Disciplinary time games played in professional accounting firms

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DISCIPLINARY TIME GAMES PLAYED IN PROFESSIONAL ACCOUNTING FIRMS

by

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ABSTRACT
Time is money, money is time. The monetary value in today's society is intrinsically linked to the use of time, and therefore, also to management accounting processes. To use time efficiently equates with producing as much surplus value or profits as possible. In this quest, many managers have introduced surveillance mechanisms for disciplinary purposes. This study presents a historical exposition of 'clock culture' and analyses the particulars of time sheet reporting systems in three professional accounting firms. While the rational, articulated roles given for the implementation of these systems are sometimes achieved, there appears to be other forces driving the process. These forces are explicated using Foucault's framework of power. The time recording process becomes clearer when analysed through the disciplinary lens; it is a disciplinary process which is both pervasive and self-sustaining.
DISCIPLINARY TIME GAMES PLAYED IN PROFESSIONAL ACCOUNTING FIRMS.

Over the last ten years the philosophical framework of Michel Foucault's "Discipline and Punish - the Birth of the Prison" has been used by various researchers as an alternative perspective from which to view accounting theory and practices. The power/knowledge focus of this perspective challenges the articulated traditional rational motives of our actions. According to Foucault,

there is no power relation without the correlative constitution of a field of knowledge, nor any knowledge that does not presuppose and constitute at the same time power relations. (Foucault, 1979, p27)

This wedlock between power and knowledge is only possible through society's continued and increased courtship of discipline. The history of the tactics of discipline is simultaneously a history of the knowledge and power of particular discourses (Dandekar, 1991, p24). Disciplinary mechanisms make the subject knowable and this knowledge becomes a source of power. There have been numerous explications of Foucault's writings and we do not intend to add to them. Rather, Foucault's ideas are used to shed light on the particular procedure of time recording as carried out by three professional accounting firms.

ACCEPTANCE OF EARLY TIMEKEEPING AND SCHEDULES

The invention and gradual acceptance of the clock marked a critical point as far as power/knowledge and discipline systems are concerned and it therefore is useful to look at the general introduction of clock time from a disciplinary sense, and why it was eventually accepted by the very persons it disciplined. As Neustadter stated

the temporal texture of the world was altered drastically with the invention of clocks. The natural day of the preliterate and the peasant, marked and punctuated by the given sequence of agricultural tasks and the sun, gave way to artificial time signals produced by technology. (Neustadter 1989, p 292)

The dominating and disciplinary affect of time keeping first manifested itself in western monasteries during the Middle Ages. Within the monasteries, as with most organizations, there existed the desire for order and power which

opposed the erratic fluctuations and pulsation of the worldly life preferring the iron discipline of the rule. (Mumford 1934, p 13)

All facets of life were affected by the emergence of 'clock' culture. Bells of the Benedictine monastery, for example, were rung seven times in the twenty-four hours, punctuating the canonical hours and the associated tasks for these hours.
As with most new technology, the first timepieces were costly. Initially their effects were limited as they were available only to the very wealthy who mostly saw them as status symbols. However, the erection of public clocks in cities and towns created a 'time conscious' society and in situations similar to that in the monasteries, these clocks chimed for the start of work, meal breaks, end of work, closing of gates, start of market, close of market, assembly, emergencies, council meetings, end of drink service, time for street cleaning, curfew, and so on through an extraordinary variety of special peals in individual town and cities. (Landes 1982, p 72)

These chimes heralded the awakening of a time disciplined society. Forms of bureaucratic discipline, such as fines for bad time keeping, were introduced into factories to encourage time thrift (Dandekar, 1991, p 179). There was various reactions to this new discipline.

The Benedictine monks' acceptance related to their philosophy that 'idleness was the enemy of the soul' and that continual activity was both a form of penitence and a means of securing their eternal salvation. The docile body thus succumbed to a discipline to save the soul. According to Foucault

For centuries, the religious orders had been masters of discipline: they were the specialists of time, the great technicians of rhythm and regular activities. But the disciplines altered these methods of temporal regulation from which they derived. They altered them first by refining them. (Foucault 1979, p 150)

Therefore the monks accepted this scheduled disciplining because they believed it led to the ultimate future reward, that is, the salvation of the soul. They were willing subjects in the exercise of disciplinary power. The call to accept the new time values also received ample cooperation from the Protestant evangelical ministers, who attacked every element of the worker' life which might in any way impede his/her proper performance on the job, instilling in each person their own interior moral time piece. This religious-based acceptance of time discipline saw the body as an object which through its subjugation to relentless schedules, could guarantee the 'soul's' salvation (Foucault, 1979 p 150). However it was much more difficult to change the long established work attitudes and practices of the masses.

The unwillingness of cottage workers to devote themselves unremittingly to their tasks was a growing source of frustration to merchant-manufacturers who could not fill their orders. Nor did it help to pay higher wages; the typical worker, who had a strong preference for leisure, could simply earn what he felt he needed in fewer hours. (Landes 1983, p 229)

The workers who did accept the new concept of time were those convinced by owners that, only through a combination of diligence, punctuality, discipline and hard work, could they hope to better their lot in life, secure greater material wealth, improve their status in society and assure a better future for their children. Again the body was seen as a conduit for the exercise of disciplinary power and in succumbing to the factory time rule it would increase its usefulness. Society was converted to this discipline therefore not only by religious fervour but also by its members' material needs.
Slowly, the religious aspect of scheduling and time discipline faded into the background. The new faith, as proclaimed by 'clock culture', was that the future could be secured if everyone would only learn to be on time. Securing the future in this new world depended less and less on good works and God's grace, and increasingly on being punctual and disciplined. Time was stripped of its sacred context and made into a utility to advance the productive goals of an increasingly worldly and materialist civilisation (Rifkin 1989, p 113).

Rifkin quoted David Landes as the latter captured the political impact of introducing the clock into European culture:

> the invention of the mechanical clock was one of a number of major advances that turned Europe from a weak, peripheral, highly vulnerable outpost of Mediterranean civilisation into a hegemonic aggressor. Time measurement was at once a sign of new found creativity and an agent and catalyst in the use of knowledge for wealth and power (Rifkin 1989, p 104).

