase. Further research might extend the scope of the analysis by including other countries and departments, and by exploring emerging patterns and constellations of rhetorical strategies among actors with different backgrounds. Moreover, the fact that this research shows very little use made of negative arguments, at the levels of both political debate and organisational
legitimation, might encourage expectations of successful ‘outcomes’ of change. Indeed, it would be interesting to investigate the relationship between the mix of legitimation strategies used and the final outcome of change achieved. Such analyses, although not related to the objectives of this study, warrant attention.
References


Buckingham: Open University Press.


Table 1 - Main Changes in Financial Accounting, Budgeting and Performance Management Systems in the UK Central Government

<table>
<thead>
<tr>
<th></th>
<th>1980s</th>
<th>1990s</th>
<th>2000s</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budgeting</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 1980 Based on cash and principle of annuity.</td>
<td></td>
<td>• 1994-1995 Announced that resource (accrual) budgeting to be introduced in all government departments as part of the Resource Accounting and Budgeting (RAB) changes (late 1990s – dry-run and transitional exercises to bed system down).</td>
<td>• 2003 Resource (accrual) budgeting ‘live’ in all central government departments.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 1997 End-year Flexibility introduced with respect to budget carry forward.</td>
<td>• 2007 Clear Line of Sight project commenced aimed at getting better alignment of accounting and budgeting information.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 1998 Treasury-led Spending Reviews initiated to set firm and fixed spending budgets over several years for each government department.</td>
<td>• 2011 End-year Flexibility abolished due to financial pressures.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 1998 Treasury first published a scoping study for Whole of Government Accounts.</td>
<td></td>
</tr>
<tr>
<td><strong>Financial Accounting</strong></td>
<td>• 1980 Largely cash based and mainly focusing on cash received and cash spent.</td>
<td>• 1994-1995 Announced that resource (accrual) accounting to be introduced in all government departments as part of the RAB changes (late 1990s – dry-run and transitional exercises to bed system down).</td>
<td>• 2001 Resource (accrual) accounting ‘live’ in all central government departments.</td>
</tr>
<tr>
<td><strong>Performance management</strong></td>
<td>• 1982 Focus on performance management in Financial Management Initiative calling for managers at all levels in central government to have a clear view of their objectives and their performance.</td>
<td>• 1994-1995 Announced that Statements of Resources by Departmental Aims and Objectives to be introduced in all government departments as part of the RAB changes – late 1990s dry-run and transitional exercises to bed system down.</td>
<td>• 2009 Financial accounting of government departments on basis of IFRS.</td>
</tr>
<tr>
<td></td>
<td>• 1988 Intensification of performance focus with the introduction of the Next Steps Initiative and the creation of Executive Agencies which had strict regimes of reporting and planning in terms of performance.</td>
<td>• 1998 Performance-focused Public Service Agreements and Service Delivery Agreements introduced as a key-aspect of quasi-contracts between the Treasury and government departments.</td>
<td>• 2011 First set of Whole of Government Accounts.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 2001 Statements of Resources by Departmental Aims and Objectives required to be produced as part of the RAB changes in all central government departments.</td>
<td></td>
</tr>
</tbody>
</table>
Table 2 – Reform discourses: weighted counts (numbers and percentages)

<table>
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<tr>
<th>Discourse →</th>
<th>PA1</th>
<th>PA2</th>
<th>NPM1</th>
<th>NPM2</th>
<th>GOV1</th>
<th>GOV2</th>
<th>Counts % (n)</th>
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</thead>
<tbody>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Accounting+Budgeting</td>
<td>28.1%   (902)</td>
<td>2.9%   (93)</td>
<td>59.5%   (1913)</td>
<td>2.4%   (78)</td>
<td>7.1%   (228)</td>
<td>0%   (1)</td>
<td>100% (3215)</td>
</tr>
<tr>
<td>Performance Management+Financial Accounting</td>
<td>30.3%   (112)</td>
<td>1.1%   (4)</td>
<td>49.7%   (184)</td>
<td>0%   (0)</td>
<td>18.9%   (70)</td>
<td>0%   (0)</td>
<td>100% (370)</td>
</tr>
<tr>
<td>Performance Management+Budgeting</td>
<td>34.7%   (217)</td>
<td>0%    (0)</td>
<td>61.0%   (382)</td>
<td>0.2%   (1)</td>
<td>4.2%   (26)</td>
<td>0%   (0)</td>
<td>100% (626)</td>
</tr>
<tr>
<td>Whole Reform</td>
<td>26.1%   (2950)</td>
<td>2.7%  (306)</td>
<td>62.9%   (7098)</td>
<td>0.7%   (75)</td>
<td>7.5%   (850)</td>
<td>0.1%    (14)</td>
<td>100% (11293)</td>
</tr>
<tr>
<td>Overall Count</td>
<td>27.0%   (4181)</td>
<td>2.6%  (403)</td>
<td>61.8%   (9577)</td>
<td>1.0%   (154)</td>
<td>7.6%   (1174)</td>
<td>0.1%    (15)</td>
<td>100% (15504)</td>
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</tbody>
</table>
Table 3 – Legitimation strategies (in total and by reform feature) for HMT, DEFRA and BIS*

