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Mary Aristidis Kaidonis
University of Wollongong

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**ORGANIZATIONAL CHANGE AND THE PARTICIPATION OF
ACCOUNTING INFORMATION SYSTEMS:
A CRITICAL REFLEXIVE ETHNOGRAPHY OF THE SOUTH
AUSTRALIAN HOUSING TRUST**

A thesis submitted in fulfilment of the requirements for the award of the
degree

DOCTOR OF PHILOSOPHY

from

UNIVERSITY OF WOLLONGONG

by

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Department of Accounting and Finance
1996

CERTIFICATE

I, Mary Aristidis Kaidonis, certify that this thesis has not been submitted previously as part of the requirements of another degree and that it is the product of my own independent research.

Signed: _____

M A Kaidonis

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To my supervisor, Professor Michael J R Gaffikin, I wish to thank you for allowing me the intellectual freedom to explore and enjoy this journey and for the privilege of being part of your vision. To Jane Broadbent, Richard Laughlin, Norman Macintosh, Leslie Oakes, Alistair Preston and Hugh Stretton, thank you for your constructive feedback on earlier drafts of parts of this thesis. I am also grateful to my colleagues for their encouragement and consideration. I wish to acknowledge the cooperation of all the interviewees of the South Australian Housing Trust (past and present) and Department of Housing and Urban Development, who were generous with their time and made this thesis possible and worthwhile.

DEDICATION

Εις τους γονεις μου
Αριστιδης και Ξενουλα Καϊδωνης
για την αγαπη σας, το Θαρρος σας, και την ευκαιρια
με πολυ αγαπη
η κορη σας
Μαιρη Α Καϊδωνη

To my parents
Aristidis and Xenoula Kaidonis
for your love, courage and opportunity
with much love
your daughter
Mary A Kaidonis

ABSTRACT

This is a critical reflexive ethnography of the South Australian Housing Trust (SAHT) between 1991-1994. The SAHT was established as a statutory authority with dual roles, which were to provide affordable housing to low income earners and to do so in a manner which contributed to the state's overall social and economic welfare. These dual roles influenced the culture of the organization and act as a context in which to analyse and understand a number of events. The SAHT's internal predisposition to change helped it to respond to reduced government funding and a change in general managers by undergoing structural changes. Laughlin's (1991) organizational change model is used to identify and classify these changes as first order, re-orientation. LOCM accommodated the use of reflexivity to expose and understand the processes by which accounting information systems influenced the changes to the SAHT's structure and culture. By contrast the changes resulting from the implementation of the public sector reforms were externally imposed and split the organization into two separate entities, thus decoupling the SAHT's humanitarian and business roles. The rhetoric of managerialism to procure change claimed objectivity and used accounting information systems to achieve the imperatives of accountability and transparency. The ideological impact of economic rationalism was disguised as merely offering functional clarity in order to understate the significance of these changes. LOCM was used to demonstrate the significance of this colonization as it had the consequence of disempowering the organization.

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CHAPTER 1

INTRODUCTION

1 ABOUT THIS ETHNOGRAPHY

This ethnography is about a statutory authority which had undergone a number of organizational changes during 1991 to 1994, which were both internally and externally initiated. The changes to the accounting information system are the main focus of attention. These changes are examined in the organization's historical context which help to explain how the culture and the leadership played a vital role in how the changes came about and how they took effect.

This ethnography contributes to the public sector literature as it offers contemporary empirical evidence which challenges some of the rhetoric public sector reforms. Being an ethnography, this work demonstrates the complex nature of AIS and their relationship in organizations. The reflexive nature of this ethnography offers a rare insight into the contentious issues with this methodology as well as the construction of knowledge.

The organizational change model which has been chosen to analyse the changes specifically contributes to the organizational change literature by demonstrating how such a model can enhance analysis and by providing empirical evidence to develop the model itself.

2 SETTING THE SCENE

There are a number of issues with which I am concerned in this thesis which have intrigued, excited and tormented me. The following question by Hopwood comes close to reflecting some of these concerns.

How does accounting contribute to the articulation of an organizational mission and through what means do the particular and very partial patterns of organizational visibility that accounting creates facilitate the achievement of control within the organization, be seen in either social or technical terms (Hopwood, 1983, p 291)?

In order to address this complex question, I have had to broaden my epistemological, ontological and methodological parameters. This has been both emancipatory and challenging. Whilst I discuss these parameters in chapter 2, it is important that I share with you some of my underlying assumptions in this introduction. As these assumptions also affect my theoretical perspectives I also will discuss some of what I cover in chapter 3, being the chapter in which I argue for the particular organizational change model that I use to analyse the organizational changes which are presented in chapters 4, 5, 6 and 7. An outline of the distinguishing features of these chapters is also presented in this introduction.

The title of this thesis contains the words accounting information systems. I use the terms *accounting* and *accounting information systems* interchangeably as the definitional differences impose false boundaries which undermine the contextual nature of this research. One could say

that accounting is part of management accounting and financial accounting which are subsets of AIS which in turn are a subset of information systems of an organization.

Indeed, the disciplines of management accounting and information systems have aspects in common, specifically the interaction of their product and the organization (Trewin, 1988, p 104).

The overlays cannot be dismissed and I found it more practical and more importantly, more informative to ignore such disciplinary boundaries.

Therefore, this thesis can be described as being interdisciplinary or even eclectic as I draw upon a range of areas, including accounting and AIS research, organizational change research, and public sector research. I am more interested in the interconnectedness of knowledges rather than in their exclusivity. Even so, in the chapters following I do make differentiations and also expose areas where concepts overlap. As is so often the case in the social sciences, the boundaries around concepts can be as blurred and illusive as the concepts themselves. Hence in this thesis I lose specificity in order to gain perspective by embracing the broader context in which AIS exist.

3 ACCOUNTING INFORMATION SYSTEMS IN A BROADER CONTEXT

Macintosh (1985) makes the point that there is more to accounting and information systems than merely their technical components.

It is not the 'debit-credit' or the 'bit-byte' aspects that are so troublesome any more. It is the social engineering that goes awry. Evidence continues to surface that systems create

effects within organizations we had not bargained for
(Macintosh, 1985, p 4).

Macintosh focuses on the "social software" of AIS as it is this which has a significant impact on the organization as well as having "far-reaching consequences for society" (1985, p 6).

In order to recognise, let alone understand these broader contexts in which AIS exist and interact, I wish to expose the social construction of, and the social constructing nature of AIS. This is an explicit rejection of positivism. The reason for my aversion to positivist research in AIS is two fold. The first and least important reason is that the findings of such research are "at best mixed findings" (Vitalari, 1985, p 244) and are still unable to resolve the impacts of information systems on organizational structure or patterns of behaviour, especially in the long-term (Vitalari, 1985). The second and most compelling reason for my aversion to positivist research is to do with its claims to objectivity and I address this in section 5.

Whilst I recognize that the historical, and philosophical developments in interpretive sociology (Stone, 1985, Hiley et al, 1991) are profound and enormous, for the purposes of this thesis I will limit the discussion. Instead I will start with Hopwood's call for an organizational perspective in the study of accounting where

organizational researchers might move towards an understanding that is able to cope with the heterogeneous and changing circumstances that shape the form, significance and effects in specific organizations and sections of organizations ... consideration has to be given to those organizational structures and processes through which the

technical aspects of accounting achieve their effect (1978, p 9).

Consistent with this need for more research which acknowledges the context of accounting, Hopwood challenged "adventurous researchers" (1983, p 303) to develop methodologies which enable such research. I consider myself to be one of them.

There have been many responses echoing Hopwood's (1978) call for more organization centred research. For example Roberts and Scapens argued against the "accounting-centric approach to research" (1985, p 444) in favour of understanding accounting practices in their organizational contexts. Tomkins and Groves encouraged researchers to adopt a "much wider range of research styles" (1983, p 361). Consistent with this, Scapens (1990) also advocated a role for case studies in management accounting research and Smith et al (1988) highlighted a particular use of case studies, distinguishing it from those informed by positivism. Coaleski and Dirsmith (1990) also argued for more qualitative methods to be adopted. Further, in order to understand these broader contexts, the time over which the research is undertaken should be extended to permit phenomena such as adaptation and evolution to emerge as in longitudinal studies (Vitalari, 1985, Trewin, 1988).

In the management accounting and control literature Ferreira and Merchant (1992) found references to field research, case studies, qualitative research, direct research, clinical research, idiographic studies, ethnographic studies and naturalistic research, all of which have been used interchangeably but have specific applications too. Ferreira and Merchant (1992) provide an extensive comparison and analysis of these various types of research, and I do not intend to replicate this. Instead, I

wish to explain how my work does and does not fit in with their classifications and analyses. This thesis is an example of what can be called contextual research (Laughlin et al, 1989) and can also be described as a case study, field research, qualitative research, naturalistic research and an ethnography (Ferreira and Merchant, 1992).

This thesis could be called naturalistic research, because it

avoids the reduction of the complexity of empirical social reality to a calculus of relationships between abstracted variables, and allows the researcher to develop a knowledge of these realities from within the natural setting of the study (Willmott, 1983, p 396).

I agree with Tomkins and Groves (1983) that naturalistic research is not merely a precursor to scientific research (Scapens, 1990) but a methodology in its own right. In that sense its use implies an epistemologic and ontologic distinction from the traditional positivist approach (Tomkins and Groves, 1983, Morgan, 1983) or scientific research (Ferreira and Merchant, 1992). Concepts such as validity, reliability and researcher subjectivity in qualitative research are considered problematic from a scientific perspective (Sandelowski, 1986, Covaleski and Dirsmith, 1990).

I am rejecting these "significant inherent limitations" (Ferreira and Merchant, 1992, p 26) of field research methods which Ferreira and Merchant (1992) listed as sample selection bias, data collection bias, response and interpretation biases as these limitations emanate from a realist ontology. Instead I acknowledge that qualitative research is time intensive and that many interpretations are possible (Covaleski and Dirsmith, 1990). The most significant concern, however, is that in

recognising the social construction of accounting and organizations (Covaleski and Dirsmith, 1990), the researcher is also constructing a reality (Hines, 1988, Covaleski and Dirsmith, 1990). Whilst Tomkins and Groves (1983) may have implied this construction of reality in naturalistic research there is insufficient acknowledgment of this (Willmott, 1983).

I also wish to distinguish this thesis from descriptive theories (Tiessen and Waterhouse, 1983), which implicitly recognize the importance of context in applying a contingency theory of organizations, but still apply a realist ontology. Similarly I distance my work from "realist tales" where the author is imbued with "invisibility, high-science stance, or interpretive omnipotence" (Van Maanen, 1988, p 54) because the "intermingling of the author's voice with the presented reality" is restricted and the "author's essential subjectivity is kept from view" (Van Maanen, 1988, p 67).

I use Van Maanen's distinction between ethnography and fieldwork, where "(e)thnography is the result of fieldwork" (1988, p 4) that is, an ethnography is the written product. The distinction is very important. Whilst I was doing *fieldwork* when I was interviewing members of the *case study* (the organization), I found, like Van Maanen, that the fieldwork "seemed like fun", but that "(w)riting, not fieldwork, turned out to be my problem" (1988, p 100). Some see fieldwork as a process of observation or a description (Ferreira and Merchant 1992), but I would like to emphasise that it is a "hermeneutic process", that is, "an interpretive act" (Van Maanen, 1988, p 93), and the writing adds another layer of interpretation. Hence, "(w)ays of personal expression, choice of metaphor (and) textual organization" (Van Maanen, 1988, p 5) are all choices which I have made, which convey an interpretation. I am tempted to say *my* interpretation

but do not want to understate the role that the members of the case and I played as interlocutors since we were "jointly engaged in making sense of the enterprise" (Van Maanen, 1988, p 95). However, ultimate responsibility of this ethnography must rest with me.

The requirements for undertaking the fieldwork are different to the requirements necessary to do the ethnography. The fieldwork requirements include how one selects a case and whether one has access to the case. Fortunately for me, the case chose me in a sense, because in 1988 I was hired as a training consultant to run Financial Management programs in 1989. I discuss the implications of this in more detail in chapter 2. The access and the subsequent familiarity this experience gave me also stimulated my interest to do more work on the organization. Choosing the subject matter is also very important as it can influence the degree of interest and cooperation that one may get during the fieldwork (Ferreira and Merchant, 1992).

My choice of the organization's AIS as the focus of my work was consistent with the issues which emerged during the preparation and presentation of the training programs. The organization was changing and I knew that its AIS was playing a role. I wanted to understand how AIS was implicated in these changes. I am comforted by Ferreira and Merchant's claim that a high quality topic seems almost assured if the motivation stems from prior field knowledge (1992, p 19).

Although the term ethnography is mainly associated with studies of native's culture from an anthropological viewpoint (Hammersley and Atkinson 1983, Van Maanen, 1988, Ferreira and Merchant, 1992) the concept of culture is also applicable to an organization (Van Maanen,

1988, Rosen, 1991, Schein, 1992), which in some senses is a tribe (Geertz, 1973). In chapter 4, I discuss how the organization's culture is an important context in which to interpret subsequent events which are discussed in chapters 5, 6 and 7. The organization's culture is a theme in all the chapters about the organization and given that I present this culture as being in flux and is sometimes ambiguous, it is consistent with ethnographies which represent

such ambiguity ... (as) an accurate characterization of lived cultural experience (Van Maanen, 1988, p 127).

Ferreira and Merchant also raise the issue of having an

open-minded, flexible approach once the researcher gets to the field (1992, p 19)

and the conflict of also being focussed. Generally the dilemmas that this may cause are not revealed as there is

little disclosure from the researcher about how the research design evolved during the project (Ferreira and Merchant, 1992, p 19).

I address this criticism by assigning a reflexive style to the ethnographic process. This approach is consistent with Covalleski and Dirsmith's findings that

it is essential to be self-conscious about our own complicity in the social construction of reality and the potentially active role of our creative leap between descriptions and analysis in contributing to that which we sought to observe (1990, p 564).

Some would say that an ethnography is as much about finding out about oneself as it is about finding out about others (Rosen, 1991). This is because the experience of the fieldwork and the process of writing the

ethnography should not be inert events, but events which engage the researcher and challenge their understandings and assumptions. Whilst reflexivity cannot be escaped in fieldwork (Van Maanen, 1988, Marshall and Rossman, 1989) it is imperative that the reflexive processes of the ethnographer are revealed. Rather than writing a final account of one's interpretation as if the outcome is the whole story, revealing one's reflexive processes highlights the importance of the journey.

4 REFLEXIVITY

By using reflexivity I am acknowledging that the relationship between the knower and the known is problematic and not independent (Chua, 1986a, Gaffikin, 1984a, Van Maanen, 1992, to name only a few). By revealing my thought processes I make my presence and influences in the ethnography visible. Further, this enables the reader to engage in a dialectic, so that my interpretations are

always subject to multiple interpretations. They are never
beyond controversy or debate (Van Maanen, 1992, p 35).

Reflexivity, discussed in chapter 2, requires suspending any self-censorship¹ (Van Maanen, 1988) and having the courage to reveal the doubts and sometimes conflicting coexisting interpretations between informants and myself. Rather than the ethnography being a teleologic outcome, the processual nature of it is shared and in turn acts as a medium through which to understand the issues in the case.

Employing reflexivity is also a political stance, informed by feminism (Lather, 1991), which explicitly rejects patriarchal, positivist notions of

¹ And in Van Maanen's words "(a)bout fucking time, too" (1988, p 70)!

knowledge (Belenky et al, 1986). I affirm my right and ability to construct my interpretations, and take responsibility for my identity, politics and choices (Belenky et al, 1986, Alcoff, 1988) which explicitly or implicitly inform my interpretations. I express this responsibility by revealing my reflexive processes.

Reflexivity particularly embraces what Ansari and McDonough (1980) referred to as humanistic-philosopher approaches to intersubjectivity. I empathize with their claim that this approach is

both a source of joy and conflict for human beings (Ansari and McDonough 1980, p 135) .

It is for this reason that I discuss in chapter 2 my personal transformations and conflicts about the methodologies I eventually employed. By acknowledging my processes I hope to engage the reader to better understand how I arrived at the interpretations that I present. In this way

the process of sharing, which requires accepting the legitimacy of another's point of view, also causes an individual to surrender some of his (sic) uniqueness (Ansari and McDonough, 1980, p 135).

I am delighted by their reference to

the realm of shared experience which allows humans to move from the solidarity "I am" to the joyous "we are" (Ansari and McDonough, 1980, p 135).

Going from the singular to the collective is not meant to imply generalizations but a starting point from which shared understandings can convey a sense of progress in knowledge. I must stress that this concept is distinct from the requirement that objectivity can be intersubjectively tested, that is, that more than one observer of a

particular event would arrive at the same conclusion (Popper, 1972, Ansari and McDonough, 1980).

Whilst I am impressed with being able to arrive at a "we are" state, in this thesis the celebration of "I am" will take precedence. However, in this thesis, I do not² expose all the influences which have constructed and moulded my perception of myself, for to do so, would make *me* the focus of this thesis. The focus is the organization, and it is my responsibility to convey my interpretations of my readings, interviews and experiences about the organization and its contexts.

However, the expression of my reflexive processes can expose my conflicts which in turn can act as a context through which I can interpret and re-interpret the organization's conflicts (Covaleski and Dirsmith 1990). Placing myself in a broader context is analogous to acknowledging that the organization itself operates in social and political contexts (Hopwood, 1983). In order to accommodate this broader domain, the issues of intersubjectivity as a challenge and opportunity for understanding the role of accounting (Ansari and McDonough, 1980) must be acknowledged. In doing so, the focus of *objectivity* as a criterion for accounting research as espoused by the rational scientists must be abandoned, to accommodate the humanist-philosopher's requirements to focus instead on *meaning* (Ansari and McDonough, 1980).

² And cannot expose as the making of an identity, modern or otherwise (Taylor, 1989) involves more than conscious awareness and is outside the scope of this work.

5 THE MYTH OF OBJECTIVITY

Much has been written to dispel the myth of objectivity (Rorty, 1991, Bernstein, 1983) and its interrelationship with subjectivity. Similarly, much has been written to dismiss the quest for objectivity and certainly the claims for objectivity in accounting (for example Ansari and McDonough, 1980, Christenson 1983, Gaffikin 1984a, Chua, 1986a). The subjective component of objective claims has not only been described by many, but has also been rejected; the *theory infected* nature of observation (Gaffikin, 1984a) is not new. The

'theory-ladenness of observation dooms objectivity' has become received truth in many areas of social sciences (Hunt 1994, pg 134).

Even so, many in the accounting profession have not caught up with this *truth*. The profession, in its ethical pronouncements still persist with explicit claims to objectivity (Australian Society of Certified Practicing Accountants, 1995) and that consultants can have a "genuinely independent mind" (Kinsella, 1995, pg 92). Hines seems to despair that these views still exist and she represents the accounting profession's expectations below.

Inner and subjective can be distinguished from outer and objective. Subject can be differentiated from object: the accounting measurer must inject no subjectivity into their accounting measures - they must not confuse their existence, thoughts and expectations, with the entity they are measuring (Hines, 1992, p 329).

Despite this rhetoric of objectivity, accounting has played a major role in organisations (Hopwood, 1978, Birnberg et al., 1983a and 1983b, Buckley, 1983, Cooper, 1983, Laughlin, 1987, Hopper, 1989, Laughlin and Lowe 1990, Puxty, 1993). Accounting and related technologies are instrumental in the accountability of corporations (Cousins and Sikka 1993). Similarly, accounting in public sector reforms has been used as a control of labour processes (Armstrong, 1986, Hopper et al, 1986), as a cultural change agent (Dent 1991) as well as a legitimizing tool (Guthrie 1993a).

The capacity for accounting not to function as a neutral inert technology has in part to do with it being "essentially an intersubjective phenomenon" (Ansari and McDonough, 1980, p 135). Accounting's influence was possible because accountants, practitioners and traditional researchers alike, failed to recognize, let alone acknowledge this capacity, whilst eagerly seeking some kind of objective reality. By setting a narrow definition of validity in order to be able to attain reliability, mainstream research (Chua, 1986a) unwittingly discarded that which could give their work more relevance to practice. They disconnected the world of practice, then wondered why their conclusions did not have anything to say about practice (Hopwood 1978, Tiessen and Waterhouse, 1983, Smith et al 1988).

Ansari and McDonough, assert that accounting's

ultimate power is derived from its ability to get people to internalize a set of symbols to which common meanings have been attached (1980, p 135).

In this thesis, I aim to expose and explore, at one level, how people internalize a set of symbols and how in turn this becomes part of the common meanings of the organization to legitimize change. To be able to

do this I have used a methodology which accommodates a means of identifying organizational change and a language for advancing the discourse of organizational change.

6 ORGANIZATION OF THIS THESIS

In chapter 2, I explain my choice of methodology and in chapter 3 I explore the organizational change model that I use to analyse this organization's changes. Chapters 4, 5, 6 and 7 focus on the organization, being the South Australian Housing Trust (SAHT).

I refer to my methodology as a critical reflexive ethnography, which allows me to distance myself from positivist methodologies which assert claims of objectivity and I adopt instead, post-positivist methodologies which reject such claims (as I have already indicated in this introduction). This methodology can be positioned in what Laughlin (1995) calls middle-range thinking. Laughlin's (1995) middle-range thinking can be said to be consistent with and/or a development of Burrell and Morgan's (1979) paradigms for the analysis of social theory. The methodology that I use in this thesis straddles two of their four quadrants, being radical humanism and interpretive sociology as I am informed by critical theory and hermeneutics. Burrell and Morgan consider these quadrants as "contiguous but separate" (1979, p 23). This is where I must diverge from their paradigm. Although for a number of years I have found their paradigm informing and a useful way to position my work or that of others (Laughlin and Lowe, 1990), I have also found the four paradigms limiting, particularly if they are meant to be treated as distinct.

Laughlin's (1995) middle-range thinking provides a more accommodating position for my work and is discussed in chapter 2. First, he uses a three dimensional model which allows for theoretical and methodological distinctions, which Burrell and Morgan (1979) treat in one dimension, being the subjective and objective continuum. Although their vertical axis refers to change, ranging from radical change to regulation, their range is limited because it is coordinated with only one other dimension. In Laughlin's (1995) model, the change dimension is coordinated with two other dimensions, being theoretical and methodological. His model offers more positions to align one's work and does not impose strict boundaries. Instead it accommodates interpretive methodologies and skeletal theory to facilitate the discourse necessary for analysis of this ethnography.

Since

accounting systems only have meaning in and through the organisational context of which they are part ... their practical meaning as well as their theoretical roots are most obviously related to theories about organisations (Laughlin and Lowe, 1990, p 28).

There are a number of ways of addressing how management information systems become

interdependent and inseparable from organizational structure and behavior (Macintosh, 1985, p 159)

and taking an organizational perspective is one such way. However, how one perceives an organization is complex and evolving. In Macintosh's (1985) literature review, he discussed research which linked accounting systems with role specialization, the environment and he identified research which considered such variables as competition, controls and organizational complexity. In Puxty's (1993) literature review of

management accounting in a broader context, he identified work which was informed by systems theory and more specifically open systems theory. However, the exploration of organizational theories has suffered the same limitations that accounting and AIS research has, in that the exploration has been reductionist (Puxty, 1993) or informed by a functionalist paradigm (Laughlin and Lowe, 1990).

In order to distance myself from these theories, be consistent with using Laughlin's (1995) middle-range thinking, and to narrow the field of exploration, I chose to use Laughlin's (1991) organizational change model to offer broad understanding. In trying to be pragmatic about what and how much can be dealt with in a thesis I have had to focus on organization changes which have had an impact on or have been impacted by AIS. I recognize that I am in danger of being reductionist too. This is another reason why I chose an organizational change model which does not impose but can accommodate other social theories. The assignment of other social theories acts as a deterrent to inadvertently becoming reductionist. This is also consistent with the claim that an ethnography

must be accompanied by an overlay of social theoretical ideas concerning meaning and action (Rosen, 1991, p 13).

I have chosen Laughlin's (1991) Organizational Change Model (LOCM) rather than an explicit theory of organizational change and this is presented in chapter 3. This is not to say that the model is atheoretical but instead to recognize that the way I have chosen to describe the organization follows this skeletal model. In particular, it provides conceptual loci to notionally posit the changes, and as such provides a language to enable a discursive development of the model and ultimately to facilitate understanding of the organizational changes.

This model acknowledges the difference between external and internal stimuli. Hence the responses that an organization may have are considered in terms of the degree and location of the changes and whether the organization had choices about its responses. Hence, whether changes are coerced or not, makes a significant difference when trying to analyse and evaluate the changes. This model distinguishes between first order and second order changes and between coerced and uncoerced changes. These categories help to assess the changes but do not impose an evaluation. This is a responsibility that I chose to take and is consistent with my use of middle-range thinking and emphasizes the *critical* part of the thesis. The evaluation of the organizational changes is informed by critical theory to the extent that I take a position and evaluate the changes that the organization undergoes.

Consistent with reflexivity, I have explored the use of metaphors in this model and consider the perspectives that are engaged. I compared the influences of a mechanistic, organic, cultural, and political metaphors which can become common-sense in their use and hence can distract attention away from their social construction. I liked LOCM because it can accommodate a number of coexisting metaphors and so through reflexivity, the limitations of just one metaphor are minimised.

In chapter 4 I provide an historic context which helped to establish the organization's culture. This acts as a context through which to understand the changes that occur in chapters 5, 6 and 7. Figure 1.1 summarises the sequence of events and how and when I obtained such information and where it is discussed in this thesis. In chapter 5 I focus on internally generated changes that occur during the period 1991 to 1994. These are

contrasted to the changes that are imposed on the SAHT during the end of 1994. These latter changes are explored over two chapters (6 and 7). Chapter 6 focuses on the impact of public sector reforms (PSR), while chapter 7 incorporates the SAHT's responses to the PSR. In chapter 8 I offer my conclusions and further research possibilities.

Chapters 1 to 8 constitute Volume I. In Volume II I presented all the interviews that I have conducted (89 one hour interviews with 48 people, from December 1992 to December 1995). I conducted the interviews about three times a year over periods ranging from a few days or two months³. These interviews were with people from all levels of the organization and helped to juxtapose opposing perspectives (Covaleski and Dirsmith, 1990). Volume II became part of Volume I, therefore I needed to make choices about how and what I sorted, assimilated, linked and discarded in order for the contents to make sense, for me, in Volume I. Hence Volume I does not disclose all of Volume II and tells one story which I found compelling, but is not be the only story that could be told.

7 THE ORGANIZATION: THE SOUTH AUSTRALIAN HOUSING TRUST (SAHT)

The organization which is the focus of this thesis is the South Australian Housing Trust. The organizational changes can be seen in terms of the people, events, and the political and economic environment in which the SAHT found itself and are described in the next section.

³ I have been doing this thesis on a part-time basis and whilst this limited how much time I could spend doing fieldwork, it enabled me to follow the organization over a longer period of time.

7.1 KEY FACTORS IN THIS ETHNOGRAPHY

7.1.1 The People

There were many players in this ethnography which influenced processes and outcomes, as well people who were effected by these processes and outcomes. The Board was an important group of people as they chose the leader of the organization. They also had a role to play in how the SAHT responded to events and its environment.

As well as the Board, the general managers, past and current continued to play a role in the how the SAHT was perceived by internal and external people. In this ethnography the organizational changes that I explore coincide with the SAHT's fourth general manager, being Richard Parker. Whilst his influence on the organization and how it responded to its environment was significant, he had been with the SAHT for only three years. His immediate predecessor, Paul Edwards had been with the SAHT between 1979 to 1990. The general manager before Edwards, Alex Ramsay, had been with the organization for the previous 29 years. The influence of Ramsay was profound, for the organization and how the governments and the public perceived the SAHT.

Ramsay was important in reinforcing the mission of the organization as having both an humanitarian role to help to house people with low income and a business role to help the economy of the state of South Australia. This mission was reflected in the culture of the SAHT which accommodated both roles as the humanitarian role and the business role had to coalesce.

The organization had its first taste of a change in management style when Ramsay died and was replaced, not by an internal appointment but by an outsider, Edwards. When Edwards left in 1990, he was replaced once again by another outsider, Parker. On both occasions this was a Board decision and reflected a desire for new input and a change of management style.

Ramsay was described as a benevolent leader, who developed a centralised organizational structure. Edwards decentralised the SAHT and with this change came a number of other events. This trend was continued by Parker. His focus appeared to be on the housing development side of the organization, the business side. However, this perception is challenged as during his time the housing construction side of the SAHT was halved in both the number of houses that were built and the number of staff employed in this division.

The SAHT was also affected by the Minister to which the SAHT was responsible and later the Department of Housing and Urban Development. The Minister of Housing and Urban Development changed during Parker's leadership of the SAHT. The most significant Minister during this time was Oswald, a new Liberal government appointment. This also coincided with the key players in the Housing portfolio at the time, who included Christine Charles initially and then Phil Combe. However these people were not alone in changing the role that the SAHT played in public housing. There were a number of consultants, from large chartered accounting firms, who made recommendations to the Minister and his department about the SAHT. There were many other players, who influenced events and influenced how I saw these events. The events can be summarised below.

7.1.2 The events

During this ethnography a number of significant events took place. These are summarised in Figure 5.3 and are discussed below.

In the late 1970's and 1980's the amount of funding for both building and for running of the SAHT was becoming uncertain and was being reduced. The sources of funds from the government through the Commonwealth-State Housing Agreement were being reduced. The SAHT's revenues from rent were reducing as more of the people were on subsidies and so paying a reduced rent. Expenses were also mounting, especially repairs and maintenance of its houses, as its housing stock was aging.

These funding pressures lead to a new emphasis on the information the organization was producing. The SAHT set up an Information Systems department and set forth developing a number of systems for both the business side of the organization and for the humanitarian side, that is, its client services. Although this trend had gained momentum in the mid 1980's, there was still much inhouse development of systems during the period of this ethnography.

Another response to funding uncertainty and as a consequence of the Parker's new appointments to the SAHT were a number of reconfigurations of the organization chart. With the arrival of Parker in 1991, the SAHT went from having three assistant general managers to having six directors. Three of the directors were to do with the building or business side of the organization, which made some people to view Parker as driving the business side of the organization. By 1994 the organization

had three directors, one for Regional and Community Services (the humanitarian side of the organization), one for Development (even though the SAHT's building program had halved), and one for Corporate Services. However, some of the restructuring was as a direct result of the qualified audit it received from the Auditor General for the year ended 30/6/92.

The qualified audit was a significant event for the SAHT as it brought attention to the SAHT's AIS as well as its management. The Board responded by having the Finance Division revert back to a more traditional structure and ensuring that qualified accountants resumed their role in overseeing the preparation of the SAHT annual reports. There was also a renewed vigour in addressing the IS and how they fed into the AIS.

The SAHT restructured itself to facilitate the production of the most relevant and reliable information for its internal management because it was necessary to pay particular attention to its financial viability. However this was not enough to divert the restructuring that was imposed on it by the Minister through his department. This is best understood by considering the political and economic environment in which the SAHT found itself.

7.1.3 The environment

There were a number of influences outside of the organization which individually and collectively had a profound effect in changing the SAHT. At a global level public sector reforms were gaining momentum. Further the financial position of the state of South Australia was seriously affected by the collapse of its state bank. These events resulted in the change of

government from Labor to Liberal. The new government was eager to be seen to be making changes. One of these changes was to continue with the Labor government's idea of having mega-department to coordinate large portfolios. The Department of Housing and Urban Development (DHUD) was now a new structure inserted between the SAHT and the Minister for this portfolio. This had profound effects on the SAHT.

This new administrative layer distanced the direct communication which the SAHT had enjoyed for five decades with the Minister. The new Minister, Oswald, buoyed by the advice of consultants, imposed the restructuring of the SAHT so that it was split into two separate entities. Each entity was to have its own board, so that the single board at the time was to be temporary. However, eventually the Minister conceded that the Board it should kept to coordinate between the two entities.

The Minister used the rhetoric for more accountability to legitimate these changes yet argued that the SAHT was still the same. In this study the use of Laughlin's (1991) organizational change model has been to demonstrate that the changes were not cosmetic but significant.

7.2 INTEGRATING THE PEOPLE, EVENTS AND ENVIRONMENT

The next section explains in more detail how these people, events and environment are dealt with in each chapter of this thesis. The actual case study is introduced in chapter 4 and continues in chapters 5, 6 and 7. The SAHT is a statutory authority, with dual roles which are to help to house people with low incomes and to help the economy of the state. The historical context of the SAHT is presented as it provides an

understanding to its culture which forms an essential backdrop from which to view subsequent events. The SAHT's mission was established early in 1936 and continued to influence its overall culture. The influence of leadership style in developing and sustaining the organization's mission and culture is also exposed as this permeates other levels of the organization. Changes in leadership brought new changes to the design archetype which were represented by a significant development of the SAHT's accounting information systems. In chapter 4, the interplay between the intangible aspects of the organization and its more tangible levels was very important. Not only did historically determined dual roles influence the accounting information system, but the AIS influenced the dual roles of the SAHT.

As this part of the thesis is an historical perspective, I have drawn on interviewees' retrospective comments of events, documentation and Marsden's (1986) history of the SAHT. I did get to interview her and was pleased that she considered it

essential to use oral history as it reveals the conflicts and opinions, since the historical records have the end product and not the discussions {Marsden, 20/1/93}.

She told me that she used "contradictions to elicit information in a dialogue" as well as "her own criticisms" {Marsden, 20/1/93}. And, she used formal documents including annual reports, board minutes, submissions to the board after 1962, state government records and state government archives and private records from the state library and the SAHT library. I found the photographs in her book very revealing as it helped to construct an image of what it may have been like in South Australia 60 years ago, which was the impetus to start the SAHT.

In chapter 5 a number of changes are analysed, which have been mainly internally initiated and so are distinguished from the externally imposed changes discussed in chapters 6 and 7. The events represented in chapter 5 span the period from February 1991 to June 1994 and coincide with the leadership of the SAHT's fourth general manager since 1942 (Marsden, 1986).

The information for chapter 5 is predominantly from the interviews and quotes from interviewees are referenced by {}. Internal documents such as board memoranda of financial information and discussion reports and other memoranda, when made available to me, are used as well as pamphlets, newspaper articles and Hansards. In this sense there was triangulation (Covaleski and Dirsmith, 1990, Ferreira and Merchant, 1992) either to reinforce my interpretations, or to provide a juxtaposition for contrast and contradiction.

In chapter 5 there were three major events which precipitated a number of changes. These were:

- a new general manager was appointed in February 1991,
- the implementation of the recommendations of a major review of housing operations, and
- the auditor general gave the SAHT a qualified audit.

Each of these events had effects on the organisation at a number of levels, especially the most intangible elements of the organisation.

These changes are traced through the organisation and examined with respect to the organisational change model introduced in chapter 3. These changes go a long way in placing more demands on the AIS and challenge the balance between the organization's dual roles. These result in

significant changes to the design archetypes of the organization and a reevaluation of its interpretive schemes. Whilst the influence was enough to unsettle or disrupt the balance between these levels and to shift the balance of the humanitarian and business roles, it was not enough to irreversibly change the interpretive schemes. The significance of this is understood using LOCM which described these changes as first order. As well as describing and categorizing the changes, it is important to understand how they were mobilized. I demonstrate how the use of the rhetoric of efficiency and effectiveness is persuasive, as it was in chapter 4, and allowed the business side of the SAHT more prominence.

It is not until chapters 6 and 7 that the most substantive second order changes can be described. In chapter 6, I explore the impact of a significant external stimulus, represented by the public sector reforms, on the organization. The interplay between accounting systems and systems of accountability, as Roberts and Scapens (1985) had suggested, can be better understood in their organizational contexts, and in this case in its political context too. I expose the rhetoric of accountability used by the public sector reforms to introduce more managerialist technologies. These together with changes in the organization's political arena result in a new administrative department being inserted between the SAHT and the Minister of housing and urban development. Further, the policy function of the SAHT was moved. These reforms were used to split the SAHT, so that its interdependent roles of providing housing services and property management (discussed in chapter 4) were severed into two separate organizations. The rhetoric for this major restructuring was to achieve functional clarity associated with accountability. A single board was maintained and took a coordinating coalescing role. The arguments for the

split were exposed to be contradictory and inconsistent, which begs the question; why and how was the SAHT changed so significantly?

I demonstrate that these changes occurred because the public sector reforms in Australia have followed other western countries adoption of managerialism and thus had a huge momentum. Further, I argue that the reformers naively believed that managerialism and its associated accounting technologies was another inert objective technology which could overcome any problems of bureaucracies. In chapter 6, I reveal managerialism's implicit economic rationalist ideologies which mitigate against the social policies of the SAHT. Instead managerialism is shown to have dictated the structure of the SAHT in order to facilitate reporting but at the expense of its mission. I use LOCM to develop a map of the changes which helps to establish that a second order change has occurred.

This brings me to the next chapter. Although I have discussed my methodological epistemological and ontological choices in chapter 2, I need to stress that these were an evolving process. Instead of these choices being *a priori*, like Covalleski and Dirsmith, I discovered my presumptions "only by the act of doing research" (1990, p 565). Accordingly, chapter 2 presents my processes and research position and this reflexive process is continued throughout this thesis.

CHAPTER 2

METHODOLOGY: A CRITICAL REFLEXIVE ETHNOGRAPHY

1 INTRODUCTION

In this chapter I will cover the theoretical and methodological characteristics of this critical reflexive thesis. It is not only appropriate to be explicit about the choices made, but it is a necessary requirement of reflexivity. A post-positivist ontological and epistemological position is taken and accordingly this thesis falls into the middle-range thinking of Laughlin (1995), and is described below.

2 MIDDLE-RANGE THINKING

Laughlin (1995) demonstrates the relative theoretical, methodological and change positions by offering a three dimensional grid (see Figure 2.1). Each grid is described as high, medium or low, but the grids are not meant to be "precise, definable or measurable" (Laughlin, 1995, p 68). The flexibility of his grid allowed me more range within which to locate my work than did Burrell and Morgan's (1979) four quadrant paradigm. As already discussed in chapter 1, Laughlin's three dimensional grid system is an adaptation to Burrell and Morgan's (1979) two dimensional system. Laughlin's (1995) theory dimension refers to the levels of prior theorization, hence

high levels of prior theorizing are indicative of an assumed
material world (which exists distinct from the observers'

projections and bias) which, despite empirical variety, has high levels of generality and order and has been well researched through previous studies (Laughlin, 1995, p 66).

However, at the other end of the spectrum, low levels of prior theorizing make generalities impossible and

assume that the world is not material - it is a projection of our minds (Laughlin, 1995, p 66).

The methodology dimension is closely linked to the theoretical dimension since

the actual way of conducting the investigation can either be defined according to some theoretical model of how the observer should see or is more reliant on the implicit perceptual powers of the individual observer (Laughlin, 1995, p 67).

Hence a high methodological dimension would be consistent with a high theoretical dimension where the observer is considered separate from the observed and the observer's subjectivity "plays no part in the process" (Laughlin, 1995, p 67). At the low end of the methodological dimension, the researcher is intricately part of the research and their subjectivity is not considered problematic but rather seen "as a strength" (Laughlin, 1995, p 67). There is an

attempt to preserve differences in perceptual powers since a belief in this variability and its importance in discovery processes forms the foundation for this way of seeing (Laughlin, 1995, p 67).

Laughlin had a third dimension on change choice, which reflects

the level of emphasis given to critique of the status quo and the need for change (1995, p 68).

In this dimension a high level of change pertains to whether the researcher sees changing the status quo as desirable and may or may not be able to effect change. Laughlin describes researchers which have a low change dimension as having "little problem in maintaining the status quo" (1995, p 68). This could also include those who do not believe in effecting the research site and those who believe that although other alternatives may be possible, it is not appropriate to have or offer judgement as to which alternative is better.

I have identified that my research can be described as being middle-range thinking and this means that my attitudes to theory, methodology and change rest in the "medium" part of each dimension. This position overlaps two of Burrell and Morgan's (1979) four quadrants which are meant to be distinct. In Laughlin's (1995) middle-range thinking this position is not in itself a well defined or general position and I will explore this further.

2.1 THEORETICAL CHARACTERISTICS

2.1.1 Ontological Belief

It can be said that

we are in a postpositivist period in the human sciences, a period marked by much methodological and epistemological ferment (Lather, 1991, p. 50).

It is appropriate for researchers to acknowledge and explore this potentially emancipatory period. The postpositivist period challenges positivists' implicit claims. Postpositivists view facts and observations as

theory-infected (Gaffikin 1984, Gergen and Gergen 1991, Lather 1991, Hunt 1994), whereas

the positivist approach assumes a strict subject-object dichotomy in which the knower is uninvolved with the known (Bredo and Feinberg, 1982, p 6).

