



PROFESSIONAL KNOWLEDGE AND SOCIAL MOBILITY: POSTWAR CHANGES IN THE
KNOWLEDGE-BASE OF MANAGEMENT ACCOUNTING

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Abstract: The mutation of professional knowledge is a neglected issue in the sociology of the professions. Through an historical study of the qualification requirements of the Chartered Institute of Management Accountants (CIMA), this paper argues that upward social mobility for the subordinate managerial professions creates a tendency for their knowledge bases to expand into a common ground associated with senior management practice. The by-product is a tendency to abandon the function-specific knowledges associated with subordinate status. From the point of view of capitalist control techniques, there is a consequential tendency towards stagnation in the immediate means of labour process control. For the professions themselves, upward mobility involves a number of dilemmas. Firstly it implies that their knowledges will tend to overlap in the area of corporate management. Thus the managerial credibility of a professional knowledge is in tension with its secure possession. Secondly the inherent credentialism of professional mobility projects may be counter-productive in the context of a pragmatic management culture. Initially, CIMA sought to overcome the first dilemma by creating an elite grade of membership qualified to practice management accounting, whilst retaining the practice of cost accounting for the main grade. This attempt to divide the knowledge base of the profession failed because it involved the introduction of an examination which threatened the status of existing senior members. Subsequently the Institute has had to manage the tension between managerial credibility and distinctiveness within a single body of knowledge. In the sense that the Institute is now a large body with members in senior managerial positions, its collective mobility project has been a success. In the process, however, the distinctive features of its knowledge base have been eroded. Because of this and because the knowledges required of senior managers may be about to change, the Institute now feels itself to be under threat.

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Peter Armstrong

Introduction: the Social Formation of Knowledge in the Theory of the Professions

Recent authoritative reviews of the sociology of the professions agree that professional organisation needs to be understood in relation to its knowledge base (Torstendahl 1990; Collins 1990; Larson 1990). Yet our

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understanding of the processes which shape this core feature of professionalism remains fragmentary (Rueschemeyer 1983). This may be because the post-functionalist sociology of the professions has not directly considered the content of professional knowledges. Instead attention has been focussed on the processes of social mobility and differentiation performed around them. Nevertheless it is possible to reconstruct a partial theory of professional knowledge from this work. Such a theory is located around the themes of prestige, differentiation and expansion.

In Larson's (1977) analysis, the University was crucial to the emergence of modern professions, in that it served as an institutional location for prestigious bodies of knowledge to which professionalisation projects could be attached. Expanding on this theme, Abbot (1988: 54) argued that the true use of academic knowledge is symbolic, serving to legitimise professional practice by giving it a rational base and connecting it to major cultural values. The extreme proponent of this thesis is Collins (1979, 1990), for whom professional knowledges are functionally irrelevant to practice. On this view, formal knowledge is no more than the raw material for the social construction of status and barriers to entry. The implication is that the content of professional knowledge is disconnected from professional practice and is driven solely by the academic status-scramble (Collins 1979: 12 ff). Such a position has its attraction for researchers with an anti-academic axe to grind. In the field of management accounting, for example, Johnson and Kaplan's (1987) historically based polemic against the 'loss of relevance' is well-known.

On the other hand, the idea that professional knowledges are essentially arbitrary significations of status is not shared by all. Friedson's sensitive analysis of the social processes played out on the basis of medical science never loses sight of the fact that some of these depend on its practical efficacy (Friedson 1970: 16). In Friedson's view, professional knowledges are subject to a complex of pressures. Practitioners accumulate rule-of-thumb procedures, whilst academics strive for theoretical system and administrators issue codes of practice (Friedson 1986: 215 ff). Whilst it is still important that professional knowledge should connect to the sources of academic prestige, on this more sophisticated view other pressures are at work.

Connected with the theme of status is that of differentiation. This was a major thrust behind Larson's (1977) discussion of monopolies of competence. Drawing on Jamous and Peloille's (1970) consideration of indetermination and technicality in professional knowledges, Larson argued that, because professional services are offered on competitive markets, a certain minimum codification of professional knowledge is required in order to ensure that services are stable and identifiable. On the other hand, too great a degree of codification allows the practices in question to be mastered by outsiders. Thus the monopolisation of practice requires that there should be indeterminate elements within professional knowledges

which can only be passed on by personal contact between senior and junior practitioners. Taken together, the stabilisation of markets and the monopolisation of competence, call for a balance between indetermination and codification in professional knowledges.

The requirement that professional knowledges should be distinct from those of competitors may influence their content more directly, as is demonstrated in Etzinga's recent account of Swedish nursing science (1990). In this study the strategy of differentiating nursing from medical knowledge depended partly on a holistic concept of caring which was counterposed against the 'positivism' of medical science. This strategy was in the process of influencing the content of nursing degrees, for example, via the inclusion of courses on hermeneutics. Thus the boundaries between what did and did not count as nursing knowledge could be observed in motion under the pressures of a professionalisation project.

