The Frog in the Pan: Relational Transformation of Public Values in the UK Tax Authority

Sara Closs-Davies, Koen Bartels and Doris Merkl-Davies

Abstract

Purpose – We adopt a relational approach to analyse how accounting technologies are implicated in transforming public values of the UK tax authority.

Design/methodology/approach – We combine governmentality (Foucault, 1979; Miller & Rose, 2008) and Actor-Network Theory (Latour, 1987) to explain the complex relationships through which (non)human actors interact with accounting technologies and (re)shape public values. Using a critical ethnographic approach based on interviews, documents and secondary survey data, we critically engage with the relational processes that give shape to hegemonic beliefs and inequalities in power and social status.

Findings – We demonstrate how accounting technologies were implicated in transforming public values in the tax authority. Through a gradual change process, the tax authority became a dehumanised, disempowering and ineffective organisation through frequent (re)allocation of workers, increased dependence on ICT, and close surveying, assessing and sanctioning by performance management systems. We show that adopting a relational approach is key to identifying what is ‘valuable’ and how public sector organisations can become ‘value-able’.

Research limitations/implications – The number of participant interviews were limited because gaining access to tax authority workers proved extremely difficult.

Practical and social implications – The findings highlight the role and implications of accounting technologies, capable of (dis)empowering bureaucrats, (re)shaping their relationships with citizens and public values of the UK tax authority.

Originality/value – We go beyond limited structuralist and managerialist approaches to publicness by focusing on relational processes through which multiple stakeholders give shape to public values and the ways in which accounting technologies mediate their interactions in everyday practice.

Key words: Public Sector Accounting, Public Values, Relationality, Governmentality, Actor-Network Theory, Accounting Technologies, HMRC

Article classification: Research paper
1. Introduction

Following a desire for more interdisciplinary theorisation, public sector accounting research (PSAR) would benefit from expanding its understanding of ‘public’ beyond the organisational context which it focuses on to critically examine how New Public Management (NPM) reforms are implemented through accounting technologies (Stecolini, 2019). The field of public administration (PA) has a rich heritage of conceptualising and debating the complex and slippery notion of ‘public’. A focus on ‘public values’ seems to be a particularly fruitful avenue of inquiry for enhancing our theoretical and practical understanding of what organisational and democratic accountability could look like and how it may be achieved while stimulating greater social justice and equity. Indeed, a normative perspective on public values could take us beyond limited structuralist and managerialist approaches to publicness (Beck Jorgenson & Rutgers, 2015). However, the predominant philosophical bent of this stream of research means that it lacks empirical evidence and mid-level theorising of the ways in which public values are created, negotiated, contested, and changed (Hartley et al., 2017).

This paper develops a relational approach to understanding how public values are enacted, how accounting technologies facilitate these practices, and what their organisational and societal implications are. Our main research question is: How are accounting technologies implicated in transforming public values? The relational approach we take to answer this question contributes to the conceptual armoury of PSAR by focusing on the relational processes through which multiple stakeholders give shape to public values and the ways in which accounting technologies mediate their interactions through everyday practices. We combine governmentality (Foucault, 1979; Miller & Rose, 2008) and Actor-Network-Theory (Latour, 1987), two key relational approaches to the complex relationships through which human and non-human actors interactively exercise power. This relational approach enable analysis of the ways in which accounting technologies reshape the power relationships of stakeholders in the direction of specific public values.

We use this relational approach to analyse the historical changes of the UK tax authority, Her Majesty’s Revenue and Customs (HMRC), and the daily practices of its workers. HMRC is a unique case study because it is an organisation that is public on all counts of structuralist criteria of publicness organisation (‘dimensional publicness’; Bozeman, 1984; 1987), but, as we will go on to show, is fully private in terms of the values it enacts and their impacts on the organisation and society. HMRC is a non-Ministerial government department that has
administered the UK’s tax system since April 2005, when it was created from the merger of two separate tax authorities: Inland Revenue and HMRC Customs and Excise.

Our findings reveal how accounting technologies have transformed the public values of HMRC towards neoliberal values. We show how a range of undesirable consequences emerge from these neoliberal values and have adversely impacted the organisation’s publicness to such an extent that its former public values have been eroded. One of our interviewees described these changes as ‘frog in the pan’, an analogy that when a frog is placed in a pan with boiling water, it will immediately jump out. However, if it is placed in cold water that slowly warms up, the frog does not perceive any danger until it is too late to jump out and dies. We demonstrate how neoliberal values became so deeply engrained and normalised in HMRC’s workplace environment that most workers do not realise the meaning and impact of their practices for themselves, their colleagues and citizens. We identify three accounting technologies that facilitated this change process: (1) frequent (re)allocation and (re)categorisation of workers, and citizen information, into different isolated locales; (2) increased use of ICT leading to a dominance of calculative practices; and (3) a performance management system (PMS) that operates as a centre of calculation which constantly surveys, assesses and sanctions workers. Taken together, these accounting technologies spurred dehumanised, disembodied and disempowered relational processes that made HMRC less efficient, effective and accountable.

The paper has the following structure. We first review ways in which conceptualisations of publicness in PA can benefit PSAR and introduce our conceptual framework. The next section explains why we adopted a critical-interpretivist methodology and how we carried out an ethnographic study of HMRC. The third section is the main body of the paper. Here we share our findings in four sub-sections that analyse the nature of the public values of HMRC and the three accounting technologies (shifting sands, going paperless, and meeting targets) that facilitated the ‘frog in the pan’ change process. In the final section, we discuss the implications of our study for PSAR and offer conclusions and recommendations for taking a relational approach to public values.

2. Publicness in Accounting and Public Administration

Public sector accounting research (PSAR) has recently embraced the notion of ‘publicness’ to strike a new direction for analysing public organisations, such as schools, hospitals, and local councils (Steccolini, 2019). The field has been booming ever since the advent of New Public
Management (NPM) created ample opportunity to examine how accounting systems and technologies were used to administer and reform public organisations. Moreover, NPM sparked a great many critical studies of its undesirable consequences, including public service motivation, professional values and ethos, and democratic accountability (Cuganesan et al., 2014). However, it has also unduly limited the focus and theoretical foundations of the field because “‘publicness’ has narrowly been referred to the setting where the analysis was conducted, with an emphasis on NPM as both the context of the analysis and the conceptual framework” (Steccolini, 2019, p.261).

Following earlier calls in PSAR for more interdisciplinary theorisation (e.g., Broadbent & Guthrie 2008; Cooper 2005; Jacobs 2016; Lapsley 1988), there seems to be significant potential in engaging with ways in which publicness has been conceptualised and debated in the field of public administration (PA). Publicness could offer an alternative conceptual framework for understanding how accounting is enmeshed in creating, contesting, negotiating and diminishing ‘public value’ and the way in which it is distributed across society (Steccolini, 2019). This would imply a focus, for instance, on who uses accounting technologies and information through which public value is operationalised, how different stakeholders interact with and through these, and what the impact is of these micro-processes on individuals, organisations, and society (Jacobs, 2016). Clarifying the philosophy and practice of public value accordingly could enable us to enhance organisational and democratic accountability.

Yet, we are to tread with care. The debate about ‘publicness’ in PA is as rich as it is thorny (Beck Jorgenson & Rutgers, 2015; Bovaird & Loeffler, 2016; Bozeman, 1987, 2007, 2013; Bozeman and Bretschneider, 1994; Bryson et al., 2015; Hartley et al., 2017; Pesch, 2008; Rutgers, 2015). While the notion ‘public’ is at the very heart of the field’s identity, Bovaird & Loeffler (2016) caution to “take the word ‘public’ to be part of the problematic” (p.5). ‘Public’ can be defined, for instance as the domain of state organisations and activity, a group of people (community or nation), collective ownership, public service obligation or social purpose, or the area of political interests and attention. Hence, there are numerous sub-fields in PA, including public management (Allison, 1979), public values (Beck Jørgensen & Bozeman 2007), public value management (Moore, 1995) and public participation (Nabatchi & Leighninger, 2015), all with different units of analysis and interpretations of publicness. Rather than expecting to resolve this complexity, we need to accept that ‘public’ “is a fuzzy concept, and that is probably “as good as it gets”” (Rutgers, 2015, p.29).
A key issue of contention across these sub-fields is the ‘public/private dichotomy’; i.e., what distinguishes public organisations, management and values from their private counterparts. Initially, a rather straightforward ‘core distinction’ dominated this debate, in which the legal basis of an organisation (government owned or privately owned) divided the organisational universe into two pure types (see e.g., Scott and Falcone, 1998). As this approach proved ill-equipped to deal with non-pure types, which were increasingly revealed to populate the public sector, more complex and dimensional approaches were developed in which organisations could be judged to be public or private to different degrees (Bozeman, 1987, 2013; Bozeman and Breitschneider, 1994; Hall et al., 2016). Bozeman’s (1987) seminal work measures the degree of an organisation’s publicness based on the influence of political authority (including degree and frequency of communication with government officials) and economic authority (including government funding and financial autonomy). The goal of this dimensional publicness theory is to identify the causal mechanics that determine an organization’s dependence on political constraints and resources.