Positivist research only acknowledges a specific interpretation of "reality", one that can be seen and measured with an "instrumental rationality" which is "oriented towards prediction and control" (Bredo and Feinberg, 1982, p 7). Accordingly it would be described as being "high/high/low" in Laughlin's (1995) three dimensional scale. The positivist approach limits the types of questions that a researcher can ask a subject and the range of answers a subject can offer, since the responses have to be statistically accessible.

In fact in any research, it can be said that the researchers have created knowledge even by the act of choosing what is interesting to study or even

when we adopt a particular position, when we ask certain kinds of questions rather than others, when we analyse and make sense of findings in one way rather than another, when we present our findings in a particular kind of text - all this is part of constructing a researchable world. In other words, research is simply not a matter of representing, reflecting or reporting the world but of 'creating' it (Usher, 1993, p 98).

The post-positivists' rejection of positivism recognises that there is no neutral research (Lather, 1991). In being explicit about the ontological and epistemological positions I hold, I acknowledge the role I have played in constructing this knowledge. Further, I am aware that this construction can only ever be one story rather than *the* story to be told. In this sense I

highlight the inevitable truth that all empirical research is partial and incomplete (Laughlin, 1995, p. 65; Usher, 1993).

In response to this condition, Bredo and Feinberg have suggested that instead of research trying to achieve "greater precision and rigor" (1982, p 4), research should be

keeping a closer ear to the ground and attempting a more sensitive interpretive understanding (Bredo and Feinberg, 1982, p 4).

Middle-range thinking can be said to accommodate this sensitivity to interpretive understanding.

2.1.2 Role of Theory

Middle-range thinking has a loose reliance on theory reflected by acknowledging the possibility of "skeletal generalizations" (Laughlin, 1995, p 80). In this sense in this study I recognize the need to identify unintended consequences of decisions and events. Whilst I am not aiming to make generalisations I do wish to make connections between decisions and events, and in this sense I am using skeletal theory to offer some broad understanding of relationships (Laughlin, 1995).

In this thesis I predominantly use an organizational change model as a skeletal theoretical base. In order to develop this model I draw upon a number of other theories which address the relationships within the components of the model. In this sense I am fleshing out the skeletal theory. I will develop the organizational change model by demonstrating and explicating the use of Accounting Information Systems, and related technologies as instruments of

. structural change

- . cultural change
- . ideological change
- . organizational change.

2.2 METHODOLOGICAL CHARACTERISTICS

2.2.1 Role of observer

In middle-range thinking Laughlin believes that the

observer is important and always part of the process of discovery (1995, p 80).

Consistent with this position I use reflexivity to emphasize the role of the researcher in the research process. Briefly, I believe that it is imperative for me to be aware of and explicit about my own processes, perceptions and understandings during this thesis. This will be described in more detail below.

2.2.2 Reflexivity

In reflexivity, the views of the researcher and the researched are more mutually involved (Bredo and Feinberg, 1982). In fact,

the researcher is required to participate, *in the course of her research*, in activities which are also the object of that research (Woolgar, 1988a, p 23).

Reflexivity can range from

self-reference to self-awareness to the constitutive circularity of accounts and texts (Wacquant, 1992, p 37).

Reflexivity can even be seen, implicitly, in some positivists' work, particularly in research which wishes to explore respondents' perceptions. Kirby and Teddlie (1989), for example, attempt to "operationalize the construct of reflective teaching" (p 45) by using a 15 item Likert scale. This work assumes that nothing happens between the respondent and the instrument (filling in the questionnaire), and that the instrument is a faithful representation of the respondents' description of their perceptions. However, these

apparent concessions to reflexivity, both in the natural sciences and in other disciplines which aspire to the Scientific ethos, usually involve an entirely different form of reflexivity, which we can call *benign introspection*. This kind of reflexivity - perhaps more accurately designated 'reflection' - entails loose injunctions to 'think about what we are doing' (Woolgar, 1988a, p 22).

Some definitions of reflexivity indeed reinforce the positivist objective (and fall under the Laughlin's (1995) "high/high/low" category) of neutrality and can be said to

cope with one's consciousness of consequences of other-direction and role-taking in oneself [so as to] approach that dream of social science: the utterly detached observer (Wacquant 1992, p 37 quoting Berger, 1981).

At the other end of the spectrum (in Laughlin's (1995) "low/low/low" category), reflexivity breaks with the constraints of positivism and heads for emancipatory knowledge which

increases awareness of the contradictions distorted or hidden everyday understandings, and in doing so it directs attention

to the possibilities for social transformation inherent in the present configuration of social processes (Lather, 1991, p 52).

This potential for discovery also has the potential for "rampant subjectivity" (Lather, 1991, p 52) and certainly from a constructivist approach, can lead to an "infinite regress of cognitive dispositions" (Gergen and Gergen, 1991, p 79). Instead of such an inward approach, the social constructivists emphasise an outward stance, with an aim to

realize more fully the linguistic implications of preferred positions, and to invite the expression of alternative voices or perspectives on one's activities (Gergen and Gergen, 1991, p 79).

The emphasis of reflexivity is on language as the mediator between the researcher and the subject/researched and the instrument of conveying the research is the text (Usher, 1993). It is not only that the researcher constructs what they find (Steier, 1991) in the form of a text, but also that their constructed findings are "rooted in language, not located inside one's head" (Steier, 1991, p 5). In other words

representational practices of research are inextricably bound up with writing and the production of texts (Usher, 1993, p 108).

The interdependence of the respondent/subject and the researcher is presented by the medium of the text and so involves another party, that is, you, the reader. Hence the text is still subject to the reader's perceptions, interpretations and research values. Even so, there is still the possibility that

the author's self-reflections about his (sic) own work take precedence over any violence the reader may enact (Sandywell et al , 1975, p 3).

This is why the researcher must be prepared to disclose their part in the research "*without becoming impositional* (sic)" (Lather, 1991, p 64). In reflexivity the researcher's part in the practice of research, not just the researched, is disclosed to allow "the place of power, discourse and text" (Usher, 1993, p 102) to emerge. Hence, reflexivity is achieved by

subjecting the *position* of the observer to the same critical analysis as that of the constructed object at hand (Wacquant, 1992, p 41, quoting Barnard, 1990).

Revealing one's reflexive processes through writing can be confronting from more than one perspective. Facing one's false consciousness (Held, 1980) can be confronting as it means letting go of the safe and known status quo (discussed further in section 3). Revealing one's reflexivity means being confronted by mainstream patriarchy which generally interprets self evaluation as a weakness rather than a developing epistemology (Belenky et al 1986). The researcher needs to be poised for the reactions they may get, particularly if patriarchal systems devalue and dismiss reflexive processes as expressions of uncertainty and vulnerability.

I consider the presentation of my reflexive process as emancipatory and an expression of confidence for my epistemologic position. Whilst reflexivity can be complex, confronting and exposing it has enormous potential as a resource or opportunity (Hamlin, 1992), and can provide a platform for change (Lather, 1991, Usher, 1993). Lather stresses that the

potential for creating reciprocal, dialogic research designs is rooted in the intersection between people's self-understandings and the researcher's efforts to provide a change-enhancing context" (1991, p 65).

This context can be provided by the researcher revealing how the research process has evolved and how it challenges the researcher's sense of knowing (Lather 1991). Usher (1993) urges us (as researchers, educators, writers), to be conscious of our construction of our texts. I take up Usher's challenge to "coming clean" (1993 p 115) in section 3 of this chapter.

Recognising that reflexivity can be positioned in more than one of Laughlin's (1995) compartments can be perceived as problematic. I can see that the two epistemological and ontological assumptions are on diametrically opposite ends and can be viewed as mutually exclusive, and so cannot co-exist. I consider this perspective problematic too, as this position does not offer anything but barriers to knowledge (Usher, 1993). I do believe that there is merit in being able to get right up to the barrier, climb it and look into the other playground. I am heartened by Hamlin's quote of Latour that we should

make good...[our] promise not to remain within the academic boundary (Hamlin, 1992, p 534).

It is essential to use Laughlin's (1995) categories as guides but not strict barriers, whilst at the same time being aware of possible contradictions. Contradictions themselves can be informing as they can expose paradoxes. Pushing the boundary or this interface between the positivist and the post-positivist paradigms is worth exploring and

is increasingly recognized as a process whereby tacit (subjective) and propositional (objective) knowledge are interwoven and mutually informing (Lather, 1991, p 66).

2.2.3 Nature of Method

In middle-range thinking, Laughlin refers to method as a "definable approach but subject to refinement in actual situations" and is "invariably qualitative" (1995, p 80). Consistent with this approach, I have used ethnographic techniques and I have described these in section 3. Data is sought by longitudinal studies based on case studies which are "heavily descriptive but also analytical" (Laughlin, 1995, p. 80). I have used a case study and have conducted interviews over a three year period and so I can say that I have undertaken a longitudinal case study.

2.2.4 Conclusions Derived

I am rejecting the positivist notions of causation, however, the interconnection of events, ideologies, theories, outcomes or consequences cannot be dismissed. In this thesis the free will of the organization's leaders, political leaders, or public reformers cannot be separated from the consequences of their choices.

Free will...is compatible with causation, and more than that, it is dependent on causation. We can only make free choices in a world governed by causation...Choices themselves are causes: in a world without causation choices would have no effects (Teichman and Evans, 1991, pp 38-39).

I refer to this thesis as being post-positivist (Agger, 1991, Lather 1991) to indicate that the work is at the interface of critical theory and postmodernism. The common link between the critical theory and postmodernist positions is reflexivity, for example, reflexivity is a feature

of Habermas a critical theorist (Held, 1980, Agger, 1991) and reflexivity is a feature of feminist postmodern scholarship (such as Lather 1991, Usher 1993) and poststructural research (Agger, 1991). I am drawn to Agger's distinctions between critical theory, poststructuralism and postmodernism, but more particularly drawn to their interconnections. Agger says that

critical theory, postmodernism, and poststructuralism attune working empiricists to the ways in which their own analytical and literary practices encode and conceal value positions that need to be brought to light (1991, p 121).

However, this thesis is best described as a *critical* reflexive ethnography because of my attitude to change. As will be evident in chapter 7, I not only wish to analyse the organizational changes that take place, but I wish to critique them and in so doing challenge the reasoning of the changes that took place. Whilst I cannot influence the outcome of the case, I wish to register my judgement of the decisions made by the organization's leaders, the political leaders and public reformers. The next section explains why I describe this thesis as a reflexive ethnography.

3 REFLEXIVE ETHNOGRAPHY

An ethnography can be considered an interpretive process and many recognise the subjective nature of their work particularly those involved in interpretive methodologies (Turner, 1974, Van Maanen, 1988, Boland, 1989, Dent, 1991). However, the coexistence of the objective and subjective is not readily accepted by many researchers, even if it is implicitly revealed occasionally. In this section I wish to expose the techniques used to objectify what I consider to be a very subjective process, and in so doing,

I aim to acknowledge and celebrate the subjective nature of a reflexive ethnography.

In separating authors according to their claims to objectivity or subjectivity, Boland (1989) highlights that the dichotomy which is implicitly accepted is a false dichotomy. In reference to Burrell and Morgan (1979), Boland recognises that their

grid has not only opened up a new space, it has also become reified as a kind of fundamental distinction that gives a new boundary to our discourse (Boland 1989, p 592).

In challenging the objective-subjective dichotomy, Boland does more than identify the dichotomy as a continuum. He argues that one cannot exist without the other.

The point to be made is that neither the subjective nor the objective can stand alone as an area of study ... The objective fact is socially constructed and the symbolic meaning is empirically grounded (Boland, 1989, p 592).

The objective component of a subjective process can be exposed to varying degrees in methodologies that purport to

'getting inside' the reality of the actor in an effort to understand this reality as the actor does (Meltzer et al 1975, p 54).

Although this methodology explicitly assumes the social construction of reality, it also has an implicit assumption more common with objectivism. This implicit assumption is that it is possible to leave one's own experiences and see reality according to another person's reality even though one does not have their experiences. This ability to *get into the shoes of another* suggests that it is possible to separate the self. This

separation of the self, is then consistent with positivists' assumptions that the observer is independent of what is being observed. Yet, methodologies aligning themselves with symbolic interactionism, especially ethnomethodology (Meltzer et al, 1975), explicitly reject the objective notions of positivism.

In Dent's description of the research method he used for his analysis of an organisational change, he stressed that

the researcher must constantly construct alternative interpretations ... until he or she is satisfied that the representation is a faithful account ... Finally, research results must be presented in such a way that the reader can independently judge their credibility, as far as is possible (1991, p 711).

An interpretation of these comments is that Dent (1991) is seeking to objectify his subjective process, by seeking legitimisation from the reader. However the process of this constant construction of alternative interpretations is not described, nor are other possible interpretations presented. If indeed the researcher is to convince the reader that their interpretation is credible, then perhaps the reader needs to know the processes of interpretation that the researcher underwent, before arriving at the given interpretation presented in a published article. It is here that reflexivity can be purposeful, in that it can offer an authenticity to the ethnographic process. Recent examples of the type of open ethnographic style possible are by Hammond and Preston (1992) and are particularly relevant in case study research of processes of organisational change. In a sense, the reader needs to be aware of the lenses used by the researcher to view the organisation in a particular way. Dent does not see his

interpretation as the only interpretation possible, although it is an impression one could get from particular writing styles.

The language used has an influence on the interpretation, just as the pre-existing theory or pre-understanding provide a context for the researcher's experiences to have meaning. Hence,

a recognition of (the contingency of language) leads to a recognition of the contingency of conscience, and how both recognitions lead to a picture of intellectual and moral progress as a history of increasingly useful metaphors rather than of increasing understanding of how things really are (Rorty, 1989, p 9).

The way a paper is set out, how quotes and references are used, all in the name of consistent presentation, culminate to give the impression of legitimacy or authority to the text (Agger, 1991). The meaning of the text is influenced by the use of the third person, rather than referring to the first person *I*. By using the third person, the individual's interpretations are given the status of being *out there* and as a consequence helps to neutralise and therefore objectify a very subjective process.

MacAloon criticizes what he refers to as "stylized rhetorical objectivism" (1992, p 111) which silences the voice of the ethnographer in their role as participant observer. He sites examples where emphasis is given to access to documentation, while face to face contact with the organization being researched, is not considered relevant.

Such writers seem not to imagine that some ethnographic competence might add to the authority of their analyses for readers, or that placing themselves as explicit subjects within

their texts might not be polluting to their capacity for 'clean, well-lighted judgements' (MacAloon, 1992, p 111).

Equally unrealistic is the perception that the researcher is separate from the author and that both are distinguishable from the concept of self. The persistence of this separation reveals an objectivist intent or influence, as if apologising for the subjective nature of their work. A personal account of the conflict created by the false objective-subjective dichotomy and the effect of using *I* instead of *the researcher* or *the author* is discussed later in this chapter. I have argued that the use of *I* helps the author/researcher claim their voice as a legitimate vehicle for the expression of my experiences. The use of *I* reinforces the researcher's active role in the ethnographic process, so that the continuous social construction of a particular reality is acknowledged. The reader can further interpret the text/paper, so that

a moving dialectic process of dialogue ... always takes place
anew at the horizon of our prejudice (Boland, 1989, p 595).

Hence, if understanding is gradually emerging through a process of reinterpretation in the context of the researcher's experiences and language, then the researcher/author must reveal their reflexive process.

The reflexive process is one of constant reinterpretation of the experience, event or text. In this way, the hermeneutic problem is one of gaining meaning in an unfamiliar context, by engaging in an interpretative dialogue with the text (Boland, 1989). Although this process is a highly subjective process, Boland stresses that it is not severed from theory or objectivity. Instead

(t)heory does not stand apart from action as the objective,
impersonal essence of a subjective and personal performance.

Rather, theory and action are inextricably bound and emerge from a common field of language practice (Boland, 1989, p 593).

The hermeneutic turn requires reflection and reinterpretation of earlier perceptions. The fact that new perceptions are possible, indicates that more or new information is being generated during the process of the information gathering through to the first impressions and so on. Reinterpretations are possible because the mind is including, consciously or unconsciously more experiences each time. It is a continual process of synthesis.

In this thesis I will examine my own processes as a researcher moving from objective notions of methodology to subjective methodologies and I reveal the conflicts I experienced within this transition. The aim of disclosing internal conflicts is to highlight that the research process is not one *done out there* but is more integrated with the person. The reflexive process revealed can be an example to guide the reader through the processes of understanding, so that the reader knows where the author has been and how they have arrived at where they are. Of course, the reader is not expected to *get into the shoes of the author*, nor are they expected to dissolve their own experiences. Rather, a type of reader-author relationship can emerge by the author being aware of his/her thought processes and willing to share these processes with their readers. The reflexive process is not teleologic thus enriching the potential for our understanding, in this case, of organisational change processes.

3.2 CONFESSIONS OF A CLOSET POSITIVIST

As mentioned earlier, I wish to respond to Usher's (1993) challenge to "come clean". In this section I aim to clarify that my embrace of reflexivity was not without reservations. My earlier education used scientific methodology exclusively and although I was aware of the social construction of accounting (as discussed in chapter 1), it was personally hard to let go of the security it afforded. This *false consciousness* (Held 1980, Pusey 1987) described my reluctant yet complicit acceptance of the status quo.

Pragmatic acceptance or acquiescence is involved because few alternatives are seen to the status quo and it is recognized that one must participate in it, if comfort and security in life are to be achieved (Held, 1980. p 368).

However, these comfort levels were not to remain undisturbed as my intuitive (rather than learned) responses were to question the status quo. Reflexivity is not without its discomfort as it requires the individual to be willing to confront and question belief systems and assumptions under which they live.

The next sections show that my acceptance and embracing of reflexivity was gradual and occurred at the commencement of this research adventure called a thesis. Some of what I describe, such as this section on systematic chaos may seem contradictory, having rejected positivist epistemology earlier. This is because it is contradictory. The purpose of presenting this apparent contradiction is to demonstrate that at the early part of my research journey I had personal difficulty with my socialised notions of what constituted research. Awareness of this difficulty allowed me to identify and articulate the stages of the development of my

epistemologic stance. The first stage I describe is my transition from training consultant to researcher. The second stage I identify is the seeking legitimacy in my methods. Thirdly my questioning of the distinction between training consultant, researcher, author and self was a turning point in resolving my epistemological dilemma. I describe each of these sections separately below, although the insights did not necessarily occur in sequence.

3.2.1 The Transition from Training consultant to Researcher.

It was in my capacity as a Training Consultant that an interest and curiosity developed to research the South Australian Housing Trust's (SAHT) organisational changes and the participation of the Accounting Information Systems. When I first entered the SAHT I knew very little about the organisation. Further, I was invited to present training programs because they wanted someone willing to learn about their systems, so that when I spoke to their staff, I was not presenting a lecture, but rather talking with them about their organisation.

The fact that I had been a training consultant for the organization and then went back in the role of an academic researcher caused me some discomfort. How could I be objective and undertake real research? I

already had a preunderstanding ... thereby unable to start
with a neutral mind (Oliga, 1988, p 99).

It could, therefore, be argued that it was appropriate to use historical hermeneutics (Oliga, 1988) as my methodology. The fact that the new interviews as a researcher (rather than a training consultant) provided more insights into my understanding can be said to have been a product of naturalistic enquiry. "The analysis of verstehen" lead me to "rethink" my

original impressions (Oliga, 1988, p 98). The existence of terminology which described what I was doing (to some extent), afforded me some comfort.

In applying the interpretive approach, I highlighted the intersubjectivity of the actors and their actions (Chua, 1986a) and applied meaning retrospectively to experience. This was achieved through interviews and discussions of people within the SAHT. In this process I invited responses from the respondents on events, discussions and policies. These responses were according to the respondent's frame of reference. An image of the organisation developed as I spoke to a number of people in the organisation. Each interview was then helping to create the context or frame of reference from which I drew. The perspectives and insights were acquired from a number of sources. This is consistent with Chua's description of Schutz's "postulate of adequacy" (Chua, 1986a, p 614). Since observation cannot be considered neutral, the actors' agreement with "the explanation of their intention" (Chua, 1986a, p 614) serves to confirm a view of perceptions. The impressions gained from one interview were readdressed during other interviews and in this way, confirmation or agreement of the actor's intentions was achieved.

3.2.2 Eureka - systematic chaos.

I found that people readily referred me to other people to talk to who knew about a particular event or process. Sometimes the same names came up, which suggested to me that they were more significant and that it was important to speak to them. Even so, I felt the process was sporadic and this did not sit well with the notions of random samples and systematic research. Yet this was inspite of the fact that I had questioned the

objectivity of scientific methodologies in the social sciences. It was not easy to unsocialise myself from the influence of years studying scientific methodologies and their notions of objectivity. I still associated real research with strict scientific methodology, well aware that the accounting profession and other social sciences had thrown themselves into scientific methodology in order to assign themselves the same status as the sciences. In organisational analysis, the quest for objectivity is also pervasive. Boland and Greenberg note that the

dream of a method to guarantee a rigorously objective social science is one that has gripped us since at least the time of Descartes (1992, pp 119-120).

You may imagine the surprise and relief I felt to find that my seemingly unscientific way of identifying people to interview, actually had a name in positivistic research and is called *snowball sampling* (Dawes, 1987; Goodman, 1961). Snowballing

is applied to any technique used to develop a sample of a population by using an initial set of respondents as informants to aid in finding additional members of the population of interest that can be subsequently interviewed (Dawes, 1987, p 27).

Snowballing is not only used to describe a process, but can be found to be statistically superior (Goodman, 1961; Dawes, 1987), to other ways of finding people to interview. The subjective nature of this process is not recognised but rather is seen to be legitimately objective! Dawes implicitly rejects subjectivity to the extent that he cannot recognise its existence. The existence of a name for a method seemed to legitimate my research, while the statistical support of snowballing served to objectify my

methods. The idea of an objective observer could still be achieved, according to snowball sampling.

In writing up my work at the time, I integrated the key words of snowballing in the description of my methods. The Manager of Training was the first contact with the SAHT and can therefore be considered the *primary respondent* in the *snowball sample collection process*. In preparation of my training courses, the training manager suggested and subsequently set up interviews with myself and people from whom a perspective of the organisation was drawn. These people were considered to be *second stage respondents*. The participants of the training courses provided further suggestions of people with whom to talk concerning the development of the SAHT's information systems. These people were considered to be *third stage respondents*. The *fourth stage* of collecting information was less random. The key people who were involved and influenced the development and implementation of the information system had emerged. They were referred to by the primary respondent and most of the second stage respondents. *Increased response rates* and *increased quality of information collected* (Dawes, 1987) were assured by snowball sampling.

It is interesting that Dawes (1987) and Goodman (1961), referred to this process as a data gathering process. This language is clearly empirical and meant to confer status to snowballing. What more could I ask for? The use of snowballing highlights the language objectifying a process (of choosing whom to speak to) that would otherwise have been construed as merely subjective! That is, I was seeking a notion of objectivity, even though I was aware that the process was subjective. I must emphasise that this dilemma was at an early stage of my research. However, transformational

change can be confrontative and may explain why many positivists do not wish to question their methodologies. Instead, as Dawes (1987) and Goodman (1961) have demonstrated, the subjective process can be masked.

3.2.3 Distinction between training consultant, researcher, author and self.

The next significant process was my questioning the distinction between training consultant, researcher and author. At first it seemed relevant to identify the role I was playing, since some insights emerged while writing up and analysing the fieldwork notes, while others emerged in the role of training consultant or researcher. I felt I had to exclude the information/insights gained from the preparation and delivery of the training courses. It was relatively easy to exclude interviews but it was impossible to unravel the perceptions developed during the training consultant stage from the researcher stage. These interviews and perceptions helped to develop chapter 4. It was not only impossible, but it made no sense to censor insights simply because of the role I played at different times. According to Daft,

(s)ignificant studies often began through direct contact with organisations - perhaps a training session with managers, a consulting job, or a puzzlement encounter during field interviews (Daft, 1983, p 544).

What relief to come across this paper!

Boland pointed out that the objectivist-subjectivist dichotomy poses "difficulties for the emerging subjectivists" (Boland, 1989, p 592) who are led to believe that they are

concerned with a new and wholly different realm of experience than that of traditional accounting research (Boland, 1989, p 592).

It is these difficulties that I address.

My conflict between objective researcher, training consultant and self also emerged during the ethnographic process. It was while I was telling my story, in the role of author, that the conflict emerged. It seemed equally ludicrous to try to distinguish between the writing process from the data gathering process, since at both stages, impressions and interpretations and reinterpretations were occurring. The natural progression from these insights was to try to recognise that the self was the common thread of all these roles and should not be disguised. Trying to separate the *self* from the research process, or worse, suppressing the self, is counterproductive to the research aim. Gradually I was able to find freedom in expression by first celebrating in the discovery of my voice and secondly by replacing all references of *the researcher* to *I*.

I offer one example below of an interpretive methodology which has an implicit objectivist intent. This can be recognised through the use of the authorial voice, rather than the first person, and other writing styles aimed to assign legitimacy to the subjective process. I have chosen the ethnography by Richardson et al. (1996) because they used middle-range thinking and the organizational change model I discussed in chapter 3.

They state that the

empirical research reported ... was conducted by one of the authors who was already a member of the organization ... having been recruited as a management accountant (Richardson et al, 1996, p 9)

and claimed to be reflexive, but used "academic discourse" which helped them to "maintain some intellectual distance from the context" (Richardson et al, 1996, p 10). However I am not convinced that when the "new management accountant" left the organization, "dejected and angry, without a job to go to" (Richardson et al, 1996, p 24), was not blurring the lines of the intellectual distance that they were trying to maintain. I believe the emotional charge which one of the authors felt was important and relevant to the insights of the paper and should be celebrated, not diminished.

Hence, I am reassured that

(t)he specificity of these works and their personal importance to their authors in no way undermines their legitimacy; the pretence of the objective observer, the distinction between theory and experience, may unnecessarily favor academic discourse which follows more 'acceptable' methodologies and ideologies (Hammond & Preston, 1992, p 805).

I agree with Van Maanen when he claims that

(e)thnography is ... highly particular and hauntingly personal
(1988, p. ix)

and in this sense how I use the interviews and how I integrate documentary evidence must be revealed. In the next section I describe specific issues about the evidence from the interviews I conducted for the ethnography.

3.2.4 The interviews

I conducted 84 one hour interviews with 47 people over a three year period from 1992 to 1994. I visited the SAHT an average of four times per year,

for durations ranging from one day to two months. I spoke to current and past board members (but not all), the general manager (on more than one occasion), all the directors (and some on more than one occasion), managers within the Regional and Community Services Division, managers within the Corporate Services Division, managers of the Finance Division¹ and I also interviewed two regional managers. These interviews informed chapters 5, 6 and 7. Later I also interviewed two directors and managers of the Department of Housing and Urban Development.

I felt confident that people were being honest with me especially when one interviewee was worried that they had said too much. The person was worried that

they had spilled their guts - she has the sort of face you want
to tell her everything!

I also assume they were worried about confidentiality and how I might use what they said.

On most occasions I saw employees of the SAHT in their offices² and later I saw employees of the Department of Housing and Urban Development (DHUD). I deliberately did not use a tape-recorder as I did not want the interviewees to feel uneasy in any way. I asked on each occasion if they would mind if I took notes of the meeting. No-one ever objected. I asked questions when I needed clarification but generally I let them talk while I maintained eye contact while taking notes. My notes were only legible to me and I wrote them up straight after the meeting or at the latest by the evening of the same day. The notes were sufficient to recall the whole

¹ The titles of divisions did change from time to time.

² I did visit two interviewees at their home, and I had four telephone interviews of people I had previously interviewed face to face.

experience of the meeting and I was able to write up my reactions to what was said as well.

There was another reason for using notes rather than transcripts. This was to emphasise that in this ethnography I was not trying to capture absolute precision in each person's language. The ethnography is essentially my responsibility. I am writing up my perceptions, understandings and impressions of the each meeting and the meetings collectively. The impressions I gained were constantly being moulded and clarified by each subsequent interview. I have used people's names and believe I have not intentionally distorted their meanings, however, I am still presenting my version of their intentions. I realise that some interviewees may not share my interpretation of the meeting. I do not work in the organization and so will not have their experiences or contexts. Even if I did work there, it would still be unlikely that I would interpret events, or people's comments in an identical way. It is my intention to present to you, the reader, as best I can, my perspective, which will be influenced and informed by many factors including my education, and theoretical and methodological perspectives.

There were occasions when the interviewee would tell me that what they were about to tell me was off the record. On such occasions I put my pen down and listened. I did write this up and highlighted this in my notes so that this information was not to be revealed or connected to this interviewee. It generally was not a problem as I often found other people would mention the same thing but did not consider it confidential. There was one occasion when the interviewee revealed information which I found crucial to this thesis. I do not reveal this information directly. However I demonstrate by the inconsistency in the rhetoric used to

restructure the SAHT (in chapter 6) that there may have been other agendas operating.

There was also one person who was reluctant to give me his ideas or comments as I believe he did not want to be quoted or misquoted. In these meetings I would tell him what I thought was happening and he would correct me if he thought I had misinterpreted events. In this way the comments were still predominantly my own. Once again the responsibility of this ethnography is mine. I also found that when I was willing to reveal my thoughts on the events, some people would reveal more. That is, once one person realised I knew about a particular event, which they had not revealed to me, somehow allowed them to take me in their confidence. Marshall and Rossman (1989) found that *elite* interviewees, such as executive officers expect to have more feedback. It was clear that some

people will not respond to or trust someone who will not take
a stand (Marshall and Rossman, 1989, p 65).

The meetings were arranged to be for one hour and on rare occasions, a few interviewees were willing to keep talking and were not concerned with spending more time. Figure 2.2 is a list of the people I interviewed. The actual recollections of the interviews is presented in volume II³ I interviewed staff from the SAHT for chapters 4 and 5, whilst for chapter 6 I interviewed staff from the SAHT and DHUD. Figure 2.3 represents the organizational levels of people interviewed.

³ Volume II will not be made available to anyone other than my supervisor and markers of this thesis.

4 THE REFLEXIVE PROCESS AND UNDERSTANDING ORGANIZATIONAL CHANGE

Researchers often try to explain the outside world without consciously questioning the changes and metamorphoses that may be occurring inside the researcher. These personal changes, in the context of the research, are relevant as they represent the canvass or context in which to interpret this text. My thoughts as a researcher were constantly emerging and taking shape with each interview and particularly in the writing process. This highlights the benefits of the ethnographic process of research. Just as the use of a metaphor can colour and influence what is interpreted, so can the author's processes be integrated in their interpretation of the organisation; neither can or should be avoided.

I argue that it is important for the reflexive process to be revealed in order to maintain an evolving understanding, rather than a teleologic outcome. My personal account of the conflict between objective/subjective dichotomy helped to expose other dichotomies relevant in understanding the organisational change processes of the fieldwork. The false dichotomy between objectivity and subjectivity reflected my role conflicts of being a researcher as well as facilitating my understanding of the changes occurring in the organization. The transition from an external change agent to being a researcher, were not dissimilar to the transitions staff may have felt during the organizational changes that they initiated, implemented or observed.

Most importantly, this understanding provided insights with which to understand the tensions and responses gleaned from the fieldwork. In chapter 4 I disclose the tensions of the cultural shifts experienced by

members of the organization as being analogous to the tensions I experienced in the early part of my research. Further, the changes discussed in chapter 6 were possible because of the persuasive nature of technologies which claimed to be objective. Whilst I challenge the arguments of these technologies, I can understand how this rhetoric can be dominant and influential.

By articulating one's own reflexive processes of interpretation and understanding, one is better able to see the nature of change occurring in an organisation. This is not to say that the experiences of an individual can be, or should be extrapolated to those of an organisation. To do this, would be to introduce another metaphor for the organisation as an introspective individual. This is not my intention. The next chapter develops this idea of metaphors in the organizational change model used to analyse this ethnography.

CHAPTER 3

AN ORGANIZATIONAL CHANGE MODEL

1 INTRODUCTION

In this section I will briefly¹ introduce some organizational change models in order to provide a context for the organizational change model actually used in this thesis. The organizational change models summarised in Figure 3.1 by Dunphy and Stace (1988, p 322) at first glance seem to be much the same in that they distinguish between two levels of change. Some refer to whether the change is gradual and equate this with a less significant change (denoted in the second column), while others refer to significant changes being transformational or revolutionary (denoted in the third column). Dunphy and Stace (1988) also introduce another dimension to organizational change being how the change was effected, by collaboration or coercion. Levy (1986) also provides definitions and descriptions of 19 organizational change models and summarises his list into peripheral or first order changes and core or second order changes.

2 LAUGHLIN'S (1991) ORGANIZATIONAL CHANGE MODEL (LOCM)

Laughlin's (1991) version of an organisational change model was chosen for a number of reasons. First his work draws and consolidates a number of perspectives of organisational change. Laughlin's model incorporates a

¹ It is not my intention to replicate the work of Levy (1986) or Dunphy and Stace (1988) or Laughlin (1991), each of whom provide organizational change literature reviews. Instead I wish to build on the Laughlin (1991) model .

number of issues, including how the change(s) have occurred (that is whether accepted or forced), offers organizational levels to identify where the change(s) have occurred, and provides ways of determining the significance of the changes. Secondly, LOCM also refers to the relationship between the elements of the organization and also indicates that they will be effected differently depending on the type of response the organization makes. The discussion of the effect of these relationships is limited to whether balance or coherence is maintained. Thirdly, this model incorporates all the dimensions referred to by Dunphy and Stace (1988) and specifically builds on the importance of identifying the significance of changes as stressed by Levy (1986).

2.1 ELEMENTS OF LOCM

LOCM can be described in terms of a number of levels (see Figure 3.2), and organizational change can be traced through these levels as the organization attempts to respond to its environment. Figure 3.2 is a replication of Laughlin's Model of an Organization and Figure 3.3 is an adaptation of Figure 3.2 to provide an explanation for each element as offered by Laughlin (1991). The organization is divided into three conceptual levels, namely the interpretive² schemes, the design archetypes and sub-systems.

The interpretive schemes are the most intangible of the three levels and are divided further into three levels. Level 1 represents the values, norms and beliefs of the organization and can be said to be equivalent to ideology, culture or shared assumptions about events and behaviour. The

² Laughlin (1991) refers to *interpretative* schemes in his Figure 1 (p 211), but uses *interpretive* schemes in the body of his paper. I will be using the term *interpretive* schemes throughout this thesis.

next level, Level 2 represents the mission/purpose of the organization and can include the broad programs for direction of action. Level 3 is the most intangible of all the levels and the most difficult to conceptualise and articulate. The metarules are the rules about the rules, that is what drives the mission and purpose of the organization. The interpretive scheme could be likened to the mind or brain of human.

The design archetypes can be more easily conceptualised into three aspects. These are the organization structures, decision processes and communication systems. The organization structures can be the core processes as often organizations are physically divided into functional parts such as sales, production or administration. It is often represented as the organization chart in annual reports. The decision processes could be centralised or decentralised, and can be made by consensus or may be autocratic. The communication systems refers to how information is disseminated in an organization and may include formal (memoranda, meetings), informal (casual, unplanned discussions), computerized (email) and/or face to face, that is direct and specific discussions.

The most tangible levels of the model are the subsystems which can include the documentation, forms, reports and software programs. These can be the physical elements of an organization, apart from any physical production of goods and services. LOCM also recognises that the importance of the relationship between these tangible and intangible levels and refers to congruence or balance between these levels.

The organization is perceived as an organism which responds to its environment. The environment can be seen as a stimulus to which the organism responds. Stimulus for change need not be external. The

organization can initiate change and in this sense it responds to an internal stimulus. The significance of internal and external stimuli is summarised in Figure 3.4. and is discussed below.

2.2 TYPES OF CHANGES

In this theoretical model, not only are levels of an organization identified, which can be changed as an organization responds to its environment, but the significance of the changes can be ascertained. Here Laughlin (1991) uses Levy's (1986) reference to first order and second order changes. As already described above in reference to Dunphy and Stace (1988), first order change can be equated with less significant or peripheral changes, while second order changes are significant or core changes and are irreversible (Laughlin, 1991).

First order changes can be viewed as *rebuttals* to the external stimulus (*disturbance*), or can be viewed as a *reorientation*. A rebuttal means that there is a change in the design archetype (see Figure 3.4) as a means of adapting, but, the relationship between the elements is not changed. A reorientation however, is triggered by an environmental disturbance, that is, an external stimulus to the organization which has required a change to both the design archetype and the sub-systems. There is no change to the "real heart of the organization" (Laughlin 1991, p 218) and balance/coherence between the elements of the organization is maintained.

Second order changes are more significant and can be described as *colonization* or *evolution*. Colonization is not only a response to an external stimulus but is "seemingly forced upon the organization"

(Laughlin, 1991, p 218). In effect all aspects of the organization are changed, that is, all levels of the interpretive scheme and the design archetype and sub-systems (see Figure 3.4). However, if the motivation to change all the elements of the organization came from within the organization and the relationship between the elements is maintained, then the response is called an evolution. By incorporating the distinction between internally driven change and externally driven changes, that is between consensus and coercion (Dunphy and Stace 1988), Laughlin succeeds in enhancing the second order changes described by Levy (1986). Recognising the issue of choice in an organization's responses is important as it highlights whether an organization is proactive or reactive. The importance of these distinctions will be discussed below in section 4 but will also be empirically developed in chapters 4, 5, 6 and 7.

The changes that occur to the elements of an organization involve "complex processes" (Laughlin, 1991, p 218) and these will also be examined using the empirical evidence in chapters 4, 5, 6 and 7. This evidence will provide the *flesh* to the *skeletal* model as Laughlin (1991) had suggested. The theoretical and empirical discussions in this thesis provide more insights as to how the elements in the organization may be changed and how the balance/coherence of the relationships between the elements is maintained or effected during different organisational responses. In the sections following, I wish to explore some of the silences and implicit assumptions about this organizational change model.

3 METAPHORS AND LOCM

Laughlin's (1991) model, like those described by Levy (1986) and Dunphy and Stace (1988), uses the metaphor of an organism to describe the

organization. The use of metaphors is not in itself unusual, as metaphors have been used over the years to liken the organization to a machine, or to an organism, or to theatres, or even psychic prisons (Smircich, 1983; Morgan, 1986, Perron, 1989). Analysis of an organization can also be "a reading of the organization as if it were a text" (Boland and Greenberg, 1992, p 124).

Metaphors can be used within the theory and are often an integral part of theory and help to articulate its arguments. Metaphors do give us a language set to use and in turn this implies

a way of thinking and way of seeing that pervade how we understand our world generally (Morgan, 1986, p 12).

However, in offering a way of thinking or seeing, metaphors can silence or obscure other ways of thinking or seeing. Metaphors have not just influenced perceptions of organizations, they have influenced the social *and* physical construction of organizations. Metaphors continue to be used

even though they may be fraught with error and disagreement (Laughlin, 1991, p 212).

By considering a number of metaphors for organizations in the next section, namely, machine, organic, culture and political metaphors, their potential influences can be exposed.

3.1 DIFFERENT WAYS OF SEEING

3.1.1 Machine metaphor

A machine metaphor focuses on the structural aspects of an organization so that it is made up of parts that have specific functions which fit in with each other (Morgan, 1986). The development of machines and focus on

thinking in mechanical terms gave rise to bureaucratic organizations, which can work well if the tasks are simple, repetitive and in a stable environment (Weber, 1949, Morgan, 1986). However, these organizations, modelled on machines,

have great difficulty adapting to changing circumstances
because they are designed to achieve predetermined goals;
they are not designed for innovation (Morgan, 1986, p 35).

Hence models of organizations based on this metaphor, even if the metaphor is not explicitly used, will suffer the same deficiencies. Theories such as scientific management (Morgan, 1986), matrix system of organizations (Lansbury and Gilmour, 1977), management by objectives (French and Hollmann, 1989), total quality management (Sewell and Wilkinson, 1992) or managerialism (Weller and Lewis, 1988) all stem from the same implicit assumptions of Taylor's (1972) theories. The assumptions include the expectation that the employee is to fit in (Morgan, 1986) and accommodate the theory. Control and surveillance is paramount (Morgan, 1986, Sewell and Wilkinson, 1992) and the thinking is done at the upper management levels (Morgan, 1986) of the organization.