Power is an integral part of time discipline. In every society in recorded history, the time hierarchy of power strategies has proceeded up the same climb. On the bottom of the pyramid are the masses, those whose time span is narrowly circumscribed to the present. These are the people who have been untutored in planning ahead to secure their own future. These individuals' lack of a knowledge of their future will decrease their opportunities in power strategies and their time will always belong to someone else who will use it to secure their own future. Then there are those who are selling their present time so as to control their future time, i.e. succumbing to a time discipline for a particular power strategy that will enable them to secure enough resources to enable them to use their private time as they want. Power therefore, is relational and the shift in the exercise in power in every society begins with severing people from control over their own future (future time, that is) and making them a prisoner of the present. Unable to participate in the exercise of power, people become pawns in the hands of those on top of the temporal pyramid, who control the human time frame (Rifkin 1989, p 191).

The bourgeois notion of securing the future and material needs, through the proper husbanding of time necessitated the workers' submission to the disciplinary scheduling process. By scheduling time, people could ward off anxiety. By planning every detail of life in advance, it was possible to fill the future in such a way as to leave no time for the intervention of uncertainty.

The traditional notion of selling one's labour or skills was replaced with the new concept of selling one's time. The hourly wage and the piece rate helped to establish the idea that time is money.

If time could be bought and sold in units, it could also be accumulated or depleted. In the new clock culture, time and money became interchangeable and exchangeable. The more money one could amass, the more time one could buy and sell. Whereas medieval man and woman had believed that accumulating 'good works' would help assure them security in this world, and eternity in the next, the new bourgeois class was expressing a quite different belief - that the accumulation of time and money was the best means of providing both security and a new form of earthly salvation (Rifkin 1989, p 162).
The new time world also introduced a new temporal value; efficiency, with its own particular discourse. Efficiency was both a value and a method. As a value, efficiency became the social norm for how all human time should be used. As a method, efficiency became the best way to use time to advance the goal of material progress; to be efficient was to minimise the time, energy and capital spent on completing a task, while at the same time maximising the yield from that task. Thus, the aim is to minimise the cost of a task. This could only be achieved if workers unfailingly devoted the best of their ability to the task. The new discipline of efficiency introduced the mechanisms of observation, normalising behaviour and the examination, as identified by Foucault, which were brought to bear on factory workers.

Among the disciplinary techniques which have a long history and are still prevalent today, is the use of time sheets. As early as 1700, companies such as the Crowley Iron Works in England, were establishing formal work schedules for their employees to try and ensure this type of efficiency. At the Crowley factory, the owner designed a detailed code which ran over one hundred thousand words, to oversee the employee's schedule. Concerned over employee laxity, Crowley ordered the monitor and warden of the mill to keep a daily time sheet, for each employee, entered to the minute (Rifkin, 1989 p 107). The time sheets provided management with the means to observe, and to know, what each employee was doing. At certain intervals these time records could be examined to see if individuals had performed satisfactorily against set objectives (that is, did they comply with the norm). The records created a documented knowledge of the individual.

Since then efficiency had risen from obscurity and had established itself as an unquestioned goal in the advancement of the well being of society. Time management, in various forms of time sheets, had proven its value as an expeditor of efficiency, and became adopted by many industries. It is the use and roles of time sheets in professional firms, and in particular, professional accounting firms today, which is the focus in the following sections.

TIME RECORDING IN PROFESSIONAL FIRMS

Numerous professions, among them consulting engineers and surveyors, lawyers and accountants, supposedly use hourly fee rates as a basis for billing their clients. Practice management literature invariably emphasises that time management is crucial for the success of such firms (Berry [1966], Bower [1991], McArthur [1992], Taylor [1992]). This literature views time as the raw material of these service providing firms and, as such, it must be harnessed and exhaustively used to create the greatest profit.

Accounting control systems also emphasise the costs of running a business. One of the major costs is the purchase of the employee's time by the payment of a wage/salary. These costs are apportioned against the products and/or services provided by the firm. To keep labour costs relatively low, management must have a means by which they can know whether employees are performing efficiently and indeed, giving over to the organisation their working hours. Time management information has become a pivotal part of this decision making process and therefore a necessary part of the power strategy within organisations.

Some firms in the surveying industry, as well as other professional firms, were already using job time sheets when their Association commissioned a study on time management. According
to the Association of Consulting Surveyors' 1973 manual, job/time costing was the source of knowledge for preparing accounts for fees and for measuring the productivity of the practice (Association of Consulting Surveyors Manual 1973, p 5). With a job time system, whenever a fee earner worked on a job s/he entered it on the job's time sheet. However, this method had two problems, one being that it could not be ensured that all work done was recorded and, two, it was difficult to calculate the amount of time spent on non-productive work. Because the job time sheets had no time scale it was common for only 50% or less of the actual time to be recorded (Association of Consulting Surveyors Manual 1973, Berry 1966). As a surveillance measure this system was incomplete as there were gaps in the accumulation of information and the exercise of direct supervision.

Employee time sheets on the other hand, meant that all the employees work time had to be accounted for. If the employee was hired for eight hours a day then s/he must show on the time sheet how that eight hours was used. Management perceived employee time sheets as a means of ensuring that all costs of jobs were recorded as well as providing a record of each employees productivity (Assoc. Cons. Surveyors 1973, Mcarthur 1992, Berry 1966).

Time recording was not only applied to employees but principals and/or managers also used time recording systems for their own time to ensure that they did not forget to charge for all their work. As a principal in a legal firm explained;

> Its difficult to sit at your desk at five o'clock and try to reconstruct all chargeable activities of the day. Log your activities as they occur. Do not try to keep track of your time by entering it in the case file. Keep them on paper at your desk. (McArthur, 1992 p47)

This self discipline tried to ensure that each moment was useful. It was an internalised power over the body. The significance of timesheets in professional accounting firms closely followed this philosophy.

