

Accounting in new public management (NPM) and shifting organizational boundaries

Evidence from the Greek Show Caves

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Abstract

Purpose – The purpose of this paper is to examine how accounting is implicated in the creation and maintenance of organizational boundaries. The analysis focuses on organizations subjected to conflicting objectives as a result of new public management (NPM) reforms.

Design/methodology/approach – The analysis is based on case studies of four cultural organizations (Show Caves) in Greece. Data are collected from semi-structured interviews, informal discussions and document analysis. The paper draws on Bourdieu's concepts of "field", "capital" and "habitus" and Llewellyn's analysis of organizational boundary maintenance.

Findings – The study observes that NPM reforms contributed to shifting organizational boundaries – from cultural/archaeological to economic/financial and this resulted in conflicting organizational objectives. This subsequently created conflicts between key actors (municipal politicians, professional managers and anthropologists). These actors, depending on the positions (and habitus) they occupy, and the capital (political, cultural and symbolic) they hold, are able to bargain for resources (economic capital). The conflicting objectives (archaeological/cultural/historical, political and commercial) that emerged and the tensions that arose between the key players shaped the identities and boundaries of the Show Caves.

Originality/value – The study makes an original contribution by revealing the complexity and struggle between actors and the role of accounting in managing the boundaries. For example, the study explains how financial threshold and accountability structures function within these cultural organizations that are subjected to conflicting objectives in the context of NPM reforms.

Keywords Greece, Bourdieu, New public management (NPM), Boundary maintenance, Show Caves

Paper type Research paper

1. Introduction

The paper examines how accounting creates and maintains organizational boundaries in the context of NPM reforms and conflicting organizational objectives. According to Llewellyn (1993), the boundary setting and maintenance of organizations include creating thresholds, binding structures and shifting boundaries and tensions. The empirical evidence presented in the paper is drawn from case studies conducted in four Greek Show Caves. During the last few decades, the Greek government has transformed its tourism industry into a source of income of primary significance. The government has changed the "financial thresholds" and



“binding structures” of the industry and pushed the organizations, such as Show Caves towards business-like practices because of cumulative pressures of decreased demand, economic recession, and governmental distrust of the nationalised industries and adoption of neo-liberal policies. As part of this reform, the Show Caves became major tourist attractions and currently attract over half a million visitors per year and contribute substantially to the national economy in terms of revenue and employment, as well as to rural development, as they are all located in rural areas. They are thus very significant in the drive to develop the tourism sector in Greece. Despite this development, very little empirical research has been conducted on their management issues. In fact, the few published studies on the Show Caves are in the area of archaeology.

This lack of research on managerial issues in general and accounting more specifically in the Show Caves is not surprising given the “cultural organizations” (Denison, 1990) (organizations that composed physical artefacts with cultural meanings) have not received much attention from management and accounting researchers (exceptions include, Pentschler and Potter, 1996; Christiansen and Skaerbaek, 1997; Everett and Jamal, 2004; Oakes and Young, 2008; Jayasinghe *et al.*, 2011). In these few published accounting studies, Pentschler and Potter (1996) examined the accountability clash with the artistic development in the case of non-profit museums and a performing arts organization; and Christiansen and Skaerbaek (1997) examined how and why management control systems implemented in the Royal Danish Theatre became watered down as various actors play their games at different levels of the organization. Everett and Jamal (2004) studied the role of power in multi-skate-holder collaboration convened by a scientific task force to resolve an environmental conflict in Canada’s Banff National Park, while Oakes and Young (2008) undertook an archival study on the accountability issues in Hull House (a settlement house in the USA that was co-founded in 1889). More recently, Jayasinghe *et al.* (2011) focused on the role of accounting as a language in the organizational change at a Museum railway organization in UK. But, these few published accounting studies raised at minimum issues concerning NPM in the “cultural” sector, and in fact the small cultural organizations such as Show Caves have been largely ignored by accounting researchers. This paper is designed to address this gap in the literature and contribute to our understanding of how the boundaries of these unique organizations are managed especially within the context of NPM reforms.

The Show Caves are unique in that they are archaeological sites and must be preserved as national monuments but they have also been under pressure in recent years to modernize, compete and generate profit as a result of the introduction of new public management (NPM) reforms. The majority of the Show Caves are owned by the Municipal Council and therefore are subject to local municipal politics. They provide a source of education and cultural identity and fit into what Jegers and Lapsley (1998) described as “strange organizations” because of their twofold and sometime conflicting objectives. The main focus of the paper is to understand how the Show Caves cope with these conflicting objectives and use accounting to manage “shifting boundaries and tensions” within the context of the NPM reforms. The introduction of NPM expected these organizations to create separate accounting entities with financial thresholds and binding structures. As Llewellyn (1993, p. 11) points out, financial accounting is, in the main, concerned with establishing “financial thresholds” which manage the boundary between the organization and its environment, e.g. producing financial accounts and information to external parties while management accounting is, primarily, involved in

the reproduction of “binding structures” which preserve organizational unity, e.g. producing management information. However, the NPM reforms forced a significant shift in the Show Caves’ boundaries; financial thresholds and binding structures and created tensions within these organizations, because the municipalities were treating the Caves, not as separate accounting entities, but as part of a “broader organization” under their political control. The paper uses Bourdieu’s (Bourdieu, 1985; Oakes *et al.*, 1998) notions of the “field” and “habitus” and Llewellyn’s (1993) articulation of accounting and organizational boundary maintenance to tease out how various actors interact and conduct themselves and also, presumably, how accounting principles struggle to define boundaries and practices in the Show Caves in the context of NPM reforms.

The remainder of the paper is organized as follows. The next section presents a brief overview of the literature on NPM followed by a section on theory development. The research methods are presented followed by a brief background of the Show Caves. Following this section, the results (incorporating discussions) are presented. The final section provides some concluding comments.

2. The role of accounting in the NPM

The concept of NPM has drawn a lot of attention from both advocates and critics alike over the past two decades (Dunsire and Hood, 1989; Hood, 1991; Lapsley, 1999; Thompson, 1997; Modell, 2000; Bromwich and Lapsley, 1997; Jones and Thompson, 1999; Pollitt, 2000; Grandy, 2009; Gregory, 2009; Bogt, 2008a, b; Talbot, 2010). NPM is a coinage which is intended to portray a paradigm shift and advocacy for an informed, effective and efficient public sector management (PSM, Bogt and Van Helden, 2005; Osborne and McLaughlin, 2002; Duncan and Chapman, 2010). The concept implied a “private sector-like” PSM aimed at efficient service delivery, reduced cost and the creation of public value for the tax payers’ income (Talbot, 2010; Battaglio, 2010; Kloot and Martin, 2000). The wave of change expressed by NPM swept across PSM in many countries with New Zealand, Australia, the UK and even some initially sceptical countries like Japan and India feeling its impact (Opedal and Rommetvedt, 2010). Although much of the reform interest of NPM has been tailored towards reforms in government functionaries and establishments, it has also attracted favour among organizations such as NGOs who are keen to improve their performances and fashioning out a public enterprise management strategy that appeals to public interest and creates value devoid of public scrutiny and criticisms associated with older management styles (Pollitt, 2000; Palermo *et al.*, 2010).

The rise to prominence of NPM has raised certain concerns as to what exactly the initiative has to offer that is different from previous models of public administration, and how such phenomenon could be interpreted (Hood, 1991). Central to the NPM paradigm was the role of accounting which has been considered to be the driving force for efficiency and accountability in the management of the public sector (Lapsley, 1999). The evolution of NPM has encouraged an invigorated approach to key management components like budgeting systems, planning and management by objective and corporate administration poised at making public office holders accountable and emphasising quantifications as a standard of determining achievements (Aucoin, 1990; Hood, 1995; Ferlie *et al.*, 1996; Lapsley, 1999; Brignall and Modell, 2000). This implied change(s) in existing “organizational boundaries”; financial thresholds and structural arrangements/bindings in the public sector following the advancement of the NPM concept represents an effort to institute control

in the reporting system and project a high sense of accountability in the management of public offices (Llewellyn, 1993, 1993; Halligan, 2007).

