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

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**Abstract**

**Purpose** – We aim to contribute to conceptual and empirical understanding of publicness in public sector accounting research by analysing how accounting technologies facilitated the transformation of public values of the UK tax authority.

**Design/methodology/approach** – We develop a conceptual framework for analysing public values in terms of relational power. Combining governmentality and Actor-Network Theory, we focus on the complex relationships through which human and non-human actors interact and the public values that emerge from these evolving socio-material networks. Based on a critical-interpretivist ethnographic study of interviews, documents and secondary survey data, we identify the emergent properties of accounting technologies in our case study.

**Findings** – We explain how accounting technologies facilitated the transformation of public values in the tax authority by reshaping relational power. Traditional public values were eroded and replaced by neoliberal values through a gradual change process (‘frog in the pan’) of (1) disconnecting workers and citizens both spatially and socially; (2) losing touch with the embodied nature of tax administration; and (3) yielding to a dehumanising performance management system. Neoliberal accounting technologies transformed the texture of relationships in such a way that workers and citizens became disempowered from effective, accountable and humane tax administration.

**Research limitations/implications** – Further research is needed that gains wider access to tax authority workers, extends the scope of the empirical data, and provides comparisons with other tax authorities and public sector organisations.

**Practical and social implications** – We show that a relational approach to public values enables identification of what is ‘valuable’ and how public sector organisations can become ‘value-able’.

**Originality/value** – We offer an interdisciplinary conceptualisation of publicness based on public administration literature, develop a relational conceptualisation of public values, and provide original empirical evidence about the changing publicness of the UK tax authority.

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

**Article classification**: Research paper

# **1. Introduction**

The editors of this special issue called for studies that “*propose, debate and identify forward pathways for looking at publicness in accounting research*.” 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 for public service motivation, professional values and ethos, democratic accountability, etc. (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).

Accounting plays a key role in shaping publicness because ‘accounting technologies’ provide webs of calculations, procedures, objects and humans for monitoring and controlling the behaviour of public officials and citizens (Foucault, 1991; Chow and Bracci, 2020; Cooper, 2005; Miller & O’Leary, 1987). Accounting technologies facilitate the “*exercise power over the individual, the suppression of deviance, and the production of normalised behaviour*” (Walker, 2008, p.457). By translating social activity into quantifiable economic values and pre-determined criteria, they change “*lines of responsibility*” and create “*possibilities of action*” (Miller and Hopwood, 1994, p.2-3). Yet, accounting technologies are not simply technical instruments for coercive control of individuals’ conduct in line with pre-determined notions of the public interest. Rather, accounting provides “*technologies of performance*” (Dean, 1999) that transform individual subjectivities towards a specific way of doing and thinking within a sphere of autonomy (Rose, 1993; Lemke, 2001). Publicness is therefore “*not located in a separate sphere and is not prior to practices, but comes through in concrete practices in dispersed social-material networks*” (Vosselman, 2014, p.199). Hence, it is by delving into the performative function of accounting technologies that we can advance our understanding of publicness.

Following earlier calls in PSAR for more interdisciplinary theorisation (e.g., Broadbent & Guthrie 2008; Cooper 2005; Jacobs 2016; Lapsley 1988), this paper develops theoretical and empirical understanding of publicness in accounting based on how it has been conceptualised and debated in the field of public administration (PA). For example, the dimensional approach (Bozeman, 1987, 2013) has been widely adopted to ascertain the public and private characteristics of organisations and critically assess the implications for democratic accountability. However, the structuralist nature of this approach limits its usefulness to PSAR’s ambition to critically analyse how ‘public value’ is distributed across society and created, contested, negotiated and diminished through accounting (Steccolini, 2019). A normative perspective on public values (Beck Jorgenson & Rutgers, 2015) is more suitable, yet the predominant philosophical bent of this approach means that it lacks empirical grounding and mid-level theorising of the ways in which public values are enacted and changed (Hartley *et al*., 2017). PSAR stands to benefit from a conceptual approach that clarifies how accounting technologies are used to operationalise and change public values, and, accordingly, shape relationships between societal and organisational actors and impact on accountability and social justice (Jacobs, 2016). Therefore, our main research question is: *How do accounting technologies facilitate the transformation of public values?*

We adopt a *relational power* approach to analyse the ways in which accounting technologies reshape power relationships in the direction of specific public values. Drawing on key features from relational public administration (Bartels & Turnbull, 2019), we explain how we analyse the ways in which accounting technologies are enacted, mediate interactions and exercise power (Vosselman, 2014) based on a relational ontology, an epistemological focus on emergent properties, and a methodological concern with dynamic, situated and evolving socio-material networks. We combine two well-established relational approaches, governmentality (Foucault, 1979; Miller & Rose, 2008) and Actor-Network-Theory (Latour, 1987), to conceptualise the complex, dynamic relationships through which human and non-human actors interactively exercise power. Furthermore, we take a critical stance to the normative values emerging from face-to-face interaction in an actor-network (Vosselman, 2016).

Our analysis examines changes in the public values 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 public organisations (‘dimensional publicness’; Bozeman, 1984; 1987), but, as we will go on to show, is fully private because of the neoliberal values it enacts. 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 HM Customs and Excise. Several critical studies have already analysed changing roles and working practices of tax authority managers and workers in the UK (Tuck, 2010; Currie *et al*., 2015; 2016) and elsewhere (Boll, 2014; Wynter and Oats, 2018; 2019). For instance, Tuck (2010) conducted a Foucauldian analysis of “*the 4-year period when HMRC was undergoing immense change*” (p.594), revealing how NPM reforms had changed tax officials’ identities by subjectivising them to managerialism, a customer orientation and compartmentalised specialisation. Similarly, Currie *et al.* (2015) exposed how NPM reforms have ‘hybridised’ the role of tax authority managers, criticising the erosive effect on their professional values.