THE DEVELOPMENT OF TIME RECORDING AND TIMESHEETS IN ACCOUNTING FIRMS

Berry stated that historically,

> Professional accountants' charges seem always to have been based mainly on time. At the same time the profession has always been jealous of its reputation as regards the work which it does, especially the nature and extent of work done in performing particular services. (Berry 1966 p 9)

Time reporting systems therefore had to identify both the client for whom work had been done and also the time taken by each individual concerned. This would allow for the rendering of an invoice, as well as substantiating the nature of the work done, should the firm be challenged regarding its work and/or charges.

Prior to the Second World War, the above needs were met by narrative diary systems of time reporting, together with time ledgers containing cumulative time accounts for each client. This
system was a variation on the job time system outlined in the preceding section and suffered the same shortcoming in that managers could not easily calculate the actual productive time of each employee.

time ledgers, with accounts only for clients, gave all the time information necessary to prepare annual bills. Time systems were commonly required to serve no other purpose. (Berry 1966, p 9)

In the 1960's, the changing tempo of life and increasing complexities of managing a professional practice led to the Accounting Profession re-evaluating its own management control practices. Driven by competition in both the quality and price of their services, the need for increased up to date accounting information regarding the cost of their services was soon apparent.

Berry (1966) identified the following as factors which provided the impetus for change in the time recording system of professional accounting firms:

1. The increasing cost of employing professional staff meant higher costs. To enable these costs to be passed on to the consumer client, more detailed information about the use of employee time was required. This knowledge was not only needed to substantiate the annual charges to clients but also to distinguish their charges by jobs and types of work. It was no longer considered good management to rely on the employee to allocate all his/her working time to clients/jobs performed. S/he must be held accountable for the working hours so as to ensure that these would be recorded.

2. Individual employee time sheets were seen to facilitate the identification and varying instances of non-chargeable time by different staff and therefore allow the calculation of more realistic billing rates. Time records would also allow the formulation of budgets for the cost of each job and by keeping such records up to date prompter billing would be possible.

3. An awareness, or knowledge, of staff performance in terms of time and achievable charging rate should influence salary increases. Time budgets would also allow more effective staff planning and utilization.

4. The concern of management that employers where not getting the full benefit of the working time of their employees. Time, which they had purchased, belonged to them and therefore should be used exhaustively for the employers benefit. Older systems of time recording often provided no definite measure of 'paid' hours. This meant that the amount of time recorded in a period varied considerably between one member of staff and another. Management saw a need to establish a standard number of hours in each working day and a standard number of working days for each work period. This would mean that every member of a firm, whether available for work or not, would be held accountable for the same basic number of working hours in each work period. This formed the basis of the time sheet reporting system which attempts to account fully for 'paid' hours. Therefore the new time information system was seen to aid management's control of the organisation and to facilitate not only prompter invoicing, but also more accurate invoicing in that all paid hours were accounted for by employees.

5. Part of the time sheet system was the annual budget of time. This showed the time to be expended on each service provided by each partner and was seen to encourage review of
what was to be carried out. This would hopefully lead to correction of basic working anomalies and to more efficient utilisation of time. The actual time use, as reported by the time sheet system, could be compared to the time budget and this would hopefully provide feedback on the future policies and direction of the firm. Profitability by job and by department could be ascertained on a comparable basis by evaluating time incurred at scale rates. This also facilitated future direction of the firm as it would identify growth services that could be expanded on. Also, in times of staff shortages, jobs which were loss leaders would be highlighted and managers could evaluate whether or not to retain them.

These then are the main factors that led to the adoption of time sheets in accounting firms in the 1960's. These factors were part of a drive within the profession to run their businesses more efficiently. To be able to accomplish this efficiency managers realised they must first know what their employees where doing and use this knowledge to benefit the organization. However the introduction of employee time sheets far exceeded these goals.

The reasons given above for the implementation of time sheets could be seen as symptoms of non disciplined management. The introduction of time recording in the form of time sheets did more then just cure the symptoms. It introduced a system of essential behaviour modification which disciplined the subject and made him/her a conforming being to be used by the organization. The mere existence of time sheets in accounting firms provided an all pervasive disciplinary mechanism that forced the employee to behave, or otherwise, engage in pretence, so that it appeared that s/he was behaving, in a manner acceptable to the organization.

The adoption of a continuous surveillance measure such as time sheet recording affected a decided change in the power relations within and outside the organisation. There was a shift in the power relations of the firm with its clients. The time sheets would provide a means of constructing a reality of what the clients owed the firm, and, although in this strategy there would be means of resistance, eg incorrectly filling in the time sheets, the perceived charges resulting from the process would be perceived as more accurate by the clients. At the same time there was a shift in the power relations within the firm. The process increased the surveillance of staff by the organisation however, at the same time it increased the potential for resistance.

THE POSITION OF PROFESSIONAL ACCOUNTING BODIES ON TIME RECORDING

The Australian Society of Accountants (the Society and the Institute of Chartered Accountants (the Institute) are the two main professional accounting bodies in Australia. Most qualified accountants belong to either, and sometimes both, of these societies. As members are expected to abide by the professional code of conduct of the professional body to which s/he belongs, the views expressed by these associations on time recording would greatly influence the implementation of such systems in practice. The time recording process is well established in the practice manuals and in handbooks which describe the prescribed methods of fee calculation. The Institute of Chartered Accountants as early as 1966, in its Practice Administration Booklet No. 8, advised that employee time records should be kept in every firm. The Society also views the time recording system as critical to the control of work in progress and as a basis of billing, emphasising that practices should record all the time actually spent on
clients' work. Time recording is the 'norm' of a professional accountant's life, since time that is not recorded cannot be billed and therefore represents lost revenue.