NPM and the shift of organizational boundaries through accounting

The administrative doctrine and associated accounting reforms of NPM espouses private sector-like accounting practices and elements of management with a resultant expectation of a more effective and result-oriented public sector (Lapsley, 2009). The implementation of NPM and the accompanying “shift in organizational boundaries” (e.g. structural) and reporting reforms in public sector organizations could be considered as notable changes to the public sector accounting systems (Lapsley, 2009). The initiation of NPM that keyed up a shift in these “structural bindings” of PSM has had a significant influence on financial and management accounting as well as other aspects of financial management, strategy implementation and human resource management. As Bogt (2008a,b) pointed out, these changes broadly accompany privatization of public sector enterprises, decentralised organizational structure and innovative application of information technology. Hood (1995) suggests that changes that followed financial and management accounting in the public sector during the 1980s were actually fundamental to the prominence of NPM and its associate elements. Lapsley (1999) argued that accounting has not just been essential to the NPM led reform process in the public sector, but is an imperative element of the process leading to the transformation (shifting boundaries) of the public sector. He argued that accounting is an evolving phenomenon and has the “capability for change” and “managing tensions” during the NPM led shift of organizational boundaries (also, see Bromwich and Lapsley, 1997).

However, the NPM story has not been a complete success as critics have raised certain questions about the efficacy of the NPM model and the suggestion that NPM would lead to greater cost-efficiency, public values and legitimacy (Tambulasi, 2009). The NPM reform process, the pursuit for “financial thresholds” and “binding structures” of accountability and moral order in the public sector has engineered a more complex governance process than anticipated (Wallis and Gregory, 2009). This position has been echoed by Dunleavy *et al.* (2005) who noted that, although the impact of NPM remains felt in many countries, the rate of acceptance and applicability has seen a slower spread and in certain cases has been overturned. This follows the complexity in policy and other institutional factors and tensions associated with the NPM paradigm (Dunleavy *et al.*, 2005; Battaglio, 2010).

Our case studies in the Greek Show Caves reflect how the above discussed NPM reforms and tensions have been forced into “cultural organizations” that were traditionally structured as non-profit making and hence subjected to a public sector mode of management. We illustrate in the paper how these NPM reforms and their demand for a shift in “financial thresholds” and “binding structures” towards private sector-like management clash with the traditional socio-cultural objectives of the Caves.

3. Theoretical framework

A theoretical framework is articulated which builds on the ideas of Pierre Bourdieu (Bourdieu, 1984, 1990, 1999; Bourdieu and Wacquant, 1992, p. 101) and their applications to some accounting studies, especially in the works by Oakes *et al.* (1998), Kurunmaki (1999), Neu *et al.* (2002, 2006) and Jayasinghe and Wickramasinghe (2011). Building on Bourdieu’s theory of practice, Oakes *et al.* (1998) explored the use of language in

business planning in a changing institutional field; Kurunmaki (1999) focused on the Finnish health care system; and Neu *et al.* (2002, 2006) examined education-funding programme in a Latin American economy. Jayasinghe and Wickramasinghe (2011) reported in their study how the poverty reduction programme they studied in Sri Lanka was shaped by the two concepts that Bourdieu and his colleagues articulated: field and habitus. We believe that the pioneering works of Bourdieu and their applications by accounting researchers will help us to tease out how accounting perform boundary maintenance at the Show Caves we studied (particularly in the context of NPM reforms).

Our reading of Bourdieu shows us that his notions of field and habitus emerged from the social science debate on the agency-structure relationship. We find that while the micro-macro distinction has been the central consideration in North American social theory (Ritzer and Gindoff, 1994; Ritzer, 1996), the main concern in European social theory on the other hand has been that of the agency-structure distinction (Giddens, 1984; Archer, 1988). There are however similarities between the two analyzes since agents are micro-level actors and structures are a macro-level phenomena. In respect of structure-agency relationship, Giddens (1984) sees structure as a “duality” and thus agency is embedded in structure, and structure is involved in agency. Consequently, structure can enable and constrain the agency. In contrast, Archer (1988) separates the two, and analyzes their relationship in terms of “dualism” as opposed to a “duality”. Bourdieu and Wacquant (1992) extended the above social science debate by examining the structure and agency relationship in terms of field and habitus, and accounting researchers such as Oakes *et al.* (1998), Kurunmaki (1999), Neu *et al.* (2002, 2006), Everett (2002) and Jayasinghe and Wickramasinghe (2011) used this idea to examine how accounting and control systems operate beyond the rational imperatives of the organizations and how the multiple actors in different contexts produce and reproduce subjective structures and habitus in response to accounting-driven reforms. We find that this is quite matched with the analytical focus of our study. In fact by using Bourdieu we intend to analyse the responses of multiple actors towards the accounting-driven shift in the Show Cave boundaries (Lewellyn, 1993). We argue that Bourdieu’s theory is quite useful in exploring the idea of boundary setting because it is inevitable that differences in opinion and vision, different interests and personal irritations could happen when changing culturally sensitive boundaries. For example, in local settings such as Show Caves, some organizational actors may partially transform their practices, while others completely resist accommodating the interest of their counterparts.

Therefore, by reading Bourdieu’s previous accounting studies, we have identified four major ideas which would help us to conceptualise the “field” in the Greek Show Caves. First, “field” resembles networks of social relations and social positions. Because of that the struggles or manoeuvres over resources, stakes and access occur within these relations (Neu *et al.*, 2002, 2006). For example, consistent with Oakes *et al.* (1998), Everett (2002), Neu *et al.* (2002) and Jayasinghe and Wickramasinghe (2011) we argue that “field” resembles “games” in that different actors struggle to establish a monopoly over the valid type of capital and, hence, the mechanism of reproduction within the field” (p. 274). Second, the field is a specific structure defined in terms of hierarchies of capital. As Neu *et al.* (2002) observed, “[...] fields exhibit differing configurations and hierarchies of capital (i.e. economic, social, cultural and symbolic) depending on the nature of the field and its historical trajectory” (p. 274). Fields such as healthcare systems, educational funding projects or poverty reduction programs would operate

through such hierarchies, which form networks of relations towards establishing monopolies over capital. Third, depending on the nature of the field in question, re-productive requirements are guaranteed within the field to the extent that relational mechanism can establish a particular volume of capital. Thus, field cannot be fully conceived without defining capital in relation to field. Kurunmaki (1999) citing Bourdieu and Wacquant (1992, p. 101) explained what counts as capital in relation to the existing and functioning of field as: "A capital does not exist and function, except in relation to a field. It confers a power over the field, over the materialized or embodied instruments of production or reproduction whose distribution constitutes the very structure of the field and over the regularities and the rules which define the ordinary functioning of the field". What Kurunmaki discerned was that capital can be "economic capital", when healthcare decision-makers (politicians) possess the sources of capital for making decision about resources, or it can be "professional capital" when healthcare professionals have "clinical freedom". Finally, whatever the capital emerging from the field, there can be a struggle over establishing each other's capital. Such struggles involve "naming" things, e.g. NPM, poverty reduction, resource allocation, clinical freedom, preservation, etc., and establishing identities of each other. Oakes *et al.* (1998) explained this "naming" phenomenon as: "Naming is also powerful because it displaces names, identities and understanding that ground organizational actors, making it possible for them to manoeuvre comfortably within a field. Every field is characterised by the struggle to monopolise legitimate naming" (p. 272). Naming is thus a function that helps in the reproduction of a field in which capital becomes legitimised and powerful. However, this function is political as well as cultural, rather than merely procedural, as Bourdieu and Wacquant (1992) observed. Consequently, to the extent that projects, programs, etc., are named, and to the extent that relevant fields are constructed, capital exists and functions. For instance, Neu *et al.* (2002) identified that the World Bank has gained the power of naming "best practices" (cf. Annisette, 2004).

However, when field and its heterogeneous, political complexities are implicated in the functioning of capital, field would not be operating independently without involvement of agency because fields are subject to human capacities and interests. Bourdieu substitutes "habitus" for agency, which he defines as an internalised mental, or cognitive, structure through which people deal with the social world. As Neu *et al.* (2002) explained from Bourdieu, habitus are day-to-day practices on the part of the people, which have been structured as social institutions, or the "durably inculcated system of structured, structuring dispositions" (Bourdieu, 1990, p. 52). Everett (2002) observes that "habitus" is inculcated in the body and "exists in the form of mental and corporeal schemata which mediate perception, appreciation and action" (p. 65). Consequently, habitus can be seen in languages, values, beliefs, and the like. Be these habitus idiosyncratic or reasonable, they are "taken-for-granted yet guide our daily activities" (Bourdieu, 1990, p. 61, cited in Neu *et al.*, 2002). At the same time, "habitus" produce those characters of society, but in relation to a particular type and volume of capital within a particular field.