On the other hand, whilst Weber was able to link the emergence of industry, an outcome of mechanisation, with the development of bureaucratic organizations (Lansbury and Gilmour, 1977, Morgan, 1986) he was not seduced by the claims to reliability and efficiency. Weber recognised the implications of such organizational behaviour and the "powerful social force" (Morgan, 1986, p 32, Weber, 1949) it represented. I have deliberately rejected a mechanistic model of organizations because the areas that the machine metaphor silences and marginalises is the

significance of humans at all levels of an organization, that is, it dismisses its social force. I have gravitated to LOCM because it uses an organic metaphor and is able to accommodate superimposing metaphors as will be discussed below. But first more about the organic metaphor.

3.1.2 Organic Metaphor

By contrast to the machine metaphor, the organic metaphor uses a biological perspective, where the organization, like an organism, must respond to its environment in order to survive (Morgan, 1986). This gives rise to the ideas that the organization, like an organism, is dynamic and grows, declines, dies or changes as in biological life cycles.

One of the distinguishing contributions of the organic³ metaphor is that it highlighted the relationship of the organization and its environment, whereas the machine metaphor ignored the significance of the environment. Viewing the organization as an open system which needs to survive by fitting in with its surroundings, expanded the mission of the organization to be more than fulfilling specific goals (Morgan, 1986). The need to survive meant that it was also necessary to have structures which were consistent. If the organization is meant to fit and survive in a changing environment, then like an organism it must be able to readily respond. For an organization this means that it must be innovative and flexible (Morgan, 1986).

Morgan, stresses that organizations are socially constructed while
(n)ature presents itself as being objective and real in every
aspect (1986, p 74)

³ Morgan (1986) uses the word *organismic* rather than *organic*.

and so organizations may not be exact parallels to organisms. It is important to be aware of any notions of objective nature, as the functional unity that is conveyed, may not be achievable in organizations. The notion that nature is perceived objectively reinforces the potential to use the organic metaphor as ideology (Morgan, 1986). Nature takes on a normative presence which organizations are meant to emulate and this can be misleading, as it is more likely that

natural law is invoked to legitimize the organization of society (Morgan, 1986, p 76).

3.1.2.1 *Autopoiesis*

An extension of the organic metaphor is presented by autopoiesis. Autopoiesis assigns the self-producing properties of a single-celled organism, that is, living systems, to socially constructed systems such as organizations (Maturana and Varela, 1988, Robb, 1991, Mingers, 1995). The single-celled organism, and its self-producing systems are autopoietic and organizations are said to mimic this behaviour.

Mingers (1995) sees no problem in using autopoiesis as a metaphor for organizations, even though he is aware of the theory-dependent nature of observation. Whilst I do agree with this distinction between nature and organizations at one level, I need to remind myself that our perception of how nature objectively presents itself is also socially constructed. We, or more precisely, biologists, assign meaning to an organism's responses, during their alleged *objective, neutral, observation* of behaviour. Our understanding of nature has an implicit use of metaphors. That is, we may view, construct and perpetuate organizations as autopoietic as an extension of our perception of organisms.

Of course, the hermeneutic extension of this argument is that language is a metaphor (Boland and Greenberg, 1992) and so we are using metaphors to describe and understand more metaphors. Metaphors used to describe the organization can inadvertently be used to explain the organization. This self-referential process can create a tautology, rather than extend theoretical understanding (Korukonda, 1992). Hence, it is important to be reminded that as metaphors are socially constructed, they can also be socially constructing.

It is a contradiction to acknowledge organizations as social constructions and yet use a metaphor from nature to represent it, particularly if nature is associated with a functionalist, deterministic epistemology and ontology. This is where the use of an organic metaphor can be misleading. This does not mean that the organic metaphor should be discarded, but rather that I must be reflexive about its use. Again this is where a reflexive ethnography can constantly allow me to question my perceptions of the organization, no matter which metaphor is employed.

3.1.3 Culture Metaphor

Continuing the organic metaphor of an organisation, one can move from viewing an organization as an organism to viewing it as interacting organisms. Instead of focusing on the microscopic level of organic behaviour one can move to viewing organizations in terms of human behaviour⁴. Hence, it is also possible to view organizations as cultures, as one may view a group of people in a community (Geertz, 1973).

⁴ A novel approach to some!

3.1.3.1 *Definitions of Culture*

The word culture has many meanings. Culture may represent symbolic and learned non-biologic aspects of human behaviour or may be used to describe social groups in terms of their beliefs, customs or way of life (Abercrombie et al, 1988). The complexity of the concept of culture is reflected in the further distinctions that can be drawn. Culture can be seen as integrated into a social system or can be seen as an ideational system (Allaire and Firsirotu, 1984). It is this latter view of culture which is relevant in the study of organizations. The social and cultural aspects of an ideational system are separate but interrelated. Culture can be interpreted as being in the minds of people as well as a product of minds through shared meanings and symbols (Allaire and Firsirotu 1984, Dent 1991) and provides a context (Geertz, 1973) within which to describe and interpret events, behaviours and processes.

Culture can also be used to refer to the values that are dominant in particular countries, and can be referred to as national culture (Hofstede 1980). Hofstede's (1980) analysis of culture considers four dimensions, namely Power Distance, Uncertainty Avoidance, Individualism, and Masculinity. I will not be using this interpretation of culture in this thesis mainly because of its positivist assumptions, but also because it pertains to descriptions of the culture of countries. Further, the notion that only one culture exists or predominates in Australia is misleading. One's ethnicity does play a part in an organization as does one's personality, gender, social class, education, and particular psychological make up. However, the dynamics of an organization can superimpose a culture particular to the organization and it is these aspects of culture which are of interest and relevance in the use of an organizational change model.

3.1.3.2 *Culture of an Organization*

There are a number of issues which should be raised concerning the culture of an organization. First, there need not be only one culture in the organization. People who have worked in the same place for many years may have developed their own expressions, have shared the same experiences or events and so have a common understanding with respect to the organization (Smircich, 1983). Secondly, it is also possible to have coexisting cultures (Broadbent, 1992) which may or may not be in conflict, but are experienced by different parts of the organization. More of this will be demonstrated in chapter 4.

The use of a cultural metaphor, whilst having the potential to be more elusive and superficial than reality (Morgan 1986), does at least, reinforce the notion that individuals as interrelated groups, socially construct organizations. The cultural metaphor provides a more "holographic" (Morgan 1986, p 139) view of organizations and adds a complementary metaphor to the organic metaphor of organizations.

3.1.3.3 *Culture and Leadership*

Even if there are coexisting cultures, there is often one which is associated with the leadership of the organization. Culture creation is considered a crucial characteristic of leadership (Schein, 1992). Culture is socially constructed (Geertz, 1973) and is

being constantly enacted and created by our interactions
with others (Schein, 1992, p 1).

Whilst this means that culture can be dynamic and fluid, it is also open to manipulation (Morgan, 1986, Schein, 1992) and ideological control (Morgan, 1986). This ideological control can be expanded to reflect a political metaphor for an organization and this will be discussed below. Manipulation, creation, development, or change of an organizational culture is often the key to organizational change.

Stace and Dunphy described organizations with a corporate culture which sustained constant change, where

change is a way of life, ranging from acceptance of constant incrementalism, and sometimes semi-transformational (1992a, p 5).

Much of the human resource management (HRM) literature reinforce the idea that by creating a change culture facilitates flexibility in employees (Beer et al, 1990) so that there is never a need or desire to "change in quantum leaps" (Stace and Dunphy, 1992a, p 6).

Ideally, an organization has employees whose culture is congruent with the culture perpetuated by the leader and the leader has norms, belief systems and values which are compatible with the employees. However when this is not the case one can have a schizoid organization which can have undesirable consequences for the employees and the leader (Richardson et al, 1996, give a vivid account of such an organization).

Much of strategic management assumes that change is necessary and explicitly aims to direct the change directions (Dunphy and Stace, 1988). There is often an assumption that change in itself is good and reflective of a leader able to respond to a competitive environment. However, perpetuating a change culture may not be appropriate. There are

dilemmas and contradictions in HRM (Blyton and Turnbull, 1992b) which may challenge the desirability of a change culture. If the employee is not able to accommodate the changes (whether incremental or not), then the employee must change or leave (examples of this are given in chapter 4). Whilst this may address recalcitrant employees who may be resistant to change, it may also stifle critique or evaluation of change.

It is important to remember that whilst the employees socially construct their culture, they are also socially constructed by this culture. This phenomenon can accommodate a leader seeking goal congruence as well as a leader imposing a particular culture. The distinctions may not always be obvious. Different people in an organization may understand and experience their organizational culture, whether it is changing or not, in a variety of ways. In the chapters following I present a range of responses to change and in particular I address responses to changes in leadership and culture in chapter 4, whilst in chapter 7, I expose reactions to ideological change.

3.1.4 Political Metaphor

A political metaphor can also be applied to an organization, since the political metaphor is an extension of the human metaphor recognizing that human behaviour has both innate and social components. Further, if one accepts that leaders can create and manipulate culture, then the issues of interests and power follow. Considering political metaphors of an organization is also consistent with recognising that organizations operate in a social and political environment. Therefore, as an organism has to read and interpret its environment, so does an organization have to read and respond to its political environment. Organizations are socially and

politically constructed and socially and politically constructing (Morgan, 1986).

The political metaphor, simply extends this to say that the internal workings of an organization, that is, the people running the organization are also political.

The political metaphor encourages us to recognize how and why the organizational actor is a political actor, and to understand the political significance of the patterns of meaning enacted in corporate culture and subculture (Morgan, 1986, p 197).

However, there is a risk of seeing the organization cynically (Morgan, 1986) and impose more significance to the political layers of the organization. Once again, the danger for a particular metaphor to dominate one's perceptions and way of seeing is illustrated.

3.2 OBSCURING AND COEXISTING METAPHORS

In highlighting one interpretation, metaphors can silence or obscure another way of seeing the world or the organization in this case. To illustrate this point, Boland and Greenberg (1992) demonstrate the impact of the use of metaphors in analysing an organization in an experiment⁵. Small groups of subjects (both students and practicing professional systems analysts) are primed to use either an organism or a machine as the "core image" of the organization and

⁵ It is interesting that whilst Boland and Greenberg (1992) discuss the social construction of meanings and metaphors, they still use an experiment to provide evidence.

are asked to characterize the situation with their new vocabulary, and then to identify the problem(s) with the organization and to choose a course of action (Boland and Greenberg, 1992, p 125).

Whilst the subjects were given the same situation to analyse, the different groups emphasized different aspects of the organization.

The organic metaphor appears to have emphasized the organization's relations with its environment and the internal dynamics of power and leadership. The mechanistic metaphor, on the other hand, seems to have removed these elements from consideration. Similarly, the mechanistic metaphor seems to have highlighted problems with internal efficiency and coordination of the organization, whereas the organic metaphor seems to have kept that internal dynamic out of consideration (Boland and Greenberg, 1992, p 131-132).

The results are not surprising but reinforce the influence of metaphors in how one interprets the organization. This risk of one metaphor having undue influence on the way of seeing and thinking of an organization can be minimised. By recognising the complexity of organizations and that the layers or superimposed systems can also be described by more than one metaphor can minimize the influence of just one metaphor.

Each metaphor offers strengths and weaknesses as Morgan (1986) meticulously presented in his "Image of Organizations". However the metaphors, whilst distinctive in their perspective, are not mutually exclusive and can be integrated or superimposed in some cases. My interpretation of LOCM is that it can accommodate more than one

metaphor. Since Laughlin (1991) uses a human metaphor for an organization it follows to view metaphors such as culture and politics as submetaphors or coexisting metaphors. The sections to follow show how this can occur and Figure 3.5 offers some suggestions as to which aspects of the LOCM organic metaphor can accommodate different perspectives.

Humans have physical components - skeleton, organs, flesh - which can sustain a mechanistic metaphor to the extent that these components have specific functional, predetermined purposes. As humans also have minds and emotions, the culture metaphor can be viable. However, humans also have motives and interests which can be reflected by a political metaphor.

3.2.1 Laughlin's model and the machine metaphor

LOCM does not specify what type of organization the model represents. In other words the model can provide the framework of a bureaucratic organization, where the interpretive schemes value goal setting and objectives which meet these goals. The design archetypes are meant to support the interpretive schemes. Accordingly, the structures in the organization are formal and clearly demarcated so as to operate "rationally and efficiently" (Morgan, 1986, p 33). The decisions are about planning, organizing and above all controlling, and the sub-systems

specify every detail so that everyone will be sure of the jobs that they have to perform (Morgan, 1986, p 33).

Hence LOCM can accommodate the machine metaphor to the extent that the structures and functions of an organization can be identified and physically located within an organization. To this extent this is consistent with seeing an organic metaphor as only referring to the physiological and biochemical components of the organization and nothing more.

3.2.2 Laughlin's model and the culture metaphor

In Laughlin's (1991) theoretical model, the metaphor of organizational culture is implicitly integral to the theory. However, due to the complexity and vagueness and range of meanings of culture (Smircich, 1983, Allaire and Firsirotu, 1984, Dent, 1991), reference is only made to culture as a notion of shared meanings, values and beliefs. By referring to beliefs, values and norms, in level 1 of the interpretive scheme of the organization, Laughlin incorporates notions of culture without having to align himself with one specific definition of culture. The notion of culture is implicitly embedded in the theory.

Whilst Laughlin is deliberately silent on definitions of culture, its manifestation is explicit. For example if the interpretive schemes promote a laissez-faire attitude to achievement of goals, but the design archetypes are formally structured, then the discrepancy between styles would be reflected by an imbalance or incoherence in the relationship between the elements of the organization. This can be expressed in a number of ways, such as employees seeking and expecting a particular kind of leadership. Chapter 4, explores the cultural shifts of the SAHT and the role that different leadership played, in the context of the organizational change model.

3.2.3 Laughlin's model and the political metaphor

Laughlin (1991) explicitly incorporates a political metaphor in his model when he uses the Habermasian term, colonization, to describe an enforced second order change. The acknowledgment of coercion, hence power, from

an external stimulus to effect change is certainly an example of political behaviour. LOCM does accommodate non-coerced second order change, which can also be seen as political, particularly if the organization is seen to initiate change in an attempt to maintain its power or position within its environment.

The political metaphor can also be used to understand the decisions and actions to maintain a position or change a position within the organization. Hence, how a leader is effective in pursuing their motives (both personal and for the organization) can be discussed in the context of the interpretive schemes of the organization. Similarly, how employees accommodate or resist changes can be seen in terms of power and this can be considered in terms of the interpretive schemes of the organization. Evidence of this type of behaviour is presented in chapter 4 and chapter 7.

4 CONCEPTS AND ASSUMPTIONS OF CHANGE

4.1 SIGNIFICANCE OF CHANGE

Laughlin (1991), like Levy (1986) and Dunphy and Stace (1988), saw it necessary to distinguish between first order changes and second order changes. Second order changes were more significant in that all the levels of the organization were effected. Further, Laughlin (1991), distinguishes between coerced second order changes (where the stimulus for change came from outside the organization) and from evolutionary second order changes (which were internally generated). Being able to determine whether the changes of an organization are significant is an important step to assessing these changes. Although LOCM offers a framework to

make these distinctions, the model does not attempt to evaluate these changes. The choice to evaluate is up to the researcher's epistemological and ontological stance.

To choose not to evaluate change and therefore maintain an 'objective' stance is consistent with the positivist camp since "(c)ritique and a desire for change was value-driven" (Laughlin, 1995, p 73). The postmodern position, whilst distancing itself from modernity, paradoxically, also rejects evaluation (Harvey, 1992, Frow, 1991, Crook et al 1992) by

its abandonment of concepts such as hope, a better state or similar values and concerns (Laughlin, 1995, p 76).

As discussed in chapter 2, I explicitly reject the desensitization of researchers where the suppression of their thinking and emotions creates an inert, misguided robot. My attitudes to change are consistent with choosing middle-range thinking which

keeps open the possibility that in certain circumstances critique and ultimate change are important but not in other situations ... It requires a deliberate and deliberated evaluatory policy to decide when critique and change are appropriate (Laughlin, 1995, p 82).

Accordingly, the use of reflexivity integrates the discursive processes necessary for the articulation of the theoretical, methodological choices. Reflexivity is also imperative in that it ensures that the researcher is never perceived as a neutral observer, but as integral to the ethnographic process. Further, the evaluation of change can be accommodated and understood as a process rather than a teleologic outcome. Laughlin's (1995) middle-range thinking not only acknowledges that change can be

evaluated but that action can be taken to effect change. My intention in this thesis is to expose the processes of organizational change and to evaluate these (in chapters 4, 5, 6 and 7).

4.2 IDENTIFYING CHANGE

An organization need not always respond to an external stimuli. An external stimulus is a disturbance only if it is recognised as such and when the organization is seen to respond. The visibility of the response relies on change being identifiable.

Changes can occur very slowly and incrementally (Dunphy and Stace, 1988) even within levels of an organization. Change may be more obvious over an extended period of time, where small incremental changes can be seen cumulatively. Change needs to be compared to a particular starting point in time or conditions, so that the difference can be noticeable.

The importance of identifying change puts specific requirements on the researcher. The researcher has to be able to sense and describe the *before* change state in order to compare the *after* change state. If change is slow and continual, how can one tell whether one is in the process of change or viewing change after it has occurred? How these *before* and *after* change states are distinguished, relies on both the interpretations of the organization members and the researcher's interpretations of their comments and other information extracted from the organization (as described in chapter 2). This process is itself reflexive.

4.2.1 Mapping

One way of identifying changes is to trace the changes of the organisation. Mapping the changes uses the theoretical framework to provide symbolic locations of change. Hence there is a requirement of the researcher of the ethnography to be able to identify where or which components of the organisation have changed. By using a series of maps it is possible to recognize where the change has occurred. However these are symbolic locations of change and are not in themselves sufficient to explain change processes. How one element can change another level involves exploring the relationship between the elements of LOCM. Laughlin's reference to balance or coherence are expanded in chapters 4, 5, 6 and 7.

4.2.2 Organizational Change, Ethnography and Reflexivity

It is up to the researcher, during the interview process and during the ethnography (Smircich, 1983, Van Maanen, 1988), to identify the significant features of the organization and hence he or she must be careful to identify evidence which seems prominent and that which has been implicitly silenced or obscured. In describing the interpretive scheme, in particular, it is necessary to consider whose values, norms, beliefs are being reflected. Hence the reflexive processes of the researcher cannot be obscured. Rather, the expression of such processes can add to the understanding of organizational change as can the use of the organizational change model.

The second benefit of using LOCM is that the model is skeletal. In this sense it offers a framework for analysis without dictating how that framework is to be applied. The social construction of organizations is

implicit in this framework. The term *theoretical model* is used rather than *theory* in order to emphasise the fact that Laughlin was offering a tentative model rather than a definitive theory. Laughlin (1991) stresses that it is through this discursive process that further understanding of the model is possible and in turn further refinement or amplification of the theoretical model can occur.

It is essential to restate Laughlin's methodological viewpoint that
the models and their empirical amplification need to be seen
as a discursive argument (Laughlin 1991, p 211).

It is this challenge which the next chapters address. Chapters 4, 5, 6 and 7 provide the *flesh* to the *skeletal* model presented in this chapter. The model has been specifically developed by using it to help locate where the change has occurred in the organization. This has been achieved by using the LOCM as an outline of a map. The next enhancement of the model will be to provide evidence of how elements in the organization have changed. This requires amplifying some of the implicit culture and political metaphors. Having identified which elements have changed, mapped the changes and explicated how the changes have occurred, will make it possible to determine the significance of the changes. The changes occurring in this case study are then evaluated.

CHAPTER 4

THE SOUTH AUSTRALIAN HOUSING TRUST: AN HISTORICAL PERSPECTIVE OF ITS AIS

1 INTRODUCTION

The title of this thesis is "organizational change and the participation of accounting information systems" and the organization chosen to study is the South Australian Housing Trust (SAHT) and its AIS. In this chapter, the case study is introduced and in particular a historical context is set in which to interpret the changes that take place in a later period. The changes focus on the AIS and how the AIS developed and how the AIS in turn effected the SAHT.

The development of AIS is generally described as a necessary process to maintain efficient and effective operations of an organization. Systems development life cycles are presented as an ordered set of steps to take to ensure that the purpose of the AIS is achieved. The process is considered to be neutral and objective, and the outcomes can be anticipated, described and evaluated (Page and Hooper, 1987, Wilkinson, 1991).

The intention of implementing or changing an AIS is often seen as being non-problematic. The outcomes are anticipated and are the focus of the effort. However, there are outcomes which are either not anticipated or are implicitly imbedded in the intention. Often these outcomes are not even acknowledged in the evaluation process of the AIS because only

explicit tangible measurable criteria are considered when evaluating an AIS.

I trace the development of an AIS in the SAHT to find that some of the outcomes have the potential to profoundly change the nature of the organization. If this is an inadvertent consequence of achieving some objectified criteria, then serious attention must be given to the implementation of AIS and its subsequent development. In this case the AIS acts as a focus of attention and a silent instrument for change of the rest of the information systems and the organization as a whole.

As stated in chapter 1, I realised from preparing and presenting the Financial Management Training Programs, that the organization's AIS was implicated in its changes. My problem was to identify effects on the organization which were a consequence of the changes to the AIS, and to discern whether these consequences were intended implicitly or an unexpected by-product. Some members who resisted the development of the AIS may have anticipated the effect on the organization as a whole. Those who were instrumental in effecting the changes in the AIS may have intended the broader changes to the organization. The rhetoric of efficiency and effectiveness can obscure other non-quantifiable outcomes. In this case study the non-measurable outcomes can best be highlighted in the context of the organization's historical setting.

2 BACKGROUND OF THE SOUTH AUSTRALIAN HOUSING TRUST (SAHT)

To understand or even recognise the broader effects of the AIS, it is essential to reveal the context: both social and historical (Hopper, 1989,

Smith et al, 1988). The background presented here is brief but essential to set the scene. This scene is further developed as the historical context is described.

The organization in question has been in existence since 1936. The developments I describe in this chapter, were in the ten year period 1978-1988. Information was gathered during 1988 and 1989, during the preparation of the training programs I was hired to run (as discussed in chapter 1 and summarised in Figure 1.1).

Throughout its history, the SAHT was proud of providing housing for workers.

The principal role of the Trust is to provide housing and housing related services for those in need and within their capacity to pay, and to do so in ways which contribute as far as possible to the social well being and economic development of the State (South Australian Housing Trust, 1989a, p 1).

The organization was responding to the changing accommodation needs. Housing improvements and new standards were set by the organization. It was recognised that the SAHT had assumed a far greater social welfare role than merely building houses; "it built homes" {Hood 1988/1989}. This pride is also reflected in the fact that the organization commissioned the writing of its history in celebration of its 50 years of existence and contribution to the community (Marsden, 1986). Hence the historical significance of the SAHT is imbedded in its interpretive schemes, as they are expressed in its mission, values and beliefs and these concepts are developed below.

By contrast to the historical background, less can be learned about the organization's interpretive schemes or its design archetypes from looking at its financial position alone. A brief summary of some facts and figures of the SAHT, as at 1988, is presented in Figure 4.1 Employee facts and figures and Figure 4.2 Financial figures. It can be inferred that it is a large organization but it cannot tell us much more about the organization.

After close to sixty years in existence the SAHT had over 60,000¹ houses throughout the city, metropolitan and country areas (Marsden, 1986). These houses were rented and rental income represented approximately 65% of the SAHT's income. Another significant source of funds came from Government grants which were used to supplement operating costs and capital expenditure. Apart from salaries expenses, maintenance expense of these houses represented the next highest expenditure at approximately 20% of total expenditure (South Australian Housing Trust, 1989a). The SAHT was also involved in building industrial sites, although this was not a dominant activity.

3 HISTORICAL PERSPECTIVE OF THE CASE STUDY - ESTABLISHING THE CULTURE

The purpose of this section is to present significant historical events of the SAHT which helped to set the scene, that is, provided a context for the interpretive aspect of this research. My intention is to illustrate the organization's specific character or culture (Dent, 1991), and to demonstrate that it is largely an historical product. In particular this historical product is as much a consequence of the leaders of the

¹ The SAHT had built over 100,000 houses during 50 years, but also sold houses and bought properties and 62,322 represents its net stock as at 30 June 1994, and 61,359 was its stock as at 30 June 1995 (Oswald, 1995b, 2/11).

organization (Schein 1992) which give it "a distinctive competence" (Allaire and Firsirotu, 1984, p 207), as it is a product of a sequence of events.

The SAHT was one of the first public housing authorities in the country, and grew as a response to the Great Depression. The state in which it originated was particularly desperate in both social and economic terms. The leader of the state in 1938, reflected on the state having had

the lowest standard of living, the lowest income per person, the worst public services, the worst housing, the worst roads. The state scarcely had any secondary industry except that which was based upon taking primary industry a step closer to consumption (Marsden 1986, p 1).

The state's appalling circumstances provided the primary impetus to establish the SAHT in 1936. A scheme whereby the SAHT would provide housing for low paid workers was promoted by state members of parliament. It was seen that by building houses for low rental, the state could keep the cost of living low. This in turn kept wages low and in turn attracted industries to the state. So it can be said that, the SAHT had both a welfare role and an economic role.

The twin humanitarian and economic motives could as easily come into conflict as coalesce, and this was apparent as soon as the Housing Trust Board was constituted in January 1937 (Marsden, 1986, p 33).

The importance of this dual role becomes a recurring theme in this thesis as it is a distinctive characteristic of the SAHT's interpretive schemes and is reflected in its articulation of its mission, values and beliefs.

The scheme set up in 1936 was inherited by a new right wing government in 1938, and even though the scheme was initiated by a left wing government, the scheme was supported. It made political sense to be associated with this scheme. The connection with the economy of the state and the need for housing of low income earners gave the SAHT a prominent and significant place in the state and hence the government (Marsden, 1986, Wettenhall, 1987).

However, the organization was developed to be seen as independent of the government, rather than a government department, so as to attract private donations and to offset some of the costs of setting up and operating a new department. The SAHT was

being set up with a number of inherent contradictions. It was neither Government Department nor private business ... and unpaid volunteers were expected to run the Trust as a business, in a strictly business-like way (Marsden, 1986, p 32-33).

The dual roles contributing to the social well-being and economic development of the state "remained a major motivating force within the organization" (Marsden, 1986, p 32). In 1976, the general manager, Ramsay, stated that the SAHT's

charter is to provide housing for those on limited incomes and to use its programmes both to achieve social objectives and to assist the industrial growth of the State (Marsden, 1986, p 32).

This duality was still reflected in the annual report of the SAHT 1989:

(t)he principal role of the Trust is to provide housing and housing related services for those in need and within their

capacity to pay, and to do so in ways which contribute as far as possible to the social well being and economic development of the State (South Australian Housing Trust, 1989a, p 1).

The early history and the dual roles of the organization were significant in setting its current culture. The organization's culture is reflected in the shared meanings, values and beliefs of early and contemporary participants of the organization and are ultimately embraced in the mission and metarules of the organization (Laughlin, 1991). These intangible concepts can be referred to as the organization's interpretive schemes (Laughlin, 1991) and manifest themselves in more tangible aspects of the organization, being the design archetypes, in particular its accounting information systems. It is the purpose of this chapter to interpret how this early dichotomy continued to influence the development of the accounting information system 50 years later. The interplay between the AIS and the organization's welfare and economic roles are explored to reveal how they shaped each other. That is, the congruence between the design archetypes and the interpretive schemes of the organization will be revealed.

The historical context, in particular the dual humanitarian and economic role of the organization and its relationship with the government, acts as the context in which to understand the events during the period 1978 to 1988. Within this period two significant events occurred. The two events were

- the influence of a new leader and
- funding uncertainty

which had an impact on both the culture (Level 1 of interpretive schemes) of the organization and the implementation of the accounting information system (a component of the design archetypes).

4 LEADERSHIP CHANGES - SIGNAL OF A CULTURAL SHIFT

In May 1978 the general manager, Mr Alex Ramsay, died. Ramsay had been in charge of the SAHT for 29 years; he represented continuity and stability. In some senses he embodied the organization's culture and was an expression of the organization's beliefs, values and norms. Ramsay was central in maintaining the mission of the organization. His death need not have represented a threat to the organization's mission, since there were at least two people who could have been appointed as general manager (who had been acting general managers in the interim), who would have perpetuated Ramsay's legacy and style. Traditionally most of the employees had worked for the SAHT their whole lives, and this was the case for Crichton. In fact, Crichton had worked his way up from an "inkwell filler" to one of the assistant general managers. The personnel manager described the majority of the employees as "starting from the cradle and ending in the grave" {Hood, 1988/1989, Whittaker, 1988/1989}.

However the appointment of Mr Paul Edwards created considerable organizational turbulence; upsetting the dominant system of values and beliefs. It was

obvious that there was some hostility towards (the new general manager, Edwards), particularly from some of the upper management levels (Marsden, 1986, p 392).

The appointment of Edwards was a catalyst for change and signified

the need for the Trust to be prepared to accept and adapt to organizational change (Marsden, 1986, p 385).

The appointment of an outsider, Edwards, threatened the norm of internal promotions and signalled instead that change was coming. Given that the board selected Edwards, it can be inferred that they wanted change.

As well as having an outsider as general manager, employees had to accommodate a change in management style. At the most obvious level, Edwards supported regionalization of the SAHT. In contrast Ramsay had worked towards centralisation of the SAHT. Crichton, reflecting on the changes, commented that

there have been some 'unbelievable' changes, especially in the regionalization of management with local officers gaining much greater participation in decisions (Marsden 1986, p 386).

The organizational culture was being challenged. The proposal to decentralise clashed with the culture that supported centralisation. The clash was first reflected in the change in management style. Edwards had a much more commercial orientation and was concerned with improving efficiency, saving costs, developing good corporate planning, attracting more funds and grants. Although this perspective was whole-heartedly supported by the new chairperson of the board (Marsden 1986), it was the source of much conflict with long time employees of the organization.

The proposal to decentralise the organization reflected what amounted to a clash of cultures in the organization. This clash took a number of forms. First, Edwards' management style was more commercially oriented. This commercial orientation was interpreted to be the antithesis of Ramsay's

humanitarian culture. The new general manager was aware of the SAHT's humanitarian outlook

which reflected the personal character of Ramsay, who had built it up ... (he) was naturally humane and sympathetic to people (Marsden, 1986, pp 392-394).

In commenting on the differences in personal style, Edwards said that Ramsay

had a more intimate relationship with the staff ... he relied a lot more on informal knowledge, contacts, arrangements (Marsden, 1989, p 394),

whereas Edwards placed

more weight on having things spelt out and quantified. (Marsden, 1989, p 394).

The new general manager was setting up a chain of events which permeated to tangible components of the organization or design archetypes (Laughlin 1991), namely, the accounting information system. This represented the second, but related clash between Edwards' administrative style of the organization and the resistance by some, to Edwards' support of computerisation and redesign of the information system overall. Internal memoranda as early as 1978 reflected resistance to change:

(i)nstitutional acceptance of change must not be blind, however; limits to the growth in the number of employees must be recognised for example, and, while it will be retained as a management tool, the computer will not be permitted to dominate or dictate any aspect of SAHT operations (South Australian Housing Trust, 1978).

This memorandum indicates that senior members thought that it was undesirable for the computer to influence the organization's operations. Although the mission of the organization did not appear to have changed, there was a new element in the values and belief systems, that is level 1 of the interpretive schemes of the organization.

5 THE AIS INITIATIVE - UNWEDGING A CULTURE

Although the organization did have computers before the new general manager took over, they were mainly in the finance section. It is the extension of computerisation to other parts of the organization which is the focus in this chapter.

Development of the AIS in the late 70's and early 80's seemed haphazard. During a period of 5 years, the SAHT acquired and replaced different mainframe computers, namely, ICL replaced by FACOM, which was replaced by IBM mainframe (Godson, 1989). The changes were to accommodate increased storage requirements. These changes also meant that much of the software had to be converted to be compatible with the hardware and change in this area was not uncommon.

In the accounting area, there had been considerable progress during Ramsay's time and this progress was supported by the new general manager, Edwards.

The major accounting changes involved clearer identification of fund flows within the organization, definition of chart of accounts, clearer specification of annual budgets, and the setting of financial targets and parameters (Marsden, 1986, p 395).

The changes that took place in accounting

 tied in with Edwards' concept of delegation of authority through regionalization, which he soon proceeded to implement (Marsden, 1986, p 395).

The regions were being computerised in order to readily access and transfer information to and from head office. There was also computerisation of all of the head office including non-financial areas. It is not only that computerisation took place that is the issue. Rather, it is the way in which computerisation took place and the responses to it that are of interest.

However, although change was occurring, it was not always embraced with the same enthusiasm throughout the organization. A number of anecdotes helped to develop this interpretation. I was told of one regional manager who did have a computer on his desk, although at the time (1989) he did not know how to use it. He knew of another regional manager, "who did not even open, let alone, analyse" {Training programs, 1989} his regional reports prepared from head office. When this manager came to this region he found a whole cupboard full of reports from head office that had not been opened. Knowing this, he bought equipment for his region by charging it to the previous manager's new region. In this way, he was able to spend on items for his region, for which he had not budgeted and therefore had no authority to buy². The other manager, would never have known that his region was paying for these items. These computerised financial reports reflected the expenditure for the month,

² As this regional manager was spending on items which his regional office needed he was not considered to be fraudulent or misappropriating funds. I was also told about this by the regional manager himself, but I was asked to keep this confidential. Hence I have not identified the person. However, from the training programs, it seemed to be common knowledge and a source of amusement.

and was to be compared with the budgeted allowance. Part of the responsibility of a regional manager was to monitor and control their expenditure. This anecdote highlights the differential attitude to information from head office.

Client contact was essentially at the regions. Bywaters often said, that "those guys in town" {Bywaters, 1988/1989} did not know what it was like to deal with people, especially the people who really needed the SAHT's help. Bywaters was anxious for me to know what they had to deal with in his region. He arranged for me to sit at the front counter while clients came to pay their rent. I was encouraged to sit in an interview with a tenancy officer and her client. The client seemed desperate to move from her present home due to domestic violence. I also accompanied a tenancy officer during her visit to a client's home. She was inspecting new ramps and extended doorways which were to accommodate the client's wheelchair. This experience for me was to be very influential in my subsequent attitudes to social policies (discussed in chapter 6), although I was not aware of it at the time. I was surprised to find myself thinking of these people. However, I am grateful for this as it reminded me that the SAHT was important to their survival.

Bywaters and his staff were very much aware of their humanitarian role. They were concerned for the people they serviced and often felt that the finance section of the SAHT "had no idea" {Bywaters, 1988/1989}. The regions thought they had enough to deal with, without having to conform and respond to memos from head office about budget overspending.

The introduction of computers was translated into a depersonalising force within the organization, which might compromise the sanctity of the

humanitarian role of the organization. Although not clearly articulated, it nevertheless is a major rationale for not using the computers. Further, it is a translation of the more general cultural conflicts which emerged with the appointment of the new general manager.

This depersonalising perspective was also echoed where computerisation took place at the head office. More evidence suggested that the changes to the communication systems were met with mixed reactions. One anecdote was of a long time member who did not like the idea of electronic messages being transmitted to him on his personal computer. He was said to have folded his arms and declared "if anyone wants to tell me something they can come and tell me directly!" {Hood, 1988/1989}. This anecdote also reflected a resistance to change. Computerisation can be seen to be very threatening, particularly to people who liked the status quo. The effect of resisting the computerisation of information systems can be interpreted as resisting change, and in particular, resisting the cultural changes. In this sense, people were resisting the effect of changes that the design archetype could have on the interpretive schemes of the organization.

6 FUNDING UNCERTAINTY AND GROWTH OF THE INFORMATION SYSTEMS - FUEL FOR CULTURAL CHANGE

The success of the information system and the changing culture of the organization were fuelled by external events in the 1980's. In the mid 1980's, the diminishing source of funds from the federal and state governments created considerable uncertainty, particularly with respect to the long-standing agreements with the government, being the Commonwealth-State Housing Agreement (CSHA). This issue remained a

persistent threat to the organization as will be revealed in chapters 5, 6 and 7.

When funds were plentiful, there did not appear to be a conflict with running a business and helping people. Resources were adequate to substantially fulfil the mission of the organization. However, reduced funding in the mid 80's made for painful and contested decisions concerning the allocation of scarce resources. Further, the tension between running the organization as a business and the humanitarian mission, which emerged with the appointment of Edwards, was intensified in the current resource constrained environment.

The effect of the decreased funding was two fold once again reflecting the split between the two cultures. With decreased funding the SAHT responded by calling for increased productivity. The proposed way to increase productivity, was to make better use of existing resources, and the acting Corporate development manager, maintained that "apart from the employees and assets, information was the next most important resource for the Trust" {Gale, 1988/1989}. In other words, the response to the reduced funding was focused onto the design archetypes to somehow accommodate these demands.

It is not unusual for an AIS to "represent an important adaptation mechanism" (Ezzamel and Bourn, 1990, p 400) particularly in a time of financial crisis. They noted that

(b)y gathering relevant information about the magnitude of the crisis and its impact on the organization, AIS can influence the calculations of the value of the possible loss and

the probability of the loss associated with the crisis (Ezzamel and Bourn, 1990, p 400).

In the SAHT's case their AIS was not sophisticated enough to produce the required information readily. This led to an intensification of the computerisation initiative. In particular, an information systems department was set up and an information systems manager appointed. His explicit role was to develop new programs to assist, improve and where necessary, change existing communication systems.

6.1 POLICY CHANGES

Management priorities for the introduction of new software systems changed to be accommodate the new imperative for information. Prior to 1986, a new software system proposal had to address the following:

1. improve services to clients,
2. improve financial control,
3. efficient use of Trust resources (Godson, 1989, p 8).

By the end of 1986, after a review of the long term strategies, a new priority of criteria emerged and proposals had to:

1. increase productivity or show a cost savings
2. improve financial control
3. improve services {Godson, 1988/1989}.

This change in priorities not only facilitated the development of the information system, but starkly illustrated a fundamental shift in priorities.

The commitment of senior management to the concept of productivity gains (Godson, 1989, p 20)

was important. However, to achieve goal congruence

everyone from the general manager down to the users

(Godson, 1989, p 21)

needed to be responsive to these changes.

The change in priorities did not necessarily mean that it was at the expense of the humanitarian role. It was argued by the finance section of the organization that in order to continue helping to house people, they would have to manage their business better. This is reflective of more general societal and political reforms in the Australian public sector during the late 1980's (Wettenhall, 1987). The information systems initiative was to provide better management, higher productivity and thus more services for less tax-payers' dollars. Information systems were to improve the organization's financial management (Ezzamel and Bourn, 1990), achieve decentralisation and continue to help people. It was argued that if the organization could not survive, it would not be able to continue to help. The humanitarian role had not been abandoned, the business role was simply given priority.

6.2 COMPUTERISATION WELCOMED BY SOME

Some areas welcomed computerisation. I was surprised to find, the maintenance section, an area which was the first to be computerised in the 1960's, was still unable to provide the manager with the information required for decision making. The maintenance functions of the SAHT related to the repair and maintenance of the organization's stock of 60,000 houses and represented a significant expense item (see Figure 4.2). Before 1981, development of the information system for maintenance of SAHT homes, was not a priority. The manager of maintenance and

technical services, said that "it took a fraud to happen before they took interest in this section" {Friel, 1988/1989}. The discovery, in 1988, of fraud (to do with outside contractors and not members of the SAHT) was the catalyst to rewrite the maintenance system. This development was to include controls stipulated by the internal auditors.

The renewed interest in the computerisation of the maintenance section, also reflected the part played by reduced funding of the organization. When funds were not an issue, houses were repaired as and when required. However, when resources were constrained, more information was required in order to identify which houses needed and were worth repairing. The need for managerial decision making was more relevant in a period of uncertain resources. This further highlighted a shift towards a more business like role of the organization.

7 NON-FINANCIAL OPERATIONS COMPUTERISED - THE LAST BASTION OF CULTURAL CHANGE

So far, the changes were made to the financial and technical areas and did not directly impinge on client services, the non-financial or social side of the organization. As regionalization took shape, more responsibility was delegated. This in turn meant that regional managers needed more information, not only about financial matters but about their clients. It seemed inevitable that the information system's focus would shift to the non-financial systems. The proposal to computerise client services was made easier by the changes to the system proposals described above. Computerising client services would "increase productivity or show cost savings" {Godson, 1988/1989} and ultimately help to increase client services.

An example of the consequence of the change in priorities was seen during the computerisation of the Rental Application system. This system was a crucial component of client services in the organization's administration. It held each client application for rental housing. This information was required for most rental housing transactions, whether a client was paying rent or moving to another rental property. Crichton was vehemently against computerising this non-financial side of the organization. Other members of the SAHT, particularly those from the information systems department could not understand Crichton's attitude.