It is imperative that reporting of time spent occurs on a regular basis. This ensures that time is traceable to specific clients and therefore will not be recorded as non-chargeable time. Non-chargeable time reduces the profitability of the firm. As part of the control system, total hours available for staff and partners should be compared against chargeable hours worked. Analysis should also be undertaken of hours not charged, to ensure that these do not become excessive. (ASCPA Public Practice Manual, 1990 p 409)

The emphasis here appears to be the exhaustive use of time by the subject so as to increase his/her utility to the firm represented by the time charged out to the clients. The principles of charging, or billing, a client promulgated by the Society and the Institute in their members handbooks confirm and expand on this concern;

Professional fees must be a fair reflection of the value of the work performed for the client, taking into account:

a) the skill and knowledge required for the type of work involved
b) the level of training and experience of the persons necessarily engaged on the work
c) the time necessarily occupied by each person engaged on the work; and
d) the degree of responsibility that the work entails.


The qualitative aspects of the above principles would be included in the computed rate per hour. Both the Institute and the Society leave it up to members to compute the appropriate rates per hour, however most practitioners are guided by published industry standards for their particular situation. The accepted 'norm', by both professional bodies, is that time records be kept and that professional fees are computed on the basis of appropriate rates per hour for the time taken to complete the work.

It can be seen from the above that the major justifications for the time recording process using employee based time sheets were:
1) to ensure that time worked was charged to the client,
2) to substantiate charges if challenged by client, and,
3) to know what work the employee was engaged in.

The time recording process therefore had to be a complete surveillance system which would accumulate coded information. This information would establish 'power containers' in that the knowledge would generate the exercise of administrative power (Dandekar, 1991, p 32).

EMPLOYEE TIME RECORDS IN PRACTICE

The Accounting profession has rationalised time recording as a means of providing accounting information relating to the costs of jobs. This information is purportedly used by management for a variety of reasons, the main one being as a basis to invoice clients and to provide a record for substantiation of charges to clients. This next section first describes the practices of three
different sized firms public accounting firms. In describing these practices we have endeavoured to report 'the facts' as disclosed by the interviewees. However we acknowledge that this is our reconstruction of their construction of 'the facts'.

The study was based on interviews by one of the authors, with two executives from each of three differently sized firms. The interviews lasted, on average, two hours each. The interviews were semi-structured in that there were ten set questions relating to the time sheet recording system. However, some of these questions were not applicable in particular circumstances, and, even when they did apply, they were used only as a starting point, with other questions being added depending on the direction taken by the particular interviewee. Information gained from these interviews was supplemented by non-structured interviews with another three members of the accounting profession. Further, observations made during the interviewer's employment with three accounting firms as a qualified accountant over a period of approximately four years, have been highlighted as such. For the validity of such observations see Krieger 1991. All the firms involved, except the medium sized firm whose executives were interviewed, used the time sheet recording system. However, both of the interviewees from the medium firm had previous experience in other firms with time recording, and provided useful insights on how they perceived the differences. There was equal representation of both males and females in the interview process although all the partners were male.

**Details relating to interviews—figure 1**

<table>
<thead>
<tr>
<th>Size of Firm</th>
<th>Local Branch of Multinational</th>
<th>Medium Fees &gt; $800k</th>
<th>Small Fees &lt; $800k</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner Interviewed (Male)</td>
<td>Taxation Partner</td>
<td>Senior General Partner</td>
<td>Principal</td>
</tr>
<tr>
<td>No. of Staff Directly Supervised</td>
<td>7 Taxation Personnel</td>
<td>Jointly Supervised Whole Office, 9 Employees</td>
<td>Whole Office, 8 Employees</td>
</tr>
<tr>
<td>Other Staff Interviewed (Female)</td>
<td>Audit Manager</td>
<td>Taxation Manager</td>
<td>Manager</td>
</tr>
<tr>
<td>No. of Staff Directly Supervised</td>
<td>6 Audit Personnel</td>
<td>1 Taxation Personnel</td>
<td>Supervised 5 Employees</td>
</tr>
</tbody>
</table>

Time records, whether they were manually prepared on time sheets or directly processed through a computer system, were kept by both the principals and/or partners and their employees. The following is an overview of the time sheet reporting system as kept by the two firms interviewed and all the firms observed. Where identified, any variations and their effects, were noted.
*An annual time budget was formulated by the partners, or in the case of a local multinational branch, the annual time budget was set by the local office partners in consultation with Head Office. This process began by differentiating controllable time from uncontrollable time, that is, annual leave and public holidays. Controllable time was then allocated between chargeable and non-chargeable. Some of the categories of non-chargeable time included: staff training, sick leave, practice development, administration, and, where staff had no chargeable work which could be undertaken, unallocated time. The annual time budget was usually finalised by the March preceding the financial year in which it applied, and partner utilisation rates (percentage of chargeable time over total controllable time) were then calculated. The importance and amount of detail given to this document increased as firm size increased and therefore accountability between partners increased. The draws made by partners were calculated by reference to the annual budgeted chargeable time. It was therefore very important for the budget utilisation rates to be met, especially in large firms where one branch could end up subsidising another, and therefore cause friction between the partners.

*These budgets were then used to prepare individual monthly work schedules and to calculate individual utilisation rates, that is, the budgeted percentage of chargeable time for each professional member of the firm. In one of the firms observed, the work schedule was not a monthly process but rather partners allocated jobs to employees in a work diary. This diary kept a list of the jobs, with details regarding who the client was, the type of work to be done, the date the required information to complete the job was received by the firm, and the date it was allocated to the employee. Instead of a new schedule being drawn up monthly, the work diary was continually updated with jobs being signed off on completion and new jobs listed as they were allocated out.

*Weekly meetings were held at all three of the firms in the interview and one of the three firms observed. At these meetings completed time sheets were submitted. Such meetings were also used as a forum for discussion on the progression or otherwise of jobs listed on each particular employees work or diary schedule.