Previous studies have examined management accounting practices in organizations that have conflicting objectives and capital (Collier, 2001; Uddin and Tsamenyi, 2005; Dixon *et al.*, 2006). Jegers and Lapsley (1998) used the term "strange organizations" to describe some of these types of organizations which have similar features as the Greek Show Caves that we studied. They display diverse characteristics such as "the pursuit of excellence, but without a profit motive; altruism and wider societal interests as core motivations instead of narrower financial concerns; accountabilities which may prove

difficult to disentangle and measure with precision; diffuse ownership interests which do not necessarily manifest themselves in economic exchanges” (Jegers and Lapsley, 1998, p. 169). Apart from their complexities, some of these organizations also do not fit the so-called rational economic model (Gassler, 1988). Examples of such organizations include public sector institutions subject to NPM ethos (Collier, 2001); state-owned enterprises subject to the pressures of delivering social and economic outcomes (Uddin and Tsamenyi, 2005); non-governmental organizations subject to both social pressures and the pressures to be financially sustainable (Jönsson, 1998); and micro-finance institutions that have both social and commercial objectives (Dixon *et al.*, 2006).

We argue that Bourdieu’s concepts of the “field” and “habitus” are important in understanding the above organizations and in particular how they manage their conflicting objectives. As suggested by Oakes *et al.* (1998), Bourdieu’s concepts of the field and capital would have implications for how organizations create their identities, and also define their practices (see also, Albert and Whetten, 1985). Our starting point is to acknowledge that the Show Caves in particular operate within a “field” that contains actors, such as politicians, archaeologists/ anthropologists and professional managers. These actors occupy different positions and move in pursuit of maintaining and/or enhancing their extant positions in the field. The positions they occupy depend on the capital (e.g. economic, social or cultural) they hold, while the movements they make depend on what they see as the rules of the field, their capital and habitus (Bourdieu, 1999). The Show Caves face external pressures (e.g. NPM reforms) and struggle to produce conflicting objectives such as profit making, preservation and political benefits that mask the identity and boundaries of the Show Caves. To survive, the Show Caves have to design new thresholds and binding structures, degree of autonomy, clarity of objectives and decision making to define what they stand for and what the actors will accept as their legitimate identity and boundaries in the field. The boundary maintenance theory (Llewellyn, 1993) describes organizational boundaries that can be achieved by individuals (or collective agencies) by filtering and processing information to maintain an organizational identity in both physical and conceptual terms. Accounting in this context as an “informing technology” (Neu, 2006) creates new financial thresholds and binding structures and plays a catalyst role in managing the boundary tensions through the simultaneous pursuit of separation as an entity and integration as one unit. As Boland and Pondy (1983) suggest, the institutionally generated information, such as accounting is crucial for reconstitution of boundaries during the transitions of such NPM reforms. We wish to explore these issues later in the paper.

4. Research methods

The study adopts a case study approach and focuses on four selected Show Caves from Greece, hypothetically referred to as Alpha, Beta, Gamma and Delta. We have noticed that while there are many caves in Greece, only a few have been exploited and only eight are open all year round. We believe that the case study approach has the advantage of uncovering the actual processes of decision making and the role of management accounting information in the Show Caves. Limiting the study to only four Show Caves was necessary to provide an in-depth analysis of the underlying accounting and boundary management practices. In terms of data collection, semi-structured interviews, participant observation and informal discussion have been used to collect primary data (see Table I). The experience of one of the authors as a manager of one of the Show Caves was very helpful in gaining access and also for understanding the structure and processes of decision making.

In all, 37 people including mayors, senior, middle and junior managers in the four Show Caves were interviewed. Each interview lasted two hours on average. The interview questions focused on the Show Caves structure, decision making, the role of accounting information such as budgets, and external pressures exerted on the Caves, in the historical context as well as during and after the NPM initiatives.

The research process started with the researchers making contact with the people they sought to interview by telephone, before meeting them in person. A personal interview followed the telephone contact, with the researchers setting the questions in context. The interview procedure was that interviewees would be given the questions beforehand in order to prepare themselves so they would be able to highlight some evidence. As a result of successive interviews, some of the questions were changed or new ones introduced. In addition, the study relies on documentary evidence to corroborate findings from the interviews, observations and informal discussions. These documents are drawn from the Greek Municipal Code, memoranda and articles incorporating the Show Caves, and internal annual reports and board and management reports.

The interview transcripts were analysed primarily as a reflective process by the researchers with summaries of interviews and observations being fed back to interviewees to obtain their views on our interpretations. We explored through the analysis the actual practices and lived experiences of the participants. We then prepared tables listing issues frequently raised in the interviews and also those that emerged from our observations, informal discussions and documentary evidence (Potter and Wetherell, 1995; Yin, 2008). Several themes, such as the tensions between economic and cultural objectives of the Caves, political interference by Municipal Council, market pressures and NPM reforms, and changes in financial threshold and accounting/accountability structures were then identified. These themes were informed by our theoretical framework (Bourdieu's theory of practice and Llewellyn's boundary maintenance theory), literature reviewed and the experience of one of the authors as a manager in the Greek Show Cave. We used the "template analysis" method to analyse our case study data (King, 2004). We also developed analytical codes on the basis of these themes. Once the initial template was constructed, we worked systematically through the transcripts assigning sections of data texts to one or more appropriate codes. We followed a process of "progressive focusing" (Hammersley and Atkinson, 1997) where the analytical categories were defined loosely in the beginning but became specific as the analysis progressed. The next section briefly presents the background of the Greek Show Caves sector (field).

5. The cases: the "Show Caves" in Greece

The Show Caves in Greece have attracted important scientific interest because they relate directly to history, archaeology, mythology, religion, palaeontology and geology (Dermitzakis and Georgiadou, 1982). In general, the paleontological, anthropological and

Participants	Alpha no.	Beta no.	Gamma no.	Delta	Total no.
Mayors	1	1	1	1	4
Senior managers	1	1	1	1	4
Middle managers	4	4	4	3	15
Junior managers	7	4	5	2	18
Total	12	9	10	6	37

Table I.
Profile of
interviewees

archaeological findings of human and animal skeletons and skulls and tools and rock writing give support to the theory that the first humans on earth used the Caves as a place of abode and worship. Many Greek Show Caves have such life evidence, and they can generally be said to have provided material for the study of ancient Greek civilization. There is not only a direct relationship between the Caves, Greek mythology and folk traditions, but also between the Caves and religion. The Caves were places of worship of gods and demigods; sources of legends and tradition created by folk imagination; places of Christian faith, functioning, for example, as Christian catacombs; and also places for the construction of monasteries and churches (Petrohilos, 1984). Petrohilos argues that the Caves can be regarded as a component element of the tourist movement that provides mostly educational, scientific and aesthetic reasons for a visit. The Ministry of Culture ultimately has responsibility for all the Show Caves in Greece, but as part of its decentralization policy has given local councils (municipalities and prefectures) the responsibility for running the Show Caves in their areas, and in the case of one of the Show Caves (Gamma), has passed accountability to the Anthropological Association of Greece. The Ministry has retained the right to inspect all Show Caves.

Ownership of the Show Caves

Table II above presents some background information on the Show Caves. Alpha is owned jointly by the local municipal and prefectural councils, which, respectively, hold 80 and 20 per cent of its shares. Alpha is effectively run by a board of directors comprising a member of the Municipal Council as chairman and the following as ordinary members: the chairman of the local trade union, one civil servant, one civil engineer, one civil servant formerly employed by the Municipal Council, and one representative of the local farmers. Overall, Alpha is the largest of the Show Caves in terms of number of visitors, employees and total revenue. Beta was formed by the local Municipal Council and operates in accordance with the Municipal and Communal Code. The Show Cave is run by a board of directors composed of municipal councillors and representatives of trade unions and professional associations; its chairman is the mayor of the local Municipal Council. Delta is the oldest of the Greek Show Caves and is owned by the local Municipal Council, which bears ultimate responsibility for the Show Cave's activities. The chairman of its board of directors and one member of the board are municipal councillors, the same as Alpha and Beta, while the other board members represent various professional associations and trade unions. Delta employs more than 30 people, the majority of whom work as tour guides. Gamma is managed by the Anthropological Association of Greece, a private organization to which the Greek Ministry of Culture has delegated the responsibility for running the Show Caves in this locality. The chairman of the board of directors of Gamma is also chairman of the Anthropological Association of Greece, and all the members of the board of directors are also members of the Anthropological Association.