The third theme is that of expansion. According to Friedson, the 'diagnostic bias' of the medical frame of reference results in a general tendency to expand the definition of illness at the expense of that of deviance (Friedson 1970: 247 ff). Generalising this observation, Abbot (1988: 35 ff) sees professional diagnosis as a key moment in 'occupational imperialism' (Larkin 1983: 14). This is because diagnosis involves the reconstruction of problems so that they lie within the remit of professional practice. By itself, of course, the existence of this expansionary dynamic tells us nothing about the direction which it will take, nor whether there exists a counter-dynamic of extrusion.

Within the sociology of medicine, however, the theme of expansion connects with that of prestige. It is well-established that paramedical occupations have served as a dumping-ground for low-status tasks delegated from surgery and general medical practice (Morgan *et al.* 1985). In turn, the paramedical professions have attempted to annex higher status functions and delegate their own 'dirty work' to medical auxiliaries (Larkin 1983: 4-5). This prompts the plausible suggestion that professional knowledges in general tend to expand into areas of greater prestige and contract out of those of low status. A theory formulated in these terms, however, contains lurking problems of circularity and incompleteness. These centre on the origin of the status-ordering of knowledges. If this originates outside of professional practice (in academia, for example), the theory is incomplete without a complementary theory of the status of extra-professional knowledges. If, on the other hand, the status of a knowledge is a social accomplishment of the profession which 'possesses' it, status can scarcely explain change in the content of professional knowledges. The core of the problem is that, even the most sophisticated modern treatments of professionalism visualize the collective mobility projects of professions against the backdrop of a taken-for-granted order of statuses – which is nevertheless open to some degree of social construction.

A partial exit from this theoretical impasse is offered by the Marxist analysis of Johnson (1977a, 1977b, 1980). Regrettably, little or nothing has been made of this body of work in some recent assessments of the state of research on the professions (Torstendahl 1990; Drazin 1990). The author agrees with Atkinson and Delamont (1990) that it remains seminal. The core insight behind Johnson's analysis was that some of the most important modern professionalisation projects are occurring within the bureaucracies of the modern corporation and the capitalist state. For these professions, therefore, the medium in which social mobility occurs is not some unexplained status order, but the concrete organisational forms of modern capitalism. More recent expressions of this insight include Larson's (1979) discussion of the 'organisational professions', Schudson's (1980) account of the integration of American Industrial Engineering into capitalist control structures, Brante's (1988) discussion of 'professions of the capital' [*sic*] and Crompton's (1990) observation that recent state attempts to subject certain [traditional] professions to surrogate market controls might redound to the benefit of other [organisational] professions.

Johnson's basic working hypothesis was that professionalisation projects in capitalist societies will be supported so long, and insofar, as these serve the 'global functions of capital' (Carchedi 1977; Boreham 1983). This offers a point of entry into the question of the *kind* of knowledge which might serve to further a project of upward social mobility within management hierarchies. Such knowledge will need to constitute a plausible basis for some part of the overarching policy-making and control functions of senior management.

Following this line of argument, Armstrong (1984, 1985, 1987a) effected what might be seen as a synthesis of Johnson and Larson on the one hand and the Friedson/Abbot theory of the expansionary dynamic of professional knowledges on the other. Suggesting that the success of the collective mobility projects of organisational professions depends in part on the development of relatively comprehensive techniques of corporate governance from their existing knowledge bases, Armstrong illustrated the process with historical analyses of the competitive trajectories of engineering, personnel management and accounting within British management hierarchies.

Taken by itself, the generalisation of a means of corporate management from a subordinate technique implies that the different versions of corporate management will remain distinct. The knowledges of organisational professions, however, may expand by annexation as well as indigenous development. Engineers, for example, have persistently sought managerial credibility by tacking behavioural science courses on to their technical syllabi (Armstrong 1989), and there are more arcane examples in the field of accountancy (Armstrong 1987b). To the extent that the expansion of knowledges into corporate policy occurs by this kind of assimilation, they

will tend to lose their distinctive character. This resurrects the issue of differentiation. If competing knowledges tend to merge at the level of corporate management, this will undermine the ability of professions to monopolise them. Managerial credibility may be gained at the expense of security of possession.

This is the theme of the present study. It is based on an historical examination of changes in the examination syllabus and practical experience requirement of the Chartered Institute of Management Accountants since World War Two. It shows how the knowledge base of the Institute has consistently been re-shaped so as to enhance its credibility as a qualification for senior management. In the process, however, its distinctive character has tended to disappear and this has exposed the members to competition from a very large cohort of business graduates and managerial professionals.

Cost and Management Accounting in Context: an Outline of the Accounting Professions in the UK

There are six major accounting institutions in Great Britain plus a subordinate institute for accounting technicians. Their history is complex (Willmott 1986) and the boundaries between their activities uncertain and shifting. For the purposes of this study it is necessary only to understand something of the activities and membership of the senior British accounting institutes and of the Chartered Institute of Management Accountants (CIMA), formerly the Institute of Cost and Management Accountants (ICMA), and more formerly still, the Institute of Cost and Works Accountants (ICWA).