Other critical accounting studies have examined the role of accounting in facilitating neoliberal policies in health and social care. Accounting technologies have been found to transform public sector workers’ autonomy and redefine the relationship between state and citizens (Bracci, 2014; Junne 2018; Junne & Huber, 2014). 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 demonstrate how accounting technologies create “productive” relationships between social care workers and citizens by reshaping their subjectivities towards economic values. Cooper (2015) argues that accounting technologies reshape the subjectivities of individuals in a neoliberal context, but highlights the need for further research in this area. Given the limited number of studies that examine tax authorities, a key empirical contribution of our paper is to provide further evidence of the role accounting technologies play in facilitating neoliberal values in tax administration. Especially focusing on workers interacting with claimants of the Tax Credits system, we build upon and add to the aforementioned studies by critically analysing the changing ‘publicness’ of HMRC.

Our findings reveal how accounting technologies have facilitated the emergence of a form of relational power that transformed the public values of HMRC into neoliberal values. We identified three emergent properties of accounting technologies that changed relational power in and around HMRC in a way that neoliberal values became so deeply engrained and normalised that most workers were unaware of their impact on working practices. This gradual change process eluded control and resistance because neoliberal values were dynamically enacted and changed in-between actors in interactions with accounting technologies. One interviewee referred to this process with the analogy of ‘the frog in the pan’, which is based on the reaction of a frog placed in a pan of water. If the water is boiling, it will immediately jump out. However, if the water slowly warms up, the frog does not notice and is boiled alive. In other words, the publicness of HMRC was eroded to such an extent that it was transformed into an ineffective, dehumanising and disempowering private organisation.

The paper is structured as follows. We first review conceptualisations of publicness in PA and identify the normative approach to public values as the best fit with recent developments in PSAR (Section 2). Section 3 introduces our conceptual framework of relational power and explains how combining governmentality and Actor-Network Theory enables critical empirical research of public values as emergent properties of interactions facilitated by accounting technologies. Section 4 explains why we adopted a critical-interpretivist methodology and how we carried out an ethnographic study of HMRC. We then share our findings evidencing that the public values of HMRC gradually changed from traditional public administration values into neoliberal values and then analyse how accounting technologies facilitated this ‘frog in the pan’ transformation by generating three emergent properties: disconnecting, losing touch, and yielding (Section 5). The paper concludes in Section 6 by discussing the implications of our study for PSAR and providing recommendations for analysing public values in terms of relational power.

# **2. Publicness in Public Administration and Accounting**

The field of public administration (PA) has a rich heritage of conceptualising and debating the complex and slippery notion of ‘public’ (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. Rutgers (2015, p.29) therefore concludes that we need to accept that ‘public’ “*is a fuzzy concept, and that is probably ‘as good as it gets’*”.

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 vs. privately owned) divided the organisational universe into two pure types (e.g., Scott and Falcone, 1998). As this approach proved ill-equipped to deal with non-pure types, which were found to dominate 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 Bretschneider, 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 mechanisms that determine an organization’s dependence on political constraints and resources.

The dimensional approach to publicness has become more prevalent 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 an accountability perspective there is significant risk in acquiescencing 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 (political-institutional authority, legal status, legal and regulatory power, legal-economic ownership, and economic funding) and combining them to identify their consequences for democratic accountability. For instance, organisations with public power and a private legal status are difficult to hold accountable for their decisions and actions.

Despite the value and appeal of this dimensional approach, it provides a limited, structuralist perspective on publicness and accountability. Taking HMRC, the case study of this paper, as an example, the dimensional approach identifies HMRC as a classic public organisation: it has significant unilateral public powers (tax administration) and is publicly owned, financed, and controlled. As a non-ministerial government department, it does not operate under direct government supervision, but is overseen by Commissioners appointed by the Queen (Commissioners for Revenue and Customs Act 2005)[[1]](#footnote-1) and ultimately accountable to Parliament. The Chancellor of the Exchequer delegates tax policy development and implementation to Her Majesty’s Treasury (HMT); a UK government department. HMT and HMRC have a “*policy partnership*” (HMRC, 2017/18, p.60) for implementing and administering tax policy in the UK. However, this public classification obscures the findings of critical analysis of NPM reforms demonstrating that HMRC has in essence become a private organisation because the erosion of its publicness has created perverse, undemocratic modes of accountability (Tuck, 2010; Currie *et al*., 2015).

A normative approach to publicness redirects attention to ‘public values’ (Beck Jørgenson & Bozeman, 2007; Beck Jørgenson & Rutgers 2015; Denhardt, 2011; Hartley *et al* 2017; Pesch, 2008; Rutgers 2015). Public administration is viewed as being “*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.[[2]](#footnote-2) The normative approach therefore seems to offer a solid philosophical framework to support PSAR’s move to increasingly understanding publicness in terms of “*the attainment of public goals and interests, [rather] than … the organisations and concrete spaces where the related activities take place*” (Steccolini, 2019, p.262).

Moreover, a normative public values approach is congruent with PSAR’s focus of NPM reforms encompassing not only “*the introduction of new techniques … but also … the imposition of a new set of values*” (Denhardt, 2011, p.141). This entailed replacing traditional public values, including accountability, professionalism, ethical consciousness, justice, equity, dialogue, and user orientation with “*typical new public management values: productivity, effectiveness, parsimony, a business-like approach, and timeliness*” (Beck Jørgensen & Bozeman, 2007, p.367). While it can be argued that these can also be seen as public values, we regard them as essentially private (neoliberal) values that are philosophically and politically incongruent with the aforementioned public values (Denhardt, 2011; Hood, 1991; Pesch, 2008). This proliferation of neoliberal values has not only redefined what is considered ‘public’ in line with market and business principles (Catlaw & Sandberg, 2018; King and Crewe, 2014; Rutgers & Van der Meer, 2010), but has also resulted in a range of undesirable consequences in terms of accountability, power, social justice and equality (Denhardt 2011; Hood & Dixon, 2015).