Surely a better service to clients was possible if client information could be readily accessed {Hood, 1988/1989}.

It was not uncommon for clients to move to different regions, still requiring housing services. If client information was computerised, any region could have accessed it and not have to duplicate the records. Computerisation could minimise record keeping and increase the efficiency of the service offered to clients.

Crichton did not seem to acknowledge these benefits, even though he had a genuine concern for people's housing needs and serving people was always his first priority. He was very well regarded by the outside community, including the local and state governments. However, his attitude to employees was described by many as antagonistic and can be interpreted as reflecting his determined resistance to computerisation.

Eventually, the card system of rental applicants, described by many as inefficient and ineffective, was computerised. The client information was simply to be replicated, so that it could be accessed on a computer screen rather than on cards. Crichton insisted that no enhancements were to be

built in. This directive from Crichton seemed inconsistent with the concept of systems development, and was a source of conflict.

At one conference for Housing Officers, well before this conflict, the point was made in reference to information systems that

3. It extends the existing functions, rather than trying to implement completely new ideas, which is more acceptable to Trust employees. The resistance to change is always great, so by adopting this approach co-operation appears to be high ...

5. Further extensions or modifications to the system can be linked easily, if required, to build up a more complete centralised picture of the Trust Housing operations (Kidman, 1980, p 7).

This quote was not only a contrast to Crichton's directive, but set the stage for action to overcome Crichton's resistance and limitations. Despite the directive not to include enhancements into the new computerised rental application scheme, the *potential* to enhance the system was built in. The information systems manager, was quite pleased that they achieved this, after all, "Crichton had little idea about computers" {Godson, 1988/1989}. Even the personnel manager, commented on the fact that computerisation had to be introduced without Crichton's knowledge of the extent of the computerisation.

Whilst Ezzamel and Bourn (1990) refereed to six phases of a crisis being

- notionally normal starting point
- incubation period
- precipitating event
- onset
- rescue and salvage

- full cultural readjustment

these do not explain why there were mixed reactions to the development of the SAHT's AIS. In a sense, neither does LOCM, but it can identify where the reactions were occurring. In this way if the problems were to do with intangible aspects of the organization, a different set of issues and solutions may be perceived than if the problems were to do with the tangible aspects of the organization.

In this case, Crichton, the Assistant general manager of housing services, did not welcome the recommendations to increase computerisation and the new information systems manager recalled several "very heated episodes" {Godson, 1988/1989, Training Programs 1988/1989}. Due to Crichton's position, his resistance could not be easily dismissed and from my perspective it was not enough to treat his behaviour as representing technophobia. For a long time I accepted interviewees' comments that he was merely resisting change. Resisting change described his behaviour, but did not explain it. By focusing on LOCM and trying to locate the resistance I concluded that the explanation lay with the mission of the SAHT, which was sustained by its culture.

In other words the duality of the roles that the SAHT sustained, that is, helping to house people and running the organization in a business like manner was at the heart of this conflict. The early dichotomy set up in 1936, to maintain a balance between its humanitarian role and its business roles, was beginning to be threatened. Concerns with the efficient running of the business and increased productivity through improved information, began to displace the humanitarian focus. While pamphlets and the annual report continued to emphasise the social role of the organization, management rhetoric was clearly changing.

Crichton's resistance to the information system became the central focus. Yet his resistance was not merely to computerisation but what computerisation represented. He was obstructing a more general cultural change in the organization. To Crichton, according to my construction of reality, these changes meant the depersonalisation of the client services. In turn, this represented the diminution of the humanitarian role of the SAHT and possibly its destruction.

While Crichton set limits, other areas of the organization supported computerisation. While Crichton saw the welfare side, Friel saw another side to the provision of services to clients. Friel was in charge of debt recovery, that is, following up unpaid rent and other debts incurred by clients. Occasionally some cases had to be taken to court; not all clients were model tenants. Some received awards for their care of their gardens, while others were contributing to unfair wear and tear of the premises. He gave an example of a tenant who was receiving rent relief to which she was not entitled because she was employed.

She had the nerve to come in for rent relief still wearing her nurses uniform {Friel, 1988/1989}!

From Friel's point of view, it was difficult to be humanitarian when some people attempted to "play the system" {Friel 1988/1989} and tried to take advantage of the SAHT's service.

If clients were unable to pay, it was possible to renegotiate repayment of their debt. These debts had to be readily traced to other regions when clients moved. It was therefore essential for Friel's department to be able to access the information used by the rental applications section. However, the area of debt recovery had not been considered for computerisation

until tenant debt doubled, that is, until it was a problem. As government funding became uncertain, it was easier to argue for the need to be more business like.

Friel seemed to welcome computerisation and wanted to be a part of it; a contrasting attitude to Crichton. He was not included in the early decision making concerning the computerisation of rental applications. The result was that the development of the rent management system caused "bloody chaos" {Friel, 1988/1989} in the debt recovery area. This seemed consistent with Godson's claims that the development of the AIS initially was "piece-meal" (1989, p 1) and "thriving on chaos" (1989, p 21).

8 FACILITATING A CULTURAL SHIFT

There are three distinct developments which enabled the cultural shift to occur, namely: there was an explicit emphasis on corporate strategies; training was accelerated; and redeployment was encouraged. These strategies accommodated the changes to the organization, which by now seemed inevitable. By 1987, the SAHT had a Corporate Development and Strategies department to analyse and respond to the changing environment of the organization. This reflected a concrete change in culture of the organization, as now it was embracing and anticipating change. This approach was quite consistent with current change literature which recommends that human resources management must first create a change culture to facilitate flexibility in employees attitude and behaviour (Beer et al 1990).

The Training department was also set up. It offered training which was varied and was tailored to suit the employees' needs. For example, courses

available, ranged from career management to financial management. It was the only way, the training manager, saw the SAHT being

dragged into the twentieth century, kicking and screaming
{Hood, 1988/1989}!

It was considered by senior management, that training was one very constructive way to address the challenge of accommodating change.

The shifting of the emphasis of the business role was part of a cultural change which I was asked to facilitate by providing Financial Management training programs, tailor made for the SAHT. The training programs were initiated by the finance section of the SAHT. Finance wanted me to help non-financial employees (managers and clerks), to better understand their reports and to understand the importance of budgeting. Finance could not prepare reports to the board, if the rest of the organisation overspent their budget. I was to emphasise that due to funding cuts, they had to learn to manage their money better in order to continue to provide a service. The business role of the SAHT was paramount, not just for the provision of services, but for the survival of the SAHT.

As discussed in chapter 2, my role was to be introduce financial concepts (such as balance sheets, profit and loss statements, funds statements and cash flow statements all in a two day training program) to people who predominantly dealt with the non-financial aspects of the SAHT. The training was used to introduce change to their attitudes about the importance of financial aspects of the SAHT. In this sense I had helped the vocalisation and acceptance of the business imperatives of efficiency and effectiveness as represented by the AIS. In this sense I had facilitated

the design archetypes to influence the norms, values and beliefs of the interpretive schemes.

One manager in finance, thought that the changes were occurring too rapidly.

They went from manual processes to computers in 15 years and missed the interim stages such as ledger machines {Smith, 1988/1989}.

And the extensive information systems implementation that took place from February 1986 to July 1987 can be described as "very ambitious" (Godson, 1989, p 15). Comments in the Training Programs {1989} ranged from "I didn't know you could do that!" to "why doesn't someone tell us these things?" These courses were meant to help the employees keep up with the changes.

Training was seen as one of the mechanisms to facilitate the change in the structure of the organization and changes in its accounting information systems. The training manager knew much about the organization and supported the view that the finance or business role of the organization had to be emphasised for the sake of the organization's survival. From her perspective, there was no threat to the humanitarian role of the SAHT, as according to her, it represented the dominant culture of the SAHT. However, for this role to continue to be met, "the SAHT had to be more business like" {Hood, 1988/1989}.

Finance had to keep the business side running, ensuring that cash flows were adequate and that reporting requirements of the Minister of Housing were maintained. Finance felt that the rest of the organization did not appreciate the pressure they were under. Unless the regional managers

maintained their budgets, and reported to head office within finance's requirements, the decentralisation would not work. Finance wanted as many people as possible to attend the financial management training courses, in the hope that their financial role could be better understood by more people in the organization. My role as training consultant was to help non-financial people at all levels of the SAHT to understand the needs and intentions of the Finance section.

The training manager often emphasised the need to understand and be sensitive to the humanitarian role of the SAHT, as if to compensate for the financial emphasis. The duality of the organisation's role was still an issue. If the SAHT was to continue helping to house people within their capacity to pay, that is, maintain its humanitarian role, it would have to operate in a business like manner {Hood, 1988/1989}. That is, the humanitarian role was couched in business terms and the funding crisis helped to legitimize the increased business priorities, as suggested by Ezzamel and Bourn (1990). At the time I did not question or anticipate any consequences of this increase in business priorities. Instead, I found myself stressing to the employees at the training programs, that better financial management *need not* undermine the humanitarian role of the SAHT. Both roles had to coexist.

It was not until the writing of this ethnography that I started questioning my role as an external change agent for the SAHT. As indicated in chapter 2, I identified that I had a conflict with the objectivity/subjectivity dichotomy. I was brought in as an external and implicitly objective change agent. However, I later wondered whether I had been complicit in helping to shift the balance away from a humanitarian role to a more efficient business role. How was I helping the woman trying to escape domestic

violence? What if the more efficient business practices meant that it was not financially worth the effort of relocating her? What if renovating a house for a specific client's needs lowered the resale value of the house? Does that mean that they would not accommodate handicapped people in the future? These important questions were raised again in chapter 6. I was concerned that the emphasis on business efficiency might subsume the SAHT's service role. However, Finance would not have shared my concern, as they saw the humanitarian role as very firmly entrenched.

By Finance recognising that a "them and us" {Wheeler, 1988/1989} attitude existed, they reinforced the fact that the business and humanitarian roles of the SAHT were perceived to take different priorities. The perception of people having face to face contact with the clients, was that Finance did not understand them. On the other hand, Finance thought that the regions did not understand them. However, in seeking to obtain goal congruence through training, the organization was, implicitly, not tolerating the coexistence of different cultures. The potential for such incongruence to distort (Richardson et al, 1996) or to disintegrate the organization (Broadbent, 1992) cannot be underestimated. Instead, the training manager and Finance sought to present a commonality in the understanding of its AIS and in this way, increased the opportunity for potentially conflicting cultures, to coalesce. As stated earlier, the potential for the dual roles to be at conflict was always there, but the interrelationship was envisaged as essential even in 1936 (Marsden, 1986).

Even though the aim of the training programs was to reinforce the expression of the humanitarian role of the SAHT into business terms, the

externally reported objectives emphasised the humanitarian role taking priority. The SAHT's annual report objective bares repeating.

The principal role of the Trust is to provide housing and housing related services for those in need and within their capacity to pay, and to do so in ways which contribute as far as possible to the social well being and economic development of the State (South Australian Housing Trust, 1989a, p 1).

Training was not compulsory for members of the SAHT. People who did not think that they "fitted in" {Whittaker, 1988/1989} with the new developments of the SAHT could be redeployed or take early retirement. Marsden noted that

a disproportionately large number of senior and middle managers (Marsden, 1986, p 385)

took early retirement and it was clear that those remaining were in challenging times. Crichton who had been working for the organization for over thirty years, commented that

it's been difficult, and sometimes I felt I was starting in a new job (Marsden, 1986, p 387).

Eventually, Crichton was redeployed. His departure was significant, since he was a senior member of the SAHT and had spent all of his working life with the SAHT. Crichton's dominance in the SAHT cannot be underestimated. The Manager of Information Systems, said that he was "relieved and liberated" {Godson, 1988/1989} by Crichton's departure. Crichton was consistently mentioned during my early meetings with the Training Manager, Hood {1988/1989} and throughout most interviews and training programs {1988/1989}. His name came up so often that I was surprised to find out that he was not the general manager. He had been

the Assistant General manager until 1987 and he had not worked for the SAHT since 1987. Two years later and he was still being mentioned. His influence was still so strong that some referred to him as a *Ghost*. It was thought that they "should have a symbolic burial of him in order to move on" {Hood, 1988/1989}. Moving on meant accepting the inevitability of the organisational changes. Crichton died in 1991, and he was still a talking point, even though he been gone from the SAHT for over 4 years³.

Crichton was clearly an important figure, as he had fought to maintain the humanitarian role which he thought was being undermined. By the time Crichton left, the organisation's role was expressed in business terms, while the annual report still reflected its mission in terms of its humanitarian role. It was likely that, to him, the changes reflected a change in the mission of the organisation, a change too serious to ignore.

Laughlin believes that:

the potential for change in the design archetype is related to the 'power dependencies', which have a clear relationship to the levels of commitment, or more specifically, *who* is committed either to the underlying ethos or an alternative and their respective position in the organization (1991, p 223).

Crichton's commitment to the underlying ethos of the organization was a considerable force as the AIS development gained momentum. His attempts to stifle the computerisation were not merely resistance to change. Crichton was part of the history of the organization. He was part of the culture that the first general manager established. Crichton was passionate about holding on to a culture, a value and belief system which

³ I heard this at a party, at which there happened to be some SAHT employees and consultants.

reinforced the humanitarian mission of the organization, that is, its interpretive schemes.

9 SIGNIFICANCE OF THE ORGANIZATIONAL CHANGES

In this chapter I have argued that there have been cultural shifts in the organization. It is now appropriate to consider the significance of these changes and consider whether these changes can be described as first order or second order. Figure 4.3 I represented the changes discussed in this chapter into one overall view, so that the changes could be seen as if one was standing back.

Changes in leadership and management style, represented a cultural shift, that is a change to level 1 of the interpretive schemes. These changes created more changes which were reflected in the more tangible components of the organization, that is, the design archetypes of the organization, in particular its AIS.

Referring to Figure 3.4, it can be said that the changes were first order since all aspects of the organization have not been changed. Given that a lot of the subsequent changes occurred as a consequence of the motivation of the Information systems department, and that changes occurred to both the design archetype and the sub-systems, one could say that the processes of change were still transitional.

However arriving at that map was not that straight forward. *If* it could be argued that the shifts in cultural emphasis were significant enough to undermine the metarules, then a second order change can be claimed. It was tempting to say that the change reflected *colonization*. On the other

hand, *if* it can be argued that the impetus to change occurred from within, then one could say that the second order change was really an *evolution*. Levy (1986) makes the point that the second order change has occurred if all four dimensions have changed. Similarly, in terms of LOCM, second order change has occurred if all levels within the interpretive scheme have changed, as well as the design archetype and the sub-systems.

In Figure 4.3 I showed that the mission/purpose (level 2 of interpretive scheme) has not changed, although it has been challenged. In the context of the SAHT's history, where the SAHT was deliberately set up with dual roles, it is not unreasonable to expect that there would be shifts in priorities from time to time. However, it is the persistence of dual role which is imperative in distinguishing the SAHT. The mission (and consequently the metarules) were still articulated as unchanged. Accordingly, I consider that the changes up to that stage were first order, that is, transitional.

One must remember that LOCM is not meant to be definitive or absolute, otherwise it would not be referred to as a model. It is worth stressing that there were likely to be "multiple stopping points along the journey" (Laughlin 1991, p 218). Hence the mapping is not a step by step linear process of changes. It can only be a rough representation to assist in the evaluation of the changes that took place.

The next step is to determine what type of first order change occurred. As the stimulus for change, such as the funding cuts, was from outside the organization, I would describe the changes as Reorientation. The hiring of an outsider to replace Ramsay can be said to be an external influence, as Edwards brought with him new ideas to the SAHT. However, it could also

be argued that it was the Board's decision to chose Edwards and in that sense this external influence was encouraged from within.

Never-the-less the major changes occurred to the design archetype. The new general manager started a chain of events, which lead ultimately to decentralisation. Decentralisation required a whole new infrastructure, that is, a new design archetype. Therefore, I would say that the changes in this chapter represented a first order change where *reorientation* occurred. It is relevant to be reminded of Laughlin's view of reorientation, where such

change is steered and guided by the interpretive schemes of the organization, even though there is a greater intrusion into the internal life of the organization (1991, p 220).

10 CONCLUSIONS SO FAR

The ability to analyse the changes through the application of a theoretical model was particularly useful. The opportunity for meaningful discourse is an essential process at this analytical stage. LOCM is useful in guiding one to determine the significance of the changes in an organization. In this model attention is given to the location of the changes and whether the changes were forced or embraced. In this chapter, I explored how these changes occurred and how the changes came to be ultimately embraced.

The reduced and uncertain funding acted as an external stimulus, a threat, which allowed the use of rhetoric which promoted *efficiency and effectiveness*. By internalising the threat in their language and using it in training, those who embraced change were able to convey the message that change was essential for survival. In this way the external stimulus

was taken up and seized to mediate changes. This helped to shift priorities so that the AIS development could gain momentum.

The relationship between the levels of the organization, that is maintaining goal congruence was achieved through the use of training. Hence the training helped to address the uncertainties of the increased emphasis of the business roles. Redeployment allowed for people who did not fit in with the changes to move to another government department. In effect any incongruence was removed from the organization.

Although the AIS development was a consequence of change, it became the instrument for change in the non-financial systems. The opposition to computerisation, especially of the client services, highlighted not only resistance to change, but an effort to maintain a culture which represented the organization's humanitarian role. The humanitarian role was still being expressed and the annual reports still articulated the dual roles of the SAHT. In this sense, not all the levels of the interpretive schemes were effected as the mission and metarules stayed the same.

The organization's role conflicts were highlighted during a period of cultural change. The conflicts were not necessarily created by any person but were an inevitable consequence of the initial set up the organization. Marsden's perception of the organization's beginnings is worth repeating.

The twin humanitarian and economic motives could as easily come into conflict as coalesce, and this was apparent as soon as the Housing Trust Board was constituted in January 1937 (Marsden, 1986, p 33).

This historical perspective provides a better understanding of how the mission of the organisation and its culture reflected and shaped each

other. It also offers an important canvas on which to interpret the organisation's developments. These are discussed in chapters 5, 6 and 7.

CHAPTER 5

PREDISPOSITION TO INTERNAL CHANGES

1 INTRODUCTION

In this chapter, the continual nature of change becomes more apparent, as the SAHT has had to simultaneously respond to a number of internal and external stimuli. The stimuli to which the SAHT has had to respond were:

- the appointment of a new general manager in February 1991,
- the qualification of its annual report for the year ended 30/6/92, and the
- continuing uncertainty and reductions in Government funding.

These stimuli and other initiatives to be discussed in this chapter resulted in restructuring of a number of areas including:

- Regional and Community Services (RACS),
- Corporate finance,
- Corporate services,
- Development,

effectively restructuring the whole organization.

The information for this chapter is predominantly from the interviews conducted during 1992, 1993 and 1994. The period captured by these interviews coincides with the SAHT's fourth general manager, Parker's period of leadership. There are a number of stimuli which were not a cause or consequence of Parker's leadership but may be associated with it none-the-less.

External kicks/disturbances are not always readily distinguished from internal responses, particularly if the organization has had a part to play in their presence. For example, the appointment of another outsider as general manager was a decision made by the Board. Whilst the qualified audit was by the Australian Auditor General's department and so can be considered to be an external kick/disturbance, the development of the systems and accounts which gave rise to the qualified audit were internally controlled. The review of RACS was internally initiated even though the suggestions were by an outside consultant. However, funding was a continual problem and this remained a persistent disturbance for the organization. In this chapter, the stimuli, the responses and organizational changes will be presented. These changes will be analysed to determine their significance.

2 NEW GENERAL MANAGER

The General Manager of 12 years, Mr P B Edwards resigned to take up an appointment in the United Kingdom in September 1990 (South Australian Housing Trust, 1991a). Edwards still had family in the UK and it was not unreasonable that he should wish to return. In chapter 4 I discussed the impact that the new leader had on the organization. Once again the SAHT had to accommodate the differences and influences that another leader can bring to its culture.

2.1 ANOTHER OUTSIDER

In February 1991, Mr R W Parker was appointed as the new General Manager, having had

extensive experience in State Government urban development instrumentalities (South Australian Housing Trust, 1991a, p 2).

Parker had been "head hunted" and was appointed by the Board because he was considered "the best person for the job" {Hall, 29/12/93}. Soon after Parker's arrival, he hired more outsiders for senior positions. By bringing in outsiders into the organisation, Parker appeared not to value existing expertise, which was demoralising to existing employees, especially the senior people. However, Parker was hired specifically to bring change to the organisation.

His appointment was not met by all with enthusiasm. Messner, who had been acting general manager since September 1990, had been with the SAHT for over 15 years. I assume he was not considered appropriate for the position of general manager given that he was not chosen. However, Messner had seen many changes and had been instrumental in many initiatives of the SAHT. There had been comments about his response to the new appointment and that he had become obstructive. Others commented that Parker did not recognise his experience and hence the resource that he represented. Despite these comments, Parker considered that it was necessary to enlist Messner's cooperation without undermining his (Parker's) authority.

Some people commented that Parker was not experienced in managing a large organisation and the experience he did have was with urban development, not with the people side of the organisation. There were also many comments by people I had interviewed that Parker lacked leadership skills and a vision for the organization. Parker described himself as a facilitator rather than a leader. It may be that Parker did not

fulfil their expectations and his leadership style was too different from Edward's style who had been with them for twelve years. The transition from one leader to another need not be easy and the resentment that may have been felt for Parker was also felt by many when Edwards took over after Ramsay died (as discussed in chapter 4).

2.1.1 Access and reciprocity

I had spoken to a number of people in December 1992 and January 1993 before I was able to speak with Parker on 28 January 1993. By this time I had formulated some impressions about the SAHT which reflected on Parker as a leader. I had prepared a one page summary of the major issues as I thought they had emerged but was not sure whether I should present these to Parker. I was to have a meeting with Dr Ian Halkett and it had been arranged by Parker and his secretary that he would briefly sit in with us. I was uneasy about this as I thought that Halkett might not speak freely with Parker present and that I would not get much time with Parker.

At this meeting Parker asked me if I had anything brief that he could read and so I gave him this one page summary of key issues (see Figure 5.1). This had the effect of displaying my knowledge and understanding of the organization at the time and giving him feedback. Whilst this form of reciprocity is appropriate in this type of research (Marshall and Rossman, 1989), I felt quite anxious about revealing this to Parker for a number of reasons. First, these issues reflected directly on Parker's leadership and I felt these might offend him. To his credit though, he seemed impressed that I was able to capture the issues of the organisation as they presented themselves at the time. The next morning his secretary rang to say that

he could see me early that day as one of his appointments had been cancelled. During the one hour interview, Parker seemed very eager to talk about the SAHT and his aspirations for it. I found that the more information that I revealed, the more information he shared in return.

The second reason that I felt uneasy presenting my findings to Parker was because my thesis was far from being complete and I was not sure I wanted to influence any outcome at the time. Even so, I was not a fly on the wall and my presence was causing people to reflect on the organisation and their role in it (Van Maanen, 1988, Marshall and Rossman, 1989). My influence on the interviewees was expressed by Charles who said that it gave her an opportunity to reflect on events and allowed her more synthesis. The interviews were influencing me in that the complexity and connections of events were developing. I was engaged in a reflexive critical ethnography, and therefore valued my reflexive processes as well as those of the interviewee.

Given that Parker can be considered an elite interviewee because of the position he held, it was not unusual that he would expect a more interactive interview (Marshall and Rossman, 1989). This opportunity to talk with Parker was essential as I had not been able to speak with Edwards, the previous general manager¹. Parker's insights of the organization and his responses to my perceptions enabled a level of honesty and trust to develop. This helped me to think about the differences in perceptions others had of Parker, and the perceptions I had of him. The differences in perceptions were significant because they represented the directions that the organization could have taken. These conflicting views are addressed below.

¹ My interviews began in 1992 and Edwards had gone by 1990.

2.2 SHIFT IN THE BALANCE OF DUAL ROLES

A number of changes and events had occurred which signalled a further shift in the balance between the humanitarian role and the business role of the SAHT. The change in the number of directors was increased. During Edward's reign as general manager, there were three assistant general managers (see Figure 5.2 second column), for

1. Finance and Management Services,
2. Regional and Community Services (RACS) and
3. Housing Supply.

In Parker's first year in 1991 he changed the structure by adding two directors, for Housing Operations and Home Ownership and Community Programs. By the year ended 30th June 1992 there were 6 directors reporting to Parker (see Figure 5.3 second column), namely:

1. Major Projects,
2. Development,
3. Home Ownership and Community Programs,
4. Corporate Services,
5. Corporate Finance and
6. Regional and Community Services.

There was also the creation of the position of Manager of Change to report to Parker.

2.2.1 Manager of Change

Neil Whittaker was given this position and was taken out of Human resources but not replaced. The creation of this position seemed very innovative and Whittaker saw the role as essential in facilitating the

organization to understand and accommodate the structural changes taking place. Whittaker's role was to go to the regions and explain the changes. Although Whittaker was in this position for only a few months, the establishment of such a position was significant. It indicated, implicitly, that the changes would not readily be accepted and many saw that there was "a big shift in the thinking" {Hood, 27/1/93}. This was symbolised by the changes in the SAHT's slogan from "we build homes not just houses" to "better business, better service and better cities" {Hood, 27/1/93}, which reflected the Commonwealth funding for their Better Cities Program.

I had conflicting evidence with respect to the role that training was to play in these changes. On the one hand the number of staff involved in training was reduced, yet there were extensive financial management training programs, called, Jigsaw, which were run by Coleman, an outside consultant. This uncertainty in my perception, better reflected the uncertainty of the staff, especially with respect to the possible directions that the SAHT could have taken.

2.2.2 Perceptions of change in dual roles

The changes which reflected a shift in the emphasis of the dual roles was to do with Parker bringing in more outsiders. He had brought in Jackson with building experience and Henesy-Smith who was from the South Australian Urban Land Trust (SAULT) and both were made directors. Connelly, who was director of RACS, was now only one voice in six. Whilst she did emphasise that she had support by Messner and Charles, the new emphasis on the business side could not be overlooked. Henesy-Smith was a Director of Major Projects which had about twenty people while

Connelly was a Director of about 500 people representing half of the SAHT, yet each had one vote in directors' meetings.

It was also noted that of all the top management, being the general manager and directors, four out of seven were new and had only been with the SAHT for a few months. Even Connelly was relatively new to the SAHT having joined in late 1990. Many other staff members felt that the older members had been disregarded, although Whittaker noted that he had not been overlooked.

2.3 GOAL INCONGRUENCE

Given that Parker was hired because of his urban development background, I assumed that the Board wanted him to develop this part of the SAHT. Therefore, I was surprised when Parker stressed that the major aspect of the SAHT was RACS and that that was the main point of the organisation. He drew a diagram on his white Board and put RACS in the centre which was represented by the largest circle. Hence my conclusion in Figure 5.1 that there was a lack of goal congruence and a lack of communication was affirmed. The rest of the organisation thought that he was emphasising the houses and urban development side.

The other reason I considered that there was a lack of goal congruence was to do with the Corporate Finance Division and Home Ownership and Community Programs division. Messner, Director of Corporate Services was responding to the qualified audit (to be discussed section 4) and built in more internal controls to minimise the chance of another problem with the auditors. However, Luckan, Director of Home Ownership and Community Programs was very much an entrepreneur and rejected the

internal controls as stifling his creativity. He was congratulated for the development at Rosewood, where old houses were upgraded and hence increased the value of their stock. However, he had allowed Delfin, the company with which the SAHT had a joint venture in this development, to access SAHT's cash account with no documentation or spending authority from finance. This created an intolerable situation for finance personnel, who could not trace or reconcile expenditure. Finance were not notified by Luckan as to their accounting needs because Luckan thought that finance was not responsive enough. Lack of qualified staff was cited by finance as the reason for their inability to be more responsive, but this did not mean that they were not cooperative.

The goal incongruence between Corporate Finance and Home Ownership and Community Programs had serious implications on the AIS. Whilst Corporate Finance was to provide financial services to all the other divisions, other divisions were to cooperate with the internal controls necessary for such a large organisation. It was in this area that Parker needed to be clear and assertive. Further, in the context of the qualified audit, it was essential that all divisions cooperated with internal controls.

2.4 COMMUNICATION

The need for better communication was also evident as there were different impressions about the introduction of Business Units. Some thought they were inevitable and were going to be introduced, others thought that they were already in place. Yet in the SAHT annual report of the year ended 30/6/92 it was claimed that they maintained an organization structure "along business unit lines" (South Australian Housing Trust, 1992a, p 2). Parker considered the recommendation of

consultants that business units² should be used instead of divisions or departments. He decided that they were inappropriate for the SAHT but he had not communicated this to the rest of the organisation. There seemed to be much uncertainty and different groups were operating under different assumptions. This contributed to my perception that there was a lack of goal congruence between divisions and the organization as a whole.

2.4.1 New physical environment

Another reason that communication may have been an issue was to do with the relocation of the SAHT head office during the year ended 30/6/90 (before Parker's appointment). Their previous location was in an old building often referred to as the "rabbit warren" {Hood 1988/1989}. The new site was in a modern, new multi-storey building which also housed other government and private entities. The unusual feature of the building was that it was hexagonal with the offices at the perimeter, while the central part of the building was open space occupied by six lifts. There were ramps leading from the perimeter to the lifts and one could see all the floors and all the offices as they were partitioned by glass. The building had an air of openness. This paradoxically meant that more security was necessary, and all staff had to have security keys to enter each section.

Some commented that the layout of the offices was not conducive to informal communication. The sections of the SAHT were more segregated and the physical divisions were more than office partitions. In the old building one was likely to run into a number of other people on the way to

² It is ironic that the public sector reforms (discussed in chapter 6) to which the SAHT was subjected in 1994/1995 were, in effect, an extension of the business unit concept.

see a specific person from another section. In this new location, the suspended walk ways and the distribution of the SAHT over a number of floors meant that there was less informal interaction. There were receptionists' desks on each floor. I was surprised that there was not a general front counter. It meant one had to know whom they were seeing and know where they were located. I wondered at the time how a client would know where to go if they needed to talk with anyone. I was told that clients had to approach their regional office and that all client contact was conducted from those sites, not the head office. RACS was structured to have overall administration, coordination and planning at the head office and generally did not have direct client contact. There were 16 regions distributed throughout the city, metropolitan and country areas. In the next section I discuss changes in RACS at both head office and the regions, which were not due to the change in leadership.

3 REGIONAL AND COMMUNITY SERVICES (RACS) REVIEW

The changes that took place in this division were not explicitly related to any external stimulus and are presented because they occurred during Parker's time as general manager, which was also the period of this ethnography. When I met Ms Jan Connelly she was in the middle of implementing the recommendations of a major review of RACS. This effected half of the organization. I was amazed that such changes seemed to be ignored or underestimated by some financial consultants. It was as if the outsiders defined the organization by its AIS, and focused only on the business side of the organization. The next sections show that restructuring of RACS directly and indirectly caused changes to the

overall organizational structure and leadership as well as changes within RACS.

3.1 IMPACT ON THE LEADERSHIP OF DIVISIONS

The review was instigated by Halkett, then the person in charge of RACS, titled Assistant General Manager, when there were three Assistant General Managers (see Figure 5.2 second column, 30/6/90). Connelly was the consultant who did the review, and she presented her recommendations to the Board and was then asked to implement them. So, in 1991 Connelly was in charge of RACS and Halkett was given Corporate Services, a new division which was created by reducing the responsibilities of the Corporate Finance division.

Some thought that Halkett had been side stepped. However I had the impression that he was supportive of Connelly's contributions. If he did have any misgivings I had not detected them. I was aware that he was very cautious about interviews and that he was more comfortable talking in an informal setting over lunch. He was very helpful and supportive, having completed a PhD himself. For instance, he arranged for Glastonberry to give me a tour of the SAHT developments. Glastonberry had also been with the SAHT for over 20 years and was a fountain of knowledge. He showed me the new developments, redevelopments, old developments and homes which were cooperatively owned or were used as shelters or refuges. It was not unusual for Glastonberry to conduct tours for visitors³. Connelly had thought that the new members of the

³ I even remember a school excursion, over 30 years ago, when my class was taken to see the SAHT's new satellite city named Elizabeth, with streets named after British royalty. At the time it was presented as a sought after area. It is ironic that one of the new redevelopments that Glastonberry showed me was Elizabeth. It was renamed Rosewood, so that it was no longer associated with the previous run-down image Elizabeth had acquired.

organization should spend some time in the regions, in order to have a better awareness of SAHT activities, past and present.

3.2 IMPACT ON REGIONS

The aim of RACS' restructuring was to transfer more responsibility and autonomy to the regions which was consistent with the decentralising trends set in place by Edwards, the former general manager (discussed in chapter 4). The changes that occurred in RACS were at two levels: first, at the head office and, secondly, at the regions.

3.2.1 Changes in the RACS division

At the RACS division, Connelly identified that she needed more senior people and appointed three new people for three new positions:

- Manager, operations - Sally McMartin
- Manager, business units - Paul Smith
- Manager, financial planner - Paul Lambert.

These additional positions enabled RACS to better manage their information needs and their resources. What could or should be centralised or decentralised was considered. The effectiveness of the regional service delivery was evaluated using surveys to quantify the clients' satisfaction levels of the SAHT. This had resulted in the identification of the best practices that their clients could expect of the SAHT.

3.2.1.1 *Budgets*

Initially there was little dialogue between RACS and Finance. RACS considered that Finance was still reluctant to let go of information and still had a centralised mentality. However, since the review RACS has had more autonomy with its budget. The regions and RACS head office worked together to arrive at their budgets. McMartin, who had been a regional manager became Manager of operations and had an excellent understanding of the needs of the regions. They were able to develop a cycle involving listening to the needs of regions and following up on the ideas they submitted. Before this, the budgets had many lines, for which the regions had no control or influence. The consultation resulted in the simplification of the budgets so that they were more meaningful to the users in the regions.

3.2.1.2 *Bad debts*

RACS was better able to coordinate bad debts as now Friel, the Debt Recovery Manager, was reporting to McMartin. Before this restructure, Friel was part of Finance. Friel felt as if

he had joined the enemy, but they don't stop me from doing
my work {Friel, 5/1/93}.

Friel had the difficult position of having to take action when clients were in arrears with their rent and/or other debts that they may have accumulated, such as unfair wear and tear⁴.

⁴ This represents damages which were more than normal wear and tear, and was sometimes associated with domestic violence.

They had a debt philosophy day and reviewed their policies and procedures for debt recovery. In 1993 they had about 500 - 600 evictions per year. They physically evicted one tenant per week and 2-3 left before they were evicted. Even if tenants were evicted, the SAHT still helped them to get private rental and helped to pay their bond money. However, before this occurred clients were alerted to the availability of financial counselling, and that they could negotiate with the SAHT an arrangement to gradually pay back their debt.

There were a number of systems which have been implemented to facilitate the payment of rent and included, direct debit, and payments at any post office. The latter method represented 99% of their receipts. The post office receipts were not on-line and the SAHT obtained a tape of transactions by the next day or so. Sometimes there would be a delay of about 2 days. In early 1993 they were working on getting an online system which could be up to date within 3 hours. Australia Post has been very entrepreneurial and together with the SAHT's outsourcing initiatives, had made the collection of receipts more efficient.

Friel also described a computer program which deducted rent at the source, for example from social security, and the balance went to the SAHT. This required the cooperation of the Department of Social Security. Cooperation with other agencies was not always possible as there were issues of client confidentiality. However, Friel felt that their effectiveness would be enhanced if more information could be shared, particularly when dealing with eligibility of benefits.

3.2.1.3 *Benefits*

As well as receiving money from clients⁵, the SAHT also made payments to clients. Another consequence of the RACS review was ensuring that all payment to clients were justified. Payments to clients could be direct or indirect in the form of rebates, which resulted in the client paying a reduced rent. Friel referred to a "fraud squad" {5/1/93} which did an audit of cheque payments. They hand delivered 98 cheques, entered the premises, and requested identification and signatures. They found that 25% of the sample were receiving benefits to which they were not entitled. This implied that about \$2.5 million (of the \$8.5 million paid as benefits) was overpaid.

A formal rent review was done two times per year. In 1989 they offered an amnesty, so that clients could "come clean" {Friel, 5/1/93} and 436 people responded and went on to unsubsidised rent, that is paid ordinary market rent⁶. Within 12 months a further 1,500 clients were identified as receiving benefits to which they were not entitled. These clients said that they

thought that the Trust couldn't catch up with them {Friel, 5/1/93}.

There were also clients whose circumstances had changed and were no longer entitled to benefits.

Friel's position was seen as having to make harsh decisions, which was in contrast to the humanitarian role the SAHT fiercely upheld. Even so, the

⁵ The reference to clients included tenants, but the SAHT provided other services too, for example, helping people to pay their bond for private rental. The SAHT was not just a landlord, but was there to service the community, which could be referred to as clients or customers.

⁶ However, there is a ceiling set by the government so that this rent is not determined by, say proximity to the central business district. Hence it is not accurate to refer to this rent as market rent.

SAHT was still benevolent. There were no penalties or prosecutions or attempts to recoup overpayments to clients, and the amounts were not big enough to bring in the police {Friel, 5/1/93}.

The discussion above highlights the complex role that the SAHT played. As discussed in chapter 4, the SAHT had to ensure that it was applying its resources *efficiently* and *effectively*, in order to be able to continue to help people with housing needs. However, the needs of the people they were housing went beyond this, as the clients may have had other problems which exacerbated their capacity to be model clients. It is the recognition of these issues that made the SAHT attentive to their community service obligations and distinguished them from private landlords. The dilemmas that this provoked are discussed below.

3.2.1.4 *Community service obligations (CSO)*

Although there are numerous definitions for CSO the following are related components:

- a government directive to a GTE⁷ relating to the conditions of supply of a specific service;
- the service would not otherwise be supplied under the same conditions as a commercial decision of the enterprise; and/or
- the service provides an identifiable community or social benefit (Steering Committee on National Performance Monitoring of Government Trading Enterprises, 1994, p vii).

⁷ Government Trading Enterprise

In the past the costs were measured by simply identifying the supply of rental services, salaries and specific program costs. However, the "cost of CSO is hidden" {Smith, P 11/1/93}, in that the costs were absorbed in the normal service provisions of the SAHT. Since the organizational change of RACS, there was more multi-skilling so it was no longer adequate to measure total salary but they needed to measure the proportion of one's time spent on CSO. The provision of houses and CSO was no longer a separate task and the distinction could be blurred. Housing managers have to do a number of tasks which overlap between the roles of a private landlord and those exclusive to the SAHT. These may include:

- processing applicants for emergency housing, ie, priority applicants
- establish whether the person is already a SAHT tenant
- select the tenants
- maintain an audit trail of allocation decisions to match a suitable property
- provide short term help for example if a person is homeless due to domestic violence, or is disabled.

In the 1994 annual report it was noted the cost of CSO was approximately \$13 million, while rebates amounted to \$117.3 million and were \$2.7 million more than the year ended 30/6/93. They were able to calculate that the

total contribution of the Trust to the community equated to a return on equity to the State of approximately 7%, which significantly exceeds the value of concessional borrowings and other subsidies (South Australian Housing Trust, 1994a, p 3).

In pursuing the identification and measurement of their CSO in early 1993, RACS was demonstrating its proactive nature, as this was over one

year before the Federal Government's investigation of CSO of Government Trading Enterprises (Steering Committee on National Performance Monitoring of Government Trading Enterprises, 1994). Further this was evidence that the SAHT was attentive to concepts of *efficiency* and *effectiveness* and their measurement. This is again reinforced in the discussion of the SAHT's triennial review in section 5.3.

3.2.2 Changes to the regions

The changes to the regions were considered very significant, because new positions were created, and tasks were amalgamated and redesigned. Further, the new positions were advertised externally and RACS staff who wanted to be considered for these positions had to apply. The selection processes included the applicant making presentations or undertaking an all day interview as well as undertaking financial management tests⁸. The intensity and thoroughness of the selection procedures caused much stress as there were winners and there were losers. However, the staff were also proud that they were implementing the review recommendations seriously and professionally. The staff resented the manner in which other divisions handled appointments. The humanitarian side of the organization saw itself as running itself in a more business like manner than the business side of the organization.

The changes that occurred to the regional positions can be summarised as follows. There was an increase in status of the regional managers and their salaries. They also had an office manager, technical officers, and

⁸ I had prepared and marked these tests in 1991 as a consultant, one year before I began my interviews for this thesis.

housing managers to assist. The housing managers were in charge of about 400-500 houses and were to consolidate

- rental collection
- maintenance
- technical issues.