Cost accounting is concerned with the attribution of costs to products or processes within an enterprise. Originally developed from the late eighteenth century onwards as a means of pricing products (McKendrick 1970), its potential as a means of monitoring labour costs and other costs of production became apparent towards the end of the nineteenth century (Hopwood 1987; Johnson and Kaplan 1987). In the first two decades of this century, this control potential was greatly enhanced by the development of standard costing. This technique, largely devised by the American industrial engineers, is based not on past experience of the costs of operations, but on work-study based managerial calculations of what operations *ought* to cost. Workers are thus subjected to the discipline, not of their own past performances, but of management calculations of what their performance should be.

Cost accounting in Great Britain received a considerable boost during the First World War when it was used as a means of setting the contract prices for war material (Loft 1985). The Institute of Cost and Works

Accountants was formed in 1919 during the afterglow of this experience. However, the interest of British capitalists cooled in the absence of compulsion from the ministries and in the presence of the disciplinary effects of mass unemployment. Despite the potency of standard costing as a means of labour process control it remained uncommon in the UK at least until the 1960s (Parker 1969: 11–12). In consequence the cost accounting institute remained relatively small and subordinate until well after World War Two. Typically the cost accountant of the period qualified through study at night class whilst performing clerical work in the offices of a manufacturing company.

In contrast, the luminaries of the elder accounting institutes, whose core activity is financial rather than cost accounting, were part of the British establishment. Financial accounting is concerned with reporting on the overall financial performance of an enterprise to shareholders and other outside parties. It is thus a key term in the control of industrial by finance capital. Most of the income of professional accountants has traditionally derived from audit, wherein the financial reports prepared by enterprise management are subjected to a supposedly independent scrutiny and certification. Since the 1948 Companies Act, audit has been the monopoly of members of the Institute of Chartered Accountants of England and Wales (ICAEW), the corresponding institute for Scotland and the Association of Certified Accountants.

Traditionally those accountants who carried out audits worked as partners in professional practices in which they had purchased an equity. A period of pupillage in such a practice is still the normal route to qualification, although very recently, training outside professional practice has become an option. These features of professional accounting practice go some way towards explaining its prestige *vis a vis* cost accounting. In the past at least, aspirant chartered accountants needed to come from the kind of family which could afford an extended period of pupillage and to purchase a stake in a partnership. Besides being generally thought of as more prestigious than CIMA, the auditing institutes are also, in aggregate, much larger. As of December 1990, the total UK membership of the English and Welsh Institute was 94,938 and that of the Scottish Institute 12,609. The corresponding figure for CIMA was 29,422 (as of December 1989).

The problem posed for ICWA/ICMA/CIMA by these larger, more prestigious Institutes has arisen from a long-run increase in their involvement in the managerial aspects of accounting. In both World Wars much of the cost accounting work was performed not by members of the cost accounting institute but by chartered accountants. Since at least the 1920s, moreover, there has existed a tendency for the intimacy of the audit relationship to blossom into the even greater intimacy of employment within senior management (Armstrong 1987b). Finally some accounting

partnerships have grown into multinational companies with hundreds of partners. In the process, they have diversified into management accounting and consultancy services to the point where over half of their income, in some cases, comes from such non-traditional activities. Though the paradigmatic chartered accountant is still thought of as an auditor in professional practice, even by 1982 almost half of the members of the English Institute worked in industry or commerce (Child 1982).

In the face of this, CIMA has considerably expanded its range of activities. Although the precise scope of modern management accounting may be contested, it certainly amounts to much more than historical and standard costing. Depending on which CIMA spokesperson is doing the talking, management accounting is now concerned with advice and decision-making on capital investment, the acquisition and divestment of companies and operations, the sourcing of fixed and working capital, and with the flows of finance within diversified companies.

In terms of the sociology of the professions, we are evidently looking at a comparatively successful collective mobility project and one which has taken place in the face of considerable competition.

The Collective Mobility Project of the Institute of Cost and Works Accountants

In 1945 the ICWA had 1,686 members, virtually all of whom had obtained their qualification through part-time study and most of whom occupied relatively subordinate positions in industry. Veterans of the era recall that it was then usual for the cost accountant to report to the production manager rather than through a functional hierarchy to a board-level financial manager as is now the normal case.

By way of comparison the membership of the English Institute then stood at 13,415 and some of them occupied senior positions in the managements of large companies. Moreover, in consequence of the wholesale drafting of accountants into the wartime ministries in order to administer contract prices, members of the English Institute had become acquainted with costing techniques and alerted to career opportunities in industry. Many of them never returned to professional practice (Jones 1984: 204). Besides the difficulties normally associated with a collective mobility project therefore, the Institute of Cost and Works Accountants faced the real threat of competition for the practice of cost accounting itself.