Yet, the normative approach has two major limitations. First, its philosophical orientation means that it is based on limited empirical research. Second, it adopts a ‘helicopter view’ from the perspective of public managers or detached academics (Hartley *et al*., 2017). This results in a lack of in-depth empirical knowledge of the ways in which public values are enacted and experienced in practice, and which definitions and interests are included or suppressed in the process. Such knowledge is crucial because public values are precarious and vulnerable to erosion, as their endurance over time is contingent on organisational ‘operating systems’ and everyday practices (Kraatz *et al.,* 2010). In PSAR, there is particular interest in advancing understanding of the ways accounting technologies facilitate the institutionalisation and change of public values, shape interactions and relationships between societal and organisational actors, and influence democratic accountability and social justice (Steccolini, 2019). Thus, both in PSAR and PA, there is a need for empirically grounded studies of how public values are constructed, contested, and transformed.

# **3. Relational power and public values**

We adopt a relational approach to understand the complex, dynamic processes through which public values are enacted and changed in practice. Recent conceptual synthesis of relational approaches in PA offers a helpful interdisciplinary framework for analysing publicness based on three core features (Bartels & Turnbull, 2019). First, a *relational ontology* that takes networks of interaction, interdependence, and relationships as a main unit of analysis. Due to the upsurge of network governance, it has become increasingly common to shift the focus from interactions in networks to viewing PA itself as interactive, dynamic, and situated. The second core feature of relational PA is an *epistemological orientation to emergent properties*. Relationships are not understood as transactions between static entities; instead, their nature, meaning and value emerge from interactions between ‘inter-actors’ and dynamically shape~~s~~ who they are and what they do. Third, relational PA adopts a *methodological focus on dynamic, situated and evolving networks*. By studying actors’ situated being-in-relation with others, underlying mechanisms and meanings of complex flows of relationships and changing systems can be identified. Finally, there is a key dividing line between relational approaches in PA is whether they attach a normative value to relationality; i.e., the qualitative improvements emerging from well-formed relationships.

In PSAR, these relational features have been articulated by Vosselman (2014), who claims that “*a relational ontology … acknowledges that accounting is not an essence in itself, but can only exist in processes of knowing in networks, and is in politics*.” (p.199). A relational approach, he argues, analyses the performative function of accounting technologies; how they are assembled, enacted and exercise power. This echoes Miller and Napier’s (1993) view that “*there is no “essence” to accounting and no invariant object to which the name “accounting” can be attached*” (p.631); it consists of “*ensembles of practices and rationales*” (pp.633-634). Similar to studies of ‘relational power’ in PA (e.g., Turnbull 2013), accounting technologies are understood in terms of the dynamic interactions between a variety of actors, both with each other and the discursive and material components of the wider networks and systems that mediate their power relations. In this paper, we conceptualise relational power by combining two popular social theories in PSAR: governmentality (Foucault, 1976, 1979, 2008; Miller & Rose, 2008) and Actor-Network Theory (ANT) (Latour, 1987).

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. According to Foucault (1996, p. 277) “*individuals are subjectivised through “multiple processes” that constitute power*” and come from the self (individual) and multiple other sources. In contrast to sovereign power exercised by a centralised State via law and punishment, Foucault (1976) focused on the relational power through which the State subjects the bodies and minds of citizens to its administrative mechanisms (‘*dispositif*’). Governmentality 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 as sets of public values tied together by a political ideology) to the conduct of citizens through complex webs of power relationships, mediated by technologies of government (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). Rather than simple instruments, they are complex webs of computation, calculation, procedures, devices, and actions. In this paper, we pay particular attention to the relational webs formed by accounting technologies, including inscription devices, expertise, locales, and centres of calculation (Rose and Miller, 1991; Miller and Rose, 2008). *Inscription devices* are materials which make reality visible, stable, and mobile. For instance, forms, computer screen scripts and performance management charts make citizen cases and tax worker decisions comparable and calculable. *Expertise* refers to tax workers drawing upon their knowledge and know-how to interact with inscription devices and citizens. Interactions take place within *locales*, such as tax offices, call centres and online platforms, where expertise captures and monitors citizen information in numerical format. Information is transferred between locales and *centres of calculation*, such as Citizen Databases and Performance Management Systems, with the aim of processing and subjecting individuals to evaluation, intervention, and control.

Miller and Rose (2008) advance this relational understanding of governmentality based on ANT, which claims that “*the qualities and capacities of both human and technologies […] are relational and performative constructs*” (Andersen *et al*., 2018, p.43). Power results from complex relations between human, inhuman and non-human actors, who construct a ‘network’ of relations in mutually constitutive ways that cannot be analytically separated (Callon and Latour, 1981; Latour, 1986, 1987; Callon and Law, 1997). The success or failure of the network depends on materialized and repeatable instructions that become custom and habit, and eventually legitimised and normalised ways of doing and saying. Relationships 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. The network is the *emergent property* of the affiliation of persons, communications, inscriptions and artefacts (Miller and Rose, 2008), which are so intrinsically linked through dynamic and emergent processes, that no-one is in control or fully aware of it happening.

The relational interdependence of the actors in the network does not necessarily mean that they form an ‘integrated’ whole of meaningful, democratic, and mutually empowering relationships (Stout *et al*., 2018). Accounting technologies enable identification and categorisation of the population into separate manageable and calculable units (Rose, 1991; Miller & O’Leary, 1987; Chow and Bracci, 2020). Foucault (2003, p.126) refers to this function of accounting as a “dividing practice”, i.e., “*the subject is either divided inside himself [sic] or divided from others.*” This process isolates the subject in enclosed sites that restrict freedom within delimited boundaries referred to as “sphere of autonomy” (Rose, 1993). Thus, accounting technologies facilitate the governing of individuals by mediating interactions between elements of the network in ways that link yet divide them.