Table II.
Background of the
Show Caves studied

Organization	Ownership
Alpha	Municipality (80%) Prefecture (20%)
Beta	Municipality
Delta	Municipality
Gamma	Anthropological association

Financial performances of the Show Caves

The Show Caves generate nearly 80 per cent of their income from entrance fees (see Table III) which are set by the management of each Show Cave. However, they constantly monitor each other's prices, so entrance fees are usually identical across the Show Caves. This is consistent with the arguments of Pellinen (2003) that the hospitality sector is characterised by price taking, hence the limited role for cost information in pricing decisions. In addition to the entrance fees, however, in recent years the Show Caves have started generating income from selling souvenirs (videos, DVDs, CD-ROMs, videos, T-Shirts, etc.) and the operation of coffee shops and restaurants. Pricing of these products is, however, done on the basis of cost information, suggesting some sort of role for management accounting.

The major cost incurred by the Show Caves is on staff, which represents about 80 per cent of the total expenditure. The Show Caves have to make decisions relating to the balance between permanent and casual employees because of the seasonal nature of the tourism industry. Casual employees are in high demand during the peak season which is between March and October, when the Show Caves attract more than 80 per cent of the total visitors in the year. On the average the percentage of casual employees vary between 28 and 44 per cent in the four Show Caves. The highest percentage of casual employees (44 per cent) can be found in Delta and the lowest (28 per cent) in Gamma.

The analysis of the financial performance in Table IV shows that performance is comparable across the four Show Caves (though Alpha has recorded a slightly better performance). The operating profit percentage, return on capital employed and return on assets ratios are similar with Alpha recording slightly higher ratios than the other Show Caves. The expenditure on wages and salaries as a percentage of total revenue is very high in the Show Caves with Gamma recording the highest spent and Beta the

Caves	Average number of tourists/annum	Entry fees	Employees: casual/permanent	Average annual revenue	Additional annual revenue, e.g. souvenirs	Total annual revenue
Alpha	100,000	€7; €5; €4; €2.5	15/25 = 40	€500,000	€20,000	€520,000
Beta	90,000	€8; €5; €3	13/20 = 33	€490,000	€15,000	€505,000
Delta	85,000	€7.5; €5; €3.5	16/22 = 36	€450,000	€20,000	€470,000
Gamma	87,000	€7; €5; €4.2	10/26 = 36	€410,000	€13,000	€423,000

Table III.
Additional
Background
Information about
the Caves

	Alpha	Beta	Delta	Gamma
Operating profit: operating profit/sales (%)	7.7	6.6	7.5	6.2
Return on capital employed: operating profit/capital employed (%)	15	13	14	13
Current ratio: current assets/current liabilities	5.98	5.16	5.3	5.6
Return on assets: operating profit/total assets (%)	1.00	1.09	1.01	0.97
Wages and salaries expense/total revenue (%)	80	77	85	90
R&D expense/total revenue (%)	9.6	1.9	1.0	1.1
Marketing expense/total revenue (%)	5.7	2.9	2.1	1.1

Table IV.
Financial analysis
of the Caves

lowest. Alpha spent more on Research and Development and Marketing than the other Show Caves showing that it is perhaps more innovative.

To position themselves, the Show Caves have in recent years implemented several initiatives to enhance their competitiveness. For instance, in Alpha the management recently introduced a new service for students called “the environmental training into the Cave”. This programme was approved by the Greek Ministry of Education and several students have attended it so far. The management of the same Show Cave also introduced a 3D special room where visitors can watch other parts of the cave which they have been unable to visit. As noted by an interviewee, “All these services have been introduced based on some sort of financial analysis”.

6. Financial threshold and accountability structure in the Show Caves: prior to and after NPM reforms

The European Union (EU) during the last 30 years has financed large investment projects in Greece, which included the “framework projects” scheme where the Greek Government contributed 50 per cent of the total project cost and the rest is borne by the EU. The Show Caves also received tremendous benefits from this “framework projects” scheme. In a two stage investment support plan from the EU, the Show Caves were initially financed through the EU Leader programs (these focus on small businesses and rural development) and later through the EU Intereg programs (inter-regional programs between countries in the EU). The Show Caves spent these EU and Greek central government grants mainly for infrastructure development projects, such as market places, rest areas, stone roads, coffee shops, souvenir shops, 3D rooms, etc. For example, in 2006, Alpha financed its 3D room with a 25 per cent grant (25,000 euros) from the EU “Leader” programme and another 25 per cent (25,000 euros) from the Central Government with the balance coming from internal resources. Also the EU “Intereg” programme offered 100 per cent finance (300,000 euros) to both Alpha and Beta for the construction of shops at the Caves. That included 60 per cent (200,000 euros) from the EU and 40 per cent (100,000 euros) from the Greek Central Government.

The NPM was introduced into the Show Caves in mid 1990s (Presidential Act 410/1997) as part of Greece’s decision to enter the Euro Zone. Under the EU economic guidance, the Greek central government launched a NPM reform programme in their public sector enterprises. Accordingly, to qualify for the EU and Central government grants, as a condition, the Show Caves had to follow the central government’s NPM and private-like practices to improve their organizational efficiency and control. The Greek government laws which were published in Official Government Newspaper and the articles 277, 276, 291 of the Presidential Act 410/1997, article 21 of the Law 2218/1994, the Law 2190/20 and the articles 80 and 70 of the Presidential Act 30/1996 and finally the law of 2539/1997 stated; “the municipalities have the right to create “anonymous companies” with other entities such as “prefectures” and “trade unions” in order to do business in any field they want [...]. The above companies operate as private entities and should follow the private laws in order to make profits to their shareholders”. The passing of the above laws significantly changed the orientations of the Show Caves. The Show Caves have become more enterprising and have managed to set up profit making ventures such as coffee shops, selling of souvenirs, etc. In general, the NPM reforms have created a significant impact on the Show Caves sector: first, new bureaucratic criteria and control systems were introduced; second, an open-market competition was created between the Show Caves; third, a new private-like enterprise culture and organizational boundaries “financial thresholds” and “accountability structures” as defined by Llewellyn (1993)

were established; and finally, conflicting objectives (archaeological/cultural/historical, political and commercial) emerged and tensions were created between key players (anthropologists, municipality politicians and professional managers) regarding the identity and boundaries of the Show Caves, as the municipal authorities perceived the Show Caves as part of a broader “organization” rather than “separate accounting entities”. The next three sections discuss these issues.

Financial threshold and accountability structure prior to NPM: the previous practice

Prior to the introduction of NPM in 1997, bureaucratic public procedures were the main criteria for the operation of the Show Caves (Table V). The Show Caves, during this period, had been identified and operated in the boundary of “public corporations” spending their time and money to meet the bureaucratic public governance procedures. For example, in order to finance any investment the Show Caves’ management required the permission, first, from the Municipal Council, second, from the prefecture, third, from the region, and finally, from the ministry of culture. This highly centralised accountability and governance structure was informed by a traditional cash-based accounting system and a budgetary system.

Evidence obtained during the study suggests however that the accounting information generated from these systems played a very limited role in decision making in the Show Caves. A manager interviewed from Delta notes that “Until recently we did not have much competition and there was not much pressure on us to make profit so we did not care much about cost. For example, no rigorous project analyzes were undertaken for capital investments while budgeting was very bureaucratic and controlled by the cultural ministry and the Municipal Councils. The Municipal Councils in particular have a vested interest in the Show Caves as the Municipal Code stipulates that the money generated by the Show Caves can be used to finance activities within the municipality. Although the Show Caves have separate budgetary allocations from the cultural ministry and the central government, it was very common to see these budgetary allocations being diverted to fund other municipal activities. The Show Caves had a number of operational challenges as a result of budget deficits (due to central government financial problems), the diversion of funds by the Municipal Council (local municipal politics), over-staffing (need of satisfying voters in the municipality) and low-quality customer services (hiring of voters led to less qualified staff). These problems had provided a reasonable justification for the Greek government’s intervention in the Show Caves sector (field) and the introduction of the NPM reforms as explained below.