*While the annual time budget represented the top hierarchical time reporting responsibility, the time sheet was the daily manifestation or the bottom rung in this hierarchical observation. At the end of each week, or at the end of each day where the office had a computerised on-line time recording system, each employee was expected to account for his/her working hours. The working hours were broken down to a minimum of six minute units, that is, 70 units to a seven hour day, and the employee had to allocate these units to the clients and activities s/he had pursued during the day. The activities were all coded so as to allow analysis, not only by the amount and type of work done for each client, but also to allow analysis on the type of work performed by the practice as a whole. This provided management with information regarding their strengths and weaknesses, how well their staff were trained for the type of work they were performing, and whether there were any opportunities to provide existing clients with new services or to expand existing services. The amount of codes was only limited by the degree of detail required by the principals. Even in relatively small firms with annual gross fees of $300,000 or less, i up to 80 different categories of time use were observed. The system therefore involved annual reports (that is, annual budgets), monthly reports (in the form of work schedules) and daily reports (time sheets).

The above description is quite a short summary of the process as described by the interviewees, more of which will come to light in the following section on the results of the study.
ARTICULATED Vs ACTUAL ROLES OF TIME SHEET RECORDS

It must be stated at this point that the following analysis is not aimed at producing a series of generalisations. Rather, it aims at exposing situations which deal with the fundamental disciplinary aspects of human and social behaviour.

When Mintzberg (1975) posed the question, "Why do managers not use information as they apparently should?" the answer could have been, "How should they use the information?"

Even if managers do not use information for the formally stated reasons, this does not mean that the information or the actual process of collecting the information is not used in some other manner which achieves some unstated objectives of the managers. What then, are the stated roles of individual time sheet records? Are these roles fulfilled? If not, what does the time sheet recording system achieve?

The question was asked: "What are the major reasons, as articulated by management, for the time sheet recording system?" For the firm not currently using time sheets, as both interviewees had previous experience using time sheets, the question was modified to: "What were the major reasons given, by accounting firms you have previously worked for, for the keeping of time sheets?"

Given that the Society promoted the use of time sheets as a more efficient means of keeping track of time so that all time spent on clients' work would be charged to them, it was not surprising that this was a prominent reason given by the interviewees.

Observations by the interviewer further supported the maximum fees and evaluation of subordinates as reasons for the use of time recording processes.

However, some of the interviewees also thought that the time recording process fulfilled other roles, including:
- creation of a database of time allocations
- as a tool in the calculation of staffing requirements
- the information highlighted problems in various areas: that is, from staff misallocating time to inefficiencies/weaknesses in the provision of particular services
- the process applied overt pressure on employees as they knew that someone was keeping tabs on them and they had to account for all their time.
- as a means of justifying charges to clients.

The time recording process was therefore perceived as a system that provided information not only on how time was spent and how an individual was performing according to predetermined 'norms' but on a wider range of organizational matters.
To properly fulfil the traditional cost management roles the time recording process would have to be accurate. Any inaccuracies would mean that decisions on these issues would be based on misleading information which would perpetuate whatever inefficiencies existed. How accurate then, was the time recording system in these firms? Following the reasons given for the use of time recording systems, it was surprising to discover that the general belief among the partners and principal was that the time sheets did not necessarily reflect the time spent on the job. These inaccuracies, they felt, were due to both deliberate, and unintentional acts by the personnel completing the records. Therefore there was an awareness that the time sheet recording system promoted power struggles within the organization. Power did not belong to either the employers or employees rather the recording of time utilization was a strategy which presented opportunities for the exercise of power by every member involved in the implementation of that strategy.

It was also interesting to note at this stage that partner and principal (hereafter referred to as principals) of the medium and small firms had both began their accounting careers in larger firms where, according to all the partners interviewed, the emphasis on utilization rates seemed greater than in small firms. The reasons for this were many and varied, but the ones cited by the interviewees were:
- in larger firms there is less personal knowledge of what everyone is doing due to the number of personnel, therefore the time recording system provides knowledge on what employees are doing (reason from partner and principal using time recording systems).
- it can show how efficient personnel use their time and therefore be a guide as to whether or not an employee merits promotion (both partner and manager in multi-national branch gave this reason). Both of these reasons implied an organizational discipline which would bring its members under greater surveillance and thereby extract greater utility from them by making them known to the organization. This greater emphasis in larger firms confirmed Dandekar’s theory that the greater the complexity of an organization the greater the need for disciplinary surveillance systems (Dandekar, 1991).

Discipline necessarily entails surveillance, or hierarchical observation. Once disciplinary mechanisms exist there must be a means to 'know' that members are abiding within the disciplinary boundaries. The use of time records/or time sheets is one such form of surveillance. Whether the employee of the accounting firms were physically in the firms offices or, for example, undertaking an audit at a clients premises, employee time records were used to 'know' how they had spent their time.

According to Macintosh and Hopper management accounting systems are seen to provide important information to people who direct and control the organization's operations with a system of total hierarchical surveillance. They provide a disciplinary gaze that decomposes the organization in small but precise units of surveillance.(Macintosh and Hopper 1991, p 38)

The process of surveillance in the firms in this study, began with the annual time budget described previously. Once the budget was finalised and accepted by the relevant multinational branch, or by all partners in a smaller practice, it became at once a shared knowledge between the partners and/or branches. Budgets required regular reporting back of performance against the budget and as such, meant regular surveillance by superiors, and constant surveillance in that individuals knew that every moment would form part of the evaluation against the budget. The time recording system made it possible for the employer to know more about their costs and about their practice. A detailed time by task reporting system as described earlier, was one way of keeping principals informed about the progress of jobs and to make staff arrangements. The system also highlighted whether staff were taking too much time in completing jobs and therefore increasing costs.

The monthly work schedules were a means of monitoring the individuals work. Supervisors knew what individuals should be working on. If the work schedules were quite full they would also know that the individual should be fairly busy and so expected to have quite high utilisation rates.