These changes also changed the nature of some of the jobs so that the regional managers had to have greater responsibilities. Housing managers were to integrate and coordinate tasks which previously had been segregated. This had implications on training, as housing managers and clerks needed to know how to access and use a number of systems to do with:

- property management
- maintenance
- applications
- accounts receivables
- internal office
- word processing
- tenant debtors.

Training was offered before the restructure and there was some post-implementation training too. However, RACS' training priorities were not sustained. The regions considered that Parker's training priorities shifted to improving Finance and Project management.

The integration of tasks had further implications. Whilst this was meant to simplify and coordinate tasks it also created more dilemmas. In particular the dilemma of dealing with debt recovery and providing community service obligations was stressful. Housing managers were meant to keep track of rent arrears and current tenant debt. However, the

housing managers found it personally very hard to collect debt as well as being responsive to the client's problems. The housing manager may have had to deal with a client's need to be relocated due to domestic violence, as well as having to ask for rent and then have to say that further maintenance cannot be done because the budget does not permit.

As well as reorganising RACS' tasks, it was necessary to integrate the invoices sent to clients, so that one statement reflected all outstanding debts including, rent outstanding, and other debts due such as unfair wear and tear. This represented a major change to their accounts receivable system. Further changes were necessary to integrate client debts accrued from more than one property. In order that client services were to be improved, the AIS and other systems of the SAHT had to be upgraded and integrated. This required significant systems development.

3.3 IMPACT ON THE INFORMATION SYSTEMS

In order to have ready access to data to accommodate this "one-stop shop" {Connelly, 18/12/92} they required a major integration of systems. In chapter 4, I discussed how this had been resisted by Crichton, a former Assistant General Manager of housing services (the equivalent of RACS). Although the information systems manager, Godson, in the 1980's tried to develop systems with the potential for improvement, the changes that were needed for the 1990's were substantial. It was necessary to create an interface between data bases which were previously accessed through different codes being,

- client number and
- property number.

To summarise, access was required from two codes for a number of reasons:

- 1) property number for access to information about
 - property maintenance
 - council rates
 - house sales
 - capital works
 - and anything other than rent and,
- 2) client number was needed to allow a number of transactions including
 - TRACS
 - tenant exchange ie. a tenant may move to another property
 - rent management eg. assessment, administration, maintenance
 - revenue receipting ie. cash in
 - client deductions eg. may get social security cheques and deduct rent
 - direct payments
 - Australia Post ie. can accept payment of rent from a client, which is forwarded to the SAHT
 - EWS - tenants pay excess water payments and it can be another debt
 - accounts receivable - major aim is to link accounts receivable with tenant debt.

A third access code was also required for clients which were not tenants of the SAHT, but had received services.

Before the RACS restructuring, systems were aimed at specific jobs, for example Trust Rental Applications Computer Systems (TRACS). The jobs were independent although they all fed into the financial system.

However, since RACS has been restructured, the Housing Managers needed access to integrated systems because before systems were never client based. The information systems people developed Customer Information Systems (CIS) which provided "a high level summary" {Hogg, 15/1/93}. That is, there was access to all the other systems in more detail. Each computer screen was coded so an expert user "could jump from one screen to another" {Hogg, 15/1/93}.

The accounts receivable system was to feed into the tenant debt and sundry debt so that there was a single statement. That is, CIS fed into accounts receivable and accounts payable and both then fed into the general ledger. Reports used to go to regions and since the restructure they went to the particular housing managers of each region. Each housing manager looked after about 500 houses, so, the information systems had to change the number of the records to identify with property/unit/housing manager. This had implications on accountability. The new systems increased the level of transparency at a very specific level. That is, the measurement of the performances of particular stock and in turn housing managers would be possible. The significance of this initiative will be addressed again in chapters 6 and 7.

The RACS restructure took 30 people including subcontracted consultants and at least 6 months of work on the systems. Lamprell worked on the accounts receivable system, to see whether it should be developed or whether they should buy a package. She wanted "the final system to sing" {Lamprell, 20/1/93}. Page-Hanify was a consultant for business systems, who was heavily involved in the training for all the systems. Her tasks also involved initiation of projects, strategic planning and project management. She noted that there was a need for change in

communication, and a "need to sell the system so that it is used" {Page-Hanify, 25/1/93}.

Clearly the information systems were actively working towards meeting the information needs of the regions. However, there were also some limitations. During early 1993 access of information for the regions was not permitted after 6.00 pm during the week. The limited access to users was necessary to allow Information systems employees to work on the system and to allow backups. However, this impinged on the efficiency of regions where they were servicing clients during the day and wanting to update records after hours. It is not surprising that one design archetype should influence another. This was particularly evident in the interplay between information systems and finance.

3.4 IMPACT ON CORPORATE FINANCE AND CORPORATE SERVICES

The restructuring of RACS required major changes to the accounting information systems and other systems which fed into it. However, there were also structural changes to Corporate finance. In section 3.1 I explained that Halkett was moved from being the Assistant General Manager of Housing Services to become the Assistant General Manager of Corporate Services. This had structural consequences to Corporate Finance and Management (as it was called up to the year ended 30/6/91, see Figure 5.3).

Messner continued being Assistant General Manager of Finance and Management Services, but his domain no longer included management services which was part of Information Systems (see 30/6/91 Figure 5.3).

However, not all of the Information Systems moved to Corporate Services. The accounts receivable packages, involving Mike Manual stayed with Messner.

In one step, the Information systems team was split {Hogg, 15/1/93}

between two divisions. Hogg saw that the split could work in the short term but would "eventually fizzle" {Hogg, 15/1/93}. The split had implications for finance too. However, other external events, namely the qualified audit, occurred which challenged this structure.

4 QUALIFIED AUDIT REPORT

A qualified audit was given by the Auditor General's department for the financial reports for the year ended 30/6/92, which was a very unusual occurrence for the SAHT. The qualification was about the rents receivable, bank reconciliation and statement of cash flows (South Australian Housing Trust, 1992a).

The first two qualifications were more serious than the third qualification as they were

(d)ue to system and procedural problems associated with the Receipting Module of the Rent Management System and the Accounts Receivable System (South Australian Housing Trust, 1992a, p 23).

It was reported that the Treasury Bank account had more cash than was recorded in the general ledger by \$136,000 (South Australian Housing Trust, 1992a). However, it was realised later that year that the discrepancy was greater than \$336,000.

The third qualification was because the statement of cash flows has not been prepared strictly in accordance with the Australian Accounting Standard AAS 28 (South Australian Housing Trust, 1992a, p 23)

and was considered the least significant qualification as it related to the application of a standard. At the time, the application of the standard was not clear and the qualification from the SAHT's point of view, was more an issue of interpretation.

4.1 EXPLANATIONS FOR THE QUALIFIED AUDIT

There were two explanations for why the qualified audit occurred. The first was to do with the non-traditional structure of finance at the time and the second explanation was to do with the tension between user-friendliness and controls in their information systems.

4.1.1 A non-traditional structure of finance

For a period from March 1992 to October 1992, during the preparation of the annual reports for the year ended 30/6/92, Messner had put non-accountants⁹ in charge of the annual reports, who had not had the experience of producing them before. The person usually in charge, Wheeler, had been transferred as an assistant in the Development division. In this structure the finance section was dismantled and assigned to the divisions they were meant to service. This meant that finance was small and had an overall coordinating function, while the

⁹ Messner insisted that they were competent economics graduates and had done accounting in their degree.

operational functions were carried out in the divisions, where they were needed.

However, after the qualified audit, the Board wanted a traditional structure, where all the finance services were together. Messner's idea of having people from Corporate Finance actually in the divisions they were meant to serve did have merit. The qualified audit may not have been due to the structure alone but due to the people who were left to coordinate the annual report. I was informed that finance and the external auditors knew about this discrepancy for three years. However, the auditors took issue on this occasion due to personality clashes with some staff remaining in finance. Wheeler, a qualified accountant, had been in charge of the preparation of the SAHT annual reports and had a good rapport with the auditors. The one occasion that he was not in charge coincided with the qualified audit.

I did not understand how the discrepancy could have been unresolved for 3 years. Messner considered the qualified audit as a "big unnecessary fuss" {Messner, 24/2/94} which I interpreted in two ways. Either the amounts were trivial, but \$100,000 or \$480,000 can be argued to be significant for the public purse, or Messner simply thought that they could be convincing in assuring the auditors that all was in hand.

I think the non-traditional structure may have worked, had the divisions been given a say in who was to be in their division. The divisions, RACS and Development, were not satisfied with this arrangement, citing that they did not have a choice of who came to their area. The new structure was imposed on the divisions. So, it was not surprising that Connelly was not impressed with Alan Smith and that Jackson was not impressed with

Wheeler being assigned to Development. Wheeler, also a long serving member of the SAHT, had gone from managing a team of about 20 to 3. Wheeler saw this as being equivalent to a demotion, but ceased to be surprised by the changes.

It cannot be denied that RACS required specific financial information and this was reflected by the new positions which Connelly requested for Manager Business Units and Manager Financial Planner, already discussed in section 3.2.1. These new finance people, Paul Smith and Paul Lambert, were to report to Connelly, not Messner, which was not the case when Alan Smith was assigned to RACS. In effect Alan Smith had to report to both Connelly and Messner and this was not satisfactory for either Alan Smith or Connelly.

Hence, the non-traditional structure was cited as a reason for the qualified audit. However, the qualified audit had as much to do with who was left to coordinate the annual report, as it had to do with the financial discrepancies. The rejection of the non-traditional structure was linked to the lack of consultation and choice by the divisions to be serviced.

4.1.2 User-friendliness vs Controls

Another reason cited for the qualifications was to do with the committee which was involved in overseeing the development of the accounts receivable system. It seemed that the members who were eager to ensure user friendliness were dismissive of the accountants' requests for internal controls. However, the lack of controls resulted in the basics of double-entry accounting being violated. Fortunately the error was not evidence of fraud, as there was more money in the bank than was recorded in the

ledgers. However, from an AIS point of view, this discrepancy was unacceptable. Another potentially dangerous disregard for controls was played out in the redevelopment of Rosewood, already discussed in section 2.3.

The tension between user-friendliness and controls can also be seen as a struggle between the humanitarian and business roles of the organization. The balance between the two was not necessarily static.

4.2 RESPONSES TO THE QUALIFIED AUDIT

There were a number of changes which could be described as responses to the qualified audit. However, it is important to stress that the changes were not necessarily related to the qualified audit and are presented here because they coincided with this event. There were changes to the policies for systems development, the reporting to the Board became more detailed and there were more structural changes to Finance.

4.2.1 Policy changes to systems development

In order to address issues of accounting controls, the Director of Corporate Finance, Messner, insisted that any new system being developed had to identify which accounts were going to be affected and had to have his personal permission to effect these accounts. Whilst this seemed like a reasonable response to maintain internal control it was likely to create a bottle neck for systems development and ultimately be inefficient. The event of the qualified audit legitimated an emphasis on controls and in a sense, legitimated the Business side of the SAHT's dual roles.

4.2.2 Management accounting reports for the Board

The Board responded to the qualified audit in two ways. First they insisted that finance be reverted back to a traditional structure and second they demanded more information about financial matters. A report to the Board outlining the restructure by Corporate Finance did not identify the stimulus for the change but implied the response was merely rational, since

(t)he Corporate Finance Division has been restructured to reflect the current needs of the Trust for tighter accountability, management clarity and strategic planning. Demands for improved performance are being generated both internally and externally, and echo the difficult economic times that Government is operating in (South Australian Housing Trust, 1992k, p 1).

Reverting to the traditional corporate finance structure (see Figure 5.4), resulted in Francis winning the position of Manager, Management Accountant and Wheeler regaining his position as Manager, Financial Accounting. Francis had been the internal auditor and as such knew the systems and made recommendations for their improvement. Messner thought that he was ideal to implement his own recommendations. Sara Walding (who had worked in internal audit and had experience in public practice) was appointed to assist Francis. Together they revised the reports to the Board. The reports were more detailed. It seemed the more detail the Board was given the more they wanted. Francis recalled that each month the reports were developed and improved. Many noted this was a very positive improvement.

The Board reports from the Assistant General Manager, Finance and Management Services during the early 1989 to mid 1991 were fairly static in format and the headings for financial information is presented in Figure 5.5. This format reflected the sources of funding from the Commonwealth government and the State government, and indicated whether the grants were tied, that is, for a specified use.

However, for the period from late 1991 to late 1992, the monthly Board reports included the previous headings as in Figure 5.5 and had additional information according to the following business units:

- rental housing
- community support
- construction and development
- industrial and commercial
- corporate management (South Australian Housing Trust, 1992c).

These were also consolidated and were represented according to the sources of external funding.

The Board report in April 1993 (see Figure 5.6), after Corporate Finance reverted to its traditional structure, had two income and expenditure statements. One of the statements had the layout simplified and was more in accord with profit and loss statements of companies as per the accounting standards. The other was an income and expenditure statement in their traditional layout, that is, which detailed all types of grants and corresponding expenditure. They also had a summary of rental operations which were presented as an income and expenditure statement. There were additional reports and their headings are listed in Figure 5.7. This report format coincided with the appointment of a temporary replacement for Messner.

4.2.3 A temporary replacement

The report to the Board, after Messner's departure (discussed in section 4.2.4), was endorsed by Derek Clark, a consultant from Price Waterhouse, who was Acting Manager, Corporate Finance. The distinctive feature of these reports (see Figure 5.7) was a notion of a holding company which paid service fees to RACS and Development, consistent with business unit concepts.

The identification of service fees to RACS was to identify what the SAHT was paying for CSO. Clark was unaware that RACS had already been calculating their CSO. This lack of awareness reinforced my earlier comments that often new comers or consultants were quick to make disparaging assumptions about the organization. Clark thought that there was interdepartmental rivalry but I considered setting up business units would exacerbate this rivalry and would undermine communication (see Figure 5.1). This is an issue which I discuss further in chapter 6.

Clark remained for 3 months from July 1993 to September 1993 and noted that the SAHT was focussed on accountability to the taxpayer rather than reporting according to accounting standards. This was reflected in the income expenditure statement which itemised the source of grants and how they were used (see Figure 5.6). He thought that there was a welfare culture that needed to be changed and that the SAHT needed more accounting expertise.

Although, he considered that the SAHT's dual roles was a problem, he recognised that the SAHT had to be politically astute as any action they

took needed to be consistent with the Minister and was often noted in the local papers. He cited an example of the dilemma of evicting tenants. On the one hand the SAHT can be accused of being a "wicked landlord" {Clark, 20/12/93} and on the other hand it can be considered irresponsible for not curtailing their bad debts. I was pleased to hear that he understood that the SAHT's mission was more complex than merely attending to the bottom line as in the private sector. Clark was also aware that the structural changes to Finance that took place because of Messner's departure were complex. This is discussed below.

4.2.4 Corporate Finance becomes part of Corporate Services

A surprising structural change took place in the year ended 30/6/93. Corporate Finance was absorbed by Corporate Services,

not for any issues of accountability or efficiency but to
facilitate Messner's departure {Francis, 1/10/93}.

Messner resigned and took a targeted separation package (TSP) funded by the government. In order to take a TSP the position, not the person, had to be deemed unnecessary and so the position of Director of Corporate Finance was abolished. This enabled Messner to resign and take a TSP which had specific financial inducements. However, a number of people saw this new structure as a temporary measure, for a year or so and Clark and others thought that it would revert back to have a distinct division again, as it was appropriate given the size of the SAHT.

In chapter 4, I discussed how redeployment and separation packages had facilitated resignations and were a way of maintaining staff who were able and willing to fit in with the organizational changes. In Messner's case, a combination of events culminated in his departure including, the

new general manager, the qualified audit report, TSP and Messner's time in his life. As stated earlier, it has been difficult to explicitly assign one stimulus to a specific response. The stimuli and responses cannot necessarily be plotted in a linear fashion. I have chosen how to present the information, and recognise that this in itself can impose a significance onto events which may not be shared by others. Hence I could also have put this section under section 5 and so disassociate Messner's departure from the qualified audit.

Since

(d)uring the year, 193 TSP's were effected for Trust employees (South Australian Housing Trust, 1994a, p 28),

Messner's departure need not have been unusual and was part of the government's directive to reduce the public sector. This was another way in which funding for the SAHT continued to be an issue.

5 CONTINUING GOVERNMENT FUNDING CUTS

At 30 June 1994, the SAHT employed 819 people (791.6 full time equivalent) which represented a reduction of 18% from the previous year and since the reductions in the previous two years represented an overall reduction in the organization's staff by 33% (South Australian Housing Trust, 1994a). These reductions in staff represented

significant progress towards achieving optimum workforce levels in line with the Government's overall workforce reduction strategy (South Australian Housing Trust, 1994a, p 28).

Whilst these reductions were described as "progress", Jackson, the Director of the Development division, was confronted by significant changes, discussed below.

5.1 DOWNSIZING THE DEVELOPMENT DIVISION

Development also "changed dramatically" (South Australian Housing Trust, 1994a, p18). This was imminent since production of houses decreased from 1042 completed in 1991-92, 899 completed in 1992-93 (South Australian Housing Trust, 1993a) to 783 completed in 1993-1994 (South Australian Housing Trust, 1994a). The SAHT already had the highest concentration of public housing at 11% compared to 6% being the national average of housing authorities in Australia (South Australian Commission of Audit, 1994b). This percentage was considered too high and was one reason which contributed to the policy decision to reduce the number of housing stock. However, this was not the only reason. A conscious effort was made to reduce SAHT's debt, and the funds from house sales was to achieve this (South Australian Housing Trust, 1994 c).

Coinciding with the reduction in the number of houses built and kept, was also much more outsourcing and sub-contracting. Eventually, development did not do any more construction, instead this was undertaken by the private sector.

During 1993-94, a total of 85% of development activity turnover was paid directly to the private sector (South Australian Housing Trust, 1994a, p 18).

Since the number of houses to be built in the state were steadily reducing, Development was reduced accordingly, once again demonstrating SAHT's proactive culture.

Staff numbers within the Division fell from 254 a year ago to 138 at 30 June 1994, representing a 46% reduction (South Australian Housing Trust, 1994a, p18).

Jackson inherited this overstaffed situation and was able to reduce the division without disputes or any union action and this was noted indirectly in the annual report in the following quote.

The Board wishes to commend management and staff for their professionalism and dedication throughout the year, especially in regard to significant reductions in staffing levels (South Australian Housing Trust, 1994a, p 2).

As well as responding to the SAHT's overall building strategies, Jackson also had to be responsive to the housing needs of RACS. His tasks were complex too, as he had to ensure his division was profitable as well as being sensitive to the types of housing which was needed. This interdependent role is addressed again in chapter 6.

5.2 ASSET MANAGEMENT

Other evidence that the SAHT had been focussing on the Business side of the organization was the establishment of its Asset Management Unit (AMU). For many, this activity represented Parker's influence, reemphasizing the redevelopment side of the organization. The AMU provided

a benchmark for maintenance, stock replacement, property acquisition, sales, capital upgrades and redevelopment (South Australian Housing Trust, 1993a, p 15).

The AMU prepared a number of reports and enlisted the services of consultants as well. The aim of the AMU was to develop a plan to best manage over 61,000 properties which were worth approximately \$3.25

billion (South Australian Housing Trust, 1993i). Although this represented a substantial asset base, not all the assets were appreciating and there were many which had depreciated. Their task was to revalue the assets and determine their performance in terms of their rate of return. It was necessary to be able to establish criteria to assess the properties so that the repairs and maintenance programs were in concert with their development programs.

An Asset Management Rating (AMR) was devised by the AMU.

This rating is essentially a performance indicator which can effectively report on, and monitor the performance of each

Trust property (South Australian Housing Trust, 1993i , p ii)

and incorporates 11 variables namely,

- weekly rent (\$)
- average sale price in current years (\$)
- average sale price in previous year (\$)
- site value (\$)
- capital value (\$)
- maintenance costs (\$)
- administration costs (\$)
- vacancy maintenance costs (\$)
- average time vacant (weeks)
- vacancy rate (%)
- rates and taxes (\$).

This AMR required a large data base and once again they required specialist knowledge so that the information they needed to make informed decisions about each property was accessible. There were three options possible for each property namely,

- (i) retain and maintain the property to current minimum standards,
- (ii) dispose of the property by sale to either the existing tenant or other interested parties depending on location,
- (iii) incorporate the property in a proposed redevelopment which may necessitate capital upgrade or demolition (South Australian Housing Trust, 1993i , p 1).

To simplify, the SAHT had two major foci, the tenants and the properties and both were interrelated. This information from AMU effected decisions of the housing managers in RACS. The AMU recognized that their strategies had to fit in with SAHT objectives and were conscious of the implications on social objectives. A way of reflecting these objectives was to manipulate the formula by adjusting the weightings of the variables shown above. For example

if it was felt that capital gains (losses) should be de-emphasised, then a weighting of 0 - 1 could apply. Other components - such as demand - could be inflated (KPMG Peat Marwick and Burgen, 1993a, p 35).

Of course, asset management had implications on Corporate finance as it directly effected what would appear in the balance sheet and the income and expenditure statement and influenced the SAHT's viability. The SAHT's concern for its viability is reflected in the triennial review, discussed below.

5.3 TRIENNIAL REVIEW

There were a number of activities within the SAHT which reflected change and as I have shown in chapter 4, internally generated change was not unusual for the SAHT. The SAHT's Board and general managers were concerned with their increasing debt and had demonstrated proactive responses in a number of ways.

The triennial review (a requirement of the SAHT Act, 1936, section 18) considered the long term viability of the SAHT. The SAHT had already taken a number of steps to address the "increasing financial pressures" including

- Cessation of borrowing for capital works and commencing a strategy to repay high cost debt
- Reduction in overheads, including staff numbers
- Accelerating the outsourcing of activities such as maintenance and rent collection
- Upgrading its financial reporting systems (South Australian Housing Trust, 1994c, p(iii)).

As one of the Board members stressed, the SAHT was "already paying off its debt" and it was "not in any trouble" {Hall, 7/12/94}. The significance of this becomes more apparent in the context of the changes described in chapters 6 and 7.

Not only had the SAHT taken proactive steps but it was also considering a number of forecasts or scenarios for the SAHT, as reflected in the following quote.

The aim of the scenarios is to provide a basis for examining the financial viability of the Trust within various optional

policy frameworks (South Australian Housing Trust, 1994c, p (iii)).

This is consistent with Ezzamel and Bourn's (1990) view of AIS's role is also to anticipate outcomes to facilitate decision making.

All the initiatives described above have been consistent with sound business practices, which none of the reviews, discussed in chapter 6, acknowledged, yet were recommending. There was also continued attention to improving RACS.

5.4 REVIEW OF RACS' STRUCTURAL CHANGES

In section 2 I discussed the changes to RACS as being internally generated. There was also a review, by Ms Helen Fulcher, of the implementation of the review of RACS. It was considered that RACS should reduce the number of regions, to three major areas. There was also recognition that the housing managers' conflicting tasks were stressful and this needed to be minimised.

The purpose of mentioning this post-implementation review, was to demonstrate the proactive nature of RACS and in turn the SAHT. The organization was willing to make the effort to improve its performance and when it did improve, the staff did not become complacent, but were always conscious of their role in servicing the community and making the most of the taxpayers' resources. This aspect of the SAHT culture seemed to be overlooked by some (not all) consultants who viewed the SAHT as having only a welfare culture. They used the word "welfare" as if it was inferior to a "business" culture.

External people tended to see the SAHT as having a welfare culture, yet this was not a view held by members of the SAHT anymore. RACS and the regions would argue that the welfare culture was being tempered by the business culture. Staff reductions, the AMU and the triennial review reinforced the SAHT's keen attention to upholding their business role. The balance between the humanitarian and business roles was a significant concern in the wake of all these changes.

6 SIGNIFICANCE OF ORGANIZATIONAL CHANGES

At first glance the changes described above may be considered as significant as they were disruptive and took much time and energy to implement. Further the changes effected most sections of the SAHT, given that there were significant structural changes to RACS, Corporate finance, Corporate services and Development. The significance of these changes can be reconsidered in the light of the organisational change model discussed in chapter 3. The changes are mapped in Figure 5.8 and are discussed below.

6.1 DESIGN ARCHETYPES AND SUB-SYSTEMS

The changes to RACS had substantial effects to the SAHT's design archetypes as the information systems had to be developed to facilitate access by integrating a number of systems. As a consequence, the sub-systems also changed as the actual processes and procedures at the regions were streamlined to allow easy access across a number of software programs. Further, the statements that were sent to clients were more comprehensive as they itemised all debts, whether from rent in arrears, unfair wear and tear, excess water charges or other charges.

The establishment of Corporate Services from Corporate Finance was a change to the design archetype as it was a structural change. The subsequent changes of Corporate Finance from being disaggregated into the service divisions, to being concentrated back into a traditional structure and then finally becoming part of Corporate Services can certainly be described as changes to the design archetypes.

Development also had to endure substantial staff cuts due to the reduction in the number of houses being built. The design archetypes were therefore effected and as their design and construction processes were streamlined, so were their sub-systems. Whilst the design archetype and sub-systems have been changed as indicated in Figure 5.8, the interpretive schemes have not.

6.2 INTERPRETIVE SCHEMES

The decision of the Board to appoint another outsider for the position of general manager at first made me think that the SAHT was going to shift its interpretive schemes. This was possible, not only because of Parker's previous experience in urban development, but also because of the changes occurring at the executive level (see 30/6/92 in Figure 5.3). The increase in the number of directors and the appointment of three new directors for Development, Major projects and Home Ownership & Community Programs did suggest a shift towards the business side of the dual roles of the SAHT.

Parker's appointment could have signalled an attempt to change the culture of the SAHT. As already discussed in chapters 3 and 4, culture is a

very illusive concept. Yet, people new to the SAHT were aware of a culture permeating the organization. A level of comfort and familiarity between employees, the use of acronyms and jokes contributed to the culture of the place. New people were often quick to perceive this culture as representing a complacency and lack of vigour.

As I heard these comments from the new people, I felt they had misunderstood the staff. I did not comment on my perception of the staff, but I did realise that I had developed a level of familiarity and respect for the staff. I did not think that some of the new people had made the effort to develop an understanding and were eager to jump to stereotypes of public sector employees. It was hard to determine whether my perception was as a consequence of understanding the staff and their achievements because of my research in the SAHT or whether I had been unduly influenced by the interviews. It was hard to distinguish between understanding and influence and the distinction echoed my early dilemma (discussed in chapter 2) with objectivity and subjectivity in research. However, my perceptions of the SAHT developed because I had read a lot about it, I had spoken to more people in the organisation than the new people had at the time and I had taken the time to understand both roles. I had the perception of both an outsider and an insider. I concluded that my understanding and insights influenced my perceptions, as they should.

In chapter 2, I discussed leadership and that it can have a significant role to play in the social construction of the culture of an organization. However, these values, norms and beliefs of the existing members of the organization can also influence the leader's social construction of the same. Given that Parker saw himself as a facilitator it can be said that he

was receptive to some extent, to adopting the values, norms and beliefs of his staff, particularly his directors.

Although, the mission was not changed it is noteworthy that it was not explicitly articulated in the 1994 annual report but was implied in terms of the headings in it. The metarules still seemed in tact. However, of all the levels in the interpretive schemes, this was the most intangible and accordingly the most difficult to conceptualise. At first, I thought that the metarules had changed and so I concluded that the organization's changes were second order. It was not until after there were public sector reforms which impinged on the SAHT (discussed in chapters 6 and 7), that I reconsidered my first conclusion. Reflexively re-evaluating the context of changes is essential in understanding and distinguishing the metarules. LOCM does not give an exhaustive definition of metarules and in this sense leaves it up to me to make the judgement of what constitutes metarules and whether these have changed.

6.3 FIRST ORDER CHANGE - REORIENTATION

I have decided that not every aspect of the interpretive schemes has changed, although they have been challenged. And, the stimuli were predominantly internally generated. Further the SAHT had the autonomy to decide how to respond to the external stimuli. Hence the changes discussed in this chapter were first order changes, that is not as significant as second order changes. The next step is to determine whether these first order changes were a rebuttal or a reorientation.

Figure 3.4 distinguished between change and adaptation, so that if the design archetypes have merely been adapted, then the organizational

responses were a rebuttal. In this chapter I have argued that the responses resulted in changes to both the design archetype and the sub-systems. Further, the relationship between the levels has not changed, although it has been challenged. Therefore, following Figure 3.4 one can conclude that the organizational changes were a reorientation. However, the distinction between *adapted* and *changed* need not always be distinct. This is where the events that I have described need to be reconsidered reflexively in their historical context.

When I first heard about the changes during my 1992/1993 interviews, I felt overwhelmed by the frequency and breadth of the changes. Sorting out the events, stimuli, and responses was difficult as so much was happening at the same time. Although the organization could rightly claim to have undergone much change, these claims need to be seen in a broader context. When the changes in this chapter were reconsidered in the light of the historical context (discussed in chapter 4), I was better able to reflexively understand the changes.

It was not unusual for the SAHT to have periods of development as well as redevelopment. The redevelopment undertaken seemed innovative to Luckan but he was not seeing his creativity in the context of the SAHT's track record. Back in 1975, Ramsay, the general manager of the SAHT at the time noted that in

economic and social terms, it is generally considerably cheaper to renovate existing houses than to replace them (p12).

It was clear that he recognized that

a public housing authority policy of selective purchase and rehabilitation can fulfil important social objectives as well as

improving the physical standard of dwellings (Ramsay, 1975, p 13),

which was consistent with Parker's asset management imperatives, reflected in the establishment and activities of the AMU.

Messner having a wealth of experience, was amused with the so called initiatives in recent years. He remembered similar developments and joint ventures being done in the 1960's and 1970's,

we just called them by different names {Messner 24/2/94}.

He had been the initiator of changes in years past, and he considered these current changes as more of the same and part of the rhythm of the place.

The view of some consultants and some new comers of the SAHT was that it was not well managed because the staff hung onto a welfare culture. I considered this view as premature, biased and uninformed. Again, I can assert this because my understanding of the political and economic context in which the SAHT operated gave me better insights. This applied now, as much as it did in 1975, when losses incurred could not

be traced to bad management or to the structure or organization of the Trust as an administrative agency but to certain factors and issues as money supply, rent levels ... They are therefore beyond the control of the South Australian Housing Trust management (Etuk, 1975, pp ix - x).

It is important to remember that the SAHT's revenue is significantly dependent on government grants, and the revenue it can get from rents is capped by government ceilings on market rent.

Whilst the SAHT had periods of development, this did not necessarily mean that the SAHT had abandoned its commitment to their humanitarian role. The essential balance between the humanitarian and business roles does not mean that each role was given equal attention at all times. Further, even if the executives were focusing on the business side of the organisation, the other levels were still attending to clients. McMartin made the point that despite all the upheavals occurring throughout the SAHT, clients' applications continued to be assessed and people were housed and there was no disruption to the provision of services. This was affirmed even in the annual report as

the organization maintained service delivery in tenancy management, private rental support and capital development areas in the face of continuing high levels of need for housing services in the community (South Australian Housing Trust, 1994a, p 2).

This statement was a reflection that the SAHT had maintained its mission and metarules. Hence, according to LOCM this period of "unprecedented change and review" (South Australian Housing Trust, 1994a, p 2), can be called first order -reorientation.

7 CONCLUSIONS - SO FAR

The simplicity of LOCM becomes apparent and serves to expose the complexity of organizational change, as well as assisting in analysing them. It is difficult to judge the significance of the organizational changes, mainly because the changes did not occur in isolation and their effects were not always distinctly identifiable. Further, the distinctions between rebuttal and reorientation were not always clear cut.

The reflexive context of this analysis helped to remind me that the changes described were part of the processes of change and not the teleologic outcome of responses to stimuli. Even the classification of stimuli into internal and external stimuli can be simplistic. As I indicated early in this chapter, a response often had complex components to it and not necessarily distinguishable from the stimulus. It is important to remember the influence of metaphors discussed in chapter 3. The language we use can and often does impose classifications which may not be *naturally occurring* but part of our creation. The aim should be to facilitate understanding, yet be mindful of the complexities that can be masked or created by the language. The language of LOCM revolves around the metaphors of stimulus - response, as if the organization is behaving as an organism. As discussed in chapter 3 the functional deterministic clarity that such metaphors may imply, need to be integrated with the issues of social construction of organizations.

LOCM did help to handle the dearth of information I gathered from the interviews (as indicated by Volume II). In many ways I viewed the model as a notional shelf to posit the events. However, the model is skeletal and does not explain the processes of change except in very general terms. In this sense it also accommodated overlays of understanding, which the reflexive processes exposed.

The changes discussed in this chapter and chapter 4, demonstrate that change is not new for the SAHT. I said that the SAHT had a predisposition to change, and an important part of its role as a statutory authority was for it to be responsive to government directives. In the next two chapters, I describe stimuli which imposed changes on the SAHT and

provide a marked contrast and new context to understand the changes of this chapter.

CHAPTER 6

EXTERNAL STIMULUS FOR ORGANIZATIONAL CHANGE

1 INTRODUCTION

As discussed in chapter 4, the SAHT is a statutory authority and was set up (since 1936) to provide housing for low income earners *and* to contribute to the economy of the state. The SAHT was established with dual roles and these dual roles have not only been a feature but have contributed to its success as a public housing authority (Marsden, 1986). The SAHT did much more than merely build houses or being a landlord. It offered services, such as, dealing with domestic violence, referring clients to support agencies and modifying homes for disabled tenants, services which private landlords do not offer.

The SAHT, for several years, has had a separate tenancy section referred to as Regional and Community Services division (RACS) and a separate property section, referred to as the Development division (South Australian Housing Trust, 1989a, 1990a, 1991a, 1992a, 1993a, 1994a). Each division has had to report to the general manager and the board. It was generally understood that the Development division was to accommodate the housing needs of RACS' clients. And, the Development division had to ensure the commercial viability of its building programs. The coexistence of these two divisions allowed for essential communication opportunities. The directors of divisions could present and argue their particular needs and objectives at directors' meetings. This forum ensured that each

director was aware of the other. The two roles would often be in conflict, however, it was argued (in chapter 4) that this was a necessary tension (Marsden, 1986). Decisions by each director were not made in isolation, but in the context of each other's objectives. The SAHT did have dual roles which were meant to coalesce.

The SAHT's dual roles were emphasised by the government funding agreements on which it relies. The Commonwealth-State Housing Agreement (CSHA) encouraged public housing rather than only welfare housing. However the proportion of people requiring welfare housing (ie rental assistance), has increased markedly from 25% in 1976 to 76% in 1993 (South Australian Commission of Audit, 1994b). This represented a marked change in the SAHT's client base, which had implications on the services it provided and the resources it could allocate.

Over the last five years, its own sources of revenue from rent had fallen by 6% and the funding from the Commonwealth to the State by the Commonwealth State Housing Agreement fell by 21% (South Australian Audit Commission, 1994b). The economic downturn in Australia has created a greater demand for social services and has meant a reduction of government funding (Evatt Foundation 1994). The amount of funding available for the SAHT was dwindling. If the SAHT could not fulfil its business role, it could not continue to sustain itself in order to offer housing services. If there was not a welfare role to play, there would not be a need for a government organisation, such as the SAHT. It is precisely because the private sector could not supply the demand for low rental housing that the government had a role to play.

In this chapter, I show that accountability and managerialism are used to dictate the structure of the SAHT. I will argue that the restructuring has the potential to destroy the existing effectiveness of the organization and undermine the mission of public housing of the SAHT. I am not arguing against public sector reforms or accountability or managerialism in general, but rather wish to show that in this case their application is problematic. To assume that its transportation from the private sector into any agency of the public sector offers an automatic panacea is naive and misleading. The contradictions and concerns of the effects of managerialism on the SAHT will be explored.

2 CONTEXT OF PUBLIC SECTOR REFORMS

The public sector reforms are a significant external stimulus for the SAHT and gained momentum from economic and political events of the state of South Australia. This can also be seen in a broader context of public sector reforms sweeping Australia and western countries. These will be discussed in turn.

2.1 PUBLIC SECTOR REFORMS IN AUSTRALIA AND WESTERN COUNTRIES

The momentum of the Public Sector Reforms (PSR) has been evident through most western countries (Pierson, 1991). The shift away from traditional administrative approach to control is evident in several countries, including: USA (Osborne and Gaebler 1993); UK (Craven and Stewart, 1995), New Zealand and Australia (Broadbent and Guthrie, 1992); and Norway (Pettersen, 1995).

The PSR in Australia, have followed a similar path of PSR in the United Kingdom and have adopted a version of economic rationalism translated into the latest rhetoric of managerialism. In the UK

(i)ndividualism and consumerism have legitimated and facilitated the recent, and more radical, shift in the reforms of public sector organizations where market principles are now taking precedence over established bureaucratic/public service modes of organization (Ezzamel and Willmott, 1993, p 109).

The public sector in Australia (of the 90's) has undergone considerable change (Davis et al, 1989, Forster and Wanna, 1990, O'Faircheallaigh and Ryan, 1992, Wanna et al, 1992; Weller et al, 1993). The changes in the public sector have occurred throughout Australia involving

corporate planning; defining centres of responsibility; the establishment of Senior Executive Service; greater use of consultants; and reliance on commercialisation, corporatisation and privatisation (Guthrie, 1993a, p 18).

2.2 ECONOMIC AND POLITICAL FACTORS IN SOUTH AUSTRALIA

As well as a growing momentum of PSR on a global and national level, there were economic and political events in the organization's state which acted as catalysts. Not only was federal funding reducing, but the state government's ability to fund the SAHT was significantly reduced because of the state's rise in debt (Evatt Foundation, 1994). This rising debt was attributed to the State Bank's financial losses and the growth in unfunded superannuation liabilities in the public sector (South Australian Audit

Commission, 1994a, 1994b, 1994c, Evatt Foundation, 1994). However, Stretton believed the state debt has been exaggerated in the reports, saying the debt is

as much as it ever was under the last Liberal Government
(Shelter, 1994, p. 4).

By drawing attention to debt and making it problematic, the orchestrators of the PSR were able to precipitate and legitimate change (Cooper and Neu, 1995).

In 1993 the South Australian government had undergone considerable changes, including government restructuring and eventually a change in government from Labor to Liberal. The Labor government's restructuring efforts were not only seen as a response to the State's economic problems, but as meeting the challenge of global trends of changes in community expectations (Sumner, 1993a).

The former government¹ of Lyn Arnold was the only administration in Australia to refer in its budget papers to strengthening 'the role of the public sector in assisting the process of change required in the State's economic base' (Evatt Foundation, 1994, p 60).

Arnold undertook significant public sector reforms which included amalgamating a number of departments and statutory authorities into mega-departments (Sumner, 1993c). One of the departments set up was the Department of Housing and Urban Development (DHUD). These reforms were accompanied by a booklet called "A Bias for YES: The Public Sector Response in the Revitalisation of South Australia" (Sumner 1993b), which reinforced the perception of a proactive government.

¹ John Bannon resigned due to the public outrage associated with the collapse of the State Bank and Lyn Arnold replaced him as Premier of the Labor Government.

A number of reports and reviews of the Australian Public Sector have influenced the decisions of the Minister of Housing and Urban Development to change the structure of the housing portfolio of South Australia and in turn this has effected the SAHT. These reviews and reports include the Hilmer Independent Committee of Inquiry (1993), Industry Commission report (1993a, 1993b), the South Australian Audit Commission (1994a, 1994b, 1994c) and Ministerial Review by Deloitte Touche Tomahtsu and SA Centre for Economic Studies (1994).

2.3 SAHT AND PUBLIC SECTOR REFORMS

The reviews of the SAHT and the overall housing portfolio resulted in three major changes which affected the SAHT, see Figure 6.1. First, a new administrative layer, the Department of Housing and Urban Development (DHUD) was inserted between the SAHT and the Minister of Housing (in June 1993). DHUD's main task was to coordinate overall housing development in the state. The second major change was a separation of policy and operations, so that the new administrative layer (DHUD) would determine the policies and the SAHT would operationalize the policies. The third change was the division of the SAHT's dual roles into two separate entities (which took effect on 1 November 1994). The Regional and Community Service division of the SAHT is now a separate entity referred to as "Housing Services"². The Development division of the SAHT which dealt with building, buying, selling and maintaining of homes is now the new "Property"³ entity.

² In some documentation Housing is referred to as Tenancy or Housing Services which were Regional and Community Services (RACS) before the split of the SAHT.

³ Property is also referred to as Property Development or Property Management and was called Development prior to the split of the SAHT.