In this situation the collective interests of the members of the ICWA called for action on three fronts. Firstly there was a need to establish that the ICWA's system of training was superior to that of the English Institute for the practice of cost accounting. Secondly there was a need to establish the value and particularity of cost accounting in the minds of British

managers (who, in Larson's 1977 sense, constituted the market for the services offered by the profession). Thirdly it was important to expand the membership so as to encompass as many practitioners as possible. The reports of the annual general meetings in the 1940s make it clear that all three themes were prominent in presidential reports to the membership. In other words, the growth of the ICWA, an increase in managerial awareness of cost accounting and progress in the monopolisation of its practice were the terms in which policy-makers judged their own stewardship of the Institute. How, then, were these aims reflected in the changes which they made to the knowledge base of the profession?

The Advent of Management Accounting

The term 'management accounting' from which the Institute now takes its title and which is so much taken for granted in the textbooks of late twentieth century managerialism first became current in British usage in the 1940s. Under the Marshall Aid plan, such experts on management as could be mustered in postwar Great Britain were drafted into 'productivity teams' and despatched across the Atlantic to study North American business methods (Carew 1987). The idea was to bring back the secrets of the miracle of productivity which had been largely responsible for the allied victory on the Western Front (Barnett 1986). One of the reports concerned American 'management accounting' and the 'financial controllers' who practised it. According to the report, it was part of the duties of the latter to,

Establish, co-ordinate and maintain through authorised management an integrated plan for the control of operations;

Measure and report on the validity of the objectives of the business and the effectiveness of its policies, organisation structures and procedures in attaining those objectives (quoted in Kilvington 1974).

To the humble cost accountant of 1940s Britain, the scope of 'management accounting' and the powers which it implied came as a revelation.

During the succeeding decade, a succession of articles in the pages of *The Cost Accountant* debated what management accounting might mean. Read against the tacit assumption that it would one day be practised by the present-day cost accountant, what was actually being debated was the future direction of the profession (Kilvington 1974). Was it really feasible for the cost accountant to aspire to manage as much of the internal flows of company finance as the American controller appeared to do? Could a case be made for the relevance of costing techniques and information to the formation of overall company plans? Finally, was management accounting to be an information service *for* management – a line still taken in some

prominent texts (Drury 1988: 17) or was the management accountant to be thought of as a full executive member of the management team (for a contemporary discussion of these options see Earl 1983)?

Gradually the expansionist concept of management accounting established an ascendancy within the discourse of the profession. By the late 1950s a collective mobility project for the profession had coalesced around a strategic and executive conception of management accounting, potentially inclusive of all aspects of the internal management of finance. Extracts from just two articles from the period will have to stand for these ideas. Firstly, on the extent to which the management accountant should be involved in internal company finance,

Management accounting is not a specific technique but the application of all techniques for the purposes of management. It follows that its field is as wide as that of management itself . . . Over the last twenty years there has been a merging of the cost and finance functions in industry (*The Cost Accountant* April 1955: 384).

Secondly, on the role of management accounting in the formation of company strategy,

In some of the companies with whose affairs I am acquainted, the financial controller (or whoever does the job of management accounting) does not play as useful a part in strategic decisions as he ought (*The Cost Accountant* November 1959: 656).

By the late 1950s, the territory being claimed for management accounting included all aspects of the internal management of company finance and also extended to a decision-making role in the formation of company strategy. Today this may seem unexciting. In the 1950s, however, it was a long way from the routine calculation of labour, material and overhead costs which was then the lot of the cost accountant.

The social construction of management accounting, ostensibly a matter of definition, actually contained a complex of social prescription. Firstly, the encapsulation of a range of managerial activities within a single term implied the essential coherence of a particular territory drawn within the continuum of managerial functions. Secondly, insofar as members of the Institute were beginning to call themselves management accountants, the term implied a rightful claim to that territory. In that respect management accounting served as a slogan around which the membership of the Institute could be mobilised. Finally, management accounting was an emergent brand image. If the range of managerial activities which it encompassed could be established as a recognisable and reproducible entity in the minds of British managers, this would serve to stabilise the market for these services (cf Larson 1977).

The work of social construction taking place around management accounting goes a long way towards explaining the postwar succession of

changes to the name of the Institute and its Journal. In each of these changes, the term management accounting assumed increased salience. In 1965 *The Cost Accountant* became *Management Accounting*, 'so as to reflect the fact that the profession's field of action is now that of all accounts used for management decision-making'. In 1972, shortly after the failure of an attempt to integrate the major British accounting institutions, The Institute of Cost and Works Accountants became The Institute of Cost and Management Accountants. This, in turn became the Chartered Institute of Management Accountants in 1986. Virtually every postwar issue of the journal of the profession contains at least one feature article, editorial or letter debating the nature and scope of management accounting. The question was central to the aspirations of the Institute.