Taking a dimensional approach to publicness has become ever more important and complicated since NPM, which, as the popular argument goes, has meant that “the boundaries between the public and the private sectors have become increasingly blurred” (Jackson, 2016, p.34). However, from a normative perspective there is significant risk in acquiescence with this idea. As Dijkstra & Van der Meer (2003) argue, “the ‘blurring boundaries’ argument ... is erroneous and can particularly easily lead to misinterpreting the consequences ... [for] organizational responsibility and accountability” (p.90). Instead, we need to disentangle these boundaries by distinguishing between five dimensions of publicness as summarised in Table 1:
Table 1: Aspects of publicness / privateness

<table>
<thead>
<tr>
<th>Aspects</th>
<th>Publicness</th>
<th>Privateness</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Political-institutional</td>
<td>Political authority for unilaterally making binding collective decisions</td>
<td>Economic authority to exit from organisation (via selling shares)</td>
</tr>
<tr>
<td>(2) Legal status</td>
<td>Democratic accountability according to public law (constitutional acts)</td>
<td>Financial accountability according to private law (voluntary act of founding members with flexibility to join or leave)</td>
</tr>
<tr>
<td>(3) Legal and regulatory power</td>
<td>Presence of freedom and equality of transactions</td>
<td>Absence of freedom and equality of transactions</td>
</tr>
<tr>
<td>(4) Legal-economic ownership</td>
<td>Right to property &amp; goods and exercise control</td>
<td>Right to property &amp; goods and exercise control (through share ownership)</td>
</tr>
<tr>
<td>(5) Economic funding</td>
<td>Budget mechanisms (taxes)</td>
<td>Market mechanisms (profit)</td>
</tr>
</tbody>
</table>

Next, we can identify their consequences for democratic accountability by combining these dimensions. We collapse the five aspects of publicness into one dimension focusing on the extent of public power / control of political authority exerted over an organisation providing public services. We develop a conceptual framework for differentiating organisations providing public services based on the extent of their ‘publicness’ along two dimensions, namely (1) the extent of public power/ control by political authority (low/high) and (2) the extent of a public value orientation (low/high). Combining the two dimensions results in four types of organisations, namely (i) organisations characterised by low public power / control by political authority, but a high public value orientation, (ii) organisations characterised by high public power/ control by political authority and a high public value orientation, (iii) organisations characterised by low public power / control by political authority and a low public value orientation, and (iv) organisations characterised by a high public power/ control by political authority and a low public value orientation (see Figure 1).

The danger for organisations with high public power / control by political authority, but a low public value orientation due to NPM reforms focused on neoliberal values, is the misinterpretation of “the consequences ... [for] organizational responsibility and accountability” (Dijkstra & Van der Meer, 2003, p.90). Such organisations are most difficult to hold accountable for their decisions and actions.
Figure 1: Publicness in organizations providing public services

<table>
<thead>
<tr>
<th>Public value orientation</th>
<th>Public power / control by political authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>high</td>
<td>high</td>
</tr>
<tr>
<td>(i) Charity performing public service</td>
<td></td>
</tr>
<tr>
<td>(e.g., charities performing public services: Foodbanks, Macmillan nursing)</td>
<td></td>
</tr>
<tr>
<td>(ii) Public sector organizations pre-NPM</td>
<td></td>
</tr>
<tr>
<td>(e.g., HMRC)</td>
<td></td>
</tr>
<tr>
<td>low</td>
<td>low</td>
</tr>
<tr>
<td>(iii) Outsourced public services:</td>
<td></td>
</tr>
<tr>
<td>(e.g., companies performing outsourced public services: Private prisons, academy schools, agency care/health work)</td>
<td></td>
</tr>
<tr>
<td>(iv) Public sector organizations post-NPM</td>
<td></td>
</tr>
<tr>
<td>(e.g., HMRC)</td>
<td></td>
</tr>
</tbody>
</table>

HMRC is not a privately-owned entity. It is a non-ministerial government department, which means it does not operate under direct government supervision. According to the Commissioners for Revenue and Customs Act 2005, HMRC’s legal powers and responsibilities are overseen by Commissioners, who are appointed by the Queen\(^1\). Thus, the Commissioners are responsible for the collection and management of tax revenue and other related functions operated by HMRC. This move was “intended to ensure that the administration of the tax system is fair and impartial” (HMRC, 2017/18, p.59).

However, HMRC is ultimately accountable to Parliament (the Chancellor of the Exchequer). The Chancellor delegates the development and implementation of tax policy to Her Majesty’s Treasury (HMT) which is a UK government department and HMRC administer tax policy under the guidance of HMT. Thus, HMT and HMRC have a “policy partnership” (HMRC,

---

\(^1\) Previous to the establishment of HMRC, the UK tax system was mainly administered by two government departments: Inland Revenue and Her Majesty’s Customs and Excise, both accountable to the Chancellor of the Exchequer (MP) (Smith, 1980).
For implementing and administering tax policy in the UK: HMT takes the lead on tax policy development and HMRC complies with the general directions from HMT to administer and maintain tax policy.

Thus, although it is a non-Ministerial government department, HMRC is ‘indirectly’ controlled by government through managerial and policy processes, legislation and regulation. HMT and HMRC work closely to collect tax revenue for Government. Thus, it has low economic authority (low financial autonomy): it cannot retain any surpluses from collecting tax revenue from the public (any net tax revenue generated is overseen and controlled by the Chancellor who decides how it is to be spent).

While we agree with this analysis, we believe a dimensional approach provides a limited, structuralist perspective on publicness and accountability. Indeed, Steccolini (2019) argues that “publicness has increasingly come to refer more to the attainment of public goals and interests, than to the organisations and concrete spaces where the related activities take place” (p.262). As our case study will show, even an organisation which is classified as fully public on all five dimensions can be private because the erosion of its public value base has created perverse, undemocratic modes of accountability. We make this argument based on a normative approach to publicness that directs attention to ‘public values’ (Beck Jørgenson & Bozeman, 2007; Beck Jørgenson & Rutgers 2015; Denhardt, 2011; Hartley et al 2017; Pesch, 2008; Rutgers 2015).

In the normative approach, “public administration ... is essentially about values: about what we need, want to preserve or change, and how we want things to be done” (Beck Jørgensen & Rutgers, 2015, p.4). Going beyond the instrumentality of Moore’s (1995) focus on the ways in which managers can ‘create public value’, the normative approach strives to philosophically ascertain what is publicly valuable and how such values can be categorised, assessed and promoted. This has led to a bewildering array of public values. For instance, Beck Jørgenson & Bozeman (2007) provide a comprehensive overview of 72 public values.

The normative public values approach typically involves a critical stance to how “the ‘new public management’ ... sought management reform in government not only through the introduction of new techniques ... but also through the imposition of a new set of values”

These 72 values are divided into seven categories: Public sector's contribution to society; Transformation of interests to decisions; Relationship between public administrators and politicians; Relationship between public administrators and their environment; Intraorganizational aspects of public administration; Behavior of public-sector employees; Relationship between public administration and the citizens.
Similar to critical studies in public sector accounting (see Steccolini, 2019), it is argued that traditional public values – including accountability, professionalism, ethical consciousness, justice, equity, dialogue, and user orientation - have been replaced by “typical new public management values: productivity, effectiveness, parsimony, a business-like approach, and timeliness” (King and Crewe, 2013; Beck Jørgensen & Bozeman, 2007, p.367). While it can be argued that these latter types of values can also be seen as public values, we see them as essentially private (neoliberal) values that are philosophically and politically incongruent with the aforementioned public values (Denhardt, 2011; Hood, 1991; Pesch, 2008). Not only have they redefined what is considered public according to market and business principles (Catlaw & Sandberg, 2018; Rutgers & Van der Meer, 2010), they have generated a wide array of undesirable consequences in terms of accountability, power, social justice and equality (Denhardt 2011, 145-149; Hood & Dixon, 2015).

Despite its growing literature, the normative approach faces two major limitations: it is based on limited empirical research and, secondly, it tends to take a ‘helicopter view’ from the perspective of an individual public manager or a detached academic (Hartley et al., 2017). We currently lack in-depth empirical knowledge of the ways in which a range of stakeholders enact public values in practice. There is a need for studies that help to advance our understanding of how public values are constructed, contested and transformed, and which definitions and interests are included or suppressed in the process (Hartley et al., 2017; Steccolini, 2019). Therefore, we take a relational approach that focuses on how (changes in) public values emerge from the interactions between a variety of stakeholders, both with each other and with the discursive, material and psychological components of the system that mediates their interactions. Relational approaches are increasingly popular in public administration to capture the interactive, emergent and situated nature of governance processes (Bartels & Turnbull, 2019) and have also been taken up in public sector accounting (Broadbent and Laughlin, 2009; Vosselman, 2014).

There are some critical accounting studies that examine the role of accounting in facilitating neoliberal policies by transforming individual autonomy of public sector workers which ultimately redefine their relationship between the state and citizens. For example, Rogowski (2011) examines how social care workers “become more business-like by embracing business wisdom being primarily concerned about the organisation” (p. 162). Similarly, Chow & Bracci 2020 show how accounting creates “productive” relationships between social care workers and...
citizens (others include: Bracci, 2014; Junne 2018; Junne & Huber, 2014). Cooper (2015, p. 19) highlights the need for further research to develop our understanding on how accounting reshapes the subjectivities of individuals in a neoliberal context. Most studies seem to be based in the health and social care sector. But there seems very little, if any, studies that examine tax authorities.