3 THE SPLIT OF THE SAHT

The split of the SAHT will be considered from a number of perspectives. First the inconsistencies and contradictions of the justifications given by the various reviews need to be examined. These can then be viewed in the context of accountability and their claim to efficiency and effectiveness. The effects of the split is then mapped to see how the design archetype and interpretive schemes have been changed.

3.1 JUSTIFICATIONS FOR THE SPLIT

In this section I present the arguments used by the reviews to justify the split. In doing so, I will expose the inconsistencies and contradictions of these arguments. Other explanations for the split will evolve in this chapter.

The Industry Commission's report on public housing in Australia argued that the objectives of the State housing authorities were vague and had "little *operational* content (sic)" (Industry Commission 1993a, p 39). It was expected that the separation of roles would enhance accountability, transparency and co-ordination between agencies. It seems that the Industry Commission believes that entities can have functional clarity only if they have one goal. It asserted that

multiple functions can contribute to conflicting objectives
(and that) the CSHA itself contributes to conflicting
objectives (Industry Commission, 1993a, p 43).

The Minister of DHUD similarly perceives the dual roles as only giving rise to conflict and "confusion" (Oswald, 1994, p 2), and this is claimed to

justify the split of the SAHT. However, a closer examination of these claims will question their logic and reveal them as mere rhetoric.

3.2 ACCOUNTABILITY, EFFICIENCY AND EFFECTIVENESS - A PARADOX

Whilst the purpose of increasing accountability is to facilitate the operations of the entity there is also a danger of impeding efficient running of the organization. Increased accountability, followed by closer scrutiny does not equate with freeing up the SAHT to manage more efficiently. Stretton was not convinced that there would be any efficiency gains with more accountability and pointed out that

(if) the government wants to know what the rebate bill would be if the houses had to yield a 5% return, it can know that by adding a couple of lines to the Trust's annual report. It might be a half day's work for a clerk. But no - this mob wants to double the bureaucracy (Shelter, 1994, p 5).

The information sought from more accountability was already available from the SAHT or could be readily extracted from the AIS which had information for financial reporting and management accounting (South Australian Housing Trust, 1989c, 1989d, 1989e, 1990c, 1991c, 1991d, 1991e, 1992c, 1993c, 1993d). In chapter 5, I revealed that the AIS was able and did provide the types and detail of reports required by management and the board.

More accountability need not mean more efficiency, especially when more resources are being directed to maintaining accountability. The heightened focus on accountability can undermine and thwart the outcomes of an agency by shifting more resources towards accountability

and away from achieving the agency's missions and goals. Uhr (1989) refers to *accountability traps*, where more and more information is demanded. The potential to subvert accountability into another version of surveillance (Munro and Hatherly 1993) must not be overlooked or underestimated. Far from being a "managerial salvation", UK evidence suggested that more accountability turned managers into a "reporting machine" (Gray and Jenkins, 1993, p 52). Hence more accountability will mean more demands on accounting information systems and hence the design archetype of the SAHT. Increased accountability, followed by closer scrutiny does not equate with freeing up the SAHT to manage more efficiently.

It has been asserted that the reforms will improve accountability, transparency and co-ordination between agencies (Industry Commission, 1993b). However, it is more likely that the success of the reform will rely on co-ordination and co-operation between agencies. Before the split, competing interests between housing and property were negotiated between directors and/or within the board (as was explained in the introduction of this chapter). The mechanisms and structures have already been in place in the SAHT and working.

Separating the SAHT into two distinct entities and having another formal administrative layer, the department of Housing and Urban Development⁴ (DHUD) to coordinate these, does not seem an efficient or effective way to streamline the housing portfolio. It is true that there are a number of other related agencies which fall under DHUD, and include the South Australian Urban Land Trust (SAULT) and Homestart (Crafter, 1993a,

⁴ The portfolio includes Housing, Urban Development, Local Government Relations and Recreation and Sport.

1993b) both of which have been part of the SAHT at some time or other (South Australian Housing Trust, 1992a, 1993a). That is, the SAHT has acted in a coordinating role or in an administrative role⁵ in the past. This new structure of DHUD introduces a whole new administrative layer and includes under its umbrella agencies, such as Local Government Relations and Recreation & Sport which do not readily fit⁶. This contradicts the Industry Commission's (1993a) recommendations for functional clarity.

Further, this splitting of the SAHT seems to contradict the very purpose of having *mega* or *super* departments which were supposed to integrate interrelated functions (Keating, 1993). There is an expectation that the players in this new structure for public housing will be cooperative and communicative and whilst this is desirable (for any organizational structure to succeed), it may not be achievable. The new structure and corporatisation of the agencies is aimed to encourage competition and will mitigate against cooperation between agencies. Where performance agreements (to be discussed further in section 5) are not achieved, the agencies may argue that the need to be cooperative, has or will diminish their potential to exercise full discretion.

Whilst it is claimed that the reforms intend to remove ambiguity of the roles and to clarify objectives, further conflicts were already being set up with the SAHT. Although the separation of Property and Housing Services was considered essential, their interrelatedness could not be escaped. The Industry Commission (1993a) admitted that there would be some limitations to the commercial activity of Property since it would have to

⁵ But SAULT and Homestart still reported to different boards.

⁶ It is ironic that in December 1995, Oswald was a casualty in the state premier's ministerial "shake-up" for failing "to push through the Government's agenda for local council reform" (Altmann, 1995, p 1).

obtain agreements from Housing Services if it wanted to sell a property or rent it to private individuals. Hence it acknowledges the interdependence of Property and Housing Services, but, did not recognise the inherent contradiction of having them separate. Further, the Industry commission did not perceive that the SAHT's dual roles could be essential, even though history has shown that they

remained a major motivating force within the organization
(Marsden, 1986, p 32).

Splitting the SAHT decouples an essential interdependence of the two divisions which is a significant characteristic of the interpretive schemes. As discussed in chapters 4 and 5, the dual roles were fundamental to the SAHT's mission, the most intangible of the three levels of the interpretive schemes. The same board has been kept, but only as a temporary measure⁷. It was envisaged that two separate boards would be assigned, one for each entity. At a simplistic level it removes the conflict of accommodating the dual objectives of the SAHT and leaves each new entity to focus solely on their one defined objective. Both new entities can make decisions and take action which may affect the other, but, without having to accommodate or consult each other. The opportunity for each entity to operate in isolation is heightened. Cooperation and consideration of each entity is not facilitated. Their interdependence can be obscured.

3.3 CHANGES TO THE INTERPRETIVE SCHEMES

These structural changes were changes to the organisation's design archetypes. However, despite DHUD (Department of Housing and Urban Development, 1993a) assurances, these had a simultaneous impact on the

⁷ Although by December 1995 there was still one board.

mission of the SAHT, that is, on its interpretive schemes. The mission of the SAHT was explicitly articulated in its annual reports and any changes to this mission has implications on its citizens/clients.

3.3.1 Changes in the Annual Reports

The mission (level 2 of the interpretive schemes) for the SAHT has been expressed in the annual reports but with declining prominence over the last 4 or 5 years and may be symbolic of the new priorities that the SAHT has set itself and/or have been set for it. In chapter 4 the role and objectives of the SAHT were expressed as follows;

(t)he principle role of the Trust is to provide housing and housing related services for those in need and within their capacity to pay, and to do so in ways which contribute as far as possible to the social well being and economic development of the State (South Australian Housing Trust, 1989a, p1).

This was similarly expressed in the annual report in 1990 on the first page (South Australian Housing Trust, 1990) and in 1991, but, appeared on page 4 (South Australian Housing Trust, 1991a). By 1992, the statement of purpose was to

provide a range of choices for South Australians of secure, affordable and appropriate housing within good living environments (South Australian Housing Trust, 1992a, p 1).

It is notable that the specific contribution to the economy of the state was moved to page 2 and was expressed more obtusely as indicated below:

(h)ousing policy can play a significant role in the State's future well-being (South Australian Housing Trust, 1992a, p 2).

Further shifts in the expression of its mission was evident in the 1993 annual report where there was not a specific heading of statement of purpose. Whilst the SAHT's early history reflected its attention to "business, charity and sentiment"⁸ (South Australian Housing Trust, 1993a, p 2), its 1993 annual report has bypassed the charity and sentiment, reflecting a distinct shift away from its welfare function. Instead its

charter for the 1990's ... is in terms of its striving to achieve for South Australia better business, better service, better communities (South Australian Housing Trust, 1993a, p 2).

By 1994, emphasis was made to "unprecedented change and review" (South Australian Housing Trust, 1994a, p 2) but there was not an explicit statement of mission or purpose. The annual report for the year ended 1995 expressed its responsibilities in terms of the new structural split of the SAHT as follows:

(t)he Trust fundamentally is responsible for ensuring housing assistance is available for South Australians and this requires an appropriate mix of social and commercial activities sustaining economic activity. The separation of Housing Services and Property Management defines those two distinctive functions and operational objectives (South Australian Housing Trust, 1995a, p 3).

Further, the objectives articulated by the new departments also reflected the influences of the new managerialist rhetoric, as the following quotes illustrate:

Housing Services has three main objectives. They are to :

⁸ This is also the title of the 50 year history of the SAHT by Marsden (1986).

- target services to those in housing need to achieve outcomes that are affordable and appropriate;
- deliver housing assistance which meets or exceeds stated service standards and maximises customer satisfaction; and
- maximise the contribution of Housing Services' staff and make the best use of the housing dollar (South Australian Housing Trust, 1995a, p 6).

Similarly, Property Management identified its principal objectives to be to:

- understand and meet the needs of Housing Services and their customers;
- achieve an acceptable rate of return on housing assets and protect the real value of the assets over the long term; and
- find alternative sources of capital to replace decreasing Government grants (South Australian Housing Trust, 1995a, p 18).

This can be contrasted to the roles and objectives articulated in the annual report four years earlier. An extract follows to illustrate the point.

The Housing Trust's principal role is to provide affordable public housing and housing related services to the South Australian community, particularly those in need. (The objectives it has set itself) are as follows:

- to meet as much as it can of the community's housing need through an integrated range of programs and products;
- to assist people in housing related poverty as well as to prevent others from falling into it;
- to ensure that the allocation of limited resources takes account of priorities of need;

- to ensure that quality housing and housing related services is driven by the needs of clients and takes account of community expectations;
- to facilitate industrial development and support the growth of employment in the State;
- to promote a challenging, rewarding and supportive working environment for all Trust employees;
- to be responsive and accountable to Government, Parliament and the community; and
- to utilise efficiently all available resources and ensure the long-term financial viability of the Trust (South Australian Housing Trust, 1991a, p 4).

This rather long quote expressed the integrated nature of functions of the SAHT and kept the SAHT's clients in focus. The new SAHT may have difficulties keeping the client in focus, especially if the financial imperatives take precedence.

3.3.2 Implications for the citizens

The possible net effect of the split will be the negation of Property's and Housing Services' progress and undermining the progress of public/welfare housing overall. Reporting may be easier but the overall effectiveness of the SAHT may be sabotaged, particularly from the point of view of the citizens it is meant to serve.

It is generally accepted that the role of government is to provide for the welfare of its citizens, so it is not surprising to read that

at the heart of our reforms are the interests of South Australian citizens, who are daily customers of State public services, such as ... (the) Housing Trust (Sumner, 1993a, p 2253).

However, a closer look at the effects of the public sector reforms on the SAHT's clients, challenges the "heart of the reforms". The structural changes to the SAHT, may seriously effect the very people these reforms were supposed to help.

The SAHT has a range of customers with varying needs. One of the community service obligations of the SAHT has been to modify houses to accommodate tenants with disabilities (South Australian Housing Trust, 1989a, 1990a, 1991a, 1992a, 1993a, 1994a). For example, a person using a wheelchair will need ramps to be built, walls knocked out or doorways to be enlarged. These changes are considered necessary and appropriate, being part of the Housing Services role.

These modifications not only cost money but they may be deemed to lower the asset value of the house. This would not be in the interests of Property, which would need to reflect a particular rate of return of their asset management, in order to meet its performance agreement. If Property allows Housing Services to have the modifications in order for Housing Services to fulfil its community service obligation, then how will Property explain a lower rate of return on this modified house? What if Property decides that this house can appreciate more if it is not modified, then what will happen to the handicapped person? Will he or she have to live in a less desirable area so as not to distort Property's rates of return?

The need for social policy for, or, of government agencies cannot be escaped. Indeed much of the public sector activity revolves around service rather than physical output. Even with physical outputs such as houses, social policies are significant and often difficult, as there are still issues of justice and social values to be considered (Stretton, 1974). Social policies will be addressed again later. However, in this case, these changes were more than structural and significantly jeopardised the interpretive schemes of SAHT. This will be discussed below.

3.4 DESIGN ARCHETYPES DICTATING INTERPRETIVE SCHEMES

Not only was social policy removed from the SAHT and moved to DHUD, but corporate services were moved to DHUD. That is, personnel and financial services; both management accounting and financial reporting were no longer with the SAHT. Instead, corporate services would provide personnel and financial services to all the entities within the housing portfolio. Hence the systems developed exclusively for the SAHT (discussed in chapter 4 and 5), were now to be adapted to include the other entities or not to be used at all. Again the logic of such a restructure needs to be questioned, particularly when the development of the SAHT's systems were made with specific attention to the provision of accounting information. The development of the SAHT's AIS was consistent with the PSR's quest for transparency, efficiency and effectiveness.

This restructuring can be represented as a change to the design archetype (see Figure 6.2) of the SAHT. However the ramifications of these structural changes do not stop at this level. The change in the design archetype will/has had an effect on the organizations subsystems. This

was appropriate as the subsystems should be consistent with the design archetype. However, the design archetype also had an effect on the interpretive schemes, and direction of these effects cannot be underestimated.

The organization should be structured to facilitate its missions and goals (Stoner et al, 1985, Daft, 1988). Instead it is being structured to facilitate reporting. It is argued that the mission of the organization should be the priority and the reporting should inform the internal and external users and fit in with organizational structures. Reporting has become the purpose of the entities, rather than accounting being a supporting informative technology to assist in the execution of an organization's missions and goals. In other words, the design archetypes are driving the interpretive schemes.

As discussed in chapters 3 and 4, the interpretive schemes of an organization can be reflected in its policies, which are to be operationalized by its design archetypes. The cohesion between the interpretive schemes and the design archetypes is essential, and accountability can play an important role in sustaining this cohesion. The connection between accountability of a social service organization and the social policies of the entity cannot be denied and has become explicit in discussions of social policies of the 1990's (Fowles, 1993). In the case of the SAHT and its new ministerial environment (DHUD), the connection has become more remote, especially since the policy functions were removed from the SAHT. The power and control was shifted away from the agencies to ministerial levels (Department of Housing and Urban Development, 1994). In doing this, DHUD set up a number of contradictions. The removal of policy functions from the SAHT so that it

only has operational functions (see Figure 6.1), frustrates the hope of improving the involvement of staff with the organisation's mission, as was recommended by the South Australian Audit Commission (1994a).

The second contradiction was concerned with notions of corporatisation and human resource management. Some versions of human resource management (HRM) view employees as integral to the development of the values and strategies of all levels of the organization (Blyton and Turnbull, 1992a, 1992b). The organisation's values are closely associated with the social policies it upholds. Hence having policy development separate from the organisation's operations undermines notions of HRM, which implicitly seek the integration of policies and operations within the same entity. At the time the new structures were to be implemented (November, 1994), the development of social policies was no longer a part of the SAHT's mission. If social policies are to be embraced, the new structure must ensure full participation by the entity under the DHUD umbrella. However, if each agency has to adhere to specific performance agreements, on which they are to be judged, then this cooperation is seriously jeopardised. Performance agreements are discussed further in section 5.2.

The outcomes (coordination) sought by amalgamating the departments seem inconsistent with the outcomes (functional clarity) sought by separating the SAHT's dual roles. Whilst the split can be rationalised on the grounds that the Property role was more commercial whilst the Housing Services role was non-commercial, their roles still remain interdependent. The Industry Commission recognised that

(a)dverse effects can arise from commercialisation if pressure to achieve financial returns distorts the outcomes of public housing (Industry Commission, 1993b, p 177).

However, it is more likely that the pressure to achieve financial returns *will* distort the outcomes of public or welfare housing if Property Management and Housing Services are in separate organizations. The distortion comes about when accountability dictates structure and is exacerbated by managerialism which silences social policy (to be discussed further in section 5.3). The restructure of the housing portfolio in South Australia, however, focused on *who* was to have policy functions, rather than addressing and discussing *what* the social policies of housing could or should be. In this sense, an essential component of the SAHT mission of its interpretive schemes, was removed. That is, there was focus only on the design archetypes of the organization, which in effect dismissed the consequences on the SAHT's mission which were reflected by its social policies.

4 ACCOUNTABILITY AND MANAGERIALISM: THE TROJAN HORSES OF PUBLIC SECTOR REFORM

In section 3, I described the effect of accountability on the structures (design archetypes) and how these in turn dictated the objectives and missions (interpretive schemes) of the organization. In this section, I wish to explain how changes were imposed without appearing coercive. I show that accountability and managerialism were not only used for legitimation but were used to dictate social policy. Whilst these technologies are couched in neutral terminology, it will be demonstrated that they are grounded in economic rationalist ideology and therefore, were not neutral.

It is the objective claims of accounting, accountability and managerialism that make them persuasive. These claims will be challenged.

4.1 MYTH OF OBJECTIVITY

In chapter 1, I discussed the myth of objectivity perpetuated by the accounting profession. This thesis explicitly rejects claims to objectivity of accounting and accounting information systems and this is reflected in the methodology adopted (discussed in chapter 2).

Objectivity is considered achievable since efficiency and effectiveness have been "masquerading" (Gray and Jenkins 1993, p 63) as non-problematic constructs. The assessment of social programs has long been acknowledged as problematic (Birnberg and Gandhi 1976). USA's history shows that "corporate capitalism" was accepted by social scientists and in turn social scientists abandoned their role as "arbiters of public policy" (Furner, 1975, p 8). However, accountants are still trying to judge the efficiency of social programs by merely answering

(a)t what economic costs were the program goals achieved?

(Birnberg and Gandhi, 1976, p 6),

as if social costs were not part of the construct. It is important to recognise that

efficiency is not matter-of-fact, it is a slippery, value-structured concept (Stretton and Orchard, 1994, p 84).

The public sector can have activities which have far-reaching effects on diverse groups of people (Birnberg and Gandhi, 1976). The public sector is often characterised by multiple purposes and these need to be accommodated in evaluations of effectiveness (Stretton and Orchard,

1994). It is misleading to assume that the interrelated functions of an agency can be reduced to a series of numbers without any subjectivity being employed. What is or is not measured, how this is measured and the estimations and assumptions necessary are often masked by the succinctness that numbers can convey.

Apart from the myth of objectivity, the PSR appealed to the public's interest and rights to be informed. It is a reasonable expectation that the public sector is accountable, since it

has an unambiguous responsibility to the community, which funds government activities through their payment of taxes and charges. Consequently, the community has a right to know the manner and purpose in which those funds are spent. This is referred to as outward accountability, and relates to the obligation of managers to report to, consult with, and be responsive to, client groups and other stakeholders in the community (South Australian Audit Commission, 1994a, p 300).

The main driving force of the new public sector reforms in Australia has been to achieve more accountability.

(T)he element of enhanced accountability involves not just public servants being held accountable within the structures of the government but also increases the public's scrutiny of the performance of the government of the day and even of individual ministers. Cabinet-endorsed guidelines on the public release and circulation of evaluation reports will increasingly mean that individual managers - at whatever level - will face the acid test of public scrutiny and comment (Barrett, 1993, p 11).

Accountability includes making performance visible (Core, 1993, Morgan and Willmott, 1993). Accounting as a major output of accountability has long been used to report performance of an entity, and accounting is part of the performance agreements which are an integral feature of the new public sector reforms (Forster and Wanna, 1990, O'Faircheallaigh and Ryan, 1992, Barrett, 1993). Accounting with its associated technologies such as program budgeting, enhanced annual reports, performance indicators, asset registers, accrual accounting, and performance audits is an essential mechanism by which the new managerialist philosophies are being adopted in the public sector (Parker and Guthrie, 1990, Guthrie, 1993a).

The use of accounting and related technologies as objective measures, stems from the rhetoric of science and its use of quantification (Robson, 1992). However, accounting uses fiat measures rather than fundamental measures and can only be an indirect quantification (Kam 1986). Robson expressed accounting as an "inscriptor" and referred to

various technologies of 'marking' an object or event that is to be known (1992, p 689).

In this way it not only creates visibility or transparency, but enabled action and control at a distance (Robson, 1992). This is the expectation when financial performance indicators are used for government agencies. In this way, accountability is determined by the degree to which the agency meets this predetermined marker. However, the adequacy of the marker to encapsulate all aspects of an entity's performance is limited. Further, the way performance or indeed costs are defined, how these are measured requires many choices (Oakes et al, 1994).

Whilst the agencies are putting into action social policies (devised by their organization or their respective minister), the adequacy of financial technologies to reflect all the aspects of social policies is questionable⁹ (Stretton and Orchard, 1994). It becomes even harder to re-focus attention to 'subjective' issues such as social policy when

(c)are-giving and care-receiving as relational activities are displaced by caring that is *directed toward* inert and unknown recipients, just as objective knowledge is "of" objects at a distance, and inert in the process (Code, 1992, p. 1).

Hence the quest for objectivity can have a distorting effect on what is measured and for whom the measurement is ostensibly made.

4.2 OBJECTIVITY AND INDEPENDENCE

The pervasiveness of politicians' implicit objectivist epistemologies is reflected by their total distancing from any judgement on their part. The presentation of

quantitative rigor is most valued when there is political need of its odor of objectivity, as a defence against suspicions of ideological bias (Porter, 1992, p 30).

In this context, Oswald used a number of independent reviews as the source of his arguments and in turn was able to convey an objectivity for his decisions.

The reviews (mentioned in section 2.2) have been influential in that they provided support for Ministerial action. Oswald, stressed that the review

⁹ The problematic nature of performance measures has been reflected by the fact that the performance agreements between the DHUD and Housing Services and Property Management had not been resolved after a year when I spoke to Oxenberry in December 1995.

of the Portfolio undertaken by consultants Deloitte Touche and Tohmatsu, was supported by a reference group from both private and public sectors and was subsequently endorsed by cabinet (Oswald, 1994). However, the reviews were implicitly self-referential and had implicit instructions to follow other reviews as the following quote of the consultant's brief reveals:

(t)he review should take into account a number of recent documents, including:

- The Liberal Party of South Australia policy statement of November 1993 entitled: *HOUSING - MAKE A CHANGE FOR THE BETTER*
- The Industry Commission Report of November 1993 entitled: PUBLIC HOUSING (sic).
- The Industry Commission Report of April 1993 entitled: *TAXATION AND FINANCIAL POLICY IMPACTS ON URBAN SETTLEMENT*.
- Any other publications, including various internal reports, papers and documents which can be made available to the Consultant(s) either by the Minister, the Portfolio agencies, or core agencies of the South Australian Public Sector.

(Premier and Cabinet of South Australian Government, 1994, p 1-2).

The reports are influential because they are wrapped in a veil of objectivity. Oswald implicitly exchanged an illusion of objectivity by using consultants (professional accounting firms) and stressed that

(t)his portfolio reorganization was proposed by the Ministerial Review carried out early 1994 by consultants

Deloitte Touche Tohmatsu and the SA Centre for Economic Studies (Oswald, 1995a, 21/2).

In turn Oswald implicitly delegated responsibility for the decisions to the consultants. In this way Oswald conveyed his strategies as inevitable, rather than an outcome of his judgement, or subjective decisions. The selection of a particular "objective" review cannot be overlooked in the light of other reference groups' comments. Of particular interest is one reference group (which was not part of Oswald's support groups) which noted that the Audit Commission's analysis

is far from being (value-free since its recommendations are) firmly grounded in the system and assumptions of economic rationalism (Broomhill et al, 1994, p 65).

Oswald may have benefited from heeding Keynes's cautionary note;

practical men who believe themselves to be exempt from any intellectual influences are usually the slave of some defunct economist (Keynes, 1936, p. 383, quoted in Tinker, 1980, p. 149).

The resurgence of economic rationalism through the medium of managerialism is discussed in section 4.3.

4.3 MANAGERIALISM AND IDEOLOGY

Accountability is the term used to legitimize the PSR and managerialism is the mechanism by which changes were implemented. Although presented as a neutral, objective technology, managerialism will be shown to be subjective, and having a particular stance about social policy.

Managerialism is packaged and marketed as the latest and best technology in management expertise. However, whether it is actually new

is questionable since it can be traced to scientific management and bureaucracies (Morgan, 1986, Taylor, 1972), all of which have a propensity for measurement (Weber, 1949).

Managerialism refers to new concepts in corporate management currently practiced in the private sector (Weller et al, 1989). The private sector perpetuates and legitimizes the market forces by clinging to the "rationalist myth of transaction cost reduction" (Ezzamel and Willmott, 1993, p 114). It is assumed that what works (and this is questionable) in the private sector must work in the public sector. This assumption is evident in a review of the South Australian economy, where Little claims that:

management responsibilities and accountabilities that are appropriate to the public sector differ in few respects from management responsibilities and accountabilities in the private sector (Little, 1992c, p 38).

This comment reinforces the view that according to managerialism, accountability is still conceived in instrumental terms (Broadbent and Guthrie, 1992; Wanna et al, 1992).

Whilst the technologies used in the public and private sector may be similar, they operate in different contexts. Public sector objectives are inherently complex and are not measured by a simple notion of a bottom line of the private sector (Wanna et al, 1992). Even if the "rationalist myth" was upheld in the private sector, it does not mean that it is appropriate for the public sector. To assume that the transportation of managerialism from the private sector into any agency of the public sector offers an automatic panacea is naive and misleading. These technologies worked in the private sector because they were designed for its ideology.

Issues of equity and justice are not features of business (unless they are imposed by legislation).

In the public sector, managerialism

includes the development of departmental mission statements and objectives, the publication of corporate plans, the introduction of schemes for decentralisation, devolution of responsibility and risk management, and the development for systematic measurement and evaluation. The emphasis has shifted from the traditional notion of accountability to the minister, to greater emphasis on what governments do and how well they do it (Weller and Lewis, 1989, p 1).

Managerialism is supposed to give better service delivery and value for money for the public service. Such claims are desirable and can be persuasive. However, the experience in the UK public sector does not support these claims. Accountability in the new public sector of the UK is problematic (Gray and Jenkin, 1993), even when examined in its economic rationalist agenda (Mayston, 1993). For example, the UK health and community care agencies are now "monitoring towards *outcomes* and away from *practice* and *process*" (Ezzamel and Willmott, 1993, p 119; Halligan 1993, Kennedy, 1993).

Managerialism has also been persuasive because it claimed not to hold any explicit ideologies. It was asserted that

changes were introduced, according to Paterson, not on the basis of an explicit value framework, ideology or preferred private sector model, but out of frustration with what was previously not working, with the inefficiency and

ineffectiveness of a diffuse and often directionless public sector (Wanna et al, 1992), p 213).

In a review of the South Australian economy, Little (1992a, 1992b, 1992c) was keen to declare his objectivity and wrote:

(i)t is stressed that neither the approach to this study nor its findings are based on any predetermined philosophy or ideology (Little, 1992c, p 2).

Nevertheless, Little found no contradiction in recommending that a strategic 'managerial' approach rather than the traditional fiscally-driven 'administrative' model should be adopted (1992c, p 38).

In chapter 2, I have addressed and rejected such claims of objectivity to research which apply equally to consultations.

Wanna et al, question the supposed difference between managerial and administrative models:

(t)he measured language of administration has been replaced by the argot of management. Many have come to see the two words as symbolising contrasting approaches, as though moving from administration to management is a proverbial road to Damascus, with conversion leading to an irreversible change in style (Wanna et al 1992, p 210).

Although the two approaches are not diametrically opposite there is a significant difference. Managerialism is not neutral (Sawer 1989) with respect to equity issues. It is important to question

whether the logic of managerialism as it is implemented in the Australian context opens possibilities for or imposes limits on equity reforms (Wanna et al, 1992, p 213)

and, whether it can devalue social and political objectives regarding equity.

In this next section, I aim to emphasise the importance of social policies by addressing how the PSR have had a marginalising effect on the social policies of SAHT.

5 SOCIAL POLICY AND PUBLIC SECTOR REFORMS

The need for social policy for, or, of government agencies cannot be escaped. Indeed much of the public sector activity revolves around service rather than physical output (Broadbent and Guthrie, 1992). However in the case of the SAHT, the following sections will show that social policy has not only been assigned as an afterthought and has been silenced, but the new structures and performance agreements have the potential to dictate social policy.

5.1 SOCIAL POLICY AS AN AFTERTHOUGHT

The focus of accountability has distracted attention away from its impact on social policy. The issue of public housing versus welfare housing is fundamental in shaping housing for South Australia, in both economic and social terms, yet, no substantive discussion of this appears in the reforms.

Whilst it is acknowledged that:

(i)n South Australia the operations of the Housing Trust come closest to meeting the perception of a generally available housing scheme (Industry Commission, 1993a, p43),

there was only a vague reference to policy issues. One report raised the question:

(i)s public housing solely welfare housing or should it be a tenure available to all? (Industry Commission, 1993a, p45).

However, no further substantive discussion of this issue occurred in this report. Yet the issue of public housing versus welfare housing is fundamental in shaping housing for South Australia, in both economic and social terms.

In the past, SAHT's distinction was that it was a public housing statutory authority. As a statutory authority it was able to combine public and private competition (Wettenhall, 1987), and have a mixture of funds which contributed to its social and financial successes (Stretton, 1974). The SAHT has been keen on competition and the mix of public and private funds has helped to:

develop varieties of housing for varieties of people, which helps public housing to get rid of its charity badge ... the mixture can help low-income public housing rather than hinder it - when the South Australians were doing most speculative and competitive building they were also building two or three times as much cheap public housing per head of population as the big states were (Stretton, 1974, p 66).

In the past, there were economic and social benefits to the people of South Australia by having a public housing authority (Marsden, 1986).

The CSHA originally encouraged public housing rather than only welfare housing. However the proportion of people requiring welfare housing (ie rental assistance), has increased markedly.

A changing client base and focus which has shifted from principally assisting working families (a *public* housing role), to assisting welfare recipients, with an increasing representation of this group being the young, single and aged. Approximately 76% of all SAHT tenants as at 30 June 1993 were in receipt of rental rebate reflecting their welfare status, compared with only 25% some 15 years ago. This means that SAHT is providing, by force of circumstance, a greater *welfare* housing role than previously (South Australian Commission of Audit, 1994b, p 300).

This increase in the proportion of people needing assistance is not an argument against public housing. Public housing may be even more imperative in the context of the financial flexibility it offered in the past, which could also help the increased welfare role. However, I do not wish to argue whether the SAHT should or should not be a public or welfare housing authority, but I do wish to stress that such a discussion must occur before structures are set. The new structure for public housing has created a new imperative for the vocalisation of social policy. The new structure is supposed to incorporate social policy, but only after the structures have been set in place. Social policy is viewed as an afterthought. The importance of social policy needing organizational structures that reflect and accommodate it has been overlooked.

5.2 CITIZENS OUT OF FOCUS

As stated earlier, Property Management and Housing Services whilst now being separate independent organizations, are also to each other's client. Their respective performances will be judged by performance agreements.

If each of these entities views each other as their client, then I wish to argue that the people requiring housing may be distanced and no longer in focus.

The performance agreements are an integral part of the PSR. It is mistakenly assumed that determining the definitions, identification and measurement for performance agreements and other measurements such as cost benefit calculations are not problematic (Oakes et al, 1994). The appeal of performance measures to policy makers (and indirectly the voters) is that these numbers convey objectivity and a kind of "impersonality" so that those in authority do not have to be seen to exercise harsh judgements but a cool rationality (Porter, 1992, p 20; Albury, 1983).

This impersonality is sustained if Property Management and Housing Services are separated, because each entity becomes the other's client while the real client, the people requiring housing are no longer the focus. In an interview by Shelter, Stretton was concerned with the effects on the clients.

Separate those functions, so a lot of strangers to each other are dealing with the tenants, and you destroy the coherence of the management ... They want one bureau to own the houses, a contractor to maintain them, another to put tenants in and out, and the local banks and post offices to collect the rents, so no one of them will have any coherent understanding of the households with whom they deal (Shelter, 1994, p 5).

Not only is the potential for goal congruence seriously impaired by having two independent entities, but the needs of the people for whom housing services are directed, will be not be heard.

As stated in section 3.2, splitting the organization creates a paradox. On the one hand, the split reinforced the different goals of Housing Services and Property Management, yet, on the other hand, there was an acknowledgment of their essential interdependence. The paradox of the split was underscored by the expectation that Housing Services and Property Management would coordinate and cooperate with each other, whilst they also competed with each other in the spirit of their performance agreements. However, the need to meet measurable performance outcomes may ultimately be at the cost of servicing customers in need of special housing. UK experience has shown that attention and resources may be redirected away from services if it was "difficult to demonstrate that they are 'good' value for money" (Ezzamel and Willmott, 1993, p 119). Hence, if "good" value cannot be demonstrated in quantifiable terms, only activities which can be reflected in this way will be chosen.

5.3 SOCIAL POLICY AND MANAGERIALISM

In the previous section, I argued that managerialism had a silencing role in equity issues. What is problematic is the portrayal of managerialism and indeed the belief of supporters of managerialism, that it is neutral and hence objective. In this section, I highlight that managerialism is implicitly value laden and pre-empts social policy.

Whether managerialism is a *new* version or a by-product of economic rationalism (Ezzamel and Willmott 1993; Forster 1993; Gray and Jenkins 1993) it has a specific ideological stance. Its economic rationalist roots mean that it implicitly upholds a particular view of welfare. This perspective can loosely be described as *anti-collectivist* and is associated with support for freedom of the market place, where economic policies are prioritised over social policies and the state plays a minimum role in providing welfare (Williams, 1989)¹⁰. Hence, the managerialist rhetoric has an inherent bias against any social reformism whether it is in the form of *non-socialist welfare collectivism*, or *Fabian socialism* or *radical social administration*, and certainly against *Political economy of welfare* perspectives (Williams, 1989).

Before the PSR, the SAHT, with its dual roles to help house low income earners and to contribute to the economy of the state was implicitly emulating *non-socialist welfare collectivism*. In this form of social reformism, the social policy is prioritised and "compensates for and supports economic policy", whilst valuing "individual liberty within an efficient, compassionate, capitalism" and valuing "pragmatism" (Williams, 1989, p 21). This form of social reformism accommodates varying commitments towards welfare provided by the state (Williams, 1989).

By separating the dual roles of the SAHT into two separate agencies, ie two distinct organizations, the structure which supported the SAHT's implicit social policy is destroyed. This in turn cannot sustain the SAHT's social policy, but accommodates two separate policies. The Property entity, which will be judged by performance agreements intended to reflect its commercial objectives, will implicitly uphold *anti-collectivist* perspectives.

¹⁰ I do not intend to describe or critically evaluate these approaches to welfare in this thesis.

These will conflict with any welfare policies that Housing Services is expected to uphold.

Further the emphasis on measurable performance criteria excludes acknowledgment of issues which, by their social nature, cannot be readily quantified. This not only excludes these issues (referred to as community service obligations) from being included in the equation, but renders them invisible and consequently silent. Instead criteria which are readily quantified take prominence and eventually prioritised. In this sense, economic rationalist indicators of performance drive the performance criteria and ultimately dictate social policies, by focussing only on policies which can be numerically articulated.

So far, I have described the effects the PSR had on the SAHT. The rhetoric of accountability was used to legitimate the PSR and managerialism was the mechanism for the changes to the SAHT. The third step to the processes of these changes was revealed from interviews of SAHT staff and DHUD staff.

CHAPTER 7

THE INTERFACE BETWEEN INTERNAL RESPONSES AND EXTERNAL STIMULI

1 INTRODUCTION

This chapter highlights the reactions and responses of key individuals (in the SAHT and the DHUD) to the changes discussed in chapter 6. A reflexive understanding of these responses showed how the DHUD used a smoke screen of consultation to gain cooperation of the SAHT. In this way the SAHT became complicit in its own colonization. How the organization responds to its external stimulus (disturbance or kick) plays an important part in determining the significance of the subsequent changes of the organization. The SAHT itself played a role in the initiation, design and impact of the PSR. There had been many initiatives within the SAHT (discussed in chapter 5) which reflected its responsiveness and concern for its future viability which had not been acknowledged by the consultants or the Minister. These initiatives could be interpreted as a predisposition for more change by the SAHT. This predisposition needs to be seen in the context of the leadership of the SAHT and its interface with the leadership of the DHUD.

2 LEADERSHIP

In this section, I will consider three layers of leadership, namely:

- the Chairperson of the Board of the SAHT
- the General Manager of the SAHT

- the Directors of DHUD's Strategy, Policy and Budget¹.

The three layers of leadership represent the nexus of the SAHT and DHUD, and when considered reflexively, are very revealing.

I want to consider whether in its attempt to be cooperative, the SAHT became complicit in its own demise. The power for changing the SAHT was achieved without any explicit coercion or hegemonic forces, instead

agents are recruited to views of their interests which align with the discursive field of force that the enrolling agency is able to construct (Clegg, 1989, p 17).

So, the leadership can also be seen as an enrolling agent, which facilitated the organizational changes.

2.1 THE CHAIRPERSON OF THE BOARD

The chairperson of the board of the SAHT, along with the members of the SAHT had prepared two papers (in April 1994 and June 1994) on Housing Policy (South Australian Housing Trust, 1994d, 1994e), which they presented to Crafter (the Labor Minister for Housing, Urban Development, Local Government Relations and Recreation and Sport) and later to Oswald (the Liberal Minister). Both papers started from the premise that there would be a DHUD which would have a central coordinating role. The first paper stressed the significance of Ministerial control and that it

makes sense for the State Government to have in place a system for housing assistance which:

¹ I was not able to gain an interview with Lennon, the Chief Executive Officer of DHUD. However, Charles and Combe were at the "coal face" of the reforms and revealed much about the changes.

- place a maximum effective control with the Minister (South Australian Housing Trust, 1994d, p 6).

This represented the SAHT's acceptance of the changes already in place.

However the first paper also brought attention to

the extent of community need for affordable housing ... (and)

...

community goodwill (South Australian Housing Trust, 1994d, p 6).

It also warned that

(f)ailure to account for these vital elements will almost certainly see the early collapse of support for any new structures ... The structure must at the same time also provide for vital policy linkages across the respective programs (South Australian Housing Trust, 1994d, p 7).

The second paper prepared 2 months later took a different tack and emphasised the SAHT's "recent strategic change initiatives" it had undertaken "during the past two to three years " (South Australian Housing Trust, 1994e, p 3). For example the SAHT has :

- Focussed on better performance management and improved accountability ...
- Introduced a management accounting system in July 1993 to enable greater transparency of the full cost of all Trust activities (including identification of CSOs) ...
- Enhanced its value adding relationship with private enterprise through outsourcing of activities ...
- Adopted a long term financial viability program, including both debt and overhead reduction strategies (\$70 million debt paid off in past two years);

- Returned a dividend to the State in the form of rental rebates of one-third of its total income (\$220 million in the past two years) (South Australian Housing Trust, 1994e, pp 3-4).

These initiatives have already been discussed in chapter 5 and clearly reflected the SAHT's predisposition to change and its readiness to address efficiency gains and need for transparency. Therefore, it can be argued that these initiatives were congruent with the Minister's agenda. The SAHT initiatives mentioned above and discussed in chapter 5 demonstrated that the existing structure, at least within the SAHT, was working. The SAHT was in "good hands and not in any financial strife" {Hall 7/2/94}, so arguments to the contrary (Oswald, 1995a, 1995c) were misleading. However, the SAHT's initiatives were dismissed.

Whilst Oxenberry considered that this "operational paper" was "part of the review process", it was "not acknowledged" as such, although, it did have an "implicit impact and helped to modify the outcomes of the restructure" {Oxenberry, 5/10/94}. A "compromise was achieved" {Oxenberry, 5/10/94} which involved maintaining one board (instead of two) for both Housing Services and Property Management. The "pressure to have two Boards has been overcome and the Minister now defends the idea of one Board" {Oxenberry, 5/10/94}.

This was an important achievement as it offered the last thread of connection between the two split parts of the SAHT. However, getting the Minister to agree to one board may not have been a coup afterall. Maintaining one board and keeping the name of the SAHT, as if it was in tact, gives a misleading impression to the customers and the public in

general. It draws attention away from the changes imposed on the SAHT. The significance of this will be discussed further below.