<table>
<thead>
<tr>
<th>Strategy →</th>
<th>AUT1</th>
<th>AUT2</th>
<th>MOR1</th>
<th>NAR1</th>
<th>NAR2</th>
<th>NOR1</th>
<th>NOR2</th>
<th>PAT1</th>
<th>PAT2</th>
<th>RAT1</th>
<th>RAT2</th>
<th>Counts</th>
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</thead>
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<td>Area of accounting change↓</td>
<td>HMT – Central Finance</td>
<td>DEFRA – Rural Development</td>
<td>BIS – Higher Education</td>
<td></td>
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</tr>
<tr>
<td>Financial Accounting</td>
<td>22.6% (53)</td>
<td>1.7% (4)</td>
<td>0.4% (1)</td>
<td>18.8% (44)</td>
<td>2.6% (6)</td>
<td>12% (28)</td>
<td>0% (0)</td>
<td>7.7% (18)</td>
<td>3.4% (8)</td>
<td>24.8% (58)</td>
<td>6% (14)</td>
<td>100% (234)</td>
</tr>
<tr>
<td>Budgeting</td>
<td>23.1% (33)</td>
<td>1.4% (2)</td>
<td>0% (0)</td>
<td>17.5% (25)</td>
<td>2.8% (4)</td>
<td>7% (10)</td>
<td>0% (0)</td>
<td>9.8% (14)</td>
<td>4.2% (6)</td>
<td>28.7% (41)</td>
<td>5.6% (8)</td>
<td>100% (145)</td>
</tr>
<tr>
<td>Performance Management</td>
<td>13.3% (2)</td>
<td>0% (0)</td>
<td>0% (0)</td>
<td>33.3% (5)</td>
<td>13.3% (2)</td>
<td>0% (0)</td>
<td>0% (0)</td>
<td>0% (0)</td>
<td>0% (0)</td>
<td>33.3% (5)</td>
<td>6.7% (1)</td>
<td>100% (15)</td>
</tr>
<tr>
<td>Whole Reform</td>
<td>22.6% (14)</td>
<td>3.2% (2)</td>
<td>0% (0)</td>
<td>19.4% (12)</td>
<td>3.2% (2)</td>
<td>11.3% (7)</td>
<td>0% (0)</td>
<td>8.1% (5)</td>
<td>6.5% (4)</td>
<td>21% (13)</td>
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<td>100% (62)</td>
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<td>22.5% (102)</td>
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<td>3.1% (14)</td>
<td>9.9% (45)</td>
<td>0% (0)</td>
<td>8.1% (37)</td>
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<td>25.8% (117)</td>
<td>5.7% (26)</td>
<td>100% (454)</td>
</tr>
<tr>
<td>HMT – Central Finance</td>
<td></td>
<td></td>
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<tr>
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<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Financial Accounting</td>
<td>34.6% (56)</td>
<td>1.2% (2)</td>
<td>3.1% (5)</td>
<td>9.3% (15)</td>
<td>0.6% (1)</td>
<td>15.4% (25)</td>
<td>1.2% (2)</td>
<td>0.6% (1)</td>
<td>3.7% (6)</td>
<td>21% (34)</td>
<td>9.3% (15)</td>
<td>100% (162)</td>
</tr>
<tr>
<td>Budgeting</td>
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<td>1.9% (2)</td>
<td>12.1% (13)</td>
<td>0.9% (1)</td>
<td>8.4% (9)</td>
<td>0% (0)</td>
<td>0% (0)</td>
<td>1.9% (2)</td>
<td>28% (30)</td>
<td>6.5% (7)</td>
<td>100% (107)</td>
</tr>
<tr>
<td>Performance Management</td>
<td>34.1% (30)</td>
<td>2.3% (2)</td>
<td>9.1% (8)</td>
<td>18.2% (16)</td>
<td>1.1% (1)</td>
<td>5.7% (5)</td>
<td>0% (0)</td>
<td>0% (0)</td>
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<td>18.2% (16)</td>
<td>9.1% (8)</td>
<td>100% (88)</td>
</tr>
<tr>
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<td>13% (3)</td>
<td>0% (0)</td>
<td>8.7% (2)</td>
<td>4.3% (1)</td>
<td>0% (0)</td>
<td>0% (0)</td>
<td>4.3% (1)</td>
<td>13% (3)</td>
<td>13% (23)</td>
<td>100% (23)</td>
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<tr>
<td>Overall count</td>
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<td>1.3% (5)</td>
<td>4.7% (18)</td>
<td>11.6% (44)</td>
<td>1.3% (5)</td>
<td>10.5% (40)</td>
<td>0.5% (2)</td>
<td>0.2% (1)</td>
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<td>21.8% (83)</td>
<td>8.7% (33)</td>
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</tr>
<tr>
<td>DEFRA – Rural Development</td>
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<td>Area of accounting change↓</td>
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<td></td>
<td></td>
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<tr>
<td>Financial Accounting</td>
<td>18.3% (13)</td>
<td>1.4% (1)</td>
<td>0% (0)</td>
<td>18.3% (13)</td>
<td>7% (5)</td>
<td>15.5% (11)</td>
<td>1.4% (1)</td>
<td>0% (0)</td>
<td>4.2% (3)</td>
<td>29.6% (21)</td>
<td>4.2% (3)</td>
<td>100% (71)</td>
</tr>
<tr>
<td>Budgeting</td>
<td>20% (18)</td>
<td>1.1% (1)</td>
<td>0% (0)</td>
<td>17.8% (16)</td>
<td>3.3% (3)</td>
<td>8.9% (8)</td>
<td>1.1% (1)</td>
<td>1.1% (1)</td>
<td>3.3% (3)</td>
<td>40% (36)</td>
<td>3.3% (3)</td>
<td>100% (90)</td>
</tr>
<tr>
<td>Performance Management</td>
<td>26.2% (17)</td>
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<td>1.5% (2)</td>
<td>24.6% (16)</td>
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<td>32.3% (21)</td>
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</tr>
<tr>
<td>Whole Reform</td>
<td>30.9% (21)</td>
<td>4.4% (3)</td>
<td>5.9% (4)</td>
<td>16.2% (11)</td>
<td>0% (0)</td>
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<td>35.3% (24)</td>
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<td>19.0% (56)</td>
<td>2.7% (8)</td>
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<td>2.0% (6)</td>
<td>34.7% (102)</td>
<td>4.1% (12)</td>
<td>100% (294)</td>
</tr>
</tbody>
</table>