'Practicality' as Defence and Offence

The expansion and crystallisation of the ambitions associated with management accounting brought with it a sense that the Institute was becoming involved in a competition for managerial positions. Implicit in the many discussions of the managerial advantages of a background in cost/management accounting, this awareness became explicit in the Institute's periodical reviews of its prospects. The *Scheme for the Development of the Accounting Profession in Great Britain and Northern Ireland* of 1968 was produced at a time when integration of the British accounting bodies was a real prospect. Accordingly, the focus of this document was not on competition from other accounting bodies but on the need, 'to counter the growing tendency for industry to look for its executives in Universities and Business schools and from amongst economists and mathematicians from outside the profession.' In the aftermath of the 1970 failure of integration, on the other hand, part of the problem was seen as competition from other accountants. Thus the 1983 report *Future Prospects for Management Accountants* concluded that in the case of, 'Corporate Financial Positions such as finance director, treasurer, chief internal auditor or corporate planner. Competition was seen as mainly from chartered accountants and economists' (*Management Accounting* June 1983: 26–29).

The response to this consciousness of competition occurred on two levels. Firstly, the periodic reviews of the Institute's position invariably discussed the implications for the reform of the examination syllabus. Secondly, there developed an ideology of cost/management accounting which stressed its managerial advantages. This ideological formation might be thought of as providing answers to two questions. The 'offensive' question was that of why the emergent field of management accounting should be inherited by the erstwhile cost accountants, rather than some other profession. The 'defensive' question was that of the basis on which

members of the Institute could claim a particular competence in the practice of cost accounting. Within the occupational ideology of the Institute, the answers to these two questions were linked, and, during the 1950s, both rested on identifiable elements in the scheme of training.

In its defensive aspect, the Institute's occupational ideology stressed the 'practicality' fostered by the system of part-time study, the certification of work experience and the inclusion within the examination syllabus of questions on production technicalities. The student guide to the experience requirements, for example, stated that,

The cost accountant is essentially a practical man [*sic*] and it is important for the registered student to have first-hand experience of works and factory practice and routine, including, for example, the following: operation of various machines; shop-floor organisation; purchase, storage and control of materials; design, planning and progress of work; inspection; work study; maintenance; warehousing and distribution (*The Cost Accountant* December 1957: 280).

The unstated corollary was that professional experience in the offices of an accounting firm, typical of the English Institute, was inadequate for management accounting. On this theme, sometime president Morrow gave it as his opinion that management accounting 'services should not be offered by practising accountants unless they have executive experience in industry' (*The Accountant* January 21 1956).

Interestingly, the belief that 'practicality' was the essential basis of an ability to handle the internal aspects of company finance was then shared by many prominent members of the English Institute, including possibly the best known of all, de Paula. In a disingenuously sexist exposition, typical of the period, de Paula argued that management accounting called for 'the right sort of man',

. . . Next, he wants to have practical experience of life in a factory and of its problems, since above all the job is a practical one of meeting the requirements of management and welding a link between factory facts and office figures. Furthermore, it is clearly desirable that he should have the detailed technical knowledge of this particular accounting field and how it works.

But, perhaps most important of all is the question of general aptitude – namely, that of having a leaning towards the mechanical, the scientific and the practical affairs of life. For if he is to provide management with the figures they need and correctly measure the financial effect of what goes on in the works, he must 'get under the skin' of the works. To do this, he will need to feel at ease in the smell of machine oil, amid the clatter of machinery and the general hubbub of money being made. For he must feel at home in the works and have a natural inclination to find out 'what makes the wheels go round', because the financial problem is almost invariably insoluble without a sound understanding of the production technicalities involved (*The Accountant* February 12 1955: 182).

For the English Institute, the moral was that industrial experience might one day have to be accepted as a valid basis for membership (a development which did not actually take place until 1991). For the Institute of Cost and

Works Accountants, it was that their claim to the emergent field of management accounting, as well as their present competent practice of cost accounting depended on an acquaintance with operational processes.

Besides the emphasis on the certification of practical experience, the claim to practicality was concretely expressed in the examination topic 'Factory organisation, equipment and production methods' which was one of nine papers at intermediate level and one of six at the final stage. The syllabus for this topic was designed to allow candidates to demonstrate an acquaintance with the particular production technologies of their own industries.

If a monopoly of cost accounting could be claimed on the basis of 'practicality', it appeared that a presence in, if not a monopoly of, management accounting could be claimed on the basis of a mastery of cost accounting. The two key themes here were that the effective management of finance depended either on a grasp of costing technique or an acquaintance with the actual cost structure of a business (*The Cost Accountant* December 1953: 217 and December 29 1956: 678).

In the ideological formation of the 1950s, therefore, the Institute's claim to management accounting rested on its mastery of cost accounting. The claim to a particular competence in cost accounting, in turn, rested partly on the 'practicality' of the Institute's scheme of training. At the time, this 'practicality' was substantively expressed both in the examination syllabus and practical experience requirements.