The role of the board did change and became involved in the "day-to-day management of the organization" (Oswald, 1995d, 30/11). Oxenberry claimed that he "came close to being an executive chairperson", as he had

weekly meetings and he was always on the phone having to ask questions about management issues {Oxenberry 3/11/95}.

He thought there had been a

breakdown at the policy level because the Board had lost the policy resources {Oxenberry 3/11/95}.

This is not surprising, and I have argued against the removal of policy from the SAHT in chapter 6.

Oxenberry thought the Liberal "wets" offered "key political support" and that "Labor does not have a monopoly on social policy", rather, the Liberal

Premier and the Minister were sympathetic to meeting housing needs {Oxenberry, 5/10/94}.

He also noted that the SAHT had evolved, in the past, during the Playford Liberal government. I interpreted this to mean that there was not any reason, necessarily, to be anxious with the change of government. However, I realized that the Board also had to be cooperative with whichever government was in power.

Oxenberry recognised that "he is a Labor government appointment, by Crafter" {Oxenberry, 5/10/94}. However, he is "not aligned with any government" {Oxenberry, 5/10/94}. He is a "political scientist", and he was keen to add that he "does have friends in the Liberal Party" {Oxenberry, 5/10/94}. I interpreted these comments to mean that Oxenberry was not

necessarily at odds with the Liberal government and could work with them. In this sense, one could say that his eagerness to be cooperative may have made it easier for the SAHT to be coopted into the Liberal agenda, so that it, inadvertently, became complicit in its own disempowerment.

As chairperson of the board, Oxenberry wanted to "make it work", and it was a way of protecting the SAHT from any "asset stripping agenda" {Oxenberry, 5/10/94}. He saw the board maintaining the "Trust" aspect of the SAHT, that is, to "keep the community's trust to act on its behalf" {Oxenberry, 5/10/94}. I had a sense that he could not understand the agenda to split the SAHT or the need to reduce the SAHT's power.

It was true that

Ramsay had much power and was a gatherer of money
{Oxenberry, 5/10/94}.

It seems "Ramsay's shadow still looms" even though he was the SAHT's chairperson from 1949 to 1978 (Marsden, 1986), during the Liberal

Playford and Walsh era ... (and also) ... during the Dunstan
Labor government {Oxenberry, 5/10/94}.

Oxenberry thought the

SAHT had power in Ramsay's days, but it (was) not an issue
with Parker {5/10/94}.

I wondered how to interpret this. Did this mean the restructuring and disempowering of the SAHT was in response to the legacy of Ramsay who died in 1978? Or did this mean that Parker was not perceived as powerful as Ramsay? Of course this is an unfair comparison, since Parker was with the SAHT for such a short time (3 years) compared to Ramsay (29 years). Nevertheless, the issues of leadership are still relevant.

2.2 THE GENERAL MANAGER OF THE SAHT

In chapter 3, I introduced the idea that a leader can have a persuasive influence on the culture of the organization. In chapter 4, I described the impact of the change in leadership from Ramsay to Edwards on the culture of the organization; its interpretive schemes. Chapters 5, 6 and 7 related to a period of leadership by Parker, who started in February 1991 and resigned at the end of September 1994. This was a time of unprecedented changes in the political and economic environment of the SAHT (South Australian Housing Trust, 1994a, 1995a).

Parker's leadership played a significant role in how the organizational changes took shape in the SAHT. I have identified two phases of his responses. The first phase I have characterised as resistance. He called upon legal advice to question the government's authority to force changes, given the SAHT's status as a statutory authority. Whilst this resistance was seen as merely "chest beating" {Charles, 13/1/94}, in the section following, I have shown that the SAHT's status as a statutory authority was a defining issue.

According to Parker

things were very territorial and there was a lack of information {Parker, 18/2/94}.

Charles, who had been SAHT's Director of Strategy and Policy before she was seconded to DHUD, reported to the board of the SAHT and not to Parker. He thought the board minutes were just "froth and (there were) no substantive issues" {Parker, 18/2/94}. It was this comment that made me think that Charles bypassed him or did not consult with him as he may

have expected, given that she had been his subordinate. Lack of consultation was also a complaint he had of Lennon, the Chief Executive Officer of DHUD.

Within six months, Charles was seconded from DHUD as its Director of Strategy, Policy and Budget to the Premier's department (as Director of Intergovernmental Relations with the Premier and Cabinet) and Combe was now developing DHUD strategies. Parker expressed that he expected different communication with Combe and it was at this stage that I interpreted a change in Parker's attitude from resisting to being cooperative with DHUD.

This also coincided with a change of government from Labor to Liberal (as mentioned earlier in this chapter). He also thought that the new Minister, Oswald, was "more flexible and was able to shift resources between people" Parker {18/2/94}. Parker, saw the "new lot" (the Liberal government) as "strong and positive" and he understood that the "status quo cannot continue" and he was "happy to see a change" {Parker, 18/2/94}. This supportive attitude to the new government reflected a change in his position, and I can only speculate that it was due to the change in personalities from Charles to Combe in DHUD, and/or the change in government from Labor to Liberal.

Much was "in limbo" in early 1994, as the Minister still had not decided whether to have a "line control department structure, or a confederation of statutory authorities" {Parker, 18/2/94}. Despite this uncertainty in structures, Parker now agreed that DHUD needed to have central coordination to advise the Minister.

This change in attitude by Parker, may have reflected his anticipation that Combe would be more cooperative or be more communicative. However, since that interview, I believe that as a pragmatist he realised that the momentum for change was too great and that there would be more gains if he was cooperative. In reference to economic rationalist he had concluded that "they have won" {Parker, 26/9/94}.

This was reflected in a presentation he made at a Housing Seminar (mainly with SAHT personnel, including Regional Managers and Housing Managers) which I had attended. In jest, he referred to economic rationalism as a "particular form of brain damage" which was based on "an eloquent theory" {Parker, 26/9/94}. Unfortunately some members thought that Parker was actually in agreement with economic rationalism, and so complementing it as eloquent. I had interpreted his comment to mean that economic rationalism was persuasive because of its eloquence.

He accepted that "outsourcing was with us" and that it should "not be underrated" {Parker, 26/9/94}. Many felt that the Community Service Obligations (CSO) were at risk, particularly when he stressed that the CSO needed to be seen in the light of the SAHT's core business. I was reminded of similar comments made by Connelly, that some CSO, did not represent the SAHT's key purpose and may be activities better served by other social service organizations.

He presented a diagram of the "Change Drivers" as he saw them (which I have adapted in Figure 7.1). I was quite stunned by this diagram because I felt it had summarised a lot of chapter 6. The most striking thing was that he had portrayed social policy reviews as being at the end of the line,

which I felt, reinforced my views that discussions of social policy had been marginalised during the PSR.

Further reinforcement of my views was evident when Parker, during his speech, asked me to comment on the reforms. I assumed he gave me this opportunity because we had congruent thoughts. My response reflected the views already presented in chapter 6 and included:

- the PSR were allowing structural changes to drive policy, instead of the mission driving the structure;
- there was an imperative to vocalise policy, and not leave it as an afterthought;
- managerialism is informed by economic rationalism which, while portrayed as a neutral technology, has an implicit stance on social policy;
- focusing on quantitative performance criteria can marginalise and silence qualitative outcomes such as community service obligations.

This impromptu presentation had a marked effect on my perception of the organization, and in turn its perception of me. First, to my surprise and relief, the audience gave me an overwhelming positive response. Housing managers and regional managers, during the tea break, said that I had articulated what they were feeling, and that I really understood what was going on. I was flattered by the response and also pleased that my insights had a resonance².

² That evening at the seminar dinner, I was asked to join in an impromptu humorous debate on the topic "Just like the monarchy, there is no role for public housing". Apart from it being a most enjoyable experience, my participation symbolised a strong connection or empathy that I had developed with the people of the SAHT. I discuss this further in section 8.

Further, they thought I had "blown Parker out of the water", in that they thought I had convincingly contradicted Parker. I was surprised to hear this, as I merely expressed, quite passionately perhaps, the same issues that Parker had referred to. This interchange gave me insights about how Parker's leadership was perceived. It made me think of the first meeting that I had with Parker, when I had conveyed to him that there were communication problems (Figure 5.1). Comments at the time (discussed in chapter 5), revealed that people felt leaderless. And perceptions about his responses to the changes seemed the same. Connelly perceived the SAHT was simply being

obedient (and) just didn't lobby or dig its heels in as did other statutory authorities {Connelly, 17/2/94}.

The staff were not aware of the SAHT's resistance to DHUD's strategies, perhaps because those involved did not adequately communicate their efforts to the staff. Yet from DHUD's point of view, the SAHT was portrayed as powerful and not being cooperative.

When Parker was expressing the inevitability of the changes and that "they needed to embrace the changes" {Parker, 29/9/94}, the staff interpreted this as Parker being aligned with the Minister, unaware of his earlier resistance. However, the change in attitude can be evidence that Parker, in accepting the inevitability of the reforms, in turn became part of the changes³. When resistance was futile, the embracing of the change can be proactive and can assign a sense of empowerment. However, Parker's resignation⁴ which was announced at the same time the split

³ If you can't beat them, join them!

⁴ Parker was offered the position of CEO with the South Australian Urban Land Trust (SAULT), which was also part of the housing portfolio. However, SAULT was about a tenth of the size of the SAHT, and he chose to take a position interstate.

became official, also represented the end of an era of the SAHT, as the position of general manager was eliminated.

2.3 THE DIRECTORS OF STRATEGY, POLICY AND BUDGET OF DHUD.

In my discussions with Charles, she stressed the importance of consultation and despite my reservations of the structural split of the SAHT, I was convinced by her conviction that the new structure could work. However, there was much disquiet as the organization most effected, that is the SAHT, had not been consulted. Parker noted that there had been

no negotiation. When the review had been set up, the consultation principles were to see how to find cooperation since there was an incompatible marriage and no legislation to facilitate {Parker, 18/2/94}.

Being familiar with the SAHT and having broader visions of housing policy, Charles was the ideal person to effect change in the housing sector. She recognised that some staff members of the SAHT felt vulnerable and not surprisingly, opposed the changes as part of their loyalty to the organization. However, she stressed that the SAHT was made up of the "people in the houses" and "not the administrative structures" {Charles, 13/1/94}. This comment certainly made me think. If the organization is defined by the people it is meant to serve, then the organization is determined by the clients or customers. If the clients/customers continue to be served, does it matter how the organization is structured? I discuss this later.

Change for the SAHT was initiated from within (discussed in chapter 5) and gained momentum as governments (both Labor and Liberal) saw the potential to be seen as proactive and responding to the economic climate and electoral mood. However, the way the reforms were implemented by the Liberal government were in stark contrast to the initial vision of the Labor government.

Initially, the PSR were a proactive response to the state's unfavourable financial situation (discussed in chapter 6). Crafter, (the Labor Minister for Housing, Urban Development, Local Government Relations and Recreation and Sport) was

not proposing wholesale change ... the responsibilities of statutory authorities and their reporting relationships set out by legislation will not change (Department of Housing and Urban Development, 1993a, p 1).

There were assurances that the

assessment criteria ... were (to be) defined as the basis for establishing an appropriate structure (Department of Housing and Urban Development, 1993a, p 10),

and listed the first priority of an appropriate structure to be

the right emphasis and focus on policy (Department of Housing and Urban Development, 1993a, p 10).

The seeds for this structural change were sown by Crafter and his department (Department of Housing and Urban Development, 1993a), but with a clear recognition of the prominent role that policy had to play. These were the ideas that Charles was developing. However, Charles was with the department for only six months coinciding with the Labor government's last months in office, before she was seconded to a more

prestigious position with the Premier and Cabinet. This lack of continuity may have been a significant contributor to the final outcome of the SAHT. Even though the new Liberal government adopted ideas initiated by Labor and Charles, the ideas were also adapted. As has already been discussed at length in chapter 6, structural changes preceded and dictated policies for the SAHT.

I asked Combe how and when the social policies would be decided. He was more concerned with structural issues and thought that

the social policies could be determined later, much later
{Combe, 28/9/94}.

He was very definite that operations and policy "must be separate", and that

cooperation between the different agencies was possible since
the success of the portfolio collectively was in all their
interests {Combe, 28/9/94}.

I have challenged the logic of such claims in chapter 6.

He thought that no matter what the operational details were,

there was no escaping - the changes are significant and long
lasting {Combe, 28/9/94}

and he recognized that the changes had had a "personal toll" on many {Combe, 28/9/94}. I thought that he was including himself in the last statement, especially since he "was not given enough resources" {Combe, 28/9/94} to do what was asked of him. Originally he thought one of his major tasks was the determination of the performance agreements. However, these were "taken over by others" and it seemed that the performance agreements had "fallen in the cracks" {Combe, 28/9/94}. This

was confirmed a year later⁵ when the performance agreements were still unresolved and

proved very hard - they dragged on and were very frustrating
{Oxenberry, 3/11/95}.

I asked why there was another review since DHUD was already making changes. He thought that the SAHT had an entrenched position and were able to maintain this because of their size and the related legislation. From this, it was evident that the SAHT Act 1936 and related legislation provided the protection and power for the SAHT. DHUD needed the SAHT's agreement in order "to get anywhere" {Combe, 28/9/94}. It seems the SAHT did not readily agree, so, despite the lack of consensus, the Minister made a decision to split the SAHT. Since there was no consensus, the Minister needed an "independent report" {Combe, 28/9/94}. In chapter 6, I have discussed how the use of an *independent report* helped give the Minister the illusion of objectivity in his decision making. This was another way that the changes to the SAHT were presented as inevitable, rather than coercive. The agents for the changes, a third party, being the consultants, were implicitly enrolled in enforcing the changes to the SAHT.

Combe and Paul Wiley (from the SAHT policy division) worked on the review in May 1994 with Deloitte, Touche and Tohmatsu (the independent consultants). Wiley⁶ was against splitting the SAHT and so was Combe initially, as he thought the split would put financial pressure on the SAHT. Whatever financial pressure the SAHT did have, it could have been resolved by "better management" {Combe, 28/9/94, Geddes,

⁵ By this time Combe had left DHUD.

⁶ I did not get to interview Wiley and it was Combe who indicated that Wiley was against the split.

15/7/94}. This impression was probably due to the qualified audit of SAHT's accounts for the year ended 1992 (South Australian Housing Trust, 1992a). The qualified audit was significant and much attention was drawn in parliament to the Auditor- General's "warning bells" which were interpreted as representing

financial mismanagement at a time when the trust is becoming insolvent (Oswald, 1993a, 8/9).

And when Oswald was in opposition he was able to claim that

(i)t has been acknowledged that the present administration in the Housing Trust is starting to get on top of it (1993b, 7/10).

However, as Minister, this acknowledgment was overlooked. Instead the momentum of the reforms was enabled and legitimated by the independent recommendations.

The actual discussions with the consultants were confidential⁷, so I cannot provide specific reasoning for the decision to split the SAHT. However, I was told that the financial pressure of the SAHT lead to its structural change which in turn lead to the operational change. Combe admitted that there would be some operational "hick ups" {Combe, 28/9/94}, but I did not tell him that I thought his underestimation of the problems was naive⁸.

⁷ Although I was told of the reasons for the review concluding to split the SAHT, I was asked to keep this confidential. Instead, I have been able to offer reasons for the need of an independent review in chapter 6 section 4.2 and pointed out the inconsistencies, contradictions and circular arguments used to justify the decision to split the SAHT. By examining the arguments given in the parliamentary debates for the repeal of the SAHT 1936 act (in section 7), I have been able to reveal the subtext or motives for the split.

⁸ Combe spoke as if I would automatically agree him since I was an accountant and that he was an economist. I did ask him questions and sought explanations, but I did not express my disagreement with his logic. I found that when I was interviewing I tried to see things from the interviewee's point of view and later (usually within an hour of the interview) when I wrote up the interview, I also would record my opinions and impressions.

It was clear that "this exercise was one to change decision making" and involved "issues of power and control" {Combe, 28/9/94}. In this sense, the changes were consistent with Charles' expectations and vision. She identified the need for the Minister to be "in charge" and that he needed "clarity of accountability" in order to give him "room to deliver" as per the Westminster System, that is, deliver the "will of Parliament" {Charles, 13/1/94}.

Charles considered the reform package needed a new set of legislation and this would be "revolutionary" {Charles, 13/1/94}. She considered this was necessary in order to "empower the Minister" to be able to "create and dissolve statutory structures as required", and so the Minister will have "all powers" {Charles, 13/1/94}. The following section attests to this.

3 SAHT ACT 1995: NEW LEGISLATION

The repeal of the SAHT Act 1936 represented the final step to the restructure and disempowerment of the SAHT. This involved the assent of the Housing and Urban Development (Administrative Arrangements) Act 1995, on 4 May 1995, which came into operation on 1 July 1995. Later the assention of the South Australian Housing Trust Act 1995, on 21 December 1995 (which came into operation on 1 January 1996) completed the process.

The 1936 and 1995 SAHT Acts were similar with respect to ministerial control as the SAHT was "subject to the direction and control of the Minister" (South Australian Housing Trust Act 1936, section 3a (1) and South Australian Housing Trust Act 1995, section 8). However, there was

a distinction in that the 1995 act had omitted the following important section:

(w)here any direction given in pursuance of subsection (1) adversely affects the accounts of the trust the Chairman shall notify the Minister and the amount of any loss occasioned by any such direction shall, if certified by the Auditor-General be paid to the trust out of moneys to be provided by Parliament (South Australian Housing Trust Act 1936, section 3a (2)).

In other words, the SAHT used to be compensated if, by following the Minister's direction, the SAHT was disadvantaged. In this way the SAHT maintained its focus to run as if it were a business, yet was also responsive to governmental pressures, but at the parliament's expense.

Hence, the previous legislation gave SAHT independence and in turn its power.

That power has, in the past, proved to be an effective brake on Ministerial control of the Trust (Oswald, 1995a, 21/2).

However, by removing this section, the ability for the SAHT to be independent and determine what was in its business interests has been forfeited. Instead, the Bill

makes the South Australian Housing Trust directly responsible to the Minister (Oswald, 1995a, 21/2).

The Minister continued to argue that the SAHT was split, not only due to the consultants' reviews (Oswald, 1995a) (discussed earlier in this chapter), but that

current circumstances have removed the opportunity for the SAHT to operate entrepreneurially and the community

service subsidy moneys distributed by it have amplified and resulted in a substantial debt (Laidlaw⁹, 1995, 22/11).

In chapter 5, I presented the proactive strategies of the SAHT which specifically addressed its financial viability (South Australian Housing Trust, 1994c). However, the consultants and the Minister, have not acknowledged these strategies. Further, the structural split of the SAHT was to solve problems of transparency and accountability, which, I have argued in chapter 6, could have been achieved without the split. Since the Minister's arguments for the split cannot be sustained, I need to consider the sub-text of the changes.

The Minister has established that he wished more control, and in this context, splitting the SAHT does make sense, as he would be better able to direct two smaller departments than one collective whole¹⁰. Further, the change in legislation explicitly shifted powers of the SAHT to the Minister, so the justification that the split was necessary for functional reasons was misleading.

The argument put by Oswald to support the new Housing and Urban Development (Administrative Arrangements) Bill 1995, reinforced the need for ultimate control by the Minister (Oswald, 1995a).

This Bill ensures that with responsibility comes accountability. It provides for full Ministerial accountability ... The Bill gives the Minister powers to create, modify or disband the statutory corporations ... the Bill confers powers on the Minister to change the structures in response to future circumstances (Oswald, 1995a, 21/2).

⁹ At the time the Hon. Diana Laidlaw was Minister has the Transport, Arts and Status of Women portfolios.

¹⁰ The phrase 'divide and conquer' seems apt here.

The need for this control was not due to any irreconcilable problems of the SAHT, but blamed on the aftermath of the State Bank (discussed in chapter 6). The following quote illustrates this.

One of the great lessons that came out of the State Bank debacle when the Bannon government was in power was the fact that no longer could Ministers hide behind and blame boards for what went wrong. That was one of the first things that struck me as the new Minister for Housing: that I could not hide behind the Housing Trust, Homestart or SAULT boards. Ultimately, I was responsible for what was happening on those boards, and I was responsible for the decisions they made (Oswald, 1995b, 2/11).

At the same time as the Minister was ensuring that he had ultimate responsibility, the responsibilities of the board and the corresponding penalties in the case of breaching these responsibilities, were made more explicit and more onerous (South Australian Parliament 1995b).

The intent and outcome of the repeal of the SAHT Act 1936 was the shift of control and hence power from the SAHT to the Minister, and accordingly the disempowerment of the SAHT. This, together with the removal of the policy function, represented a significant change to the interpretive schemes of the SAHT. Its disempowerment and symbolic demotion to operational status erodes the heart of the organization, its metarules.

Despite the significance of these legislative changes, structural changes and shifts in power, the Minister still wished to keep the SAHT name, afterall, the SAHT

is held in general high regard by its customers and other public housing authorities ... (and, retaining the name) ... will provide continuity and retain the goodwill of the Trust (Oswald, 1995a, 21/2).

The irony in this statement cannot be escaped. Why should a facade be maintained? Does this not contradict the notions of transparency and accountability to the public? Why undergo such "significant and long lasting" {Combe, 28/9/94} and "revolutionary" {Charles 13/1/94} changes, and then hide them from the public? Will these changes be perceived to be too significant? Who will they affect?

One member of parliament did not underestimate the implication of these changes and noted:

(t)his Government wants to make the Housing Trust welfare-oriented only, so that people on low incomes will be forced to look to the private sector for their housing needs. That is a qualitative shift in emphasis and ideology of this Liberal Government, which marks it in great distinction to that of the former Playford era (Clarke, 1995, 22/11).

This quote from the Hansards reinforces my discussions in chapter 6, where I argued that the structural changes of the SAHT meant implicit changes to the social policy of the SAHT. The implications of this were anticipated by other members of parliament as this excerpt shows:

I fear that, with the excuse or justification of either Hilmer or competition policy, this Government will not meet its social obligations and that its decisions will be made on a monetary basis only (Kanck, 1995, 28/11).

The undue emphasis of the SAHT Bill on financial matters was also noted:

(t)he 'Functions of the SAHT', in the draft Bill focuses on economic objectives, being financially driven through rates of return and asset management objectives (Hurley, 1995, 22/11).

It seemed that the emphasis on the financial matters was at the expense of the social aspects of the SAHT. The next quote reinforced my earlier discussions about marginalisation of the social policies.

The Opposition is a little concerned that the majority of the Bill refers to financial considerations in respect of the way in which the trust operates. Ideally, we would like to see more regard to the trust's fulfilling social needs within the community and its other community service obligations (Hurley, 1995, 22/11).

The quotes above have indicated the concern, at least of the Labor opposition, with the shift in emphasis of the government and its effect on the SAHT. An ideological shift, can translate itself in a shift in the roles of Housing Services and Property Management and consequently a shift in the balance between these in the SAHT overall. In chapter 6 I have demonstrated that there have already been changes to the expression of the mission of the SAHT and how Housing Services and Property Management have expressed their missions. This can be mapped as a change to level 2 of the interpretive schemes (see Figure 6.2).

There were concerns that the new SAHT Act 1995 would change the relationship between the SAHT and its clients. However, the following assurances were given:

The Bill will not change that relationship nor the role and function of the trust in providing social housing and affordable rent accommodation to people on low incomes and/or Social Security ... we do not want to do anything to weaken the confidence of tenants and prospective tenants - people on the waiting list - that public housing will no longer be affordable or available (Roberts 1995, 30/11).

I do believe that these assurances were sincere yet naive, and keeping the name of the SAHT does suggest the *status quo*. However, in the context of the structural changes and legislative changes in power, it is hard to consider these changes as merely cosmetic. The next section will put these changes in the context of Laughlin's organizational change model, in order to determine the significance of these changes.

4 THE SIGNIFICANCE OF EXTERNALLY IMPOSED CHANGES

As illustrated in the previous section, there were a number of ways of interpreting the changes of the SAHT. In the earlier sections I exposed how changes had occurred. First, a summary of what did and did not change.

I have established and discussed the following changes (as summarised in Figure 6.1):

- major structural changes, being the split of the SAHT into two separate organizations: Housing Services and Property Management;
- policy was no longer the SAHT's domain, but became the domain of DHUD, so that SAHT became only operational;

- there was a new layer, being the DHUD between the SAHT and the Minister;
- the repeal of the SAHT Act 1936, especially the removal of section 3(a)(2) disempowered the SAHT. The SAHT Act 1995, together with the Housing and Urban Development (Administrative Arrangements) Act 1995 transferred all powers and control to the Minister;
- performance agreements were to formalise the relationship between Housing Services and Property Management.

Despite these changes there were some things that stayed the same. The following have not changed:

- the name of SAHT has been retained
- there is still one board
- the SAHT is still described as public housing
- the customers are still the same for now
- housing services still operate through its regions and
- the physical location of Housing Services, Property Management has not changed.

4.1 SECOND ORDER CHANGES - COLONIZATION

The characteristics which were said to have remained the same were to convey the impression that the SAHT has remained the same. This was misleading. The issues that did change were not superficial and when mapped can be seen to have effected all levels (see Figure 6.2).

In chapter 5 there were many internally generated changes, yet they could not be described as second order. However, the latest set of changes described in this chapter, which have effected all levels, have been

understated by the government. Figure 7.2 compared the changes described in chapters 4, 5 6 and 7 and highlighted that the latest externally generated changes were significant at all levels, and so can be described as second order changes.

However, deciding whether this second order change represented colonization is not clear cut. I have suggested in this chapter that the changes are colonization, because the changes were externally driven, and resisted by the organization. The coercion which is an important characteristic of colonization was not explicit as it might be in a hostile take over. I have argued, that the coercion was subtle and involved engaging the key players of the SAHT.

The assurances given by the government that the SAHT would still have the same role and relationship with its tenants (Roberts, 1995), whilst sincere, were naive and misleading. These assurances totally dismissed the significance of the structural and legislative changes. Although there have actually been changes, it is yet to be determined whether who is serviced and how clients are serviced have changed. If I was to assume no change, I would also have to assume that the organization was defined by its clients only, as Charles had suggested. I wrestled with this for some time. However, by seeing the organizational structures as merely functional, imposed a machine metaphor for the organization. Further, using a machine metaphor for the organization, depersonalised the people, so that the intricate, complex dynamics of culture, interests and power are dismissed as superfluous. In chapter 3 I rejected the machine metaphor of an organization and accordingly I reject the notion that *only* the customers/clients represent the organization.

However, I do think it is valuable to include the customer/client as a defining part of the organization. It is appropriate and essential to keep the clients of the SAHT in focus (as in chapter 6). If their needs for housing are not met, then the organization has failed, no matter how efficient its performance indicators are deemed to be. In this case, the structure of the organization can affect the people implementing the structure, the employees *and* the people the organization is meant to serve.

CHAPTER 8

CONCLUSIONS: ENDINGS AND BEGINNINGS

1 APPROACHING AN ENDING

The conclusion has been a very challenging part to write as it implies an end when I can also see new beginnings. At an earlier stage I thought even having a conclusion was unnecessary as I felt I had identified conclusions along the way. However, the reflexive processes at the end of this thesis have enabled more insights to be gained which have helped to address the "so what" question with which, I imagine, most researchers grapple.

I started this thesis by trying to address the following question.

How does accounting contribute to the articulation of an organizational mission and through what means do the particular and very partial patterns of organizational visibility that accounting creates facilitate the achievement of control within the organization, be seen in either social or technical terms (Hopwood, 1983, p 291)?

In this conclusion I will show how I have indeed addressed this question and that I have raised many more questions too. Further, I highlight findings from the ethnography, demonstrate how I have developed LOCM and I explain how my particular methodology contributed to this research. I also reinforce that the continuity of change cannot be underestimated

and for the SAHT, changes in 1996 have been very surprising and have significant implications for this and future research.

The findings can be summarized as follows. LOCM offered notional shelves in which to posit the changes in the organization. Given the complexity and frequency of changes in this case, a mechanism to handle the dearth of information cannot be underestimated. However, the most profound contribution that the use of this model made was to distinguish between first order and second order changes. In this ethnography, the Minister, Oswald, imposed changes which tore the SAHT in two, yet argued that the changes did not change the nature of the SAHT. By using LOCM, I have been able to dispel this rhetoric and expose the changes as significant for the employees and for the public it is intended to serve. These findings are important contributions to both the organizational change literature and public sector literature.

This thesis also has contributed to AIS research. Not only have I demonstrated that AIS is not an inert technology, but that it can be used to effect devastating change to social policy. Hence AIS is more than an instrument for structural change, it can be used as an instrument for ideological change.

The use of contextual studies has a particular contribution to the accounting and AIS literature. By bringing the context in which the changes have occurred into the forefront, I have highlighted the important tensions between culture, leadership and AIS. This methodology allows the complexity of information to be revealed and consequently analysed. Accordingly, the explicit expression of reflexive processes during such contextual ethnographies is an imperative. The possible interpretations

and reinterpretations reinforce the presence of the author and the role they have in arriving at an understanding. In this way, the rejection of positivist notions of objectivity are asserted and instead reinforce the author-reader dialectic. This celebrates and takes responsibility for the social construction of knowledge. A more detailed discussion of this construction of knowledge is presented.

2 FINDINGS FROM THE ETHNOGRAPHY AND IMPLICATIONS FOR AIS

This ethnography offers more examples of how AIS are not just inert technologies but instruments that can challenge or even change an organization's culture, structure, ideology and mission. Specifically, this ethnography has provided an example of the implications of AIS in the context of a particular kind of organization, a statutory authority in its social and political environments.

2.1 HISTORICAL CONTEXT OF THE SAHT'S MISSION AND CULTURE

In chapter 4, the historical context was used to understand the significance of the events during the period 1978 to 1988. The organization's dual roles were a historical product expressing the mission of the organization and shaping its culture. The purpose of this chapter was to show that the AIS development was not an inert non-problematic process, but was complicit in the prioritisation of the SAHT roles, thus achieved a shift in the SAHT's culture. Initially AIS were seen as a consequence of the changes in leadership and organizational structure. Funding cuts reinforced the use of the rhetoric of efficiency and

effectiveness and obscured non-quantifiable outcomes of the AIS. The AIS emerged as a silent instrument for change of the rest of the non-financial aspects the organization. Hence this thesis provides an example of AIS as an instrument of cultural change, and it was through this intangible construct that the organization's mission was reverberated.

2.2 AIS AND ORGANIZATIONAL STRUCTURE

In chapter 5 I described a period from 1991 to 1994 during the leadership of a new general manager. This period of time coincided with a number of events which put the AIS of the SAHT under enormous pressure to respond to a number of demands.

First the major restructuring of RACS meant that new information systems relating to clients were developed so that it could also be accessed from property numbers. The AIS also facilitated the needs of the AMU which was needing information for their asset management data base. The third and persistent pressure was the reduced funding by the CSHA. The SAHT responded by developing alternate scenarios and consequences so that it could aid in their decision making to maintain their viability. All these changes are consistent with Ezzamel and Bourn's (1990) claim that AIS play a vital role in decision making, particularly in trying to anticipate consequences.

The qualified audit also put pressure on Finance to revert to more traditional structures, implying that structure has as much to do with decisions as does the information for decision making. Another effect of the qualified audit was that the board required more financial information. The new financial structures and related AIS were able to

and/or being developed to accommodate all these demands. Whilst construction of houses was reduced significantly, with corresponding reductions in staff, the AIS was a contrast and could be represented as a hive of activity. Hence the AIS was integral in the SAHT's ability to be responsive to new pressures and facilitated its ability to be proactive and anticipate new trends in either funding and/or housing needs. In many ways the organization could boast a predisposition to change.

Not all the changes, however, were a response to increase information needs or productivity. One such structural change was the abolition of the position of Director of Finance, which meant that Finance became a part of Corporate Services, rather than be a division of its own. This was to allow the Finance Director at the time to take a targeted separation package, as the position, not the person had to be made redundant. Hence the restructure was seen to be a temporary measure. However, no-one had anticipated the effect of the changes that were on the way. These were presented in chapters 6 and 7 and are reflected below.

2.3 PSR SPLIT THE SAHT

In chapter 6, I explored the impact of a significant external stimulus, represented by the public sector reforms, on the organization. These reforms were used to split the SAHT into two separate organizations, so that its interdependent humanitarian and business roles were severed. The justification for this major restructuring was to achieve functional clarity in order to offer transparent accountability. However, the arguments for the split were exposed to be contradictory and inconsistent, which begged the question, why and how was the SAHT changed so significantly?

The change was achieved by imposing the reforms and by arguing that the changes have been objectively arrived at by independent consultants. They in turn portrayed accountability and managerialism as inert technologies and thus were persuasive. In other words, the technologies associated with accountability and AIS were used to impose major change by claiming that these were inert, rational objective measures which enabled efficiency and effectiveness to emerge. In this way a major restructure of the SAHT was described as merely being structural and was not meant to have any ideological subtext.

The measures that the reforms were seeking were already being addressed and developed by the SAHT's AIS, however, this did not stop the split of the SAHT. Although the AIS were adequate to "create organizational visibility", such visibility was not acknowledged by those wishing to impose change on the SAHT and so were unable to "facilitate the achievement of control within the organization" (Hopwood, 1983, p 291). The reforms had the effect of removing the SAHT's AIS and Finance (as they were temporarily made part of Corporate Services) and making these crucial sources of information of the SAHT, a part of DHUD's Corporate Services. The paradox though is that the AIS became a crucial link between the now split SAHT, as their system allowed access by client number, which was useful to Housing Services and access by the property number, which was useful to Property Management. However, this important information system was now outside of the control of the two entities requiring this information. The tailor made AIS to service the SAHT were now not part of the SAHT. The arguments of better management facilitated by functional clarity overlooked the SAHT's essential dual roles.

2.4 THE ROLE OF LEADERSHIP, CULTURE AND MISSION

If the interdependence of the SAHT's dual roles were not considered impaired by splitting the SAHT, and the proactive developments of the SAHT were also considered irrelevant, then one of the sub-texts of the reforms had to do with power. The split effectively disempowered the SAHT. Hence the reformer's quest for better information systems were to justify the new structures they dictated and to effect this disempowerment.

The disempowerment was formalised by the repeal of the SAHT Act 1936. In chapter 7 I showed from Hansards that Oswald, the housing Minister at the time, was very conscious of his responsibility and was insistent on increasing his control. This seemed contradictory, however, when the PSR implicitly were aimed at making government organizations more business-like. Yet the paradox, for the SAHT, has been to reduce its independence as a statutory authority, so that it operated more like a government department, and in this way accommodate more intervention by the government.

This reduction in autonomy has had implications for the relevance of an organizational mission. The mission of an organization is its focus, and represents why the organization exists and how it responds to external stimuli which may threaten its ability to achieve its mission. In the case of the SAHT, its mission was inextricably linked to its status as a statutory authority. Its independence allowed it to focus on its mission. In the case of the PSR, the mission was sufficiently challenged by the repeal of the SAHT 1936 Act. The new SAHT Act 1995 and Housing and Urban

Developments (Administrative Arrangements) Act 1995 effectively made the SAHT a department and dependent on the minister. Its status as a statutory authority, which was meant to keep its humanitarian and business roles in check, was dismissed.

In trying to understand this disempowerment I have had to reconsider the role of leadership. The role of the leader cannot be underestimated for the SAHT. Historically, the strong leadership which was maintained by Ramsay for 29 years, was significant in the developments of the SAHT and its relationship with the governments of his time. His death allowed for a new leadership style to be experienced. Edwards, was instrumental in setting the SAHT in a new course involving computerization. He decentralized the SAHT giving more autonomy and responsibility to the regions, a move considered "entrepreneurial and innovative in its time" {Paley, 19/1/93}. The decentralization had implications for the AIS.

Although many relished the developments of the AIS there was also resistance in the late 1980's. In this case it was represented by Crichton, who was assistant general manager. His attempts to stifle this development were not merely a resistance to change, but efforts to maintain a culture. The historical context of the SAHT meant that it was set up deliberately with a dual role of helping to house people with low incomes and to contribute to the development of the state. For Crichton, the computerisation represented a diminution of the humanitarian role of the SAHT. Whilst Edwards was supportive of the humanitarian side he also saw the benefits that computerisation could bring.

Like Edwards, Parker was specifically appointed from outside the SAHT by the Board. In both cases this signified that the Board perceived the

new leadership would be valuable. Not appointing from within the organization was a cultural blow to many staff. Parker proceeded to make high level appointments from outside of the SAHT and seemed to be emphasising the business side of the SAHT, especially when at one point in time there were three new directors involved with Development and one only for RACS.

For many, Parker's emphasis was interpreted as a change in the organization's mission to favour the business side. As discussed in chapter 5, there were a number of developments, such restructuring of RACS, downsizing of Development, restructuring of Finance and increasing Asset management activities. The restructure of RACS showed the initiative to keep the housing services side in focus. There were also initiatives to keep a focus on the SAHT's assets and their management. From within the organization, many saw the business side being overemphasized, while some consultants from outside the organization saw the humanitarian side being prioritised. Despite the business-like improvements to RACS, and the joint ventures by Development in asset management, the SAHT was still condemned for upholding its humanitarian role. From my perspective, the shift in priorities between the dual roles was not new and necessarily so, from the time it was set up in 1936. As a statutory authority, the SAHT was able to determine when to make such shifts in emphasis. The SAHT had an essential role to play in public housing, a role which would not be readily filled by the private enterprise. The SAHT as a statutory authority

has a wider social role than can be measured in dollars and cents or else there probably would not have been a Statutory Corporation set up in the first place (Ramsay, 1974, p 14).

The issue of leadership also relates to issues of power. By eliminating the position of general manager for the SAHT, and having two entities which were meant to be interdependent and at the same time meet predetermined performance outcomes, was a recipe for disempowerment. It was intended to have two boards, but eventually¹ the reasoning for having one Board prevailed. The Board was expected to be involved in day to day activities, which changed its role and responsibilities. In the past the Board was expected to

lead, inspire, encourage, but not do, the doing is a management function (Ramsay, 1974, p 6).

The Board was placed in an invidious position of having to uphold the SAHT's mission and accommodate the wishes of its Minister. It has long been acknowledged that the Board "must be sensitive to the political level" (Ramsay, 1974, p 6). In one sense, the board was also meant to accommodate the Minister's requests as well as advise the Minister. It is possible that in this way the SAHT was made complicit in its own disempowerment.

3 LOCM AND THE EVALUATION OF CHANGE

These perspectives have been explored in the framework of an organizational change model. Laughlin (1991) invited the challenge to develop his model, by providing some flesh to his skeletal model. My contribution has been to provide more examples of how LOCM can be used. I have also extended the discussion of how changes can occur between the levels of the organization. Chapter 4 highlighted how changes to the design archetypes, in particular its AIS can place a wedge to shift

¹ And fortunately, the Board's arguments on this point were heard.

the culture that is, level 1 of the interpretive schemes. Chapter 5 provided more recent examples of how extensive changes to the design archetype can challenge level 1 of the interpretive schemes. Chapters 6 and 7 have shown contrasting responses to stimuli, as these were external stimuli which imposed changes. In this case the potential to rebut such changes was limited because the directives to change came from the government. It seems housing is destined to be

somewhat of a shuttlecock to be hit from government to government (Ramsay, 1945, p 87).

In this sense, chapters 6 and 7 demonstrated how the political metaphor can be accommodated and how the organization itself can become enrolled in its own colonization.

The role of the leaders, past and present, had a significant influence on the organization's culture and its mission. The interrelationship between leadership and the interpretive schemes of an organization was made more evident by using LOCM, not because the model explicitly addressed leadership, but because it was flexible enough for this relationship to be portrayed. This is what I found compelling by LOCM, that is, in its simplicity was a capacity to accommodate other theoretical overlays.

I have used Laughlin's (1991) organizational change model to map the changes of the SAHT since 1991 to 1994 and Figure 7.2, compares these to the changes occurring during 1978 to 1988. The map, as I call it, is useful in that it can locate changes and help to identify how significant the changes were. In this ethnography I have been able to provide an example of two types of changes, a first order change, described in chapters 4 and 5 and a second order change described in chapters 6 and 7.

Further, LOCM helped to determine what type of changes have occurred. The first order change in this case can be considered to be a reorientation and the second order change can be considered to be colonization. However, to leave the analysis here would be inadequate as it may be interpreted that I am using LOCM as some objectifying decision maker. I certainly have found it a useful guide, but I do not believe Laughlin intended it to be used in a merely functionalist manner.

The importance of being able to determine the significance of the changes became evident when writing chapters 6 and 7. The Minister of Housing at the time, was anxious to present the changes as being fundamentally to improve efficiency and effectiveness, to provide functional clarity and increase accountability. The changes were not meant to be highlighted to the public, as keeping the SAHT's name was meant to infer that really everything was the same.