*MOR2 strategies were not used by any of the interviewees and therefore are excluded from the Table
Table 4 – Co-occurrence of legitimation strategies for HMT, DEFRA and BIS*

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<thead>
<tr>
<th></th>
<th>AUT1</th>
<th>AUT2</th>
<th>MOR1</th>
<th>NAR1</th>
<th>NAR2</th>
<th>NOR1</th>
<th>NOR2</th>
<th>PAT1</th>
<th>PAT2</th>
<th>RAT1</th>
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</tbody>
</table>

*For brevity’s sake, only the main legitimating strategy co-occurrences are shown in the table (the full table is available from the authors on request); MOR2 strategies were not used by any of the interviewees and therefore are excluded from the Table.
## Appendix 1 – Reform discourses and relative cues

<table>
<thead>
<tr>
<th>Cues for document analysis</th>
<th>Public Administration</th>
<th>New Public Management</th>
<th>Public Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>- bureaucratic/bureaucracy</td>
<td>- NPM/managerialisation</td>
<td>- governance</td>
<td></td>
</tr>
<tr>
<td>- citizen</td>
<td>- efficiency</td>
<td>- transparency</td>
<td></td>
</tr>
<tr>
<td>- rules/norms/regulatory</td>
<td>- effectiveness</td>
<td>- external accountability</td>
<td></td>
</tr>
<tr>
<td>requirement</td>
<td>- output/results/outcomes</td>
<td>- stakeholder</td>
<td></td>
</tr>
<tr>
<td>- compliance</td>
<td>- satisfaction</td>
<td>- network</td>
<td></td>
</tr>
<tr>
<td>- cash/commitments</td>
<td>- customers/client</td>
<td>- partnership/partners</td>
<td></td>
</tr>
<tr>
<td>- administrator/bureaucrat</td>
<td>- managers/managerial</td>
<td>- sustainability/sustainable</td>
<td></td>
</tr>
<tr>
<td>- execute/executor</td>
<td>- strategy</td>
<td>- ethic</td>
<td></td>
</tr>
<tr>
<td>- hierarchy/hierarchical</td>
<td>- performance/performance</td>
<td>- equity/fair</td>
<td></td>
</tr>
<tr>
<td>- neutral</td>
<td>- measures/indicator/target/objective</td>
<td>- participation/participative</td>
<td></td>
</tr>
<tr>
<td>- objectivity/hierarchical</td>
<td>- accruals/resources (in RAB terms)/value for money</td>
<td>- integration/integrated</td>
<td></td>
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<tr>
<td>- expenditure/spending</td>
<td>- contract/PPP/PFI</td>
<td>- consolidation/consolidated</td>
<td></td>
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<tr>
<td>- procedures</td>
<td>- quality/appropriateness</td>
<td>- negotiation/consultation (with external stakeholders)</td>
<td></td>
</tr>
<tr>
<td>- central(ised)</td>
<td>- expenses</td>
<td>- civil society/non-profit/third sector</td>
<td></td>
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<tr>
<td>- function</td>
<td>- audit/auditing</td>
<td></td>
<td></td>
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<tr>
<td>- independence</td>
<td>- cost/amortisation</td>
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<td></td>
<td>- process</td>
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<tr>
<td></td>
<td>- flexibility</td>
<td></td>
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<tr>
<td></td>
<td>- decentralised/devolved</td>
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<td></td>
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<td></td>
<td>- responsible/responsibility</td>
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<td></td>
<td>- ‘public business’</td>
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<td></td>
<td>- market</td>
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<tr>
<td></td>
<td>- corporatisation/agencies/agencification,</td>
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<td></td>
<td>- competition/tendering/benchmarking</td>
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<td></td>
<td>- privatisation</td>
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<td></td>
<td>- deregulation</td>
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</table>