In this paper we make several contributions to existing literature by examining the UK tax authority, an area that seems under-researched within the UK public sector, and we use a relational approach which combines two social theories of governmentality (Foucault, 1976, 1979, 2008; Miller & Rose, 2008) and Actor-Network-Theory (ANT) (Latour, 1987). These theories help identify and explain the relational processes which take place during day-to-day interactions between stakeholders that operationalise the changes in public values within HMRC as a public sector organisation.

Foucault (1979) coined the term ‘governmentality’ to explain the processes and mechanisms of relational power through which individuals are governed and ‘subjectivised’ to political rationality. “Individuals are subjectivised through “multiple processes” that constitute power” (Foucault, 1996, p.277), which come from the self (individual) and other multiple directions and forms. In contrast to sovereign power exercised by a centralised State through strict law and punishment, Foucault (1976) focused on the relational power through which the State subjected the bodies and minds of people to its administrative mechanisms (or ‘dispositif’). Governmentality, then, is an “ensemble formed by the institutions, procedures, analyses and reflections, the calculations and tactics that allow the exercise of this very specific albeit complex form of power” (Foucault, 1979, p.20). It links political rationality (which we understand here as sets of public values tied together by a political ideology) to the conduct of individual citizens through complex webs of power relationships mediated by technologies of governance (Miller and Rose, 2008).

Miller and Rose (1989) define “technologies of government” as a multitude of “heterogeneous mechanisms” that connect “aspirations of authorities and the activities of individuals and groups” (p. 63). Technologies of government is a complex web of computation, calculation, procedures, devices and actions of individuals (Miller and Rose, 2008). Miller and Rose (2008) advance this understanding of governmentality based on another relational theory: ANT. According to Latour (1986), power results from complex relations between human, inhuman
and nonhuman actors. “ANT implies that the qualities and capacities of both human and technologies [...] are relational and performative constructs” (Andersen et al., 2018, p.43). Human, inhuman and nonhuman actors construct the network in mutually constitutive ways that cannot be analytically separated (Callon and Latour, 1981; Latour, 1987; Callon and Law, 1997). Callon (1986) refers to this as ‘generalised symmetry’. In order to sustain the network, the mechanisms which exert power must materialise in enduring and repeatable ways so that they become legitimised and normalised in everyday practices (Latour, 1986, 1987). The success or failure of this web of relations (network) depends on materialized and repeatable instructions and forms that become custom and habit, and eventually normalised ways of doing and saying. Relations within the network are established and maintained through relational processes because the survival of the network is dependent on problems faced by one actor being resolved by another. As a result, the network is the outcome of the affiliation of persons, communications, inscriptions and artefacts (Miller and Rose, 2008, p. 64) that are so intrinsically linked through dynamic and emergent processes, nobody is in control or might even realise what is happening.

To establish our working definition of accounting in this paper we begin with Miller and Napier’s (1993) notion of accounting who argue that “there is no “essence” to accounting and no invariant object to which the name “accounting” can be attached. Accounting changes in both content and form over time; it is neither solid nor immutable” (p. 631). We examine accounting as “ensembles of practices and rationales” (ibid, pp. 633-634), which employ calculative practices to produce visibilities of a population “within a relationship of accountability, based on the classification, measurement [...] and aggregation” (Graham, 2010, p. 25). of information. We use this definition of accounting to examine the calculative practices employed within HMRC and identify the relational ways in which accounting functions to transform the subjectivities and actions of tax authority workers, ultimately transforming HMRC public values.

Accounting plays a key role in governing social life because it offers a range of calculations, procedures, objects and humans (‘accounting technologies’) for monitoring and controlling the behaviour of citizens. Accounting technologies facilitate the monitoring of individuals from a distance and make it possible to “exercise power over the individual, the suppression of deviance, and the production of normalised behaviour” (Walker, 2008, p.457; Foucault, 1991). They translate social activity into quantifiable economic values and pre-determined criteria
which change “lines of responsibility” and create “possibilities of action” (Miller and Hopwood, 1994, p.2-3). Hence, accounting technologies make it possible to align the activities and behaviour of citizens with political rationality, such as the neoliberal ideology of reducing their dependency on the State and increasing labour productivity.

This paper recognises accounting as a function of dividing practices (Foucault, 2003a) and as a technology of government (Miller and Rose, 1989). Governing in this sense does not imply coercive control of individuals’ conduct. Rather, the state seeks to steer individuals towards a specific way of doing and thinking. Individuals are governed within distant enclosed sights in which their freedom is restricted to certain boundaries (within a sphere of autonomy (Rose, 1993)). Accounting facilitates and establishes “control systems that have the ability to constitute governable individuals” (Chow and Bracci, 2020, p. 152; Miller & O’Leary, 1987). Thus, this makes accounting a powerful technology for operationalising the governing of individuals, “treating individual subjectivities as both objects and relays of calculation” (Chow and Bracci, 2020, p. 152).

As a dividing practice, accounting renders distant traces of individuals’ behaviour into visible and measurable form (Rose, 1991). Accounting makes it possible to construct visibilities of a population and govern a population at a distance (Miller & Rose, 1990). According to Rose (1991) government’s problem “is simplified by reducing a complex population of individuals to a set of desirable groups of people with measurable attributes” (Graham, 2010, p. 42). This involves the identification and categorisation of the population into distinct and targeted groups. Foucault (2003a, p.126) refers to this form of accounting, which involves a process of identifying and (re)categorising people into separate manageable units, as a ‘dividing practice’: “the subject is either divided inside himself or divided from others. This process objectivises him” and isolates the person from other persons and groups. This process of sorting and sifting makes it possible to monitor workers and make them accountable at distant locales.

As a technology of government, accounting technologies facilitate the regulation of individual behaviour through methods of control “in both individualising people and at the same time animating them to ‘unwittingly collude with power’” (Cooper, 2015, p. 18). By the end of the twentieth century, the surveillance of public sector workers shifted beyond the realms of disciplinary methods of classification, reward and punishment, to a biopolitical form of power which transforms the worker to self-examine and transform themselves (Chow and Bracci,
2020; Foucault, 2008). As such individuals are no longer confined and subjected to coercive disciplinary control but have autonomy to make their own decisions within an invisible sphere of control. Individuals are expected to use their (restricted) autonomy to be entrepreneurs of the self in meeting political goals, rendering them self-responsible within a sphere of freedom (Rose, 1993). The transformation of individuals’ subjectivities is a crucial element to the success of political goals (Lemke, 2001). According to Chow and Bracci (2020), “the turn to entrepreneurialism as an apparatus of behaviour regulation of the population relies on “technologies of performance” (Dean, 1999), and this is where accounting is useful” (p. 154).

Performance Management Systems (PMS) capture, measure, classify and assess individuals’ behaviour and actions based on accounting technologies, which we refer to as ‘expertise’, ‘inscription devices’, ‘locales’ and ‘centres of calculation’ (Miller & Rose, 2008) (see Table 2, in section 4 for a summary of the types of accounting technologies identified in the data). These practices involve repeated mundane relational interactions between human and non-human actors become so ingrained in day-to-day mundane routines that the opportunity to retaliate or resist becomes difficult (Frog in the Pan). These relational practices not only objectify the behaviour of workers through a process of self-disclosure ("production of truth" (Foucault, 2003a, p. 132) from which decisions are made and render workers accountable (Graham, 2010), but also involve a process of self-examination of oneself where the worker is “compelled to decipher himself” (Foucault, 2003b, p. 146) and make judgements on their and others’ behaviour and actions. Thus, accounting technologies are powerful in the sense that they have the capacity to claim legitimacy for the sanctioning and control of individuals through repeated relational processes.

Taken together, this relational approach enables us to analyse how neoliberal discourse is enacted through accounting technologies, which play a key role in the network, that reshape the power relationships between actors. In the findings section below, we will trace how the relational practices of HMRC were slowly but surely transformed toward upholding neoliberal values, that have eroded its public values and have had undesirable internal and external consequences. But first, we will explain our methodology, critical-interpretivist ethnography, to examine these processes.
3. Methodology

This paper forms part of a bigger research project which examined the relational processes that take place at the frontline of the UK Tax Credits (TC) system (administered by HMRC). Conducted between 2013-2019, the main goal of the project was to understand how the TC system affected the financial and existential hardship of claimants. While the main objective of the TC system was to tackle poverty and provide “employment opportunity to all” (HM Treasury, 2000), about one-third of all claimants received ‘overpayments’: huge sums of money which they could ill-afford to repay. The project explored (1) how and why claimants got overpayments and what impact this had on their lives, (2) what happened in their encounters with HMRC frontline workers, (3) in which ways the TC system was operated by HMRC frontline workers, and (4) how claimants responded to overpayments and with which outcomes. This paper shares and conceptualises our findings about the third element of the project: the everyday practices of HMRC frontline workers, their work environment and culture, the struggles they faced, and the coping mechanisms they adopted.

The study is based on a critical-interpretivist methodology. Interpretivist research examines “culturally derived and historically situated interpretations of the social life-world” (Crotty, 1998, p.67). It seeks to explain how people make sense of the concrete situations and wider contexts they find themselves in. It does not believe in the existence of a single reality that can be objectively observed; but seeks to understand the inter-subjective processes through which multiple interpretations of social reality are constructed. Human beings are seen as agents who co-construct their contexts by giving meaning to behaviour and events, while these contexts in turn frame their possibilities for thought and action (Williams and May, 1996; Smith, 2017). Besides generating in-depth contextual knowledge of everyday practices and interactive processes, its abductive logic of inquiry enables interpretive research to develop theory that is grounded in the lived experiences of those studied (Schwartz-Shea and Yanow, 2011; Wagenaar, 2011).