Financial threshold and accountability structure after NPM: the normative expectations

As stated before, the NPM was introduced into the Show Caves by the Presidential Act 410/1997 which gave the opportunity to the municipalities to create “anonymous companies” in order to generate revenue. Accordingly, the Greek Municipal Code allowed the Municipal Councils to establish “business enterprises” which should be managed by a board of directors, consisting of five to eleven members who are nominated (along with deputies) by the Municipal Council: two (at least) elected municipality representatives, one representative from company employees (provided the company has more than twenty employees) and one representative from the local municipality staff (e.g. from a professional association or a trade union) (Table V).

NPM reforms and accounting	Pre-NPM period	Post-NPM period (normative expectations)	Actual practices and implications
Financial threshold	<p>Public projects and preservation. Accounting is a part of central government accounting</p> <p>Cash based accounting, Cost-benefit analysis</p> <p>Budget is a part of central government budget</p> <p>Annual budgeting</p> <p>Main focus was on budget deficits</p> <p>Budget re-consideration at any time of the year</p> <p>Investment planning in November every year</p>	<p>Greek Municipal Code allowed the Municipal Councils to establish "business enterprises"</p> <p>Profit orientation and Show Caves infrastructure development</p> <p>Formalizing separate accounting entities</p> <p>Accrual based accounting</p> <p>Application of new accounting techniques; NPV, cost benefit analysis, balance scorecard</p> <p>A "separate and independent budget" of income and expenditure</p> <p>More frequent (1-3 months) budgetary review system regularly put proposals to the board of directors concerning pricing of new services, investment programs, hiring of staff and cost reduction programs</p> <p>Budget as a tool for performance measurement of Show Caves</p>	<p>A "strange mix" of both public and private-like financial thresholds</p> <p>Private-like financial thresholds and economic capital management were controlled and shaped by political capital and local habitus</p> <p>Show Caves altogether were run as one single "financial threshold" managed by municipals, because of their power through the ownership of political capital</p> <p>Municipals (political capital) treated Show Caves as cash-cows for their politically motivated projects</p>
Accountability/ binding structures	<p>A bureaucratic accountability and governance system</p> <p>Permission required from the municipality council, prefecture, region, and the ministry of culture</p>	<p>Management work independently and only responsible to the board</p> <p>The board of directors consist of five to eleven members who are nominated by the Municipal Council: two elected municipality representatives, one representative from company employees, and one representative from the local municipality staff. The rest of the board comprised of the residents or members of the municipality area who were experienced in or possessed knowledge relevant to the objectives of the company</p> <p>Management listen to the EU consultants' advices before making their investment decisions</p>	<p>Dual accountability towards the municipality and director board</p> <p>Managements' decisions were interfered and controlled by municipals through their councillors who represent the board</p> <p>Key actors (managers, anthropologists) follow a formally (director board) and "symbolically" (a "paradox of doxa", "symbolic violence") binding accountability structure to satisfy municipals' political economic interests</p>

Table V. Accounting for boundary management in Show Caves

The rest of the board should come from residents or members of the municipality area who are experienced in or possessed knowledge relevant to the objectives of the company. The general manager of Alpha stated that: "Our company has seven board members, two of whom are members of the Municipal Council, one is a representative

from the local trade union, one a representative from the Prefectural Council and the rest are local citizens". The law also requires that remuneration be given to the chairman and vice-chairman of the board of directors for their services in the company, which should be approved by the Municipal Council after having been proposed by the board of directors of the company. In the same way, remuneration could be paid to members of the board of directors for their participation in board meetings. The board of directors must communicate all its decisions forthwith to the municipality to which the company belongs, or which participates in the company. As seven out of the eight active Show Caves sector (field) in Greece (including three of the Caves we studied) were currently owned by the local Municipal Councils, their accountability and governance structures were guided by the Greek Municipal Code.

Identifying Show Caves as "separate business/accounting entities", the Municipal Code also stipulated that the management of municipal companies be based on a "separate budget" of income and expenditure, and that this budget should be "independent" of the management of the municipal or other communal affairs. However, the "same law" allowed profits generated by municipal companies (i.e. profit after depreciation and making provisions for future liabilities) to be used for the improvement or expansion of the premises of the company or offered to the municipality to fund charitable activities. If the Municipal Council decides to fund charitable activities from company resources, these might be performed by the municipal company itself on behalf of the municipality. The municipal law also allowed for amounts to be set aside for the reward of company employees. Specifically, board of directors of the company, assessing the company's goals, effectiveness and productivity, could keep up to 25 per cent of net profits in a special account for the provision of additional material rewards to employees as a form of motivation. The general manager of Delta states that: "The stipulations in the Municipal Code have resulted in a profit consciousness among us. Because of this many times our effort has been concentrated on expanding our services in order to increase our profits and consequently to increase our bonuses from the company. This means that we have to put pressure on our subordinates to work harder in terms of effectiveness and efficiencies". This has brought in a "strange mix" of public and private-like financial thresholds and accountability relations to the Greek Show Caves.

Under the NPM reforms and revised financial thresholds, the Show Caves were forced to use an accrual-based accounting system for their record keeping and reporting financial performances. The financial statements and reports were prepared to satisfy external auditors. With regard to the budgeting, the Show Caves decided to change their traditional annual budgeting system to a more frequent (one to three months) budgetary review system. Traditionally, investment decisions were made by the board in November, and these were included in relevant programs in the next annual budget. Under the Municipal and Communal Code, these programs could be reconsidered at any time in the budget year. However, with the changes under NPM, now every month, the general managers of the Caves considered proposals to vary the budget. Furthermore, the general managers regularly put proposals to the board of directors concerning pricing of new services, investment programs, hiring of staff and cost reduction programs. The boards of Show Caves have started to believe that the budget is not a bureaucratic tool but a tool of planning/strategizing the performance of the company.

Moreover, the Show Caves started applying innovative techniques in their decision making. For example, Alpha adopted the NPV method for their investment appraisal; Delta introduced the balanced scorecard system into their management control system;

while Gamma adopted a cost-benefit-analysis in project evaluation decisions. Also, the post-NPM encouraged the Show Caves to follow more rigorous analyzes of cost and revenue information to make rational decisions in their respective departments. For example, all the four Caves studied have been experiencing a continuous decline in revenue in recent years. Thus during 2000-2005, Alpha's revenues decreased by approximately 35 per cent and Delta's by approximately 42 per cent. Therefore, to be competitive, the Caves are coming under pressure to reduce their operating costs. Alpha, for example, adopted rigorous cost reduction strategies in early 2005 which have since resulted in a reversal of the profit decline it started experiencing in 2000. Also, in order to attract more visitors, Alpha has tried different promotional methods such as offering up to 30 per cent discount on tickets for visitors who purchase tickets for the Caves and intended to have lunch and/or buy souvenirs at the same time. All these analyzes and decisions were primarily based on cost information and also basic principles of cost benefits analysis. Addressing these post-NPM changes in the financial threshold, a manager at Alpha summarised: "We now pay attention to monitoring the budget and scrutinizing the company's income and expenditure. We have also started paying attention to cost information when pricing our services". A manager at Beta Show Cave said: "[...] The new public management led to the board of directors to advocate new methods for the management of the show caves. Especially now they do not fund the municipal investment but they concentrate on the funding of investment proposals made by the company. The board of directors started to think more in private terms than public ones [...]".

However, these post-NPM changes also led to more conflicts and power games between the key actors in the Show Caves sector; professional managers, municipal politicians and anthropologists/geologists/archaeologists. Each of them, depending on the positions (and dispositions) they occupy and the capital they hold, pushed hard to get money from the Show Caves' budgets to achieve their individual objectives, e.g. investing for public and political projects (municipals), and preservation and research (anthropologists). In the next section, by applying Bourdieu's (1986, 1990, 1997) theory of practice, we wish to make an analysis and reflection on this story.

7. Conflicts between capital in the field of show caves: the implications on accounting and boundary setting

As stated before, after the introduction of NPM reforms in 1997 EU and Greek central government invested their economic capital in the field of Show Caves (Table V). They expected that the Show Caves' professional management follow rational decision making, and develop private-sector like financial thresholds and accountability structures within their organizations. However, the distribution of this economic capital has been disrupted by the owners of cultural and political capital and systems of disposition ("habitus") shared by the key actors in the field (Figure 1). As explained before, according to Bourdieu (1990), the habitus represents a schema of perceiving, feeling and thinking which guides peoples' behaviour and is created by the interplay between the agents' actions and structures in the field over time. We noticed that numerous habitus were derived from the sources such as preservation and research interest (scientists), local traditions and community interests and political and public interests.