The Attempt at a Two-Tier Mode of Social Mobility

The first attempt to adapt the knowledge base of the Institute to the expanded concept of management accounting came early. It was not the original intention of the Council of the Institute that the membership should migrate en masse into the practice of management accountancy. Rather it was envisaged that this would be the province of an elite Fellowship grade,

. . . While Associate membership of the ICWA has long been recognised as the appropriate qualification for the cost accountant and indicates that the holder possesses a good part of the knowledge required by the management accountant, no recognised superior qualification is offered by any professional body to indicate overall competence and adequate experience to the senior appointments in management accounting (*The Accountant* September 29 1951: 284).

As it was originally announced, the primary route to the Fellowship of ICWA was to be by examination, though an experience requirement was built in from the beginning. Probably because of the *de facto* involvement of members of the English Institute in management accounting, this examination was to be open to members of other accounting bodies.

Indeed, the article in *The Accountant* quoted above suggested that the impact of the scheme would depend on the support given to it by senior members of these other bodies, expressing a prescient pessimism on the grounds that, 'Many members of the senior Institutes have distinguished themselves without the need for further study'.

This observation indicates a dilemma confronting any project aimed at the annexation of an existing managerial practice. On the one hand, such an annexation depends on the establishment of entry credentials. On the other hand, without a critique of current practice, it is difficult to establish the need for these. Although the discussions of management accounting within the Institute were replete with generalized lamentations over the lack of influence of accounting, these were notably short on the specification of the benefits foregone. In consequence neither the existing practitioners of financial management nor their employers, were ever furnished with a clear rationale for the new examination. To be fair, even good reasons would probably have had a thin time of it. The hostility of British employers to the contemporary Urwick scheme of management education (*The Manager* May 1960: 35) is a good indication of the strength of the anti-theoretic antibodies within the 'practical' managerial culture of 1950s Great Britain. Virtually any attempt to attest managerial expertise by examination would have been resisted. These problems were compounded, however, by the nature of the examination itself and by the Institute's own policy towards it.

The examination was first held in 1953. There were eight papers in all, the syllabi for seven of which replicated topics covered in the main grade (Associateship) examination. All that distinguished the Fellowship examination, in fact, was a three hour paper in management accounting, covering the management of capital and budgetary controls. Whilst the substantial degree of overlap between the Fellowship and the Associateship examinations might be read as an assertion of the centrality of costing to the expanded field of management accounting, the implicit claim that a single three-hour examination could be an adequate credential for the practice of a supposedly major component of senior management was not obviously credible. In the event, the examination attracted only about one hundred candidates per annum of which only about fifteen were successful. This low take-up indicates very clearly that the examination was not created in response to popular demand within the Institute. Rather, the Council was attempting to lead a (partial) collective mobility project through a change in the knowledge base of the profession. The new examination was the instrument of this policy.

Even before it was implemented, this strategy encountered a problem rooted in the nature of institutional status structures. The creation of new Fellows by examination posed a threat to the status of those currently accepted as senior within the Institute on the basis of long service, or of eminence within the companies for which they worked. Even before the first

examinations had been set and marked, an Extraordinary General Meeting agreed that those associates who had held senior positions in management for 5 years or more could become Fellows without taking the examination. Further, in order to stimulate the interest of these members in obtaining the qualification, a considerable number of chief cost accountants or the equivalent were contacted and a register compiled of those willing to apply for the Fellowship. This trawl yielded 630 names, of which 247 later applied and 213 were successful. Under the impetus of these initiatives, the number of Fellows rose from 580 in 1951 to 1109 in 1961 (Banyard 1985: 51).

While this might have achieved the objective of establishing a senior grade of membership in a numerical sense (Banyard *op cit*) and whilst it might have preserved a number of at-risk egos, it also destroyed much of the incentive to take the examination and further undermined the credibility of the Fellowship as a certification of expertise beyond that ordinarily gained through managerial experience. As Kilvington put it with the hindsight of 1974,

Unfortunately, it meant that there were two distinct kinds of Fellow; there were cost and works accountants of the old school, with little knowledge of management theory and little knowledge of accounting generally, and those qualified to call themselves management accountants.

Without wishing to belittle the old guard in any way, some were far more technical men [*sic*] than they were accountants and the widening of the Fellowship gave them the appearance of having an expertise that they would not have claimed for themselves (*Management Accounting* December 1974: 327).

Throughout the 1950s, the number of Fellows qualifying by examination remained a small fraction of the total and the examinations were discontinued in 1963.

The Tension between Managerial Credibility and Exclusivity in a Professional Knowledge Base

The failure of the two-tier strategy meant that the Institute's claim to the practice of management accounting now had to rest on the knowledge base embodied in the main Associateship examination. In the year following the abandonment of the Fellowship examination, the process began of creating an Associateship syllabus, '... designed to cover the activities of management accountant in the widest interpretation of that term (as being equivalent to the controller or financial director of a business enterprise)' (*The Cost Accountant* June 1962: 182). The 1964 additions to the syllabus included two papers on financial accounting, one on advanced accountancy and financial management, one on management principles and practice and one on taxation. On the other hand, the test of basic process knowledge was reduced to part of a single first-stage paper where formerly there were papers on the topic at intermediate and advanced levels. Thus the know-

ledge base was expanded into the territories of financial and general management, whilst the emphasis on the 'practical' knowledge of production processes was diminished. A further revision of the syllabus in 1976 continued the 1964 pattern, with the addition of the topic of corporate planning in the final stage examination.