Given that I have argued that the structural changes represented an ideological shift, why is that the Minister, or his consultants claimed there was none? I am left with trying to understand this. Is it that they did not know that there was an ideological shift or that they did not want to claim an ideological shift? If they wish to claim that there is no ideological shift, then this where LOCM can be useful in highlighting that there has been a change in the most intangible aspects of the SAHT and changes to all other levels of the organization, which constitutes a second order change. It is at this point of the analysis that LOCM is useful, because it can establish that a significant change has occurred and indeed take cognisance of whether the change was embraced or imposed. It is then possible to consider whether the changes are desirable or have unexpected consequences. Evaluation of the changes can then be possible.

The reflexive evaluation of the changes required a constant awareness of my relationship to the SAHT. As I have already indicated, the Housing Seminar {29/9/94} in which I had participated, represented a turning point. I not only empathised with the SAHT's predicament, I found myself expressing the importance of social policy.

4 IMPERATIVE TO VOCALISE SOCIAL POLICY

This represented a transformation in my attitudes during this thesis. When I first started interviewing I would say that "I was doing a thesis on organizational change and the participation of accounting information systems", and I would ask the interviewees to describe how or what role they played in the organization. Initially I avoided the social policies of the SAHT as I thought they were outside of the domain of my research. It was not until I started analysing the PSR and associated reports that I realised the impact they could have on social policies of the SAHT. The social policies were inextricably linked to the SAHT's mission.

My initial avoidance of social policy issues can also be seen as indicative of how the Public sector reformers were viewing social policy, as not being relevant to structural changes. For them the structural changes were the issue. Figure 7.1 presented by Parker, had social policy at the end of a series of influences on the organization, again consistent with the way the PSR viewed social policy.

I have shown that managerialism does have distinct ideological assumptions which are rooted in economic rationalism. The effect of managerialism taking precedence was to relegate discussions of social

policy as an afterthought, and to implicitly dictate social policy outcomes. The imperative for social policy to take an explicit and deliberate place in the PSR as they effected the SAHT became apparent and signified how accounting can displace such subjective issues.

I am arguing for those who imposed the PSR to have the courage to be explicit about their position on social policy. In their quest for more accountability, I assert that they need to emulate what they wish the agencies to do. It is misleading to have ideologies which effect the SAHT and not be explicit about them. Further, it is irresponsible not to know that they as individuals have ideologies or that their recommendations are similarly informed.

At a practical level, the assumption that social policy can be considered after structures are set in place or after performance agreements have been determined, needs to be challenged. I have indicated that the performance agreements have proved to be harder and taken longer to determine than anticipated. If the delay was because the complexity of these performance agreements has been recognised, then I applaud those involved. Instead of DHUD pursuing precise financial performance indicators, if DHUD and the SAHT were/are pursuing a multi-layered approach which acknowledges and integrates qualitative and quantitative criteria, then the time and effort spent is appropriate, for "to do otherwise risks sophistry" (Osborne et al, 1995, p. 36). What is not appropriate, though, was to have underestimated the process.

5 BROADER IMPLICATIONS

The effects of the PSR on the SAHT are worth exposing, not only because it serves as an Australian example, but because there are broader implications. Laughlin and Broadbent (1996) discuss how the accounting turn, that is, this accounting emphasis has influenced organizations and society. Whilst they gave examples of these effects on the health and education sector in the UK they reminded me of the significance of PSR in the western world altogether. I have already discussed in chapter 7 that the PSR had a huge momentum in Australia, and in other western countries.

So, in one sense I should not be surprised that they have effected the SAHT. The effect of the reforms is not new, and the "so what" question can be raised. The following quote by Ramsay (1974) reinforces this point. He was referring to the pressures of being a manager of statutory authority, and noted that

if our surplus went up we would be criticized for grinding the faces of the poor and ignoring social problems but, when our surplus went down perhaps below zero, as it did one year, inevitably he would be criticized as a bungler and somebody would say, we ought to get in some private enterprise management to straighten the place up and get out the red.

In the vernacular you cannot win (Ramsay, 1974, p17).

If the PSR are not new and if they are having such an impact in the UK and New Zealand, why do they matter here and now? After much consideration, I realised why I have something to say in this ethnography. That PSR have had such momentum in the western countries is the very

point that needs to be stressed, again and again. Many of these reforms, have had unfavourable and perhaps unintended consequences which seem to have been overlooked by Australian reformers. The panacea that the PSR have promised has not always been delivered.

The effects of the PSR on the SAHT could also effect other interrelated agencies such as those engaged in helping the homeless. If the SAHT or indeed other housing authorities are forced through accountability and performance measures to demonstrate effective and efficient outcomes, it is possible that they are compelled to choose to house only model clients². What happens to the people who do not get into public housing? What are the implications for the homeless? This is an area which warrants more research.

The funding cuts were a persistent threat for the SAHT and continue to be so. The funding agreement between the Commonwealth and the States (CSHA) is under threat or at least subject to further cuts and changes since the change to a Liberal Federal government in Australia in March 1996. The SAHT was plagued with CSHA funding cuts during the Labor Federal government too. As has been shown in chapters 6 and 7 funding cuts were used to legitimate staff reductions in the SAHT and the South Australian public sector. The reductions in staff and other resources is not an unusual response, however, the corresponding increase in control does need further consideration. That is, the role of the SAHT needs to be seen in the context of the reforms imposed by the Commonwealth Government too. This requires further investigation.

² Which would mean lower bad debts and lower unfair wear and tear.

6 MORE CHANGES - SURPRISE, SURPRISE!

There were a number of surprises in the case study which made doing the fieldwork very engaging. The frequency of the internally generated changes was overwhelming and I am sure not just from my perspective. The advent of the PSR was surprising at the time, although with hindsight they seem inevitable, given their momentum. More research would be necessary to see how the SAHT has managed during these last two years (1995 and 1996). Have the extensive AIS developments been implemented or impeded? How did this work or not work since Corporate Services, which had included AIS and Finance, had been moved out of the SAHT and became part of DHUD? These are interesting questions and remain unanswered in this ethnography because I had to make pragmatic decisions about when to close this work³. I chose the departure of Parker, the SAHT's fourth general manager to represent an end of an era.

At the time I could not believe the actual abolition of the position of the SAHT's chief executive officer in 1994. I was aware that the staff were overwhelmed by the changes and the uncertainty associated with them. Some thought that the latest changes were the most significant that they had experienced and commented that "things should settle down" for the next few years. I envisaged that this meant for about 5 years. However, I was wrong. It seems that the new Minister for Housing and Urban Development, Ashenden, has had new insights and has decided that there is a need for a Director of Finance for the SAHT and a Chief General Manager⁴ for the SAHT (Ashenden, 1996). The new Chief General

³ That is, the fieldwork was completed by the end of 1994.

⁴ Since they already have two general managers.

Manager will take up the appointment in October 1996, two years after it was deemed such a position was superfluous.

I would like to share some of Ramsay's advice for the new leader. Such a leader

needs to be so committed to his (sic) budgets his (sic) new area that he (sic) is able to *feel* rather than measure when he (sic) is achieving the end set out for him (sic) by Parliament, his (sic) Minister or his (sic) Board. Such *intuition* does not come overnight and is more a matter of the *heart* than the head (Ramsay, 1974, p 17, emphasis added).

I was amazed by the insights which Ramsay displayed and further, celebrate his willingness to share such reflexive insights. Whether the new appointment can or will take notice of Ramsay's insights is something for future research and outside of the scope of this ethnography.

However, there are a number of ways of interpreting this surprising event. At first, I concluded that it indicated that the initial idea of abolishing the position of general manager of the SAHT was short sighted. Further, the split of the SAHT into two separate organizations was dysfunctional. It is hard to imagine that the new Chief General Manager would continue to oversee two distinct organizations and a reamalgamation may occur. It makes a mockery of any long-term plans or predictions which had informed the decision to split the SAHT in the first place. Given the new Minister, Ashenden has effectively reversed some decisions of the previous Minister, Oswald, perhaps Ashenden has seen through the reasoning that was offered previously. But this may not be the only interpretation.

Perhaps the economic and political circumstances have changed so much in two years that new structures are required to "facilitate the next stages of the Portfolio's development" (Ashenden, 1996, p 1). I doubt this. However, I applaud the new Minister, for having the courage to undo (partly) some of the decisions. I would like to think that this has occurred because reflexive processes between the SAHT Board and the Minister have allowed the new possibilities to be considered. I have not explored these processes in this thesis as it is out of the scope of this work, but clearly it is an important area for further research.

7 REFLEXIVITY AND ORGANIZATIONAL CHANGE

The questions I have raised for future research also reflect some of the dilemmas of doing any research, and certainly for doing an ethnography. The dilemma is that of establishing the domain of the research, its boundaries. When I started the fieldwork, I did not know where it would lead. I certainly did not expect the changes of the PSR. In a way, the impact of these deflected my attention from the details of the AIS as changes were happening at another level. I chose the period of leadership of the SAHT's fourth general manager as an appropriate period of time to analyse. If I had stopped my fieldwork at the end of 1993, then I would have missed the impact of the PSR. Further, I would not have been able to demonstrate a second order colonization. The dilemma of staying focused and yet being open to unexpected occurrences cannot be underestimated. There are no guarantees that one will find anything expected or unexpected and it is not possible to talk to all the participants⁵. In my

⁵ I was not able to interview Oswald, the Minister or Lennon, the CEO of DHUD.

case, serendipity as well as my research style⁶ had a role to play in these findings, and I have presented *a* story which I found compelling.

Reflexivity in itself is not unusual, however, expressing it verbally or in writing takes courage. Whilst I am informed, influenced and inspired by feminist scholarship, I cannot underestimate the patriarchal society in which I live, which sanctifies particular types of expression such as claims to objectivity whilst silencing and marginalizing expression which rejects such claims. I anticipate reactions from traditionalist who may reinterpret my expressions of reflexivity as indicating indecision and subjectivity, as a way of legitimating their privileged position. My defence for such responses is to highlight what can be gained by reflexivity.

In its application with an organizational change model, reflexivity highlights the processual nature of change. I believe that without the reflexive contribution, the use of LOCM could appear to be merely functionalist, especially since it uses an organic metaphor of organizations. However, one of the attractive features of LOCM is that it can accommodate more than one metaphor and hence the social construction of knowledge is kept at the forefront.

The complexities and nuances that the use of reflexivity can reveal is more than a style of an ethnography. Rather, it is a distinct contribution to knowing and knowledge. In this sense

the primacy of a becoming-realism in which the processual becoming of things is given a fundamental role in the explanatory schema, (Chia, 1996, p 31).

⁶ Although the fieldwork was essentially completed by the end of 1994, I also incorporated key events at the political level which occurred in 1995 and 1996.

is a distinct epistemologic position. This is consistent with Lather's (1991) understanding that the potential for change-enhancing research is at the interface between positivist and post-positivist paradigms. The reflexive processes reveal more of the how the relationship between the conceptual layers have changed. Hence these processes reveal more than referring to these relationships simply as coherent or imbalanced. In this way this thesis has contributed to the "fleshing out" of Laughlin's (1991) skeletal model, as he had urged.

To the extent that change can be continuous, reflexivity gives an opportunity to improve and reconsider past outcomes. For this to happen paths of communication need to be open for feedback to work. Reflexivity is necessary to allow individuals involved in these processes to understand the consequences to decisions, both intended and unintended. Further, in this ethnography, reflexivity helped to keep my presence, interpretation and responsibility at the forefront. The opportunity for a dialectic to be sustained between this text and the reader is an important outcome.

In a broader context, reflexivity can have a significant role to play in entities which value lateral thinking and knowledge creation (Nonaka 1991) as the openness of ideas and the questioning which comes with reflexivity allows for more opportunities and possibilities for innovation. In this sense reflexivity can be a rewarding process for an entity and an empowering and emancipatory process for individuals.

Figure 1.1 Chronology of Events

Chapter	Period and events	Source of information
Chapter 4 set historical context	SAHT commenced 1936 in response to the depression	Marsden's (1986) history of the SAHT
	Established mission to help to house low income workers and to contribute to the development of the state Period 1978-1988	Internal documents
	Ramsay (2nd general manager) for 29 years died in 1978 Edwards appointed from outside of the SAHT Structural changes from centralized to decentralized AIS department set up AIS developed Increase in training	Interviews were conducted during 1988/1989 for preparation of Financial Management Programs Discussions during training programs during 1989/1990
Chapter 5 predisposition to change	Period 1991 to 1994	Interviews conducted specifically for thesis during 1992, 1993, 1994 average of three times per year Internal documents, memoranda
	Major restructuring of Regional and Community Services of the SAHT Edwards left in 1990 Parker was appointed February 1991 Qualified audit for year ended 30/6/92 Restructuring of corporate finance Corporate finance became part of Corporate services Liberal Government wins election, 12 December 1993	
Chapter 6 Analysis of changes imposed by public sector reforms	Period July 1994 to December 1995	Interviews 1994
	Department of Housing and Urban Development established General manager's position eliminated SAHT split into two separate entities, Housing Services and Property Management	Reports, Hansards
Chapter 7 SAHT responses to PSR	Same period as chapter 5 SAHT act 1936 repealed new DHUD 1995 administrative act new SAHT act 1995	Interviews 1994 Hansards

Figure 2.1 Dimensions on the Choice Process for Empirical Research

Methodological choice: level of theoretical nature of methods	Theory choice: level of prior theorization	Change choice: level of emphasis given to critique of status quo and need for change
high	high	high
medium	medium	medium
low	low	low

(Source: Adapted from Laughlin, 1995).

Figure 2.2 Interviewees for this ethnography

INTERVIEWEE	POSITION	DATE OF INTERVIEW
Abbey, Brian	Board member, SAHT. Dean, University Hall, The Flinders University of South Australia.	6 October 1994
Bywaters, Terry	Regional Manager, Mt. Gambier, SAHT.	7 December 1994
Charles, Christine	Director, Strategy and Policy, SAHT.	18 December 1992
	Director of Strategy, Policy and Budget, Department of Housing and Urban Development	28 January 1993 13 January 1994
Chin, David	Analyst Programmer, Division of Corporate Finance	20 January 1993
Clarke, Derek	Acting Director of Corporate Finance, SAHT. Consultant, Price Waterhouse.	20 December 1993
Coleman, Mark	Consultant to the SAHT Mark Coleman and Associates	20 January 1993
Combe, Phil	Director, Strategy, Policy and Budget, Department of Housing and Urban Development.	17 February 1994
		11 July 1994
		28 September 1994
Connelly, Jan	Director, Regional and Community Services of SAHT. General Manager, Housing Services, (SAHT)	18 December 1992
		21 January 1993
		17 February 1994
		7 October 1994
Davidson, Carol	Senior Financial Planner, SAHT.	21 January 1993
	Manager, Financial Strategy of Department of Housing and Urban Development.	17 February 1994
Dharmasenan, Mini	Assistant Manager, Asset Management Unit	26 January 1993
Fagan-Schmidt, Philip	Manager, Housing Policy Unit, SAHT.	6 October 1994
Francis, Neil	Internal Auditor, SAHT.	12 January 1993
	Management Accountant, SAHT.	1 October 1993
	Manager, Corporate Finance, SAHT	21 December, 1993
Friel, Dermott	Recovery Manager, SAHT	5 January 1993

Fulcher, Helen	Manager, Business Unit, Regional and Community Services, SAHT.	26 September 1994 30 September 1994 21 March 1995
Gale, Ann	Regional Manager, Modbury, SAHT Manager, Program Coordination, SAHT.	31 December 1992 21 December 1994
Gascoigen, Chris	Manager, Statistical Services	28 January 1993
Geddes, Michael	Chief of Staff, Minister for Housing and Urban Development and Local Government Relations, Minister for Recreation, Sport and Racing.	15 July 1994 30 September 1994
Glastonberry, Bruce	Freedom Of Information Officer	28 January 1993
Halkett, Ian Dr	Director, Corporate Services, SAHT General Manager, Corporate Services of DHUD	28 January 1993 1 October 1993 22 December 1993 12 July 1994 5 October 1994 20 April 1995
Hall, Sheila	Board Member, SAHT	29 December 1993 1 October 1994 7 December 1994
Hanson, Phil	Manager, Regional Operations, Regional and Community Services, SAHT.	7 October 1994
Henesey-Smith, Mark	Director, Major Projects, SAHT	23 December 1992
Hogg, Phil	Manager, Systems Development	15 January 1993 21 December 1993 26 September 1994
Hood, Judy	Manager, Training, SAHT	27 January 1993
Jackson, Peter	Director, Development, SAHT. General Manager, Property Management, (SAHT).	6 January 1993 29 September 1994
Lambert, Paul	Financial Planner Regional and Community Services of SAHT	19 January 1993
Lamprell, Roisin	Project Manager, Division of Corporate Finance	20 January 1993
Luckan, John	Director, Policy and Planning. Director of Homestart and Community Housing	22 January 1993
Lloyd, Tina	SAHT Liaison to the Minister of Housing and Urban Development	5 October 1994

Malinauskas, Peter	Regional Manager, Warradale, SAHT	8 January 1993
	Manager, Regional Services, Regional and Community Services, SAHT.	6 October 1994
Manual, Mike	Manager, Financial Systems	18 January 1993
Marsden, Susan	Author, Historian.	20 January 1993
McMartin, Sally	Manager, Operations Support, Regional and Community Services, SAHT.	22 December 1992
	Manager, Policy, Department of Housing and Urban Development.	18 February 1994
Messner, Jim	Director, Corporate Finance, SAHT.	21 December 1992
	Retired.	24 February 1994
Oxenberry, Rod Dr	Chairperson of SAHT board.	5 October 1993
	Professor of Social Policy, University of South Australia	5 October 1994 3 November 1995
Page-Hanify, Liz	Business Systems Consultant for SAHT	25 January 1993
Paley, Ray F	Former Chairperson of SAHT.	19 January 1993
	Company Director	17 February 1993
Parker, Richard	General Manager, SAHT	29 January 1993 23 December 1993 18 February 1994 26 September 1994 29 September 1994
Pike, Bob	Manager, Asset Management Unit, SAHT.	26 January 1993 23 December 1993
Smith, Alan	Manager, Financial Services, Regional and Community Services, SAHT	22 December 1992
Smith, Paul	Business Manager, Regional and Community Services, SAHT	11 January 1993
Spadavecchia, Sam	Internal Auditor, SAHT.	7 October 1994
Storkey, Gary	Project Manager for Department of Housing and Urban Development. General Manager, Homestart.	5 October, 1994
Stretton, Hugh Dr	Emeritus Professor of History, University of Adelaide	16 December 1992
Stropin, Francena	Former graduate employee of SAHT.	29 January 1993
Walding, Sara	Manager, Management Accounting	22 December 1993 4 October 1994
Wheeler, Roger	Manager, Financial Accounting, SAHT	27 January 1993 6 October 1993 22 December 1993 28 September 1994

Whittaker, Neil	Manager, Change,	15 December 1992
	Manager, Human	14 January 1993
	Resources, SAHT	30 December 1993

Figure 2.3 Levels of People Interviewed.

Ministerial Office		
Chief of Staff		
Department of Housing and Urban Development		
directors		
managers		
South Australian Housing Trust		
board	past and present (but not all)	
directors	the number of directors	
	changed as did the titles and	
	people	
managers		
officers		
Consultants	hired by the SAHT	
Historian	wrote SAHT's 50 year history	

Figure 3.1 Some Related Concepts in the Organizational Change Literature

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(Source: Dunphy and Stace, 1988, p 322).

Figure 3.2 A Model of Organizations

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(Source: Laughlin, 1991, p 211)

Figure 3.3 Explanations of Laughlin's Model of Organizations

ELEMENTS OF LOCM		DESCRIPTION &/OR EXAMPLES
STIMULUS		Disturbance/kick/jolt from organization's environment
LEVELS OF MODEL		
INTERPRETIVE SCHEMES	LEVEL 1.	ideology, culture, shared fundamental values, norms, implicit assumptions about events and beliefs
	LEVEL 2.	broad program for direction of action mission / purpose
	LEVEL 3.	rules about the rules, paradigms
	metarules	the most intangible of all the levels
DESIGN ARCHETYPE	organisation	core processes
	structures	
	decision processes	democratic, autocratic, centralized, decentralized
	communication systems	formal, informal, computerized, face to face
SUBSYSTEMS		forms, reports, software programmes
RELATIONSHIP BETWEEN ELEMENTS		dynamic im/balance or in/coherence, or common dis/orientation

(Source: Adapted from Laughlin, 1991).

Figure 3.4 Significance of Organizational Changes

	FIRST ORDER	FIRST ORDER	SECOND ORDER	SECOND ORDER
	Rebuttal	Reorientation	Colonization	Evolution
Stimulus	internal	external	external	internal
Interpretive Schemes	No change	No change	Changed	Changed
<i>Relationship between elements</i>	<i>No change</i>	<i>No change</i>	<i>Changed</i>	<i>No change</i>
Design Archetype	Adapted	Changed	Changed	Changed
<i>Relationship between elements</i>	<i>No change</i>	<i>No change</i>	<i>Changed</i>	<i>No change</i>
Sub-systems	No change	Changed	Changed	Changed

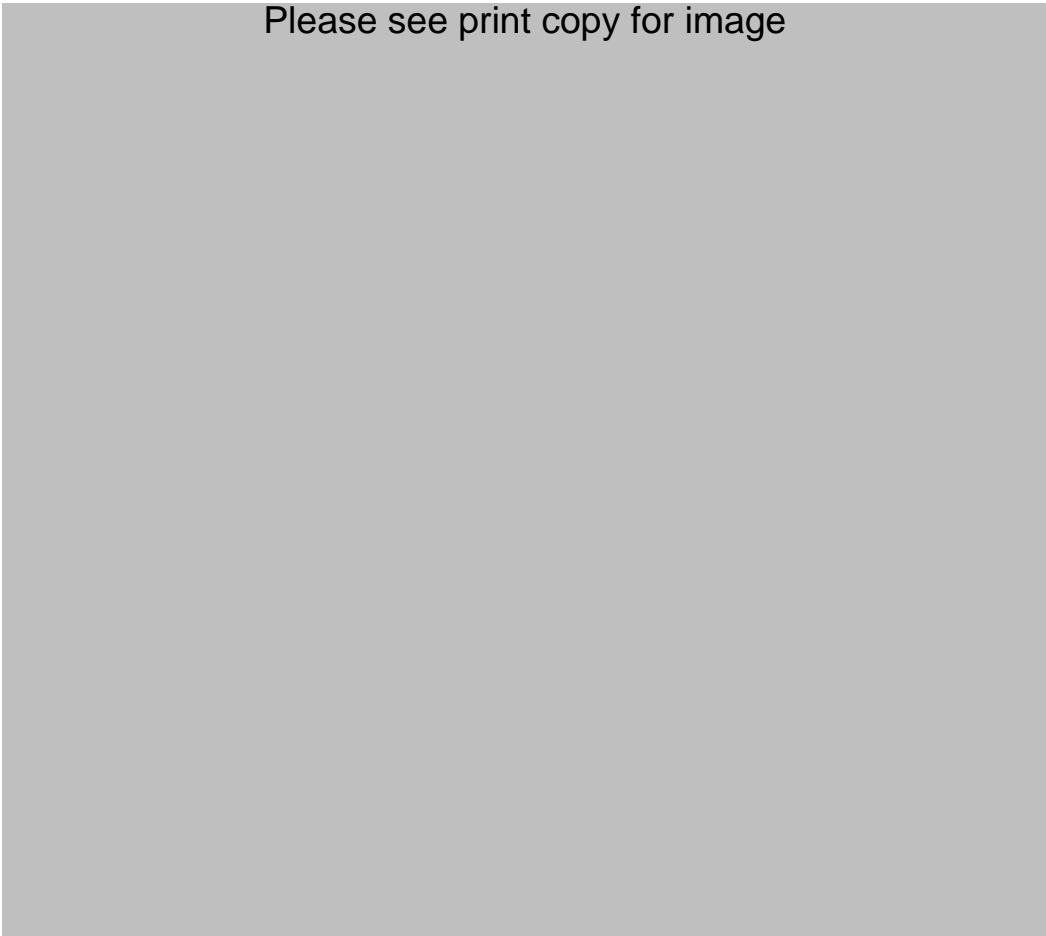
(Source: Adapted from Laughlin, 1991)

Figure 3.5 Laughlin's (1991) Organic Model and Other Metaphors

ELEMENTS OF LOCM		MACHINE	CULTURE	POLITICAL
STIMULUS		environment stable	environment has different/ same culture with organization	competitive, changing environment or government intervention
LEVELS OF MODEL INTERPRETIVE SCHEMES	LEVEL 1. values, norms, beliefs LEVEL 2. mission / purpose LEVEL 3. metarules		can permeate all elements	may reflect policies of the government
DESIGN ARCHETYPE	organisation structures decision processes communication systems	functional specific tasks goal oriented	influenced by culture influenced by culture	rational, self-interest selective and defensive
SUBSYSTEMS	tangible organisational elements	specific repetitive routines		
RELATIONSHIP BETWEEN ELEMENTS		formal and in balance as long as there is no need for change	can be formal or informal and balance depends on whether the homogeneous cultures prevail or different cultures can coexist	more likely strained as self-interest can mitigate conflict and competition

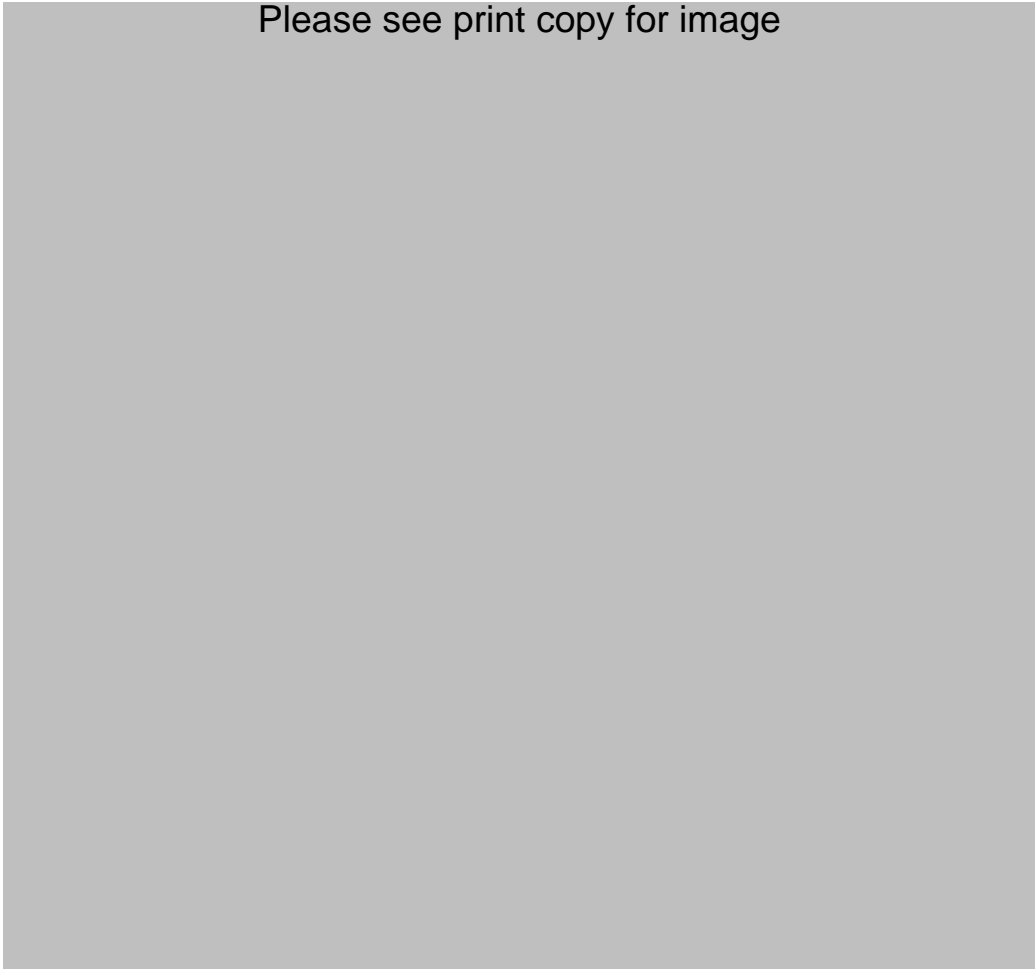
Figure 4.1 SAHT'S Employee Facts and Figures in 1988

Please see print copy for image



(Source: South Australian Housing Trust, 1988a)

Figure 4.2 SAHT'S Financial Facts Figures for the Year Ended 30 June 1988



(Source: South Australian Housing Trust, 1988a)

Figure 4.3 Mapping SAHT's Organizational Changes from 1978 to 1989

ELEMENTS OF LOCM		1978	1980's
STIMULUS		Ramsay dies Edwards appointed	Funding cuts
LEVELS OF MODEL INTERPRETIVE SCHEMES	LEVEL 1. values, norms, beliefs	outsider hired	increase in priority of business role humanitarian role still important
	LEVEL 2. mission / purpose LEVEL 3. metarules	annual reports articulate dual roles	annual reports articulate dual roles
DESIGN ARCHETYPE	organisation structures	plans to decentralise	IS, Corporate Development, Training departments set up
	decision processes communication systems	new mainframes	computerization of rental applications
SUBSYSTEMS	tangible organisational elements		uncertainty of use of new systems
RELATIONSHIP BETWEEN ELEMENTS			congruence maintained by training and rhetoric of efficiency and effectiveness.

Figure 5.1 Presentation to Parker

DATE: 27 JANUARY 1993.

TO: RICHARD PARKER, GENERAL MANAGER, SOUTH AUSTRALIAN HOUSING TRUST

FROM: MARY A KAIDONIS, LECTURER, DEPARTMENT OF ACCOUNTANCY, UNIVERSITY OF WOLLONGONG.

RE: PHD THESIS ON ORGANIZATIONAL CHANGE AND THE PARTICIPATION OF ACCOUNTING INFORMATION SYSTEMS.

This is a brief report to incorporate findings from interviews held during December 1992 - January 1993. A more detailed analysis is intended as part of the Phd.

MAJOR ISSUES

The two major issues concerning the Trust are:

1. lack of goal congruence between divisions.
2. lack of communication.

These issues can be redressed by:

1. The General Manager clearly identifying the Trust goals and articulating them to all staff.
2. All divisions articulating their goals in terms of the overall goal(s), in order to achieve unified objectives and outcomes.
3. The General Manager, Divisional Directors and Managers participating in team building training.
4. Members within divisions participating in team building training.
5. Recognition and development of existing Trust resources.

OTHER ISSUES

The extent to which the initiatives below can be successful depends on the attention paid to the major issues above.

1. Reconsider Business Units

The potential outcome is discrete disparate units where competitiveness may undermine communication and need for unified organisation.

2. Performance Indicators

Important to identify and consider non-financial and non-quantifiable criteria which may otherwise be silenced and overlooked.

Figure 5.2 Summary of Changes and Events for year ended 30/6/1989 to 1990, at the end of Edward's leadership.

30/6/90 Minister_ Board___GM___ ___ ___	Assistant General Manager - Finance & Management Services (Including Information Services)	1. No change to 30/6/89 2. General Manager, Edwards
	Assistant General Manager - RACS	
	Assistant General Manager - Housing Supply	
	Manager - Corporate Services	
	Manager - Internal Audit	
30/6/89 Minister_ Board___GM___ ___ ___	Assistant General Manager - Finance & Management Services (Including Information Systems)	1. No change 2. General Manager, Edwards
	Assistant General Manager - RACS	
	Assistant General Manager - Housing Supply	
	Manager - Corporate Development	
	Manager - Internal Audit	

(Adapted from South Australian Housing Trust, 1989a, 1990a)

Figure 5.4 Traditional Structure of Corporate Finance Division

Director, Corporate Finance	Manager, Financial Accounting	Financial Accountant	Creditor Accounting Debtor Accounting
			General Accounting
		Project Accounting	
		Cash Management and Budget Control	including Budget Coordination
	Manager, Management Accounting	Corporate Accounting	including Accounting Policies
		Management Accountant	including Board Reporting
	Manager, Corporate Financial Strategy	Financial Planning	including External Reporting Treasury Function
		Financial Projects	including Portfolio Budget Advice
		Financial Systems	including Systems Operations
			Systems Development

(Source: Adapted from SAHT internal memorandum attached to South Australian Housing Trust, 1992k)

Figure 5.5 Financial Reports to the Board During early 1989 to mid 1991

- source and use of external funds
 - commonwealth
 - CSHA untied
 - CSHA pensioner
 - Crisis accommodation programme
 - Mortgage/rent relief
 - CSHA servicemen
 - state
 - loans -SAFA
 - loans - state
 - grant - mortgage/rent relief/interest rate
 - grant - EHO
 - grant - Cottage Flat Act
 - grant - Rental Rebate
- income and expenditure statement
- capital works program
 - construction
 - design and tender
 - rental
 - aboriginal
 - conversions
 - purchases
 - capital maintenance
 - land
 - purchase
 - holding costs
 - development
 - other
 - government and private sales
 - double unit sales
 - housing co-operatives
 - management capital
 - industrial program
- house sales program
- debtors report
 - tenant debtors
 - sundry debtors
 - long term loans

(source: South Australian Housing Trust, 1989c, 1989d, 1989e, 1990c, 1990d, 1991c, 1991d, 1991e)

Figure 5.6 Financial Reports to the Board in April 1993

- Trust income and expenditure statement
- Trust income and expenditure statement - traditional
- summary of rental operations
- summary of capital program including
 - housing construction
 - purchases
 - land
- unit commencements and completions
- house sales statistics
- cash at bank
- summary of interest expense
- summary of council and water rates
- management expenses
- summary of staffing levels
- summary of community support operations.

(Source: adapted from South Australian Housing Trust, 1993c)

Figure 5.7 Financial Reports to the Board, July 1993

- summary financial results (statutory reporting basis)
 - income and expenditure statement
 - balance sheet
 - management expense schedule
 - monthly trend analysis
 - regional and community services
 - development
 - corporate support operations
- additional information
 - financial performance reporting
 - regional and community services division
 - development division
 - corporate support divisions
 - holding division including service fees paid to
 - RACS
 - Development
 - Corporate Support
 - summary of grant funded programs
 - capital program
 - summary of capital expenditures
 - unit commencements and completions
 - house sales statistics
 - summary of staffing levels
 - appendix a (basis for RACS service fees)
 - appendix b (basis for development service fees)

(Source: adapted from South Australian Housing Trust, 1993d)

Figure 5.8 Map of the Internal changes of the SAHT

STIMULUS Internal		EVENTS Edwards leaves, board appoints new GM from outside
LEVELS OF MODEL		
INTERPRETIVE SCHEME	LEVEL 1. values, norms, beliefs LEVEL 2. mission / purpose LEVEL 3. metarules	questioned and external appointments meant to shift existing culture questioned but articulated as the same ie humanitarian and business role in balance no evidence of change
DESIGN ARCHETYPE	organisation structures decision processes communication systems	several changes to executive levels significant change to RACS decentralised computerised, written, training programs, board meetings
SUBSYSTEMS	tangible organisational elements	clients received one invoice itemising all debts database to be accessed by client and property numbers
RELATIONSHIP BETWEEN LEVELS		Congruence unsettled due to frequent and significant changes

Figure 6.1 Change in Organizational Relationship between the SAHT and the Minister of Housing

Before Public Sector Reforms		After Public Sector Reforms	
<i>structural changes</i>	<i>functional changes</i>	<i>structural changes</i>	<i>functional changes</i>
Minister of Housing	policy	Minister of Housing	policy
		Department of Housing and Urban Development	
Board		Board ¹	
SAHT General Manager	operations and policy	Housing Services General Manager	operations
		Property Management General Manager	

¹ It was intended to have two boards, and the one board would be a temporary measure, although by December 1995, there was still one board.

Figure 6.2 Mapping of Externally Imposed Changes on the SAHT

ELEMENTS OF LOCM		EVENTS
STIMULUS		Commonwealth and State funding decreasing, failure of the State Bank , change from Labor to Liberal government, momentum of public sector reforms in Australia
LEVELS OF MODEL INTERPRETIVE SCHEMES	<p>LEVEL 1. values, norms, beliefs</p> <p>LEVEL 2. mission / purpose</p> <p>LEVEL 3. metarules</p>	<p>upholding external accountability, efficiency and effectiveness , SAHT Act 1995 stressed financial issues.</p> <p>Housing Services to service housing needs, meet service standards and customer satisfaction, maximise contribution of staff and make the best of the housing dollar.</p> <p>Property Management to meet the needs of Housing Services, achieve an acceptable rate of returns, find alternate sources of capital.</p> <p>SAHT Act 1995 , operationalise policy decisions of DHUD.</p>
DESIGN ARCHETYPE	<p>organisation structures</p> <p>decision processes</p> <p>communication systems</p>	<p>two separate organizations Housing services and Property Management one board</p> <p>determined by performance agreements coordinated by DHUD</p> <p>formal, informal, computerized, face to face coordinated by DHUD</p>
SUBSYSTEMS	tangible organisational elements	agreed rates of returns
RELATIONSHIP BETWEEN ELEMENTS		formalised relationship between Housing Services and Property Management, to be determined by performance agreements.

Figure 7.1 An Adaptation of Parker's Presentation Referring to 'Change Drivers', Housing Services Seminar

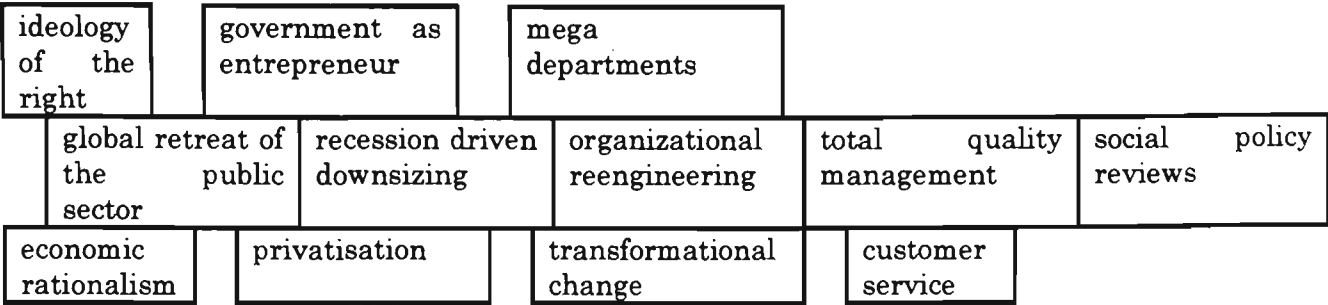


Figure 7.2 Comparing Changes of SAHT between Chapters 4, 5, 6 & 7.

ELEMENTS OF LOCM		CHAPTER 4	CHAPTER 5	CHAPTER 6 & 7
STIMULUS				
LEVELS OF MODEL INTERPRETIVE SCHEMES	LEVEL 1. values, norms, beliefs	SAME	SAME	CHANGED
	LEVEL 2. mission / purpose	SAME	SAME	CHANGED
	LEVEL 3. metarules	SAME	SAME	CHANGED
DESIGN ARCHETYPE	organization structures	CHANGED	CHANGED	CHANGED
	decision processes	CHANGED	CHANGED	CHANGED
	communication systems	CHANGED	CHANGED	
SUBSYSTEMS	tangible organizational elements	CHANGED	CHANGED	CHANGED
RELATIONSHIP BETWEEN ELEMENTS		BALANCE	BALANCE	CHANGED

APPENDIX 1

Abbreviation

AIS	Accounting Information Systems
AMU	Asset Management Unit
AMR	Asset Management Rating
CIS	Customer Information System
CSO	Community Service Obligations
CSHA	Commonwealth-State Housing Agreement
DHUD	Department of Housing and Urban Development
DP	Data Processing
EHO	Emergency Housing Office
ETSA	Electricity Trust of South Australia
HOUSING TRUST	South Australian Housing Trust
HUD	Department of Housing and Urban Development
IS	Information Systems
LOCM	Laughlin's (1991) Organizational Change Model
MSA	Management Science America (operating system)
PRESS	Private Rental Assistance Scheme
PSR	Public Sector Reforms
RACS	Regional and Community Services
SA	South Australia
SACHA	South Australian Community Housing Association
SAGSCO	South Australian Gas Company
SAHT	South Australian Housing Trust
SAULT	South Australian Urban Land Trust
TRUST	South Australian Housing Trust
TSP	Targeted Separation Package
{ }	Interviewee
()	Author (s)
[]	My reflexive thoughts during the fieldwork

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