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A Budget in consensual spaces: The case of Sri Lanka Railway.

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Extended Abstract

This paper argues that rules and regulations cannot help achieving the control over people if their consent is neglected. This is a management control issue within organizational contexts. The notion of 'consensual space' drawing on the Labour Process Theory (Braverman, 1974) is introduced as a tool to understand the relationship between consent of people and the role of rules and regulations. Consensual space is the space within which people can exercise their discretion. This space is demarcated when control arrangements, through their rules and regulations, enforce constraints over human activities within organisations. Such control arrangements really operate within these spaces. Budgeting is such a control arrangement frequently used in organizations. This study illustrates how budgeting operates within consensual spaces.

This study was motivated by the observation that operation of accounting controls in organizations in developing countries is politicised and therefore ineffective despite their worthy intentions (Hoque and Hopper, 1994; Uddin and Hopper 2001; 2003;

Wickramasinghe and Hopper, 2004; 2005; Uddin and Tsamenyi, 2005). Although, these studies explain how accounting systems operate as rituals within such organizations, they do not inquire how such organizations continue when major control systems dysfunction. This paper shows how consensual spaces create idiosyncratic controls enabling such organizations to continue.

To illustrate this, the paper presents an historical study of Sri Lanka Railway Department's (SLRD) budgeting practice. This study focuses on understanding why the budgeting system of SLRD works in the way it appears to be. This shows how multiple stakeholders' (politicians, managers and workers) consent gives rise to the creation of idiosyncrasies in controlling the practices within organisations.

Empirical materials for the study were generated through interviews and content analysis of documents. Interviews were held with relevant top and middle level managers of the Head Office and the staff of the Chief Mechanical Engineer's (CME) Department, the main workshop of SLRD. The staff interviewed at the CME Department encompasses engineers, foremen, supervisors and worker groups. A content analysis of relevant documents pertaining to the budgeting control of SLRD was conducted.

The theoretical framework for the analysis is based on Gramsci's (1971) analysis of hegemony. This framework shows how accounting systems are socially constructed and operate in consensual spaces. Accordingly, organizations operate to serve interests of dominant social groups. SLRD therefore operates to serve interests of rulers of the state, which is maintenance of their political power. Accounting in general and budgeting in particular are to serve these interests. The SLRD budgeting system is a part of the state budgeting system enforced by the Parliament. The analysis shows that the current state budgeting system does not adequately serve these political interests. Nevertheless, due to the enforcement by Parliament the budgeting system continues to operate. For this reason that the budgeting system does not serve political interests, its operation has interferences from ruling politicians. The result is that the budget operates merely as a ritual to satisfy regulatory requirements of the state. When the budget so dysfunctions, it loses its control over the operations of the organization. The study found that some managers and engineers have developed casual control methods for internal organizational purposes. There are some foremen and workers who voluntarily carry out their tasks to meet agreed targets.

These empirical findings demonstrate that (i) the budgeting system of SLRD operates merely as a ritual, and this concurs with existing studies in the developing country context

and (ii) the organization continues to exist owing to the consent of some managers and workers. Some workers positively contribute to the progress while a majority still minimally contributes within these consensual spaces. The consent occurs in consensual spaces those created by control arrangements. The review of history of SLRD shows that from 1980 up to 2006 ruling politicians have used consensual spaces of SLRD destructively whereas since 2006 progressively with the change of the political leadership. These findings support the argument of O'Doherty and Willmott (2001) that subjectivities are important to be explored in understanding management control.

Findings of this study are of theoretical and practical significance. Theoretically this has two types of contributions. First, it supports the arguments for considering subjectivities of the Labour Process. Second, it contributes to the accounting discipline with the notion of 'consensual space' as a different perspective of understanding organisational management control practices. As a contribution to the practice, this informs policy makers the need to revisit the existing state budgeting system with a view to make it an effective control mechanism from the perspective of serving interests of dominant groups as a way for making the continuity of an organization.

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Moving Beyond the Metaphoric Views of Organizational Culture to Understand the Managerial Practice: Some Critical Insights

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Background and Purpose

Organizational culture (OC) is identified as an influential factor for the success or failure of innovation efforts in organizations (Stahl & Grigsby, 1997). However, culture[64] is a very complex concept, and there are many controversies in both defining and applying it. As a result, mostly, not only business managers, but also business researchers tend to misunderstand the concept of OC and its connection with managerial practice (Hackman & Wageman, 1995; Wilkinson & Willmott, 1996). But most scholars think of the concept of OC as a symbol or a metaphor directed at practicing organizational change efforts. The prominence of these metaphoric views of OC (e.g., Hofstede, 1991, 1997; Schein, 1985; Johnson, 1988; Robbins, 2005; Peters & Waterman, 1982) has undoubtedly added new knowledge to the OC literature. Some authors (e.g., Smircich, 1983; Tayeb, 1988; Burrell & Morgan, 1979) have gone so far to imply that culture analysis in organizations should be carried out within their assumptive contexts.

It is important to challenge these narrow perspectives in understanding OC and a phenomenon behind it, as narrow perspectives decrease the chances of coming out with useful findings or ideas. Consequently, it seems important to highlight that OC need not merely be metaphoric or instrumental, as it is one of the major issues in academic research as well as in managerial practice because OC features are central to all aspects of organizational life (Alvesson, 2002).

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[64] In this paper, the words 'culture' and 'organizational culture' are used interchangeably.