Interpretivism is widely used within accounting and public administration (e.g. Lehman, 2010; Durose, 2011; Al-Sebie, 2014; Ospina et al., 2018). Interpretivist studies show how accounting is not a neutral device that simply records and calculates information, but (re)constructs meanings and relationships embedded in everyday taken-for-granted perceptions and practices. However, interpretivist studies often fail to make good on its critical potential to reveal and
challenge taken-for-granted frameworks and power relationships along with their undesirable consequences for democracy and social justice (Doolin and McLeod, 2005; Wagenaar, 2015). By contrast, critical interpretivism focuses on relations of power and discourse to examine upfront how power is enacted and creates social differences and structures (Neuendorf, 2004, 10; Fairclough and Wodak, 1997). By studying power relationships within the historical and political contexts in which social practices occur (Alvesson and Deetz, 2000; Putman, 1983), it challenges the status-quo and taken-for-granted beliefs, social practices and structures (Gray, 2004).

Within this critical-interpretivist framework, we adopted an ethnographic approach to explore the everyday practices, meanings, and power relationships of HMRC workers and to understand how they perceive themselves and others and engage within their workplace. In general, ethnography seeks to produce ‘thick descriptions’ of the complex and multiple meanings of human practices and their contexts (Hammersley and Atkinson, 2007). A critical ethnographic approach can uncover the structural characteristics of, for example, welfare state reform as enacted in the daily practices of welfare officials (Dubois, 2009). This means we not only immersed ourselves for an extensive period in ‘the field’ to observe the contextual practices through which the TC system was enacted, but critically engaged with the relational processes that gave shape to hegemonic beliefs and inequalities in power and social status.

Ethnography is not limited to one specific method or data source, but adopts multiple methods of data collection (Schatz, 2009) based on where the data takes the researcher (Bayard de Volo and Schatz, 2004). Our study combines interviews, participatory observations, documents, artefacts, statistics, visual material and personal reflections. While the wider project included 24 in-depth interviews, this paper draws on only four of these (conducted between July 2014 and June 2017) because gaining access to HMRC workers proved extremely difficult due to a lack of organisational authorisation. Arguably, this may relate to the organisation not wanting to expose what happens on the inside to the outside world (Smith, 2017). Nevertheless, these interviews produce rich and deep understandings of the ways in which the TC system is operated because of the unique experiences of the interviewees. All interviewees worked at different HMRC offices, locations and in various job roles. Each worked for the tax authority for a period of nearly twenty years, while two of them no longer worked at HMRC at the time of interview. Due to their long period of employment, they were able to share their experiences with working at the Inland Revenue before it merged with Her Majesty’s Customs and Excise
in 2005, during and after the merger (when it became HMRC). The information provided by interviewees were treated confidentially and their identities were anonymised, using pseudonyms, to protect their identities due to the nature and sensitivity of the topics they discussed.

We adopted an unstructured approach to qualitative interviewing (Weiss, 1994) to allow the interviewees to tell their stories in their own words and explore their experiences in deep and meaningful ways. We used open-ended questions, focused on concrete experiences and probed the interviewees to give examples and elaborate on their experiences. We used a thematic interview guide and markers to ensure we remained focused on key topics whilst allowing for unanticipated issues to emerge. We recorded and transcribed the interviews ad verbatim and analysed them through Grounded Theory Analysis (GTA), an abductive and iterative process of coding, memo-writing and theoretical sampling (Charmaz, 2006). We coded the data by attaching a label to a piece of data that related to a particular ‘incident’, that captured “concrete behaviouristic descriptions of peoples’ mundane practices” (ibid., p.53). Codes emerged from the data, rather than being pre-determined or theory-driven. Memo-writing enabled us to systematically explore and develop the meaning of codes. By defining, illustrating and comparing codes, we started to identify key issues, tensions and patterns and gradually arrived at a more conceptual understanding of what the data were telling us. Our analysis synthesised our findings into three main codes: ‘Shifting Sands’, ‘Going Paperless’, and ‘Meeting Targets’, which are discussed in the next section.

While we recognise the limitations derived from a relatively small number of interviews, Wagenaar (2004) has shown that in-depth analysis of even only one interview can generate profound and novel insights into administrative practices. Moreover, our analysis of these four interviews was confirmed by our findings from a wider study of the UK tax authority, and triangulated (Seale, 1999) with participatory observations, documents, visual materials, and statistics. Regarding the latter source of data, we analysed the results of annual staff satisfaction surveys conducted by the Civil Service, known as the ‘Civil Service People Survey’, from 2009 to 2018. The purpose of this annual survey is to understand the levels of engagement, satisfaction, and experiences of staff in the workplace. All staff who work within the civil service are invited to complete the survey. For example, in 2018, 454,857 staff members were invited on a voluntary basis to complete the survey, which achieved a 66.4% response rate. The survey contains sixty-two questions relating to staff perceptions of work, grouped into key
themes such as: relationship with managers/management; provision of resources; workload; pay; managing change in the workplace and organisational culture. Responses are provided using a 5-point Likert-type scale ranging from strongly agree to strongly disagree.

4. Findings and analysis

This section presents our analysis of what it is like to work in a HMRC office and how workplace culture, practices and processes changed over time. We characterise these changes with the metaphor, ‘frog in the pan’, used by one interviewee to describe the gradual changes that took place in the workplace and which led to undesirable consequences. Similar to slowly increasing the heat in the pan until the frog boils to death, the HMRC workplace environment gradually changed from a system of public values in which the state invested in and were responsible for the welfare of citizens, to a system of neoliberal values that shifted responsibility for welfare onto citizens. Through this gradual process, different values became so deeply ingrained in routine procedures they became normalised and many HMRC workers did not realise the impact of their practices on colleagues and the public (TC claimants). The first sub-section establishes a contextual summary of the public values held by the Inland Revenue (old tax office before the merger) and HMRC (new tax office after the merger), how public values changed and how this is communicated to the public based on a review of Government, Inland Revenue and HMRC documents. The next three sub-sections highlight the role and implications of accounting in facilitating changes in public values through relational processes. We present them using our analytical codes which represent dominant themes that emerged from the data: shifting sands, going paperless, and meeting targets.

4.1 Public values held by the Inland Revenue and HMRC: Before and after the merger

The merger of the Inland Revenue (IR) and Her Majesty’s Customs and Excise (HMCE), to what is known as HMRC, was part of a collection of reform changes within the UK public sector. This was based on New Labour’s 1999 White Paper ‘Modernising Government’ “to create better government to make life better for people” (ibid, p. 13). The principles expressed in the White Paper were “customer focus[sed]” (ibid, p.32) and promoted Fordist production and measurement approaches to public service administration (Tuck et al. 2019).

Before the merger, the IR and HMCE were well-established institutions, founded in 1849 and 1909 respectively, and over the years had developed their own distinct cultures and histories. The IR adopted its first Taxpayer Charter in 1986, following criticisms of poor service delivery
It set out acceptable levels of customer services taxpayers should expect from the IR and offered guidelines on how to complain if it failed to achieve those benchmarks. There is no longer a publicly available copy of the 1986 Taxpayer’s Charter (Curtis, 2005). But our examination of IR internal manuals used by IR frontline workers before the merger show how workers were constantly reminded to deliver taxpayer-focused services to citizens. For instance, in the introduction of several tax manuals there stated that “every taxpayer has important rights and entitlements in the way their tax affairs are handled. These should always be kept in mind. They are shown as the Taxpayer’s Charter” (June 2002) and that workers “should be ready to help the taxpayer, in every reasonable way” (Nov. 2002).

Part of New Labour’s ambitions was to enhance efficiency and part of this was required “expertise to be concentrated in a single institution” (Tuck et al., 2019, p. 9). During the lead up to the merger the IR was facing several controversies: the introduction of the new tax credits system in 2003 which lost billions of taxpayer money; staff shortages and significant IT issues (King and Crewe, 2013, p. 146). As stated above, Dylan admits “huge inefficiencies” in the IR at the time. Tuck et al.’s (2019) study of the history and motivations of the merger includes interview data taken by a number of key senior informants of IR and HMCE who were substantially involved in the run up to the merger. According to one informant, “the [Inland] Revenue was getting itself into trouble” (p. 12). A second informant believed that one of the key drivers “for the merger [was] that the government probably saw that Customs were pretty good […] the way that Customs handled the tax, they wanted that translated into the Revenue” (p. 12). According to one informant there were “arguments about who was in charge and who owned the tax system” (ibid. p. 11), and that the merger was motivated by the then Chancellor (Rt Hon Gordon Brown) “to be able to control taxation or tax policy in a way that he hadn’t before” (ibid., p. 10).

The O’Donnell Review, commissioned by the Government to review UK Revenue Departments, was published in 2004 and recommended the merger of IR and HMCE. It made other key recommendations for revenue departments to make “more coherent use of information” and “developing a new framework for accountability for those working on tax, to set out more clearly the roles and responsibilities of all those involved (O’Donnell Review, 2004, p. 4). The merger was rapidly implemented in April 2005. To sum up, the merger of IR and HMCE was a method to enhance control and efficiency of tax policy and administration (Tuck et al., 2019; King and Crewe, 2013; O’Donnell, 2004) based on business-like rationales
of standardisation, production and performance measurement as set out in the Government’s 1999 White Paper.