The weekly or, sometimes daily, filling in of the time sheets meant that there was constant pressure on the employee to account for his/her time in a manner expected by the firm for someone in his/her position or rank. Knowing that these reports had to be completed meant that the individual was constantly aware of how s/he was using her/his time. This did not mean that individuals were constantly working all day long. It simply meant that if an individual was engaged in an unchargeable activity, there would always be the thought in the back of her/his how he/she would or could, explain or allocate it.
However, the results of this process indicated that the greater the emphasis given to utilization rates the greater the likelihood that such records would not represent the actual allocation of time. This effect was also borne out by Ditton's (1979) research into the production practices of bakery workers. The partner in the medium firm related his experience of the time sheet process as a senior with a branch of a multi-national:

Every fortnight there would be a meeting where we would be grilled over utilisation rates in our time sheets. Therefore once you became familiar with the jobs you became aware that there were particular jobs that always ran over the budget. In fact, even when, in certain years, the actual time spent on these jobs decreased, employees would put other overflows of time in these jobs as they had been problemsome before and therefore the partners would be more likely to accept negative variances on these jobs rather than the jobs where the variance had occurred. These problem jobs became slush funds. Also if there ever was a favourable variance, many times a partner would see this as an opportunity to allocate some of his/her unallocated time as their performance was also monitored. Therefore as far as a job was concerned, favourable variances would be very rare.

Further, echoing sentiments expressed by two of the managers, the partner continued:

All the partners here have had previous experience with the big six firms which keep time sheets on time sheets. My experience was that the time time sheets did not really show the amount of time spent on jobs. Slack and inefficiencies or super-efficiencies were carried forward in the given budgets and that employees had to explain any variances from these inaccurate budgets. The system therefore encouraged creative techniques for filling in time sheet. I remember filling in my time sheet, when working for a large firm, with an eraser hand, as, if the time sheet didn't look acceptable, then adjustments would be made so that I would have as little to explain as possible.

Therefore, from their own experience, these principals knew that the time records where not necessarily correct and it was for this reason that one of the firms was not presently using a time recording system. The partner of the large firm referred to the process as the 'time game' which "must be played, and played well, if one is to progress up the hierarchy". Such games included 'Time stealing', ie the omission of reporting time spent on a job, and/or, reporting as time worked on a job such time that was used unproductively. Therefore, although the employer exercised power by the implementation of the information gathering mechanisms which would supposedly make the employee known to him/her there was another side to this power strategy. The subjects of the time recording system, be they partners or employees were the only people who 'truly' knew how they had spent their time. This presented them with an opportunity to exercise power in the construction of the time utilization records which, once completed, would become a reality to be accepted as satisfactory or otherwise by both employers and clients.

It was stated and observed that professional members of larger firms felt greater pressure to rise above their peers, (possibly because of the greater numbers of professional in the larger
firms) and to do this they had to work harder and better and also make sure that their supervisors knew of their superior efforts. One way of informing their supervisors of this was by way of the time sheet records. New recruits into the accounting profession's larger firms were not very different to new associates of law firms:

These young stalwarts, eager for an office with a window and a place on the left hand side of the letterhead, are urged to bill as much as 2500 hours a year. This a notable goal. But it is attainable only by giving up friends, family and weekends. And perhaps by casual reference to real time. (McArthur 1992, p 46)

This pressure for high utilization rates was a pervasive influence organizational culture on all the firms involved. A common weekly scenario observed in a branch of the multi-national was that of younger members comparing utilisation rates, ie competing to be the 'best' at the accepted norm. This meant that employees eager to obtain high utilisation rates often did work outside office hours to complete the job but did not record this time. One partner related how, early in his career, he was prematurely promoted to a manager's position with one of the then big eight accounting firms. He told how, in his quest not to fail in his new position, most of his private time in the first six months was spent working and not recording this extra time so as to,

i) bring the jobs within the predetermined budget, and,
ii) achieve high utilisation rates.

In large firms employees had to aim for seven and half chargeable hours a day, while the normal working day for partners was approximately twelve (12) to fourteen (14) hours per day. Individuals working for these large firms were expected to have utilisation rates of 100 - 140%, based on an eight (8) hour day. This necessarily entailed exhaustive use of time and/or a requirement to carry out work related tasks in personal time. These quoted utilisation rates seemed to contradict the statement that the firm did not encourage employees to work outside office hours. Clearly, it was indeed a 'time game', for, if the employees were to have any hope at achieving these rates, working in their own private time would have been a necessity.

This practice, which was familiar to all the principals who had experience in the large accounting firms, was another form of 'time stealing' as the firm did not have a record of this time and therefore could not charge the client. However, as the employee was using her/his time in this theft, it was not formally discouraged. In fact, although the principals stated that they discouraged employees from doing work outside normal hours, the availability of portable computers facilitated this practice. This particular 'time game' promoted an exhaustive use of time. To climb the corporate ladder the firm's members were encouraged to discipline their bodies so as to extract 'ever more useful moments.'

Foucault believed this exhaustive use of time was part of the process which led to the efficient use of the body. Training of the body was perpetuated year after year. Professional members were familiar with prior year budgets and costs and what had been previously billed to the client. Everyone responsible for a particular job would have a set budget for the job which was calculated by multiplying the previous years budget by an indexation factor (thereby increasing its inaccuracies). Potential unfavourable and favourable variances in the current year were manipulated to reinforce the pregiven budget. On a wider scale, this reinforced the organisational order as the person completing the same job in the following year would be under pressure to come within budget and therefore to pursue the same manipulation and perpetuate the fallacies. Viewed from this perspective, the individual time records were
creating and perpetuating a management system which was abstracted and removed from the actual work processes themselves.

Although the professional associations were of the opinion that the method for calculating fees for clients should be based on time spent on the job, because the principals of the firms knew of the 'time games' perpetuated by the system, none of the firms in the study based their fees solely on time records. In fact all the principals stated that in the final analysis, they based their fees on what they perceived the market and/or the individual client, would bear. Among the factors which influenced their perception of what the client would accept were:

- the type of work
- the financial position of the client
- what the client had previously accepted, that is, last years fees.