However, it is possible for qualitatively better relationships and outcomes to emerge. In line with PSAR’s critical stance to publicness and the normative approach to public values discussed in Section 2, we analyse the *normative values* emerging from the network. Broadbent and Laughlin (2009) have distinguished ‘relational’ performance management systems from transactional ones to outline a communicative approach to discursively agreeing on performance measures. While we acknowledge they intended for these analytical categories to be used as ideal types, we agree with Vosselman (2016) that the former is normatively more desirable than the latter. This normative stance is backed up by calls in PA for creating a “relational state” grounded in public values of human dignity, respect, dialogue, trust, care, fairness, responsiveness, and empowerment (Bell & Smerdon, 2011; Cooke & Muir, 2012; Denhardt, 2011; Stout & Love, 2018). Such relational (public) values have been found to emerge from, and be cultivated through, face-to-face interactions between public workers and citizens as they navigate the network they are embedded in (Maynard-Moody & Musheno, 2003; Hand, 2019; Raaphorst & Loyens, 2018; Wynter & Oats, 2019; Vosselman, 2016).

In conclusion, our conceptual framework focuses on relational power to analyse how what is valued emerges from interactive processes in-between actors and with their discursive and material network. It enables us to track in detail how accounting technologies reshape power relations, facilitate transformations of public values, and impact on social justice. In Section 4, we will explain our critical-interpretivist ethnographic methodology to examine these relational processes.

# **4. Methodology**

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

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). Interpretivism is committed to understanding relational processes and meanings of human behaviour within social, economic, and political contexts (Smith, 2017). It focuses on the inter-subjective processes through which multiple interpretations of social reality are constructed. Human beings are viewed as co-constructing 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). Prior research shows that accounting is not a neutral device that merely records and calculates, but (re)constructs meanings and relationships embedded in everyday taken-for-granted perceptions and practices. However, interpretivist studies often fail to make good on their critical potential to effectively 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 how power is enacted and creates social differences and structures (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 tax workers and to understand how they perceive themselves and others in their workplace. Ethnography seeks to produce ‘thick descriptions’ of the complex and multiple meanings of social 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). We therefore immersed ourselves for an extensive period in ‘the field’ to observe the contextual practices through which TC administration was enacted, ranging from observations of telephone encounters between tax workers and claimants to participating in HMRC-related events and committee meetings of professional bodies and charities. We wrote field notes to critically reflect on the relational processes that gave shape to hegemonic beliefs and inequalities in power and social status.

Ethnography 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, telephone recordings, HMRC forms and staff manuals, Public Accounts Committee Reports, HMRC research reports, newspaper articles and field notes (see Appendices A1 – A3). While the wider project included 24 in-depth interviews, this paper focuses on four interviews with tax workers (see Table 1). Gaining access to tax workers proved extremely difficult due to a lack of organisational authorisation. Arguably, this may be due to the organisation being reluctant to reveal what happens on the inside and be held accountable (Smith, 2017). The four interviews produced rich and deep understandings of the ways in which the tax system operates because of the unique experiences and expertise of the interviewees, who worked in different departments, locations and in various job roles for nearly twenty years (see Table 1). To preserve confidentiality identities were anonymised by using pseudonyms and excluding job locations. Due to their long period of employment with HMRC, they were able to provide unique insights into the transformation of public values as they experienced the gradual changes in the workplace before and after the merger of Inland Revenue and HMRC Customs and Excise in 2005.

[INSERT TABLE 1 HERE]

We adopted an unstructured approach to qualitative interviewing (Weiss, 1994) to allow 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 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). Grounded theory helps capture emergent themes and involves a processual approach to data analysis. 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 identified key issues, tensions and patterns and gradually arrived at a more conceptual understanding of what the data were telling us. In line with our relational conceptual framework, we synthesised our findings by identifying three emergent properties (‘Disconnecting’, ‘Losing Touch’, and ‘Yielding’), which are discussed in Section 5.

While we recognise the limitations inherent in a relatively small number of interviews, Wagenaar (2004) has shown that in-depth analysis of only one interview can generate profound and novel insights into administrative practices. Moreover, the interview data are embedded in the findings from our wider study of HMRC and triangulated (Seale, 1999) with analysis of HMRC internal staff manuals, screenshots of staff computer screens, HMRC job adverts, Inland Revenue citizen information cards and HMRC letters, Government White Papers and reports. We also drew on the results of annual staff satisfaction surveys conducted by the Civil Service (‘Civil Service People Survey’) from 2009 to 2018.[[3]](#footnote-3)

# **5. Analysis and findings**

This section presents our findings, including what it is like to work in a tax office, how workplace culture, practices and processes changed over time, and the way accounting technologies facilitated changes in relational power, public values and social justice. We borrow the analogy of ‘frog on the pan’ from one of our interviewees to refer to the gradual changes that took place in the workplace and which resulted in undesirable consequences for both tax workers and citizens. Section 5.1 traces the public values the Inland Revenue (before the merger with HMCE) and HMRC (after the merger with HMCE) subscribed to and how these changed over time, based on an analysis of public documents. Sections 5.2 to 5.4 identify three emergent properties of accounting technologies, grouped according to the analytical codes we developed from the data: ‘disconnecting’, ‘losing touch’, and ‘yielding’.

*5.1 Public values of 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) was part of UK public sector reforms initiated by New Labour. The White Paper ‘Modernising Government’ aimed to “*to* *create better government to make life better for people*” (1999, p.13) underpinned by the guiding principle of “*customer focus*” (ibid, p.32) and using Fordist production and measurement approaches to public service administration (Tuck *et al*., 2019).