Cultural capital, habitus and social practices in the field of Show Caves

According to Bourdieu (1986), cultural capital can take many different forms, such as objectified cultural capital when it consists of physical objects that can be owned by

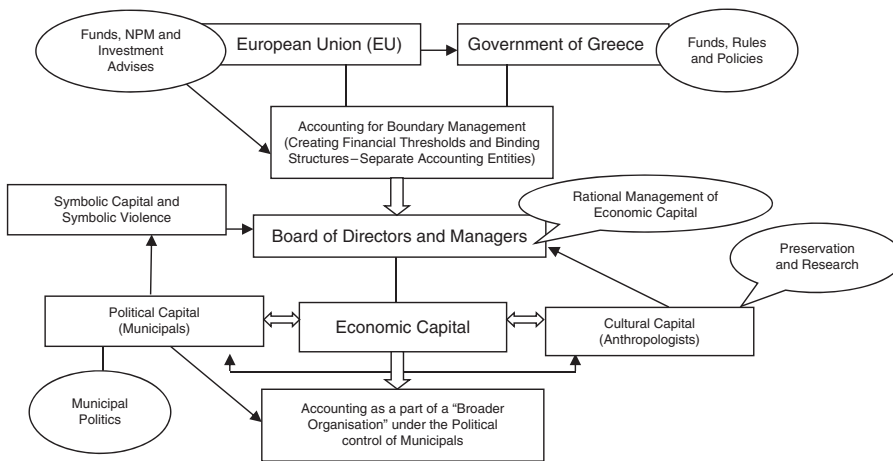


Figure 1. Capital, habitus and accounting in the “field” of Show Caves in Greece

actors or institutionalized cultural capital when actors own some credentials or titles. Historically, due to their heritage values (as national monuments), the Show Caves created considerable value of objectified cultural capital for its guardians, the Cultural ministry (Greece government) and anthropological association of Greece. Also the professionals such as anthropologists and scientists in Greece accumulated a certain level of institutionalized cultural capital as they had developed specific knowledge on heritage assets in Greece. These powerful owners of cultural capital, such as anthropologists often argue that considerable amount of EU and government grants should be allocated for the archaeological research and preservation of this cultural capital (Figure 1).

As we explained before, the Show Caves attract important anthropological and scientific interest and are considered places of worship (Dermitzakis and Georgiadou, 1982). Therefore, there was a generally accepted “social practice” by the actors in the Show Caves (field) that the Caves should be treated as national monuments and be preserved; as such, the Ministry of Culture often issues strict guidelines under which they operate; for example, the ministry must authorize any new services the Caves introduce. Their influence has been summarized by an interviewee from Beta: “Recently when the new director of the local ministry of culture took office he insisted that the Caves must preserve their archaeological status instead of being operated mainly for commercial purposes. He cited the various archaeological laws that the caves must comply with. These laws allow him to block the access for other Federal agencies, private organizations or individuals, if any project is expected to result in the loss or destruction of significant scientific, historical, or archeological data of the Caves”. Using these strict laws, the Ministry of Culture even tried to interfere in the research programs of the Caves; researchers who wished to study the Caves could be denied access if they did not have so called permission from the local department. This well-known “system of disposition” (habitus) of denying open access for the research community such as archaeologists was very common in the entire Show Caves field.

Also as the Show Caves represented some educational values, the Ministry of Education had issued strict guidelines to Show Caves companies on how to design their infrastructure projects. A manager interviewed at Alpha noted “Because many students visit the Caves, the Ministry of Education guidelines must be complied with

when we introduce any new infrastructure, for example, security rooms, etc". Therefore, it was a well-known "social practice" that when making any investments for preservation of these Show Caves, the Caves' management or municipality must conform to both the Ministries of Culture and Education guidelines in order to protect their historical status as national monuments and educational sites. Also the Show Caves were constantly striving for external legitimation as national monuments. For example, their management was regularly attending to the International Show Caves Association meetings in order to legitimize their status as national monuments.

Finally, the Show Caves also provided a source of cultural identity and symbolic value to the local community. Therefore, a local "system of disposition" (*habitus*) was established as the Show Caves must be preserved because of its representation of local history and tradition. The investment decisions in the Show Caves had been largely influenced by the active community groups in these small local towns. Sharing the views of the anthropological association of Greece (care takers of cultural capital), the local community groups were demanding the preservation of their traditions and local heritage. The influence of these community level *habitus* and cultural capital was common across the Show Caves.

Political capital, habitus and social practices in the field of Show Caves

Attracting over half a million visitors per year, the Show Caves play an important role in tourism development in Greece. As a result, local politicians are interested in running the Show Caves to generate revenue for their respective Municipal Councils. This is also facilitated by the previously mentioned fact that seven out of the eight active Show Caves (including three of the Caves we studied) are owned by the local Municipal Councils as the Greek Municipal Code had allowed them to establish business enterprises. Therefore, the municipal politicians such as Mayors possessed high political capital and power over the Show Caves management. In fact, the local Mayors sit on the board as chairpersons and the boards are managed by the directors, consisting of five to 11 members who are nominated (along with deputies) by the Municipal Council. It was pointed out to us during the study that the Show Caves are not independent in their decision-making processes, since the shareholders, i.e., the municipal and prefectural councils, directly influence their decisions via their representatives on the board of directors and indirectly via their power to change the board of directors. Most of these Show Caves had an investment consultant who was in charge of their investment programme and also responsible for the EU Projects and NPM reforms undertaken by the company. One of the responsibilities of the consultant was to make recommendations to the general manager, but these recommendations were very often influenced by the Municipal Council's agenda and political power and capital.

This situation has been further promoted by the fact that historically (pre-NPM stage), the Show Caves as public sector organizations were managed by the Greek government, cultural ministry and local Municipal Councils, under their bureaucratic control and command. Therefore, there was a local "*habitus*" (a system of disposition) developed over time (especially among the public), to respect the Municipal Council as the economic caretaker of these national monuments (Show Caves) and also the local economy (Figure 1). In fact, in the local government elections, the local public used to vote for the candidates based on their past contributions and future promises towards the Show Cave protection and local economic development, e.g. investments in public infrastructure projects. Also the municipal elections very often created uncertainties for the management and operations of the Caves, as changes in the municipal and

prefectural councils usually resulted in changes to the composition of the board of directors. Since there is a legislative requirement that the board of directors be reappointed by the municipality every November, its influence was self-evident. As one senior manager (Alpha) observed: “Any change in members of the board of directors that follows a change in the municipality’s administration leads to a change of influence in decision making at all levels”. This belief of other actors also created a symbolic capital for the municipal politicians, as they believed the political capital owned by these local councillors as legitimate. As cited by Bourdieu (1986, 1989) when one or more of those basic forms of capital become socially recognised as legitimate it enables owners of other forms of capital (here, the political capital) agents to have power and influence in society to cope with constraints. Because of this powerful political capital owned by the local Municipal Council and the influential local habitus in relation to the municipal politics, the Show Caves’ management was left with no other choice other than to pay utmost respect to the local councils’ interest and choices. The situation represents the point made by Bourdieu (1984); the positions the actors occupy depend on the capital they hold, while the movements they make depend on what they see as the rules of the field, their capital and habitus. This also related to Bourdieu’s (1989) notion of symbolic violence. According to him, the actors exercise, symbolic violence, when holders of symbolic capital (in this case municipal politicians) use the power or impose their thought structures upon dominated social agents (managers of Show Caves, anthropologists/researchers) who then take the prevailing social order to be a given. Moreover, the situation became worse, in Bourdieu’s (2001) terms this situation formed a “paradox of doxa”, as the existing order was perpetuated in the Show Caves field (municipals as supreme caretakers of local caves and community), and it was even respected by those who are disadvantaged (Show Caves’ managers). Overall, the municipal-owned political capital emerged as the biggest obstacle for successful implementation of NPM reforms, distribution of EU/government grants (economic capital) and also for the creation of financial thresholds and accountability structures within the Show Caves (Figure 1).