Sometime president Banyard's retrospective assessment of the 1964 syllabus can stand in the place of any comment from the sociologist. In Banyard's view the diminished emphasis on knowledge of the productive process resulted in, 'a system of examinations which were more financially oriented than multidisciplinary, which was probably an inevitable consequence of targeting more towards director level and competing with chartered accountants entering industry, rather than remaining in a more specialist role' (1985: 55).

The problem was to maintain a concrete basis for claims of 'practicality' within a syllabus increasingly orientated towards the 'senior management' topics of company strategy and the management of finance. The tension was a real one, since the ideology of practicality was still the subject of authoritative expression at the time of the 1964 syllabus. Past president Risk, for example, speaking at an Institute branch dinner, stated that, 'The prime requirements [for the practice of management accounting] are a knowledge of productive methods, processes, raw materials and the men [*sic*] who handle them' (*The Cost Accountant* November 1963: 418–434).

At that stage, this claim was not necessarily in contradiction with the diminished test of operational knowledge in the examination syllabus. What it did mean, however, was that claims of 'practicality' rested increasingly on the experience also required for Institute membership. As Banyard observed, other accounting bodies now recognised the importance of cost accounting and the uniqueness of the Institute's knowledge base therefore depended increasingly on the experience requirement (Banyard 1985: 77).

During the 1980s, however, a new element entered the Institute's strategy which made it increasingly difficult to sustain the element of 'practicality' in the experience requirements. As early as 1973 a letter from the secretary of the Institute to the editor of *The Accountant* had objected to an identification of the Institute with manufacturing, on the grounds that its constituency was now much broader (*The Accountant* September 13 1973). During the early 1980s, the Institute's student guides began to stress the employment opportunities for members in, 'central and local government, nationalised industries, service industries, banking and insurance, as well as manufacturing industry' (*Student Guide* 1986: 7). As if to reinforce the message, Institute annual reports began to include pie charts of the employment distribution of the membership. These showed manufacturing (defined for the purpose as a category distinct from engineering) as a relatively minor and declining career path (14% according to the 1986 *Annual Report*: 19).

Whilst the policy of recruitment outside the declining ghetto of 1980s British manufacturing made a lot of sense, the fact was that the manufacturing sector remained the largest single employer of CIMA members, both experienced and newly qualifying, even at the end of the 1980s (about 35% in 1989). The qualification requirements, however, were changed so as to reflect the policy of diversification, rather than the actual employment distribution of the membership. The implications for the practical experience requirements were spelled out by Banyard,

Another important issue was that with the changing balance to more service industries and to more government employment, operational accounting experience requirements for membership should be capable of being fulfilled through such experience' (*Management Accounting* June 1983).

This policy required a broadening of the practical experience requirements so as to admit a wider variety of experience. In consequence, it has so far proved impossible to insist on hands-on experience of operations. The problem is that there are service sector organisations whose core activity coincides with that of peripheral staff departments in other sectors. This makes it difficult to accept the validity of the former type of experience whilst denying that of the latter. The result is that the current requirement for practical experience can be satisfied without first-hand experience of operations. In this respect, the claim of 'practicality' has now lost its last concrete expression within the Institute's qualification requirements. Insofar as these define the knowledge base of management accounting, the latter no longer constitutes a distinctive expertise within accounting, or indeed, within business management in general.

In the context of an expanding market for accountants, the Institute's long-range strategy has been a success. The membership figures quoted earlier indicate that the Institute is now a major managerial profession with members in the highest reaches of the corporation. Management accounting techniques, moreover, are now hard-wired into the typical system of corporate control. Yet the recent Bromwich and Bhimani report (1989) on possible futures for management accounting is shot through with unease and indecision. There are two reasons.

The first is that the goalposts may be about to move. The explicit remit of the Bromwich and Bhimani report was to consider the implications of new technologies and Japanese methods of business organisation for the future syllabus of study. Both developments imply a trend towards non-hierarchical forms of organisation in which dense flows of operational information replace formal systems of financial control. In this respect, the existing stock-in-trade of the management accountant may now be under threat, particularly since the abandonment of 'practicality' may have lessened the ability of the 1990s management accountant to handle non-financial information.

The second problem lies in the tension between exclusivity and the

managerial credibility of the Institute's knowledge base. Management accounting as an outline scheme of corporate control is now taught, not only to members of other accounting Institutes but also, at a more basic level, to the nation's massive and growing output of business studies graduates and Masters in Business Administration. In this context, the de-emphasis of the nuts and bolts of cost accounting and abandonment of 'practicality' make it difficult to see how the Institute can claim even a competitive advantage in the practice of management accounting, let alone a monopoly. The recent downturn in the job market for qualified accountants leaves members in an exposed position.