Before the merger, the IR and HMCE were well-established organisations. Founded in 1849 and 1909 respectively, they had developed their own distinct cultures over the years. IR adopted its first Taxpayer Charter in 1986, following criticisms of poor service delivery (Young, 2017). It set out acceptable levels of ‘customer service’ and a complaints procedure. There is no longer a publicly available copy of the 1986 Taxpayer’s Charter (Curtis, 2005), but our analysis of internal manuals indicates that workers were constantly reminded to deliver taxpayer-focused services to citizens, in line with traditional public administration values of public interest, regime dignity, legality, professionalism, reasonableness, and responsiveness (Beck Jørgenson & Bozeman, 2007). These values are clustered around the ‘nodal values’ of human dignity, integrity and robustness (*ibid*, p.371). For instance, the introduction of several tax manuals 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*” (2002) which requires workers to “*be ready to help the taxpayer, in every reasonable way*” (2002). Dylan, one of our interviewees, who worked for IR and subsequently HMRC for over twenty years, elaborates:

We were **there to help** you not pay too much [tax] and **that was all the way through our clerical training**. […] Their **obligation to the public was [on] the front page of every paper manual** […] **You weren’t there to collect the most** [tax], **you were there to inform them** of their rights as well as their obligations (emphasis added[[4]](#footnote-4)).

The purpose of the merger of IR and HMCE in April 2005 was to enhance control and efficiency of tax administration (Tuck *et al*., 2019; King and Crewe, 2013; O’Donnell, 2004) based on a neoliberal rationale of standardisation, productivity and performance measurement, as set out in the Government’s 1999 White Paper. Following the O’Donnell Review (2004) of UK Revenue Departments, New Labour’s ambition was to enhance efficiency by having “*expertise* […] *concentrated in a single institution*” (Tuck *et al*., 2019, p.9). Before the merger IR was involved in several controversies: the introduction of the new Tax Credits system in 2003, the loss of billions of tax revenues, staff shortages, and IT problems (King and Crewe, 2013, p.146). Dylan confirmed there were “*huge inefficiencies*” in IR at the time.

In line with New Labour’s replacement of public authority charters with performance management tools (Young, 2017), HMRC adopted a new Charter in 2009. HMRC also published its ‘Value for Money Delivery Agreement (Revised)’ (2009), which set out its mission “*to close the tax gap, help customers feel that the tax system is simple for them and even-handed, and seen as a highly professional and efficient organisation […] by designing and delivering products and services that meet customers’ needs*.” (p.4). Three years later HMRC published its ‘Corporate Responsibility in Action 2011-12’ report. Employing the neoliberal discourse of customer-orientation, HMRC promises to 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, HMRC depicts itself as an organisation steeped in traditional public values of accountability (“*pride*”, “*professionally*”, and “*integrity*”), equity (“*even-handed*”) and user orientation (“*help*”, “*meet … needs*”, and “*make it easy for*”). However, compared to the public values underpinning IR’s Taxpayer’s Charter, the statements are infused with neoliberal discourse. Taxpayers are referred to as “*customers*”, with HMRC providing “*products and services*” delivered in “*efficient and effective*” ways. As King and Crewe (2013) suggest, in a neoliberal public organisation, “*professionalism, flexibility and efficiency are supposed to be maximised*” (p.291).

In conclusion, the analysis of key policy documents, reports and interview data about the restructuring of tax authorities in the UK demonstrates how neoliberal values of cost-cutting, efficiency and digitisation replaced the pre-existing orientation to traditional public values of legality integrity, reasonableness, and adaptability. While accountability, equity and user orientation also feature, these values are cast in a neoliberal political rationality that, as Sections 5.2 to 5.4 will show, have increasingly eroded the public value base of HMRC and generated undesirable consequences for workers and citizens.

*5.2 Disconnecting*

This section examines the emergent properties of mass relocation of workers and reclassification of their job roles. As a dividing practice, accounting technologies (locales and expertise) facilitated a process of *disconnecting* by reducing collaborative working relationships and disempowering workers to help taxpayers in creative and humane ways. Julie, who had been working for the tax authority before and after the merger, referred to the changes in her workplace as ‘shifting sands’, i.e., a highly unstable and insecure working environment with workers’ roles and locations being “*moved around a lot*”.

Dylan described 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: we were still around. But **the way to diffuse it was so that it never escalated** … It tended to work. […] [It] 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: **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.**

Workers were physically close to citizens, with the tax office being “*open up to the public*” and feeling “*very much part of the community*”. This fostered humanised and embodied relationships, empowering workers to respond to citizens’ individual needs because workers viewed themselves as being “*there to help*”.

The merger of IR and HMCE, underpinned by NPM, resulted in job cuts and a greater focus on efficiency and effectiveness (see Section 5.1). According to Julie, after the merger, HMRC had “*to prove itself as efficient as humanly possible*”, which involved mass relocation of workers from local offices to large regional offices, the reclassification of job roles and segmentation into enclosed isolating locales. Dylan explained its impact on relationships with colleagues:

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.[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.**

Before the restructuring, workers across managerial levels and skillsets worked collaboratively, shared experiences and knowledge to help each other. Dylan felt empowered (“*pride*”), as he knew where to find expertise. However, the relocation of workers weakened the web of relations by getting rid of the “*senior common room*”, isolating them in “*little pockets*”, and restricting “*access*” to systems and processes. As a result, “*all that [expertise] got lost*” and work became increasingly “*frustrating*”.

Claire, who had worked for the tax authority since the late 1970s, echoed this experience. She initially worked in an IR office where “*everything was in the building, in the Town*” and she “*would know the person needed*” to help her. After the merger she was transferred 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 with “*things [being] done in isolation*” and “*they don’t know who’s managing what*”. There were so many different “*departments*”, “*teams*” and “*units*” that the location reference on a HMRC letter to a citizen “*ran over two bloody lines*”. Because its length exceeded the amount of characters for the ICT system to process, some digits were omitted, resulting in incorrect references. This made it “*literally impossible*” for citizens and workers to identify and locate the worker who had generated the letter. Thus, the increased number of locales created a “*chaotic*” and “*nightmare*” working environment, which hindered collaborative working.