Competition between capital and accounting’s struggle to set organizational boundaries

As explained above, under NPM reforms, the EU and Greek government expected the Show Caves to adopt private sector-like financial thresholds and separate accountability structures (“organizational boundaries” – as defined by Llewellyn, 1993) and to create separate accounting entities within the field of Show Caves (Table V). However, the competition between different forms of capital and individually developed systems of dispositions (habitus) made the “boundary setting and maintenance” task of accounting in the Show Caves become extremely difficult. In particular, the professional managers at the Show Caves faced enormous pressure from the owners/guardians of cultural and political capital to ignore the EU recommendations (via investment consultants) for the benefit of their individual aims. The managers found it very difficult to establish financial thresholds as proposed by NPM, e.g. making investment decisions on the basis of NPV. In general, the Show Caves’ capital investment budgets were usually exceeded by the end of the financial year as political capital had the informal control over the capital investment decisions, rendering those rational budgets irrelevant. Thus, in all four Caves studied, the budgets were frequently revised to accommodate the interests of Municipal Councils.

In fact, the rational accounting and financial thresholds were immaterial for the local Mayors/councillors (political capital) because they needed that economic capital (funds)

to be spent for municipal projects, rather than investing on the infrastructure development of the Show Caves. For example, as explained to us by an interviewee, the Mayor of the local council of Alpha Show Cave, prioritizing the municipal needs, once decided to finance a municipal investment project without taking into account Alpha's company budget. For this reason, several times, Alpha had to borrow from the banks in order to finance and complete this municipal project. The interest of these local municipals (political capital) in accounting information is only limited to their "analysis of the budget deficit" and the extent to which they can divert the resources (economic capital) of the Caves to increase their influence on voters. The Municipal Code clearly specified how these companies should be run, including how their profits should be distributed. However, the resources (economic capital) of the Caves are often used to fund municipal activities contrary to the stipulations in the Municipal Code. The municipal councillors used their executive powers in the board meetings to control the budget allocations in their favour. For example, in Alpha, usually the mayor of the Municipal Council participated in board meetings specifically to finalize the budget and make recommendations for the municipal works. Also, as a part of Alpha's budgeting process, the budget proposal is sent to the municipal and prefectural councils for their approval, and the final budget, as approved by the municipal and prefectural councils, is then sent back to the company, together with a special resolution by the two councils. In another example, the managers at Beta expressed their frustration as their budgeting process had been highly politicized as a result of the influence of the Municipal Council. Beta's budget officer said; "Sometimes I face a dilemma when I am preparing the budget as the budget ultimately has to be approved by the Municipal Council. We have to incorporate municipal objectives into the budget". Regarding this situation, an Alpha board member said: "It will make more sense to invest the profits mainly in the company to boost our operations, but we are obliged to invest it in other areas of the municipality. Somehow, we must accept the political traditions set by the council and public". These findings from the interviews reflect how rational accounting in the Show Caves disappears in the context of "symbolic violence" (Bourdieu, 1989). The municipals use the "symbolic capital" (in which they acquired through the excessive ownership of political capital) against the economic capital (Cave managers) and the Cave managers, in return, as dominated social agents who then accept the prevailing municipal politics (social order) to be just.

Also, the municipal politicians felt that nothing was wrong (a "system of disposition" - habitus) with using the resources of the Caves to finance public interest projects. On this matter, a city councillor (Alpha) remarked: "I do not see anything wrong with using money generated by the Cave to finance the city infrastructure. Developments in the city such as roads to the city center can attract visitors to the Cave so investing money generated by the Cave in improving infrastructure in the city is important. Very often when we discuss about investment programs in the municipality we tend to use money generated by the Cave to finance them [...] We know that this is not an economic solution because we are taking money away from the Cave but we find this attractive because we can get money without the hustle of public bureaucracy". The Mayor of Alpha council said: "Many times I have to intervene during the year to draw money from the Cave in order to finance infrastructure projects in the city. I know that this could cause serious liquidity problems for the Cave but I have to take into account the developmental needs of the city and not necessarily the Cave alone". This was reiterated by the Beta council Mayor: "We encountered many problems when the Cave changed its way of preparing its budget. Before NPM, it was easy to get

money from the Cave to finance our public projects but since 2002 this has become more difficult because of the introduction of a new budgeting model based on private criteria (NPM). We lost most of those budget grants we used to get from the Cave. Many times, the head of the board said to us that the company must follow private sector criteria instead of public. We understand this view but the influence from the voters is so big that we have to disagree". In addition, the Mayor of the Delta council stated: "The new private regime changed the way municipal projects are financed. Several times my request for money from the Cave has been turned down by the board. I know that now the Cave must earn more money in order to survive but we also need this money in order to improve public infrastructure and to satisfy the voters [...]" Even at Gamma Show Cave, owned by the Anthropology Association, the decisions were still influenced by the municipal politics (political capital). This was summed up by a Gamma manager as: "The obvious influence of the municipality's administration on the final formulation of the budget has a negative effect on the achievement of the company's goals since there has been a transfer of financial resources to help the municipality achieve its goals rather than those of Gamma Company".

Then, as stated previously, the guardians of cultural capital (professionals such as the Anthropological Association of Greece, historians, archaeologists and anthropologists) also had significant influences on the financial decision making in the Show Caves. They expressed their dissatisfaction against the allocation of more funds towards municipal projects (to satisfy the interest of political capital (municipals)) and made demands for more funds (economic capital) for the preservation and archaeological research. They primarily represented the views, traditions and cultural interest (a habitus) of the local public. For example, the pressure of cultural capital on accounting was particularly visible in Beta and Gamma Show-caves. As stated by the general manager of Beta: "We change our project finance decisions and budgets frequently to take account of the anthropological society's desires. This influences the final outcome of the budget at the end of the year". Referring this situation, a city councillor of Beta municipality said: "the problems started when the NPM apply in the Show Cave. We had many arguments with the scientists because they want to invest all money to the Show Cave development instead of financing municipal projects". In Delta Show Cave, the influence of cultural capital was very much evident because of the presence of few anthropologists on the board of directors. The Delta's board of directors was represented by two municipal councillors (political capital); one of whom acted as its chairman, two representatives of local trade unions, and three members of the Anthropological Association of Greece (cultural capital). According to Delta's general manager "The influence exerted by the anthropological association members is crucial during voting on budgets. This sometimes makes the final approved budget out of line with the original budget developed by both the chief accountant and the general manager". But the power of cultural capital was perhaps more visible in Gamma Show Cave than in the other Caves because of its exclusive ownership by the Anthropological Association of Greece. The Anthropological Association appointed its own members on the Gamma's board of directors that included Gamma's chairman himself, a well-known anthropologist. According to the Gamma's governance code, the Anthropological Association has the final say on all project proposals put forward by the board. The activities of Gamma are therefore not completely divorced from the Anthropological Association. These findings reflect the on-going pressures from the cultural capital and how it competed with the municipals (political capital) for the control over economic capital distribution in the Show Caves (field).

Overall reflections

As the above sections highlighted, because of the competition between different capital, the setting up of private sector-like financial thresholds (e.g. budgets, resource allocations) and accountability structures (boundaries as defined by Llewellyn, 1993) within Show Caves had turned out to be an uphill task for the Cave managers (Figure 1). The NPM reforms demanded them to establish “separate accounting entities” (boundary) for each and every individual Show Cave. But because of the pressures of political and cultural capital, in particular the power of political capital exercised by the municipals, the Cave management had to channel EU and Greek government’ economic capital more towards municipal (political) projects (which was outside their organizational interest). Because the municipals (political capital) treated the Show Caves as cash-cows for their politically motivated projects, the Cave managers never had the freedom to implement their rational accounting choices (e.g. NPV results, budgetary allocations). In accounting terms, therefore, the Show Caves were run as one “common entity” managed by municipals because of their power through the ownership of political capital. The Caves’ individual budgets, investment appraisals, cash flows, all catered for this common “financial threshold” and created a formally as well as symbolically “binding structure” for the key actors in the Show Caves “field” to satisfy municipals’ political economic interests (Table V).