Soon after the New Labour Government came into power in 1997 over 40 public authority charters were abandoned, and some were replaced with performance management tools (Young, 2017). It was a few years after the merger, in 2009, that a new Charter for the tax authority was adopted. In this same year, the HMRC published their ‘Value for Money Delivery Agreement (Revised)’ (2009), setting out its vision to “to close the tax gap, help customers feel that the tax system is simple for them and even-handed, and [to be] seen as a highly professional and efficient organisation […] by designing and delivering products and services that meet customers’ needs.” (p.4). Three years after this statement was published, HMRC delivered its ‘Corporate Responsibility in Action 2011-12’ report which carries similar business-like tones. It promises that the HMRC will strive to:

“make it easy for our customers to get things right […] take pride in helping our colleagues to succeed […] behave professionally and with integrity […] [and] develop the skills and tools we need to do our jobs well.” (p.3)

Based on Beck Jørgenson & Bozeman’s (2007) classification of public values, these statements seem to depict HMRC as an organisation steeped in values of accountability (“pride”, “professionally”, and “integrity”), equity (“even-handed”) and user orientation (“help”, “meet … needs”, and “make it easy for”). However, they are infused with neoliberal values that promote running government like a business. Taxpayers are referred to as “customers”, while the organisation provides “products and services” that will be delivered in “efficient and effective” ways. As King and Crewe (2013) suggest, “Professionalism, flexibility and efficiency are supposed to be maximised” (p. 291).

The ways in which HMRC set out to achieve these aims are also predominantly driven by neoliberal, market-based values of efficiency. According to HMRC’s Departmental Report (2007), one of the ways HMRC set out to achieve its aims to deliver “high quality, cost effective services” (p.18) was the development of its Information and Communications Technology (ICT) infrastructure. Enhanced use of ICT would help achieve “cost-effective world class live services”, “develop and deliver new solutions to time, budget and functionality” and “improve their day to day performance […] [and] increase professional skills in the Civil Service” (ibid.,p.29-30).
In conclusion, this analysis of key policy documents, reports and academic studies provides a glimpse of the motivations and perceptions of the restructuring of the tax authorities in the UK before and after the merger of IR and HMCE in 2005. It demonstrates how the restructuring of the UK tax authorities are underpinned by neoliberal values of cost-cutting, efficiency and digitisation. While public values of accountability, equity and user orientation are also a feature, these are cast in a neoliberal political rationality that, as the next three sections will show, have increasingly eroded and generated undesirable consequences for tax authority workers and citizens.

4.2 Normalising different values in daily work practices

This section demonstrates how tax workers’ understanding of ‘publicness’ (service delivery towards citizens) reshaped over time, before and after the merger in both invisible and visible ways and how they struggle to deal with these changes. We demonstrate how accounting technologies facilitated these changes through everyday relational processes in the workplace: the frequent (re)allocation of workers (‘shifting sands’), increased use and dependence on ICT (‘going paperless’), and constant close monitoring, assessment and sanctioning of workers by performance management systems (‘meeting targets’).

4.2.1 Shifting sands

This sub-section examines mass reallocation of workers and reclassification of their job roles, and how as a dividing practice, it reduced collaborative working relationships and disempowered workers. Julie started working for the IR, in the early 1980s. She experienced the processes leading up to the merger and continued to work for the tax authority afterwards. She describes changes to her workplace as ‘shifting sands’: a highly unstable and insecure working environment that became unmanageable because workers’ roles and locations “moved around a lot”. Similarly, Dylan worked for the IR and then HMRC spanning over twenty years. He describes his workplace early in his career:

You’d have Accounts Investigating, Inspectors, Inspector in Charge, and loads of clerical staff to help them [citizens] in one building […] We were above the laundrette, in the job centre. Very much part of the town. Just a two-minute walk to the shops. Very much part of the community. You found everybody knew everybody […] Virtually everyone was local. You were dealing with the community. You would have good relationships […] You’d have characters coming in […] They’d come in drunk on the Friday afternoon […] and what you would do then is you put the sweetest, smallest girl on the counter. If you put a bloke on, they get stroppy […] but they daren’t get aggressive [with a girl]. The panic button was still there [and] we were still around. But the way to diffuse it was so that it never escalated … It tended to work. […] [HMRC] went to single enquiry points where it was just a desk and open and
comfy chairs with no protection at all for anybody there. That was the way to open up to the public. [...] So, the old counters went [...] “Here’s a friend. Come in and let’s have a chat” [...] [Working out] the tax is the fun part [and] working with the taxpayer. Although they’re a pain in the neck, you’re meant to have confrontation and manage that with the taxpayer [...] There were these nice ladies [workers] on the counter. They were there to help you. (Dylan) (Emphasis added³).

In Dylan’s former workplace environment, workers were physically close to citizens and felt part of the community. Dylan says, “we were there to help you [citizens] not pay too much [tax] and that was all the way through our clerical training. It was on the front of every manual there that you read. It was on their [IR’s] obligation to the public [...] you weren’t there to collect the most [tax], you were there to inform them [citizens] of their rights as well as their obligations [...] It was emphasised all the way through the clerical training”. Dylan feels a great responsibility to help citizens. This is because it was ingrained in the inscription devices provided to him throughout his training and work manuals (see section 4.1). Although Dylan admits “there was huge inefficiencies in the way it [IR] was run, there wasn’t much tension [and] I think we managed to balance it.” Although workers may not have worked ‘efficiently’ at the IR they were able to work effectively to help citizens because they were located closely to them. So much so, they got to ‘know’ citizens and their families, could manage their personalities and predict when they were to visit. These humanised and embodied relationships empowered workers to gauge the moods, timings and emotions of citizens and take effective action to avoid confrontations, resolve issues and help them, fostering close collaborative relationships between them.

The merger of IR and HMCE, underpinned by NPM reform, resulted in significant job cuts and a greater market-based focus on efficiency and effectiveness (see section 4.1). According to Julie, after the merger HMRC had “to prove itself as efficient as humanly possible” which meant that staff had to be “flexible and adaptable”. Part of this involved mass relocation of workers from local offices to large regional offices, the reclassification of their job roles and segmentation into enclosed isolating sights, as Dylan describes:

You [used to] pat each other on the stairs. You shared a kitchen. You’d bump into each other naturally [...] The problem with the separation was [...] there was no senior common room. [...] Twelve floors and everybody’s in little pockets [...] We weren’t meant to talk to each other [...] In the old days, it would have been so easy to sort out [a problem] through informal networks with people. You’d know somebody in some office somewhere [...] Once they regimented it all and they started merging [...] that all got lost [...] You couldn’t find them.

³ We emphasise key words and sentences in quotes using bold font-style in our data analysis section.
[You] wouldn’t be able to find one individual who’s responsible. […] People would say: “I’d love to help, but I’ve lost all my access to that. I can’t get into that [system] anymore” or “it’s got to go through this other process” […] It was just getting more and more frustrating […] That’s one of the reasons why I left in the end, because I was just falling apart, because I’d always pride myself on whatever the problem was that I knew where to go, to get somebody to sort it out. (Dylan)

Before the restructuring, workers at all managerial levels and skillsets worked collaboratively, shared experiences and knowledge to help each other. This empowered workers (“pride”) as they knew where to find expertise (Miller and Rose, 2008) quickly and easily. However, the reallocation of workers led to workers losing expertise: Workers were no longer able to develop trusting relationships, share knowledge and expertise. The reallocation of workers (dividing practice; Foucault, 2003a) weakened the web of relations (ANT; Latour, 1987) between workers making them ineffective and unhelpful towards their colleagues and citizens.

Claire also echoes the same experience. She worked in an IR office where “everything was in the building, in the Town”. She “would know the person needed” to help her. She was relocated to “massive offices [where] nobody knows each other, no cooperation”. According to Claire, “in an old district, [tax office] the district Inspector was responsible for the whole thing […] somebody had a view of the whole lot”. But this changed where “things were done in isolation”, “they don’t know who’s managing what”. There were so many different “departments”, “teams” and “units” (locales; Miller and Rose, 2008) the location reference on a HMRC letter to a citizen “ran over two bloody lines”. It became so long it exceeded the amount of characters for the ICT system to process, which meant some digits were omitted creating incorrect references, making it “literally impossible” for citizens and workers to find the worker who generated the letter. The reallocation of workers and increased number of locales to allocate them in created a “chaotic” and “nightmare” working environment. Workers could not access expertise. Dividing practice (Foucault, 2003a), as a function of accounting, deteriorated the collaborative close working relationship (network) between workers (ANT; Latour, 1987).