In addition, citizen information became fragmented across locales. Before the merger, Julie and Anna dealt with the same citizens on an annual basis and had access to all the information in their file. According to Anna, this fostered the feeling of “*ownership*” and authority “*to make a decision*” on a case. Julie explained:

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.**

Previously, Julie was able to “*see the whole story*” and “*could relate more*”. This empowered her to feel “*responsible for that claimant*”, doing “*something that results in an outcome*” and providing a “*better service”.* Anna explained that after the restructuring “*twenty people* *[were]* *dealing with one case*”, which was “*frustrating for the customer*” and workers. Anna found herself unable to help a distraught TC claimant who had been issued with an overpayment because she no longer had access to the claimant’s information, which had been relocated to a separate locale. She was forced to pass the claimant on to the debt collection unit (yet another separate locale).

Dylan described this piecemeal approach of dealing with citizens as a “*factory process*”:

We’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.**

By prioritising “*efficiencies*” over helping taxpayers, “*things were done in isolation*”. The transformation of the workplace through mass relocation of expertise and fragmentation of citizen information into isolated locales functioned as a dividing practice and reduced responsibility, effectiveness, and accountability. In sum, in the name of neoliberal values, such as efficiency, the web of relations between expertise, citizens and locales was profoundly reshaped to the point that the “*whole thing has become* *disconnected*”.

5.3 Losing touch

This section examines the emergent properties of the increased use of and dependence on ICT. Calculative practices permeate the workplace through digitised centres of calculation and inscription devices. These digital accounting technologies transformed the way citizens were presented to workers from embodied human beings into abstract coded forms on a screen. This resulted in workers literally ‘losing touch’ with the embodied nature of their work practices and relationships.

When working for IR, Anna and Dylan dealt with paper-based citizen information: paper-based forms that had been stained and marked by citizens. Anna explained how the physical properties of the paperwork, including its look (e.g., handwriting, spelling mistakes), feel, and smell, forged “*a connection with the customer*”. Dylan described how IR’s Control Card Form P200, an inscription device containing taxpayers’ entire information and history, helped him assess the complexity of a citizen’s case based on “*how battered*” the form was. Exhibit 1a and 1b show a copy of a Form P200.

A close up of text on a white background

Description automatically generated

Exhibit 1a: Control Card Form P200 Part 1

A close up of text on a white background

Description automatically generated

Exhibit 1b: Control Card Form P200 Part 2

New Labour aimed to ‘computerise’ public services to make them more efficient and effective (King and Crewe, 2013). The increased use of ICT meant that citizens’ paperwork was scanned upon arrival at the tax authority. In addition, citizens were encouraged to switch from providing paper-based information to using the tax authority’s online system. Thus, over time, workers literally ‘lost touch’ with citizens via paperwork and Control Cards. Similarly, the majority of HMRC letters and notices were no longer written by workers, but automatically “*generated through computers*” (Claire). ICT created letters and notices by pulling together sentences and paragraphs and information from several databases (centres of calculation) which often fail to make sense to recipients.

Digital accounting technologies transformed relationships with citizens when workers had to use information displayed on a computer screen (inscription device), which generated information from several different centres of calculation. Previously, Anna and Dylan had face-to-face encounters with citizens to collect crucial information that helped them assess whether the information “*sounds right*” and “*gauge whether somebody’s not totally being honest*” (Anna). This enabled workers to use their intuition and know-how to work out whether citizens were truthful or struggling and needed help. The restructuring “*saw the end of us receiving forms and us moving to a worklist system*” (Anna) and “*notes function*” (Dylan), facilitated by ICT. Exhibit 2 is a screenshot of a computer screen used by workers to make decisions. It shows citizen information presented in disembodied, numerical, and coded form, lacking narrative and textual context. Such screenshots are provided to citizens during appeal processes, even though they are meaningless to them.