These findings were identical to what was observed by the interviewer and were also similar to the findings of empirical research into the pricing of Public Accounting services (Segal, 1991). Segal found that

The pricing of professional services in general, and public accounting services in particular, is a relatively complex, ambiguous, and subjective undertaking. ....The overall results demonstrated that client income and complexity of services provided, exert a great influence in the determination of client fees and charges. (Segal 1991, p. 179)

Further

any pricing approach must also incorporate competitive factors and demand related variables. (Segal 1991, p.179)

It was interesting to note that should the current years fees, as calculated by reference to time sheets, be lower than last years for the same type of work, than that too would be ignored. The client's previous acceptance of the higher sum meant that s/he would accept at least that much in the following year and therefore even if the job had been finalised under budgeted cost, the client could still expect an increase equal to at least the CPI factor.

The principal not presently keeping a time sheet system had the following comment;

The cost of administering time sheets is high, especially when you take into account that, if the service provided is comparable to the previous year, what is charged is the same as last year with an increase for CPI. Therefore if analysed on a cost benefit basis as a means for charging out time, the costs would outweigh the benefits.

However, the benefit which was not being counted here, was the focus that the time recording system had on the exhaustive use of time of which the larger firms, by previous evidence, were very aware of. This exhaustive use of time was not only a means of knowing the subject but also of creating the efficient subject and therefore creating the 'norm' for the discipline of time recording.

The efficient body principle related to the fusing of the part to the whole in such a way so as to make the whole function more efficiently. It was a method of shaping, or moulding individuals
so that they fitted better within the current organisational culture. Not only was the time recording system involved in scheduling and timetabling, it also played an important part in the training of the individual. The sheer pressure applied by the system to achieve high utilisation rates meant that most work was undertaken in a particular manner. For example, the need to save time resulted in the pro-formatting of the most common questions to ask clients for each type of service offered by the firm. Standard audit programs, pro-forma letters and questionnaires and detailed steps on how to approach a job were all referred to as good management practice. The emphasis of the time recording process nurtured the training of individuals into efficient users of time.

The processes of surveillance and efficient body have been furthered by the introduction of computers in analysing the time records which make it possible to know the individual's recorded performance instantly. At weekly meetings, especially in peak tax season, it was not uncommon to have productivity and utilisation rates for the previous week read out and discussed. Therefore, the 'behaviour' of the individual became known to all her/his peers. These methods were a subtle coercion for the employee to behave in a way acceptable to his/her 'position' or rank. Again, the extraction of more useful moments, (and therefore higher fees) seemed a major thrust of the whole process.

The above disciplinary principles 'made' the individual. They trained

the moving, confused, useless multitudes of bodies and forces into
a multiplicity of individual elements - small, separate cells, organic
autonomies, genetic identities and continuities. (Foucault 1979, p. 170

The efficient body principle was also evident in the time recording system's use of the timetable. The timetable disciplined time by articulating when specific activities and routines were to be performed.

According to Anthony, Dearden and Bedford,

The planning aspect of the management control system tends to follow a definite pattern and timetable. In budget preparation, which is an important activity in the management control process, certain steps are taken in a predetermined sequence at certain dates each year; dissemination of guidelines, preparation of original estimates, transmission of these estimates up through the several echelons in the organisation, review of these estimates, final approval by top management, and dissemination back through the organisation. The procedure to be followed at each step in this process, the dates when the steps are to be completed, and even the forms to be used can be, and often are, set forth in a policies and procedures manual. This same rhythmic process is used in other areas of the management control system.

(Anthony et al, 1984, p 15)

Looking at the time recording system described previously, the timetable is present at the very beginning of the process with the scheduling of the annual time budget. Around February each year partners in smaller firms get together to prepare the annual time budget for the forthcoming financial year beginning the following June. This process is usually completed by May. The local branch of multinationals began this same process in November and had it finalised by the following March. Although the actual timing and components covered varied between firms, smaller firms requiring a much lesser time interval to complete the review, the
process itself and when it was undertaken did not vary markedly within firms from year to year.

The monthly work diary or schedule represented timetabling in a very obvious form. In one of the smaller firms the monthly schedule was simply a list of jobs which were required to be completed within the month. However, in three other firms the monthly schedule also prioritised jobs and listed set completion dates resulting in an even more rigid timetable.

A further disciplinary principle, visible in the time recording process, was that of enclosure which stemmed from the need to turn a heterogeneous mass of humans into a homogeneous social order. Such a strategy avoided the troublesome aspects of large transient groups, and thus facilitated knowledge of the individual. According to Macintosh and Hopper

the principle of enclosure is mirrored in the management accounting axiom that organisations should be divided up into responsibility centres, each headed up by an accountable manager. (Macintosh and Hopper 1991, p 12)

Further,

Responsibility centre accounting works to divide the organisation into uniquely identifiable sites which then can be rendered useful according to the management accounting reporting process. (Macintosh and Hopper 1991, p 13)

Responsibility accounting views each person who has any control over costs or revenues as a separate responsibility centre whose management must be defined, measured and reported upward in the organisation. (Garrison 1988, p 483)

Job time sheets focused on the job as a disciplinary cell. However jobs were not the organic part of the firm, it was the people who needed a disciplinary process to relate to. Employee time sheets created the individual as a responsibility centre. Within firms keeping time sheets, costs and revenues were no longer just a mass of figures. Monthly, fortnightly, and, in some cases, weekly, productivity reports based on the individual time sheets made it possible to know and master the individual.

The high cost of hiring professionally qualified accountants meant that their performance had to be closely monitored, in much the same fashion as a responsibility centre, to ensure that such costs are more than recovered. Time sheets partitioned each individual as a separate functionally useful 'site' where tight control could be exercised. The resulting disciplinary 'cell' or 'site' was not so much space related as it was time related. The time recording system partitioned its subjects on a time horizon making sure that individuals were occupied with certain tasks during the relevant time intervals.

The weekly and monthly reports generated by the time recording system made each individual an analysable, known 'site' for producing revenue. Chargeable hours worked by the relevant rates, less the employees total costs would generate the amount the 'employee site' contributed to overheads and profits. Time summaries were prepared for each 'site' to disclose its effectiveness in terms of chargeable and non-chargeable time.