Not only did the restructuring lead to the segmentation of workers but also to the fragmenting of citizen information across separate sights. Anna and Julie used to deal with the same citizens every year and had access to their whole case information provided directly by citizens. This made Anna feel she had “ownership” and authority “to make a decision” on a citizen’s case, as also stated by Julie:
You see the whole story. From the start you are responsible for that claimant […] The claimant will get a better service because they’re only ever going to deal with one person […] They know who is dealing with their claim […] The officials themselves would get a greater sense of satisfaction. You can relate more. You’ve processed something that results in an outcome. (Julie)

Dealing with the same citizens and their whole case empowers workers to make holistic decisions and take responsibility for case outcomes. This also provides a “better service” to help citizens, further empowering workers. However, Anna explains that after the restructuring “twenty people [were] dealing with one case”, which is “frustrating for the customer”. But, is also frustrating for workers because they no longer had access to whole cases and information about citizens. One day Anna was unable to help a TC claimant who was very distraught and wanted an explanation for why she had to repay tax credits money to HMRC, money the claimant could ill-afford to repay. Anna was unable to help the claimant because she the claimant’s information had been relocated to a separate sight (locale; Miller and Rose, 2008) and she no longer had access to it. As a result, Anna was forced to pass the claimant on to the debt collection unit (a separate locale). Dylan describes this piecemeal approach toward dealing with citizens as a “factory process” (Fordism):

“You’re going to make it into a factory process” […] Somebody does page 1, then it goes into a box and somebody does page 2. Nobody does the whole tax return […] All they were concerned about was how quickly can we process a tax [return] and if you multiply 6 seconds across 100,000, how many man hours have we saved? […] On the technical side you found that you were separated from the rest of the system […] All of a sudden you realise this isn’t working […] Things were done in isolation […] They were trying to find efficiencies along the way […] That’s when you realise this whole thing has become disconnected. (Dylan)

These stories show how dividing practice (Foucault, 2003a) as a function of accounting, transformed tax worker’s role, shifting the nature of their role from collaborative working to concerns about “efficiencies”. This manifested by the mass reallocation of workers (expertise: Miller and Rose, 2008) and fragmentation of citizen information into enclosed and isolating sights (locales; Miller and Rose, 2008). As a dividing practice such accounting practices make it possible for workers and citizen information to be identified, measured, monitored and controlled, in the name of efficiency. These changes, underpinned by neoliberal values, profoundly reshaped the workplace culture, roles and practices of tax workers, and dehumanised relationships between workers and citizens. Consequently, reshaping the web of relations between citizens, expertise and locales (network; Latour 1987). Workers lost access to information and expertise as well as losing control and responsibility for citizen cases. This made it very difficult for workers to, be helpful and held accountable, rendering workers less
effective. The next sub-section examines how such accounting (dividing) practices were further operationalised by ICT: ‘going paperless’.

### 4.2.2 Going paperless

‘Going paperless’ is a term used by Anna to describe the increased use and dependence on ICT in her workplace. This subsection examines how ICT permeated throughout the workplace, enhancing calculative practices through digitised centres of calculation and inscription devices, and how this effects workers’ practices and their relationship with citizens. Our analysis demonstrates how, through relational processes, ICT transformed the way citizens are presented and perceived by workers into abstract coded forms, which ultimately dehumanise and disembodify their relationships.

At the IR, Anna and Dylan dealt with paper-based citizen information: paperwork that had been touched, stained, and marked by citizens. The condition of the paperwork helped Anna feel “a connection with the customer” because she could touch, see their handwriting and mistakes, and smell them. Dylan describes the Control Card Form P200 (an inscription devices; Miller and Rose, 2008) which showed all the information and history held about each citizen that workers would regularly use. Workers “could tell by how battered” the paperwork got to assess how complicated a citizen’s life was. Exhibit 1a and 1b show a copy of a Form P200.
When New Labour came into Government in 1997, Tony Blair became Prime Minister who, amongst other objectives, had a vision to ‘computerise’ (a term used during the time) public services as a way of making it more efficient and effective (King and Crewe, 2013). The increased use of ICT in the workplace led to citizens’ paperwork being scanned into the ICT
system as soon as it arrived in the post. In addition, paperwork would be replaced altogether by some citizens who chose to provide information directly into the ICT system online. Thus, over time workers no longer had access to citizen paperwork and Control Cards because all the information was fed into ICT. Similarly, letters and notices from workers to citizens were no longer handwritten. Instead, “the vast majority is generated through computers” (Claire). According to a Member of Parliament, ICT creates letters and notices instead of workers by automatically pulling together words and information from several databases (centres of calculation; Miller and Rose, 2008). In a lot of cases, the letters would not make any sense to citizens nor provide enough information to explain “decisions” made by ICT on the citizens’ case.

Going paperless “saw the end of us receiving forms and us moving to a worklist system” (Anna) and “notes function” (Dylan), a Fordist process facilitated and managed by ICT. Previously, Anna and Dylan had face-to-face conversations with citizens which helped collect crucial information that would help them assess whether the information provided by citizens “sounds right” and “gauge whether somebody’s not totally being honest” (Anna). These human-based encounters enabled workers to use their intuition and senses to work out whether citizens were truthful or struggling and needed help. However, ICT transformed their relationship with citizens and work practices when workers had to use information shown on a computer screen (a different inscription device; Miller and Rose, 2008), which generated information from several different databases (centres of calculation; Miller and Rose, 2008). Exhibit 2 is a screen shot of a computer screen used by workers. It shows citizen information presented in disembodied, numerical and coded form, which lacks narrative and textual context, from which workers must make decisions. Such screenshots are provided to citizens during appeal processes, but they are meaningless to citizens.
As a result, workers became increasingly distanced from citizens Anna does “not feel comfortable” telling citizens the outcome of her decision because it is based on abstract secondary information generated by invisible centres of calculation (Miller and Rose, 2008) within the ICT system. Citizens end up “shouting” at her on the telephone because they do not agree with her decisions, which can “get personal” for her. For Julie, making decisions on citizens’ lives is a difficult task because the information is “all coded; and to the layman it doesn’t really mean a lot. It’s just a lot of numbers”.

Claire describes information provided by ICT as a “nightmare to use”, “shit”, “horrendous” and “the most stupid thing ever” because “it wasn’t obvious what you should do”. This sentiment is reiterated by Julie below, who describes the development of a new online guidance system by HMRC to help workers make decisions about citizen cases:

It’s like a decision tree in a way. So, rather than following written guidance, and you follow it and understand it, so you know what to do with the situation, you punch in the situation with ‘yes’ or ‘no’ answers and the answer comes up for you. The steps you're supposed to take are presented to you, so you don’t have any thinking to do […] It was soul destroying. I hated it. It takes away any discretion. It takes away any grey areas […] To get the right answer, you’ve got to understand what the implications of that question are. It bothers me and bothers me to this day. I don’t like it at all. But I think it’s used increasingly everywhere. It’s certainly used on the helplines […] A lot of the officials don’t like it either because they're very experienced. They know things can be more tricky than just a yes or no answer. But ultimately, we know you need to get to a ‘yes or no’ answer because it’s an IT-based calculation […] You’ll just be left with a cold statement and the claimant coming off the phone thinking, ‘I don’t know what the point of that was?’ It’s widely used in the industry. In the contact centre industry. So, it’s hard to argue against it. But it’s a long way from the phone calls I used to make in 1999 when you actually spoke on the phone to a claimant and you understood what was going on properly […] We had a loose conversation with people. […] With the system they've got, you can’t really ask the questions in a different way […] because the guidance system is quite rigid. It removes the official’s ability to word it differently […] They like to help people. They like to probe and ask things in a more helpful way. But because the calls are monitored, you can’t go too far off script because you're in danger of getting the wrong yes or no answer if you word it too differently. (Julie)
Julie’s story shows how HMRC adopted a system that is widely used in private sector service industries. This resulted in workers losing the ability to have an open conversation with citizens and work things out together in a holistic and collaborative way. The ICT system, facilitated and enhanced the dependency on digitised centres of calculation and inscription devices, forcing workers to make decisions in dehumanised and disembodied ways. ICT transformed workers’ into ‘screen-level bureaucrats’ (Bovens and Zouridis, 2002) who are forced to make decisions in digitised calculative ways instead of using their human senses, empathy and intuition. Citizens were forced to use online services, rather than contact workers for help, by “not put[ting] the telephone line [number] on letters” (Julie). As Claire succinctly explains: “they went from being a big public service to nobody to talk to”. Consequently, workers become distanced from citizens’ reality and needs.

ICT became a dominant actor transforming the relationship between workers and citizens (the network; Latour, 1987). This is clear in workers’ manuals which state “based on the taxpayer’s detail, the computer will decide which offices have responsibility” (The National Archives, July 2004). According to a HMRC manual (EP140), workers had to use specific “computer function [codes] to help you in your day to day work” and access/input information from/into the ICT system. For example, function codes “IVT” and “AO” had to be used to change a citizen’s address and “AP” to highlight appeals cases. By 2016, a HMRC’s job advertisements for (a Universal Credits) call centre worker describe workers’ roles as “processing agent[s]” who work in a “fast paced service centre […] using a range of secure computer systems”. The advertisement highlighted “that digital will become the primary contact channel for all claimant [taxpayer] services”. One of its key roles included having to “help claimants get online” and an “ability to navigate a range of computer systems” is one of the “essential criteria” in getting the job. Further, the pre-interview “test” that applicants must take and if successful booking the job interview slot and conducting the interview are all done online. This suggests that HMRC are specifically recruiting workers that have ICT skills, training and expertise. These recruitment methods reduce the possibility for workers to question and challenge the ICT system and its effects on work practices in helping citizens, because they do not know any different.