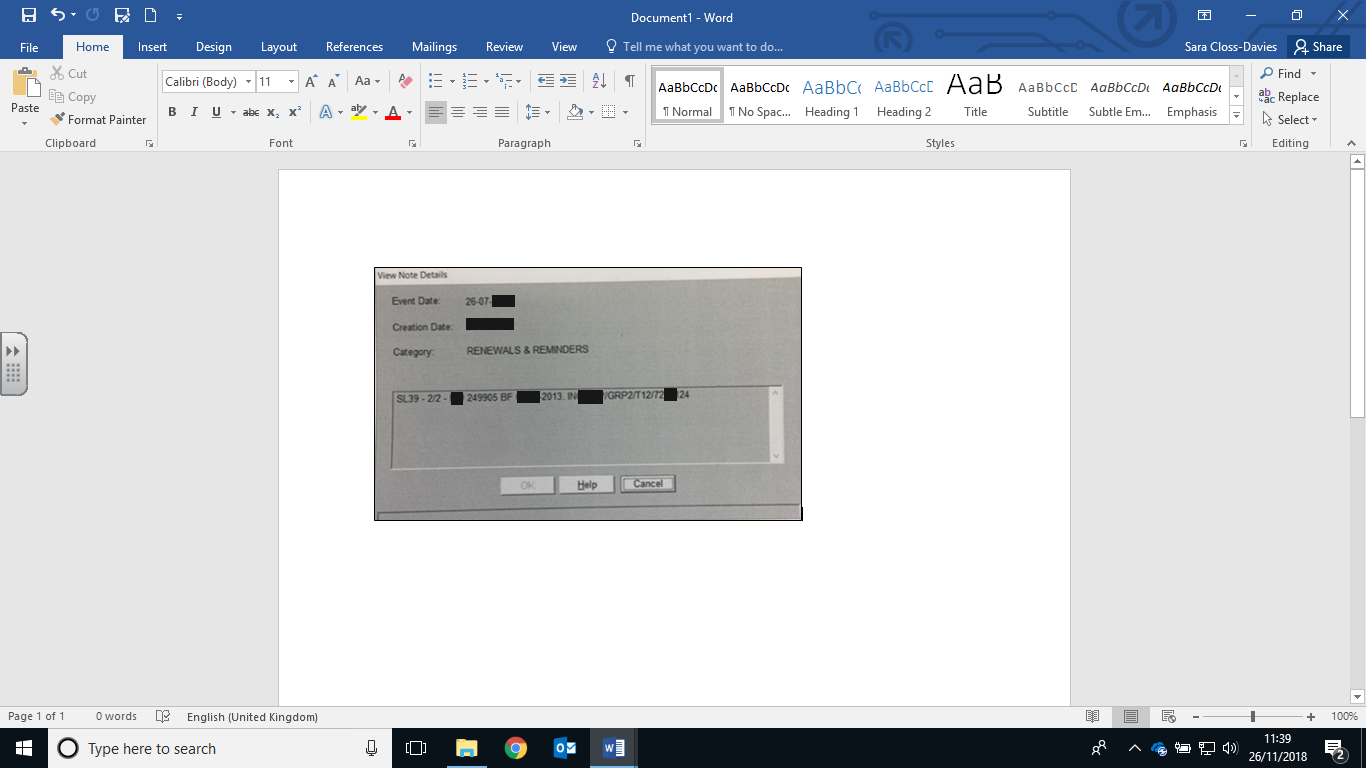


Exhibit 2: Screenshot of HMRC worker’s computer screen

As a result, workers and citizens started to increasingly ‘lose touch’. Anna no longer felt “*comfortable*” telling citizens the outcome of her decisions because they were based on abstract secondary information generated by invisible digitised centres of calculation. This resulted in some citizens, who queried her decisions, “*shouting*” at her on the telephone and “*get[ing] personal*”. For Julie, making judgments about citizens’ lives became difficult because the information was “*all coded; and to the layman it doesn’t really mean a lot. It’s just a lot of numbers*”.

Claire described 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 was reiterated by Julie, who described the development of a new online guidance system by HMRC to help workers make decisions about individual 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’s story shows how HMRC adopted a system that is widely used in private sector service industries. It resulted in workers no longer being able to have open conversations with citizens and working things out in a holistic and collaborative way. ICT facilitated and enhanced the dependency on digitised centres of calculation and inscription devices, transforming workers into ‘screen-level bureaucrats’ (Bovens and Zouridis, 2002). Decision-making is no longer based human senses, empathy, and intuition, but on digitisation and calculation. In turn, citizens were forced to use online services, rather than contact workers directly, by “*not put[ting] the telephone line [number] on letters*” (Julie). As Claire succinctly explained: “*they went from being a big public service to nobody to talk t*o”. Consequently, workers lost touch with citizens’ lived realities and needs.

ICT became a dominant actor in the network, as reflected in workers’ manuals: “*based on the taxpayer’s detail, the computer will decide which offices have responsibility*” (The National Archives, July 2004). According to HMRC manual ‘EP140’, workers were instructed 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*” served to change a citizen’s address and “*AP*” to highlight appeals cases. By 2016, a HMRC job advertisement for a call-centre worker describes workers’ role 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*”. A key aspect of the job constituted “*help[ing] claimants get online*”, with the “*ability to navigate a range of computer systems*” being one of the “*essential criteria*” for the job. Further, the pre-interview ‘test’ for applicants and job interview were both done online. This normalisation of neoliberal (private sector) values in recruitment methods reduces the possibility for workers to question and challenge ICT and its effects on work practices in helping citizens.

In conclusion, with the spread of ICT digital accounting technologies were normalised. These fragmented citizen information and calculative processes across different locales and centres of calculation, providing workers with only limited access. ICT became a dominant actor in the network by increasing workers’ dependency on it (expertise) at the cost of their discretion. Moreover, digitised locales transformed relationships between workers and citizens from face-to-face encounters at local offices to online and telephone interactions mediated by digital inscription devices (computer screens and letters). Shifting resources to online services and recruiting ICT-savvy workers further normalised the transformation from a citizen-focused service to neoliberal ICT-focused and -controlled production process. As a result, workers lost touch with the embodied nature of their work and relationships with citizens.

5.4 Yielding

This section examines the third and final emergent property identified in the data in relation to the accounting technology of Performance Management Systems (PMS). Operating as a centre of calculation, PMS constantly monitored and assessed workers’ practices as an “*electronic superpanopticon*” (Poster, 1990; 1996). ‘Yielding’ to neoliberal values of performance and competition, workers became increasingly concerned with the ‘yield’ they could derive from citizens.

Assessing the performance of workers has been an on-going practice within the public sector as an accountability tool for assessing how public money is spent to demonstrate ‘value for money’. As a key feature of NPM, the introduction of PMS focussed on quantifiable methods (Ogden, 1997) for 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 force a link between public service delivery and quantified visibilities (Miller, 1990). Working for the IR, one of Dylan’s performance targets was to close cases within a certain time frame: “*at certain times of the month things [cases] mattered and got counted*” and “*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 why his “*results were low*” or find ways of gaming the system by for example, sending post to a “*remote office*” or a van “*at the time of the post count*” which meant it “*just disappeared [because] it was just on nobody’s desk to count*”. According to Dylan, IR “*have always had that problem*”. By contrast, in HMRC managers increasingly monitored and assessed workers’ performance via quantifiable means, facilitated by ICT. With an “*on-line*” PMS, “*the computer will say you’ve spent too long, or [tell you] how you need to behave next time*”. Moreover, “*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*”.