Although individuals may not have consciously thought themselves as a 'site', two of the non-partner interviewees related how, on a weekly basis, they would estimate how much they had charged out. In effect they were estimating how the next hierarchy would view their 'site's' performance for that period.
This knowledge of the staff was described by Berry (1966) as:

Far and away the most important assets of any professional firm is its resources of people. Partners still want to know and to be known by their staffs, despite the fewer occasions for personal contact. (Berry 1966, p 20)

The requirement of charge rates by the time recording system made the individual known to his/her supervisor in several ways. Firstly, it enabled recognition of staff to be able to function at that level. Secondly, it created a hierarchy of staff levels, with each level having particular known characteristics.

In the larger firms, the cellular division of 'sites' was much more physically obvious. Both the large firm in the interview and the large firm observed had their employees divided along functional lines, that is, the financial services department, the taxation department, and the auditing department, to name a few. These were architecturally defined spaces within the building which were occupied with specific personnel working in these areas. Further, the large firm in the observed had approximately thirty employees. Each department had approximately eight to nine people. In these larger firms, the principle of enclosure was very evident. The graduate to senior members of staff occupied various partitioned spaces which could not be closed off. This meant that these staff were physically observable at any point in time. The managers occupied private offices usually very close to the people they supervised, while the partners had the offices with the views, no matter how physically distanced they ended up being from the people under their control. They had other means of observing their employees, namely the time sheet recording system.

Finally, surveillance would not be an effective disciplinary mechanism in itself. Discipline relies on the idea of a possible punishment associated with unacceptable behaviour. Unacceptable behaviour was related to the position and rank of the individual. Within the accounting profession, industry norms have been published on a range of concerns, from ethical dilemmas to more management oriented matters such as utilisation rates, salaries, and average weekly working hours. Notable institutions, such as the University of New England, Armidale, publish industry averages on most type of firms. The Society and the Institute also regularly publish articles relating to these issues. In some cases the individual firms established guidelines in these areas. For example in one of the large firms observed, graduate trainee accountants were expected to have at least 75% utilisation rates, seniors 90%, and so on.

The individual therefore approached the weekly meetings knowing that his/her productivity/utilisation report would be analysed at that meeting. S/he would present him/herself as if attending an examination. The time sheet 'exam' had been processed and compiled into a productivity or utilisation report. Would the individual exceed or fall far short of the firms expectations/norms? As previously stated in the larger firms, members not achieving these set norms would be 'grilled' over the differences. This potential 'public' humiliation was avoided by making sure that the time sheets, and therefore the utilisation report, presented acceptable information. Whether it was correct or not was of minor importance. If it had been manipulated correctly, it would not be possible to detect inaccuracies, and, the outcome would be the same. By far the most important aspect of the normalising judgement was the role that the time sheets supposedly played in evaluating staff for promotion. Although other factors were taken into account when evaluating staff, for example, technical ability, administrative ability,
interpersonal skills, enthusiasm for the work, and ability to work within the organisation, it appeared that three of the firms placed utilisation rates at the top of this list. This ability to fully charge out the time worked, by coming within budget, was also given emphasis by the remaining firms but to a lesser degree. The general view was that if the individual could not come within budget on his/her present salary, than s/he would not be able to recoup the higher costs associated with his/her promotion. The time records therefore kept a track record of the individual's performance, to be drawn on when evaluating the employee to ascertain whether or not s/he would be rewarded for his/her performance. Whatever was recorded on the time sheets, at once classified the individual as either efficient or otherwise, and whether s/he was performing according to the expectations of his/her rank.

As stated previously, discipline was a process of enabling, as well as disabling. Neustadter (1989) seemed to support this view, stating that time discipline in organisations was positive in that it delineated time devoted to work from personal time. However, although Neustadter's distinction is not so obvious from the data in this study, as work time seems to impinge on personal time, the manager in the large firm viewed time sheet recording from this enabling perspective:

To be able to beat, or come under the budgeted amount is personally fulfilling. Even if I have personally done the job two years in a row I feel good if I can perform it more efficiently, its like competing against myself.

This of course represents the ultimate in disciplinary processes. A pervasive process that actually enlists the individual as a willing participant in his/her own subjection to discipline (Foucault, 1979).

CONCLUSION
This paper was inspired by Macintosh and Hopper's (1991) research into the disciplinary aspects of management accounting processes. Of particular interest was the applicability of the disciplinary role to the process of individual time sheet recording.

The analysis has shown that although the time records could be used for the reasons articulated by management, that is, as a basis for charging clients, for substantiating charges, for the allocation of staff, and so forth, the actual emphasis on the time records for these reasons was actually quite low. This was because the time sheet recording system together with organisational expectations, promoted the 'manufacturing' of time sheet information so as to present the individual in the best light possible. All the principals in the study were aware of this, having experienced the system themselves at levels other than principal. Two of the principals referred to the time sheet recording system as a 'time game', and, as 'an exercise to get younger members trained in disciplining their use of time'.

However, even though the principals knew that these records were inaccurate, if necessary they did use them, and present them as accurate records in certain circumstances. These were circumstances external to the firm, for example, to justify their charges to client. In these cases the manufactured time records became "a reality" of how time was spent. However, for internal decision making, regarding client billing and as to how the employee had spent her/his time, the time sheet recording system had limited value.
Organizations however, are made up of individuals, who have to be 'organised' to work efficiently as a whole. As a result of power strategies within such organizations, disciplinary techniques have evolved which influence the relational power bases of these actors. This paper attempts to show how the time sheet recording system as operating in the three accounting firms, acted as a disciplinary mechanism trying to elicit, from the individual, behaviour which was acceptable to the firm and enabled the firm to function as a whole. The actors knowledge and their ability to exercise power in the construction of the time records meant that some of them perceived the whole process as a disciplinary time game. The time sheet recording system became a power strategy enabling surveillance and disciplining of the individual, the application of normalising sanctions and a construction of a reality by different power sites. As such the time sheet recording process challenged the power relations within professional accounting firms.
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