In conclusion, our analysis of ‘going paperless’ demonstrates how the ICT system, facilitated and enhanced accounting practices in digitised ways. ICT operationalised dividing practice as an accounting function by segmenting citizen information and its calculative processes across
different databases, of which workers had limited access. ICT operationalised accounting as a technology of government, as it transformed the role of workers, their relationship with citizens and the ways in which citizens contacted HMRC. ICT became a dominant factor in the workplace (network; Latour, 1987) leading to an increased dependency by workers (expertise, Miller and Rose, 2008) on digitised centres of calculation that took over workers’ discretion and decision-making powers. ICT also created digitised locales (Miller and Rose, 2008) in which citizens would interact with HMRC online, rather than have face-to-face encounters with workers at local offices (see section 4.2.1) or on the telephone. and further distanced them from citizens. Structurally, HMRC shifted resources into online services, recruited ICT-savvy workers and nudging citizens towards using online services rather than workers. ‘Going paperless’ facilitated the way of making HMRC more economically efficient by enhancing the dependency on digitised centres of calculation to make decisions and produce inscription devices (computer screen scripts and letters). This changed the role of workers from being citizen-focussed (see section 4.1) towards ICT-focussed. The next subsection further delves into this issue by exploring how HMRC’s performance management system (PMS) reinforced the quick processing of citizen caseloads, further transforming the practices of workers and their relationship with citizens.

4.2.3 Meeting targets

This subsection examines the third and final theme that emerged from the data that, as an accounting technology of government, transformed relational practices between workers and citizens PMS. ‘Meeting targets’ is an analytical code used when interviewees referred to PMS. This sub-section shows how PMS operates as a centre of calculation (Miller and Rose, 2008), constantly monitoring and assessing workers’ practices through daily management meetings (locales; Miller and Rose, 2008), whiteboard, staff award posters and computer screens (inscription devices, Miller and Rose, 2008). Our analysis demonstrates how PMS transformed the role and practices of workers from being citizen-focussed to organisation-focussed in relational ways. We show how PMS acts as an “electronic superpanopticon” (Poster, 1990; 1996). As a result, neoliberal values of performance and competition made HMRC an unpleasant place to work, making workers less likely to help citizens in effective and humane ways.
Assessing the performance of workers has been an on-going practice within the public sector for many years, as an accountability tool to show the public how public money is spent. As a key feature of NPM, the operationalisation of public sector performance management systems focussed on quantifiable methods (Ogden, 1997) of assessing efficiency and customer satisfaction (Tuck, 2010; Brunsson & Sahlin-Andersson, 2000). The government’s 1998 White Paper, ‘Public Services for the Future: Modernisation Reform Accountability’, reinforced the use of performance measurements to assess the performance of public sector workers: forcing a link between public service delivery to quantified visibilities (Miller, 1990). Before the merger, Dylan worked on tax enquiry cases and one of his performance targets was to close cases within a certain time frame. He says, “at certain times of the month things [case numbers] mattered and got counted”. He continues to say, “it didn’t matter what order you did things in an office as long as you got through it. It was fairly relaxed, as long as you got it done, no one really cared when you did it”. Dylan was able to explain to his manager reasons why his “results were low” because “there was scope for that”, or find ways of managing the system when, for example, post would be sent to a “remote office” on a van “at the time of the post count” which meant the case “just disappeared. It was just on nobody’s desk to count”. According to Dylan, the IR “have always had that problem”. However, in HMRC (after the merger) “all they [managers] can see is the stats and ‘where can we improve’. Somewhere in the middle you’ve got people that are judged on various metrics who can’t cope with the narrative. There’s too many quants”. Such calculative practices were further ingrained into workplace practices via the increased use of ICT (see section 4.2.2) when PMS went “on-line” and “the computer will say you’ve spent too long, or [tell you] how you need to behave next time” (Dylan). Workers became increasingly monitored and assessed by managers (expertise, Miller and Rose, 2008) via quantifiable means, facilitated by ICT (centres of calculation: Miller and Rose, 2008)

Anna fears that if she spends more time helping a citizen, PMS will place her into the “10%” category. This category means that Anna has not met her performance targets at work. Her managers expect 70% of the workforce to have met their performance targets, whilst the remaining 20% represents workers who have excelled in meeting their targets. Workers and their managers meet on a monthly basis to review which category they have fallen into. Those workers who fall in the 10% category are then either prevented from getting promoted, singled out for further training, moved to another department, or at worst they risk losing their job. Anna, who works part-time, explains how this makes her feel:
It's difficult. It's really difficult. If you're on a task four times of the year and having different task training, which is a lot of time, and you're not in the office as much as full time staff it looks bad on your stats. The indication is: “Right, well you’re in the 10%, you’re not meeting it”; and you're saying “Well, I haven't had as much time as everybody else” but they don't seem to recognise that. […] [We're told] they've been demonstrating negative behaviour - not acceptable - and then that puts them in the 10% [Sigh] [It is] terrible. It is pressure. It's a plan by the government to try and weaken the workforce. To make people scared […] You won't get that pay rise because you're deemed in the ‘not met’ category […] It's bad […] People are stressed […] It's just surreal […] For the last fifteen years my work has been OK. I've always hit the targets. But since performance management has come in, I've been a 'not met' […] The morale factor is not great because your manager’s telling you that you're not good enough.

Despite having more than fifteen years of experience at the tax office in which she “always hit the targets”, PMS transform Anna into a ‘bad worker’. Her categorisation and treatment by managers do not take into consideration other factors that influenced why she could not reach her targets, i.e. she is part-time and has taken on four different roles which required training. As a result, Anna and her colleagues feel pressurised, stressed and demotivated at work who fear losing their job.

The findings of the 2018 annual ‘Civil Service People Survey’ show that on average most HMRC workers are: strongly aware of HMRC workplace values. However, the results also show a very low score on levels of engagement. For instance, most respondents felt they were not given opportunities to contribute their views when decisions were made in the workplace; they did not feel safe to challenge the way things are done in the workplace; and that changes made within HMRC are not managed well. Most respondents do not feel inspired to do their best in their job; are not motivated to help achieve HMRC’s objectives; are not proud of working for HMRC; and do not feel a personal attachment to HMRC. These results are generally consistent, with previous annual survey results since 2009. The results also show that HMRC was one of the lowest-scoring government organisations in these specific areas.

These findings suggest that workers are aware of HMRC values, underpinned by notions of efficiency and effectiveness, but struggle against values which motivate and drive their commitment and enthusiasm towards their job. According to Dylan, “on the one hand you've got an obligation to the taxpayer to make sure they're paying the right amount [of tax] and getting it right, and then the others [managers] would say: “No, we want this [case] shifting”. According to Dylan, helping and spending time with citizens were no longer valued, who ended up “dread[ing]” going to work and “wound up in such a state that you weren’t actually achieving anything” at work. Similarly, Claire wanted to work for Inland Revenue because she
wanted to “help people”. She was inspired by “one of the nice mangers” who went out of his way to help citizens and staff. Over time, the same manager received “no support” from his senior management which caused him “stress”. The manager later committed suicide. Claire describes senior managers as “big bastards”; “unpleasant” and “self-interested”. She describes her workplace where the “winner takes it all” and associates it to the “Hunger Games”. Anna states that the “morale is not great” in her workplace where her colleagues feel “terrible”, “weakened” and under “pressure” by PMS and management.

Dylan describes new staff, recruited as tax advisers at HMRC call centres (where most front-line helpers have since been located):

The youngsters on the graduate schemes [new recruits] didn’t know any better and thought: “Well, that’s the just way it is isn’t it?” [and I’d think] ‘Well, no, it could be better than this’ [...] all of them have [been] brought up [on] what matters in a call centre, so they’ll happily deal with a call that is more important than whether you’ve given them [citizens] the right [advice] and they’ll make no attempt to get off the [computer] script and try and work out the answer themselves or what the question is that really needs answering [for citizens] […] For all the metrics that matter to a call centre they do better, but how is a claimant supposed to know whether they’ve been given the right answer? They are not in a state to judge whether it was the right. The reason they phone up is because they don’t understand or don’t know, but if you just get rid of them quickly in a pleasant way and tell them what they want to hear, which is the quickest way to get rid of somebody, then yeah your metrics are going to look fine. (Dylan)

Some of Anna’s colleagues display positive attitudes at management meetings. During one meeting her colleague proudly announced that he had found and charged £15,000 TC overpayment to a claimant. The worker boasted this in front of his colleagues because it meant he had achieved his target of collecting tax revenue. His manager responded saying, “well done folks for doing your work”. When Anna voices her concerns that the overpayment would cause extreme financial hardship for the claimant, her manager tells her to “get used to [it]”.

To survive and succeed in the workplace, HMRC workers must adapt their actions and thinking towards HMRC’s goals and interests, which are underpinned by neoliberal values. If they do not, they end up getting stressed, ill, disempowered and made to feel like failures at work. Such extreme practices may make PMS statistics look good. But they also render public service delivery ineffective and inhumane. PMS dehumanise citizens because it reshapes the way workers perceive citizens from humans in need of help to products that help workers achieve targets. Anna further elaborates on this:
Some people think it’s great they’ve got that much: They call it, yield. How much yield have you made each week […] how much have we saved the business. But it’s not a business. It’s a government. And they say: “Oh yes! We’ve hit the targets. We’ve done a really good job”. But to me, I just feel like it’s a political game. We’re actually messing with people’s lives […] I know it’s a bonus, you know, you’ve saved the business ‘so much’ but you’ve got to think of the people that you’re hitting. They’re people of society. […] It’s a life changer. (Anna)

Anna despises how business and market-based rhetoric and jargon is used within her workplace (“yields”, “save”, “business”). She wants to get away from this political game because it badly effects citizens’ lives. But Anna says that her co-workers “don’t realise that people [citizens] are human” and that they have got “into this routine [of] “I’ve got to get it” - targets”. So much so, she believes that the government is “putting that thing in your head”.