Table adapted from Hyndman et al. (2014)
## Appendix 2 – Coding scheme and examples of quotations

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Examples of quotations (and coding)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorisation</td>
<td>“That has had a very dramatic effect on departments and it’s something that permanent secretaries have been much more animated about because it has made it difficult for them to spend money in ways that they otherwise might have spent money because they’ve now got two or three extra loops of approvals to go through. And if they want to go and recruit somebody from, wherever, they need to go and seek the state’s approval and then Francis Maude’s approval, for one interim to work for ten months. So that’s a kind of castration of authority that’s never been there before for the civil service.” (interview – DEFRA 3; area of change – performance management; strategies – AUT2 and NAR2)</td>
</tr>
<tr>
<td>Rationalisation/logos</td>
<td>“What’s really difficult is measuring the real outputs with your money. You know it might be how many children go to school, you can tell that, but if you say how many businesses did you help, or how many did you take in from bankruptcy or whatever, you never really see those numbers. We’ve got so many elements in our businesses that are very difficult to measure. So I think we’re still sort of seeking ways to better align what are you getting for your money in terms of actual output.” (interview – BIS 1; area of change – performance management; strategies – RAT1 and NAR1)</td>
</tr>
<tr>
<td>Normalisation</td>
<td>“I think the government recognised and tried to address that [a lack of professionally qualified accountants]. They set up things like the government finance profession and they started to have targets within departments to achieve in terms of number qualifying and stuff like that. So gradually over the last 20 years I guess, accountants have started to infiltrate areas within the public sector. And now it’s finance functions that are set up by qualified accountants which just wasn’t the same before. And I think that’s, on balance, a plus…” (interview – DEFRA 4; areas of change – financial accounting and budgeting; strategies – NOR1 and AUT1.)</td>
</tr>
<tr>
<td>Pathos</td>
<td>“I am extremely enthusiastic about both of the reforms. I suppose I’m involved in both, I’ve worked with both. I’ve been a strong advocate of both and would continue to do so. But I think from the way departments operate, Treasury operates, parliament oversees, you can see the clear benefits”. (interview – HMT 1; areas of change – financial accounting and budgeting; strategy – PAT1.)</td>
</tr>
<tr>
<td>Moralisation</td>
<td>“You can point to how it [the reform] makes us a better and more successful economy. Has it made us a better society, a different society? I think you probably could find arguments that it has, that intuitively it has contributed to… If the counter-factual was, what would it be? ‘Here’s some money, do what you like.’ I’m not sure whether it’d be ‘do as you like with it’ or, ‘Here’s some money, we’d be really pleased if more people would go to university and for more of them to come from poorer backgrounds, but we’re not going to measure it.’” (interview – BIS 4; areas of change – whole of reform and performance management; strategies – MOR1, RAT1, NAR1).</td>
</tr>
<tr>
<td>Narrativisation</td>
<td>“Coming in from the private sector I had no idea about cash accounting and I had never considered working in that area. So it was a shock to me to find out that up until 2000/2001, we were still doing cash accounting. And just getting my head around that, was ‘what have I walked into sort of thing’. Because I think DEFRA was still digging in 2007, it was still financing accruals accounting. I mean it was all ongoing, but people were still reminiscing and were still having a conversation about how it is now different.” (interview – DEFRA 4; areas of change – financial accounting; strategies – NAR1 and NOR1).</td>
</tr>
</tbody>
</table>