Discussion: Knowledge and Collective Mobility in the Organisational Professions

The postwar collective mobility project of the Chartered Institute of Management Accountants sheds considerable light on the professional organisation of knowledge within capitalist control structures.

Firstly, some elements of the terminology of contemporary managerialism constitute a geological record of the linguistic 'mobilisations of bias' associated with particular collective mobility projects. A mobilisation of bias is a deliberate promulgation of selective views of the world in order to unify collectivities behind particular courses of action (Bachrach and Baritz 1970: 43; Batstone *et al.* 1977: 249; Armstrong *et al.* 1981: 159 ff). In the Institute's case, this was achieved through the piecemeal social construction of the meaning of 'management accounting'. The term served at once to assert the connection between cost accounting and senior management practice, the essential unity of the field so mapped out, its rightful possession by members of the Institute and as a focus for attempts to construct a market for the services defined as management accounting. That the term is now part of the twentieth century lexicon is testimony to the success of this social construction of meaning.

The Institute's initial strategy was that this newly defined field of practice would be the province of a senior grade of member, whilst the main grade would be left to continue with cost accounting. As policy, this appears to be consistent with Johnson's observation that the involvement of the organisational professions in the global functions of capital results in horizontal differentiations of power and privilege (Johnson 1977a, 1977b, 1980; Armstrong 1985: 134). Yet the strategy failed.

The reasons are illuminating. Because the senior grade of membership was to be a certification of expertise, admission to it was to be by examination. This, however, constituted a threat to the status of those senior practitioners within the Institute who had not taken the examination and might not have passed it if they had. Since it was they who were taking

the decisions, the Fellowship was opened up to existing senior practitioners without examination, thus undermining the Institute's own case for an examination. For Johnson's thesis, the implication is that a deliberate horizontal differentiation of the membership of an organisational profession in order to target different levels of capitalist administration needs careful handling. On the other hand, it remains possible for horizontal fission to arise after the fact, as a *de facto* recognition of the different levels of managerial post occupied by members.

The attempt to introduce a qualification for the practice of management is also illustrative of the tendential counter-productivity of such a strategy within the pragmatic management culture of British capitalism. Whilst Collins (1979) and others may be correct in positing a society-wide tendency towards credentialism, the seventy year struggle to establish management education in the U.K. (Armstrong 1986) demonstrates that this has encountered considerable resistance in the key area of capitalist management. In effect, usurpatory collective mobility projects in this area (Parkin 1979 Chap. 5) are confronted with a dilemma between critique and differentiation. If they are based on a critique of existing management practice, they are likely to threaten existing practitioners and so find it difficult to gain support. If, on the other hand, the aim is merely to gain a foothold in managerial work as it presently exists, there is the problem of substantiating claims of a particular competence. In the case of the cost accounting, this claim was originally based on elements of 'practicality' within the Institute's knowledge-base. In this respect, there is an interesting parallel with the 1950s occupational ideology of mechanical engineering, which also stressed a 'practicality' rooted in traditions of part-time study (McCormick 1985). This parallel prompts the further suggestion that 'practicality' may be an ideological recourse common to the subordinate organisational professions and one peculiarly suited to a dominant management culture whose rejection of credentialism is based on 'practicality'. If so, it is a recourse which involves dilemmas of its own. As the present study has shown, the particularity of 'practical' knowledges may co-exist uneasily with the abstraction and generality of those knowledges associated with senior management practice. Any resolution of this tension in favour of the latter, as has taken place in CIMA's syllabus, creates problems in establishing the managerial advantages of the Institute's qualification.

At the level of the typical system of corporate control, the collective mobility projects of subordinate organisational professions involve a contradiction. On the one hand the existence of managerial hierarchies creates the incentive for collective mobility projects. On the other hand collective mobility for the subordinate organisational professions involves a convergence of their knowledge bases within the common ground of corporate management. The corollary is a de-emphasis of those elements of know-

ledge associated with subordinate positions. Some of these subordinate knowledges, as with the case of the cost accounting institute, are associated with the monitoring and control of the labour process. Thus competition between the organisational professions may lead to the neglect of, and stagnation in, the techniques of immediate labour process control (Armstrong 1989). In the context of Anglo-Saxon management accounting, this contradiction is symptomised in current debates on a supposed crisis in costing technique (Johnson and Kaplan, 1987).

For the organisational professions themselves, this contradiction appears as a dilemma of educational policy. On the one hand, the credibility of a qualification for the practice of senior management involves the incorporation of knowledges in which competing professions also have an interest. On the other hand, the claim of a *particular* suitability for senior management implies that the knowledge particular to the profession should be retained. In other words, there is a tension between the managerial credibility of a knowledge base and the ability of a profession to monopolise it. This is one source of the anxieties current in Chartered Institute of Management Accountants, despite the outward success of its collective mobility project. The other is that the techniques of corporate level control may be about to change in ways which threaten to leave the Institute's current knowledge base high and dry.

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