Besides monthly performance reviews with managers, workers jointly attend “white board meetings” (Anna) at 10am every day to review their individual performance. Any worker who does not meet their target(s) gets “three Cs” written next to their name on the whiteboard. This has become so normalised that Anna does not know what the “three Cs” mean. But she knows it is “bad”. Workers’ names are also coloured in green or red: “Red being bad”. After each whiteboard meeting, Anna’s manager then attends another whiteboard meeting at 10:30am, during which her manager is similarly assessed by senior managers. Senior managers then meet as a “cluster”, known as an “operations group”, to review their overall performance. Management staff are similarly under pressure to “have to find these percentages or they’ll be disciplined themselves for not finding those people” (Anna). Claire confirms that line managers in her workplace are “oppressed” by senior managers “into meeting various targets”. PMS thus permeates throughout all managerial and frontline levels, acting as a constant and systematic accounting centre of calculation that regularly reminds workers and managers to behave in certain ways.

In sum, this subsection reveals how PMS, as an accounting technology of governance, acts as a centre of calculation, and via locales (management meetings), inscription devices (whiteboards, computer screens), (re)shape and normalise how workers (expertise) think and act and their relationships with managers (other expertise) and citizens. PMS became a digitised centre of calculation, monitoring and sanctioning workers based on calculative practices which (re)shaped their relationships with managers and further distancing them from workers’ reality, emotions and motives. ’performance without consideration for Consequently, PMS dehumanise workers’ practices which have detrimental consequences on the quality of public service delivery and their relationships with citizens.
5. Discussion and conclusion

In a way, we have told a familiar story about the undesirable consequences of NPM reforms on public sector organisations (see for example, King and Crewe, 2013). NPM introduces neoliberal values in conflict with traditional professional values, which can destroy public service motivation, and strengthen a compliance mentality and quantification culture (see Steccolini, 2019, 259, 268). HMRC’s goals to become more efficient and effective at providing professional public services were thwarted by the very NPM reforms that set out to achieve these goals. For instance, we show how PMS fostered goal displacement by redirecting workers’ ability to exercise discretion to accommodate citizens’ needs and interests towards following rigid scripts and boosting their performance in achieving organisational targets. Accounting technologies dehumanised, disembodied and disempowered HMRC workers, making them less helpful towards citizens and colleagues, as well as less efficient and less effective.

Turning to the field of public administration helps to cast this story in terms of public values. Following Beck Jørgenson & Bozeman’s (2007) categorisation of public values, we have demonstrated that HMRC has undergone a transformation from public values of human dignity, moral standards, ethical consciousness, integrity, legality, equity, dialogue and user orientation towards neoliberal values of efficiency, productivity, performance, competition, and a business-like approach. While it could be argued this is a shift towards different types of public values, we see it as an erosion of them (Pesch, 2008; Rutgers & Van der Meer, 2010) because neoliberal values have generated profound undesirable consequences to the detriment of the ‘publicness’ of HMRC. Illegally dumping the mail to meet performance targets can hardly be said to be in the public interest. Despite its formal public characteristics, we therefore argue that from a normative perspective HMRC is essentially a private organisation.

But we believe we have also told a different story, one that helps the turn to publicness in accounting to become more than a bolt-on of public values to critical analyses of NPM. This story is about the relational transformation of publicness and the ways in which accounting technologies are implicated in this change process. We have characterised the transformation of HMRC’s public values as a ‘frog in the pan’: a gradual process of changing relational power in-between workers, managers and citizens that has slowly but surely killed the public values
driving the tax authority without anyone realising this was happening or being in control of the process.

Empirically, we identified three distinct, yet interrelated accounting technologies that facilitated these shifting relational processes (summarised in Table 2). First, ‘shifting sands’ describes how neoliberal values of efficiency and productivity generated an ineffective and inhumane approach to accounting for people. The frequent (re)allocation of workers into different locales isolated them from each other, citizens and information that previously were useful in helping resolve cases. Second, ‘going paperless’ refers to how the increased use of, and dependence on, ICT led to the dominance of calculative accounting and digitised practices in the workplace. Tax authority workers became ‘screen-level bureaucrats’ (Bovens and Zouridis, 2002) detached and disconnected from citizens, making them unaccountable to them. Finally, ‘meeting targets’ pertains to the ways in which PMS functions as an accounting centre of calculation which constantly surveys, assesses and sanctions workers. It forms an ‘electronic superpanopticon’ (Poster, 1990; 1996), normalising the meeting of targets, rather than helping citizens, as the modus operandi of accountability.

| Table 2: Accounting technologies used within Her Majesty's Revenue and Customs |
|---------------------------------|----------------------------------------------------------------------------------|---------------------------------|----------------------------------------------------------------------------|
| Analytical code                  | Description                                                                 | Type of accounting function     | Examples of accounting technologies in data (Miller and Rose, 2008) |
| Shifting sands (section 4.2.1)   | Frequent reallocation of workers and reclassification of job roles; fragmentation and reallocation of citizen information. | Dividing practice                | Locales: Mass increase in enclosed isolating units and departments. |
|                                 |                                                                                 |                                 | Expertise: Loss of access, collaboration and shared-knowledge. |
| Going paperless (section 4.2.2)  | Information and Communication Technology processes, withholds and provides piecemeal information to workers | Dividing practice and technology of government | Centres of calculation: enhanced dependency on databases and computer-based algorithms to make decisions and produce letters and computer scripts. |
|                                 |                                                                                 |                                 | Locales: replacement of face-to-face/telephone encounters with online services. |
|                                 |                                                                                 |                                 | Inscription devices: increased production of computer-generated letters, computer scripts and online forms. |
|                                 |                                                                                 |                                 | Expertise (workers discretion and decision-making powers replaced by ICT) |
| Meeting targets (section 4.2.3)  | Systematic daily monitoring and sanctioning of workers' performance based on quantified metrics | Technology of government         | Centres of calculation (increased use of calculative practices facilitated by ICT to monitor and sanction workers). |
|                                 |                                                                                 |                                 | Locales (increased frequency of staff management meetings e.g. from annual to daily meetings) |
|                                 |                                                                                 |                                 | Expertise (dehumanisation of relationships between workers and managers; increased management and managerial levels) |
|                                 |                                                                                 |                                 | Inscription devices (whiteboard performance charts, computer screens) |

An important conceptual contribution of this paper is that it helps us go beyond thinking of publicness in terms of the structural characteristics of organisations, or as the presence or absence of certain public values. Public values are not created or changed by decree, nor do
accounting technologies simply facilitate the implementation of said values. Rather, we argue that accounting technologies transform public values through relational processes which stakeholders construct, negotiate, change and sustain. By combining governmentality and Actor-Network-Theory, we can understand how values emerge from, and are folded into, the complex power relationships between human, inhuman and nonhuman actors. In this relational approach, public values change through dynamic and emergent processes, as stakeholders interact with and through ensembles of accounting technologies. For instance, the public values of HMRC have transformed from ‘a person who needs help’ to ‘a case to process to meet targets’ by moving from local offices and face-to-face encounters to isolated units and digitised calculative encounters. Whereas tax authority workers used to be able to see if a citizen was struggling to fill in a form, they now see partial information on a computer screen that they have to relay via telephone. An appreciation of what is valued in the organisation emerges from these relational processes.

Our analysis has normative and practical implications for public sector organisations. By identifying what public values have been lost, we have sketched the contours of what is valuable and should be recreated. The dominance of neoliberal values has adverse impacts on both tax authority workers and citizens. If effective and democratic public service provision is truly the aim, HMRC must adopt a normative relational approach grounded in public values of human dignity, dialogue, trust, and empowerment (Bell & Smerdon, 2011; Cooke & Muir, 2012; Denhardt, 2011; Stout & Love, 2018). For such relational values to take hold, stakeholders need to be ‘valua-able’; i.e., they need to be enabled to change their relational power. By having face-to-face encounters in local offices, officials would for instance again be able to have holistic and humanised conversations with citizens about how to help them with their complex cases. By making time to have conversations with officials to understand the daily pressures they face, managers would lower stress and sick leave, increase morale, stimulate worker empowerment, and enhance overall performance.

We appreciate that these are bold moves, especially in an austerity-struck public sector. The current paper only provides limited positive evidence to support our claims about the effectiveness of such reforms—even though our wider study provided additional evidence (to be published). We recognise that the empirical basis of our claims is relatively limited. Unfortunately, the organisation would not grant us access so that we could have interviewed a wide number of tax authority workers and managers. Indeed, we have speculated that this
seems to be indicative of the eroded publicness of the organisation. We would welcome future studies that would probe a greater breadth of views and experiences within HMRC or other tax authorities to ascertain the public value mechanisms, patterns and outcomes we have identified. We hope to have shown that it is valuable for such research to adopt a methodology that combines a variety of data sources and takes a critical-interpretivist perspective to analysing the relational processes through which public values manifest and change. Finally, we recommend public sector organisations and accounting researchers to collaborate on transforming these relational processes in order to let public values re-emerge from the ashes of NPM.

References


Graham, C. 2010, Accounting and the construction of the retired person, Accounting, Organization and Society Journal, Vol. 35, No. 1