In Bourdieu’s terms, the analysis in this section reflects the influence of the system of dispositions (*habitus*) on the NPM reforms and its intended private-sector like accounting practices in the Greek Show Caves. The individual social agents, e.g. managers, politicians, anthropologists/scientists and the local public developed their own positions and a system of dispositions (*habitus*) against the NPM reforms and EU’s economic capital distribution in the Show Caves “field” (see Bourdieu, 1977; Bourdieu and Wacquant, 1992). In particular, the behaviour of the Cave managers represented a set of personalized dispositions in agreement with various forms of “local *habitus*” and reflects a situation of “symbolic violence” (Bourdieu, 1989), as they socially recognised the municipals’ involvement in the Show Caves as legitimate. It also created a “paradox of *doxa*” (Bourdieu, 2001) in which the existing order set by the political capital was perpetuated because of the acceptance of it by the managers (who were disadvantaged by it). Quite unexpectedly, the local *habitus* (as discussed in the above sections) were to a great extent congruent with the Show Caves “field”, while the Cave managers’ behaviour informed by the *habitus* was also likely to be in harmony with the “field”. Overall, the competing capital and the influence of *habitus* in the Show Caves field made the accounting system’s role of setting and maintaining organizational boundaries (in Show Caves) a significantly difficult task (Figure 1).

Moreover, the findings of the study revealed various ways that organizations can react when confronted with NPM reforms and revised financial thresholds. As previously noted, there is not much literature on accounting in the cultural organizations (exceptions include Pentschler and Potter, 1996; Christiansen and Skaerbaek, 1997; Everett and Jamal, 2004; Oakes and Young, 2008; Jayasinghe *et al.*, 2011) and only very little has been written on the problems in terms of focusing on how the “one size fits all” NPM reforms can be implemented within these organizations. Therefore, the findings of this paper provide a new insight to these cultural organizations and reflect how the degree of complexity and adaptability to newly set boundaries vary depending on their individual contexts defined by multiple actors, competing capital and *habitus*.

8. Concluding comments

This paper sets out to examine how accounting practices are implicated in the organizational boundary setting and maintenance, e.g. creating thresholds, binding structures and shifting boundaries and tensions, in the context of NPM reforms in the Greek Show Caves. The Show Caves are archaeological sites and have been preserved as national monuments but with increasing pressure from the introduction of NPM they had been forced to modernize, innovate and compete. As a result these Show Caves are now confronted with conflicting objectives – cultural/political on the one hand and commercialization on the other. During the last few decades, the field of the Show Caves in Greece has experienced a dramatic shift in power from cultural/political to economic. The economic capital pumped into the “field” of the Show Caves by the EU and the Greek government forced the Caves to introduce private-like practices and change their organizational boundaries; the financial threshold and accountability structures (Llewellyn, 1993).

Our study shows that the Show Caves operate within a “field” which is made up of networks of social relations within which “struggles” occur over resources, stakes, and access. There were thus various influential actors such as the EU, local politicians, archaeologists/ anthropologists, professional managers, and public/trade unions that interact to produce and shape the nature of, and decision making within, the “field” of the Show Caves. As we have illustrated, the positions and a system of dispositions (“habitus”) of these various actors depended on the forms of capital they controlled. We identified four different forms of capital; economic, cultural, political (and symbolic) competing in the “field” of the Show Caves.

We argue that the possession of capital was however not static and as our analysis has suggested the “field” of the Show Caves has undergone a significant change over the last two decades as a result of the NPM which has impacted on the dynamics of capital in the ‘field’. Prior to the implementation of the NPM, the Show Caves operated mainly as national monuments with no commercial objective. Capital during this stage was therefore predominantly cultural and political. However the NPM has infused EU’s economic capital which, as we have illustrated, conflicted with the other forms of capital owned by the key actors (municipal politicians, professional managers and anthropologists) identified above. These actors, depending on the positions they occupy and capital they hold, fought hard to get economic capital from the Show Caves’ budgets to achieve conflicting objectives. In particular, the Show Caves’ boundary setting role of accounting and economic capital management processes had been constrained and controlled by the political capital (mainly attached with municipal politics), as the municipals (owners of political capital) using their symbolic capital and power over the other two forms of capital (cultural and economic) managed to channel Show Cave resources (economic capital) towards municipal/political projects. It created a “strange mix” of both public and private-like financial thresholds in the Show Caves, as the private-like financial thresholds were controlled and shaped by political capital and local habitus (Table V). These municipal councillors treated the Show Caves, not as “separate accounting entities” under NPM, but as one “common entity” under their political control and considered them as cash-cows for their politically motivated projects. This process also created a “dual accountability” practice towards the board of directors and municipality, as the managements’ decisions were interfered with and controlled by the municipals through their councillors who represent the board. The Cave managers, trapped in a “paradox of doxa” and “symbolic violence” tend to maintain both formal and “symbolic” accountabilities towards municipals for their organizational survival.

Our paper has made an original contribution by highlighting an important issue in the introduction of NPM-type reforms in these “strange organizations” (Lapsley, 1998) with conflicting organizational objectives; that is, the outcome of any reforms is shaped by the positions and system of dispositions (habitus) of multiple agents in that particular field. It illustrates the complexity and struggle the accounting systems face when managing the boundaries: the financial thresholds and accountability structures of these organizations, which we argue is an important and unique contribution to lavishly limited literature on accounting and NPM reforms in cultural organizations (e.g. Christiansen and Skaerbaek, 1997; Oakes and Young, 2008; Jayasinghe *et al.*, 2011). Moreover, by illustrating a case study of organizational boundary setting and maintenance our paper provides an empirical illustration to Llewellyn’s (1993) conceptual framework; accounting and organizational boundary maintenance. This will set a platform for the future accounting researchers to use the boundary maintenance approach in their organizational analyzes. From a policy perspective it is essential that those in charge of reforms understand the roles and the relationships between these various forms of capital since tensions and conflicts between them can derail the reform process. In terms of limitations our attempt to interview other key players in the field, such as representatives from the Ministry of Culture and the EU was unsuccessful. Their opinions would have enriched our analysis.

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Appendix. Interview questions

Questions for managers of the caves

- Personal background
- Position/department of interviewee ...
- Years worked in the company/department ...

- Years worked in similar organizations
- Academic/professional qualifications ...
- Additional questions on background of company (only general managers)
 1. Which year was the Cave established?
 2. How much is its annual turnover in Euros?
 3. How much is its net worth in Euros?
 4. How much is its recent annual profit (loss) in Euros?
 5. How many employees work in your company on a permanent basis?
 6. How many casual or temporary employees work for the company during a particular year?
 7. How many accountants work in the company and do you have a management accountant?
- Decision Making and management accounting (all interviewees)
- Describe how the following decisions are made and whether cost or accounting information is used in these decisions? If accounting information is not used, please state the main source of information for each type of decision.
 - i. Pricing decisions
 - ii. Planning for new services
 - iii. Hiring of staff
 - iv. Investment decisions
- Describe any other sources of information, apart from financial information or cost information, which you use in decision making and also state how important they are?
- Describe your company's budgeting approach
- Describe your involvement in the budgeting process
- How would you describe your degree of influence in the planning of the budget?
- What do you perceive to be the main problems of budgeting in your organization?
- What do you perceive to be the main benefits of budgeting in your organization?
- Describe how your performance is measured.
- How often is your performance measured? (e.g. monthly, quarterly, annually, etc.)
- Who is responsible for measuring your performance?
- Do you have to prepare performance reports? If yes, can you describe the nature of this report? And who is the final report sent to?
- Describe any changes that you have observed in decision making and how accounting information is used (including budgeting) in your organization in recent years
- Describe how the seasonal nature of the tourism industry affects the pricing, planning, control and decision-making process
- Factors (all interviewees)

Please describe how the following factors affect decision making in your organization.

- Pressure from mayor/political authorities/municipal council/shareholders
- Pressure from banks

- Pressure from the board of directors
- Pressure from senior managers
- Competitive pressure
- Pressure from customers
- Pressure from professional bodies
- Pressure from the community
- Pressure to imitate or follow other successful caves or other organizations

Questions for mayors

Personal background information

Years worked as the mayor ...

Academic/professional qualifications ...

Previous experience ...

- Describe the roles you see the Caves playing in the community
- Describe the role of the municipal council in the day-to-day decision making of the Caves
- Describe the extent to which you get involved in budget decisions of the Caves
- Describe the extent to which you get involved in capital investment decisions of the Caves
- Describe the role you play in hiring new staff for the Caves
- Do you cover the municipality budget deficit from money generated by the Caves?
- Do you have any pressure from the local community about how the Caves are run?
- Do you have any pressure from the trade unions about how the Caves are run?
- Do you have any pressures from the City Council about how the Caves are run?
- Describe what you see as the future prospects of the Caves

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