Anna feared that spending too much time helping citizens would result in being placed in the “*10%*” category, which meant failing to meet her performance target. 70% of the workforce was expected to meet and 20% to exceed their performance targets. Managers reviewed workers’ performance in monthly meetings. Workers in the 10% underperformance category failed to get promoted, were singled out for further training, were moved to another department, or risked losing their job. Anna, who worked part-time, explained the emotional impact of this performance management system:

**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] **demonstrating negative behaviour** - not acceptable - and then **that puts [us] 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’ work experience at the tax authority and “*always [having] hit the targets*” in the past, PMS transformed Anna into a ‘bad worker’. The categorisation of her performance and subsequent treatment by managers failed to take factors into consideration which impacted on her ability to achieve her targets, i.e., she worked part-time and had worked in four different roles requiring training. As a result, Anna and her colleagues felt pressurised, stressed, and demotivated.

The survey results from the 2018 annual ‘Civil Service People Survey’ indicate that, on average, most workers were aware of HMRC workplace values, but experienced low levels of engagement. For instance, most respondents felt they were not given opportunities to contribute their views when decisions were made, they did not feel safe to challenge the way things were done and believed that changes made are not managed well. Most respondents did not feel inspired to do their best at work, were not motivated to help achieve HMRC’s objectives, were not proud of working for HMRC, and did not feel a personal attachment to their employer. HMRC is one of the lowest-scoring government organisations in these specific areas and has been since the survey was first launched in 2009.

These results confirm findings from our interview data that workers struggled to maintain the public values which drove their job commitment and enthusiasm. 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*”. But since helping and spending time with citizens were no longer *valued*, he ended up “*dread[ing]*” going to work and “*wound up in such a state that you weren’t actually achieving anything*”. Similarly, Claire’s motivation to work for IR was to “*help people*”. She was inspired by “*one of the nice mangers*” who went out of his way to help citizens and staff. As the working practices of the tax office transformed over time, her manager received “*no support*” from senior management, which caused him “*stress*” and he later committed suicide. Claire described her senior managers as “*big bastards*”; “*unpleasant*” and “*self-interested*”. She compared the working culture at HMRC to the ‘Hunger Games’ where the “*winner takes it all.*” Anna stated the “*morale is not great*” and her colleagues felt “*terrible*”, “*weakened*” and under “*pressure*” by PMS.

In addition to monthly performance management reviews, workers attended “*white board meetings*” (Anna) at 10am every day to review workers’ performance. Any worker failing to meet their target(s) received “*three Cs*” which were written next to their name on the whiteboard. This had become so normalised that Anna did not know what the “*three Cs*” meant, but she knew that it was “*bad*”. Workers’ names were also colour-coded in green or red, with “*red**being bad*”. After each whiteboard meeting, Anna’s manager attended another whiteboard meeting at 10:30am, where managers were similarly assessed by senior managers. Senior managers then met as a “*cluster*”, known as an “*operations group*”, to review their performance. Management staff were similarly under pressure “*to* *find these percentages or they’ll be disciplined themselves for not finding those people*” (Anna). Claire confirmed that line managers were “*oppressed*” by senior managers “*into meeting various targets*”. PMS thus permeated all managerial and frontline levels, acting as a constant and systematic centre of calculation that regularly reminded workers and managers to act in certain ways.

Dylan explained how PMS had become normalised for newly recruited staff at HMRC call centres (where most frontline staff have since been located):

The youngsters on the graduate schemes didn’t know any better and thought: “Well, **that’s just the 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 [trained 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 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 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.

According to Dylan, new workers were not just unable to think beyond “*the way it is*”, but “*make no attempt to get off the [computer] script*”. Centres of calculation and inscription devices normalised quantified performance information which workers valued more than helping citizens. Anna experienced this first-hand during a management meeting, where one of her colleagues proudly announced he had discovered and charged a £15,000 TC overpayment to a claimant. This meant he had achieved his performance target. His manager responded with, “*well done folks for doing your work*”. When Anna voiced her concerns that the overpayment would cause extreme financial hardship for the claimant, her manager told her to “*get used to [it]*”.

Hence, to survive and succeed in the workplace, workers had to adapt their thinking and actions in line with neoliberal values, without considering or questioning the undesirable consequences for citizens. Anna elaborated on how PMS dehumanise citizens by reshaping the way workers perceive citizens: no longer as fellow human beings in need of help, but as objects to be acted upon to achieve targets:

Some people [workers] **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**. 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 despised the use of business and market-based rhetoric and jargon within her workplace (“*yields*”, “*save*”, “*business*”) which had resulted in her co-workers getting “*into this routine [of hitting] targets*”, rather than “*realis[ing] that people are human*”.

In sum, this section reveals how PMS functioned as an accounting technology that normalised how workers (expertise) think and act and reshaped their relationships with managers, colleagues, and citizens. PMS became a digitised centre of calculation, constantly monitoring and sanctioning workers through locales (management meetings) and inscription devices (whiteboards, computer screens). Consequently, workers *yielded* to the neoliberal values underpinning PMS, disempowering them from providing a high-quality public service and dehumanising their relationships with citizens.

# **6. Discussion and conclusion**

The main goal of this paper is to contribute to the recent turn to publicness in PSAR. Understanding public sector organisations in terms of publicness can help the field move beyond its predominant concern with NPM and its undesirable consequences. However, we need to advance our conceptual thinking about publicness, empirical knowledge of processes and practices through which accounting technologies either promote or change public values, and critical analysis of the impact on democratic accountability and social justice. In this context, the main research question of this paper was: *How do accounting technologies facilitate the transformation of public values?* By analysing the everyday practices of tax workers and changes to office culture before and after the merger of Inland Revenue and HM Customs and Excise, we demonstrated that the traditional public administration values of the UK tax authority were transformed into neoliberal values and identified three distinct, yet interrelated emergent properties (‘disconnecting’, ‘losing touch’, ‘yielding’) of accounting technologies. Together, these facilitated a ‘frog in the pan’ process of changing relational power in-between workers, managers and citizens, which eventually ‘killed off’ the public values driving the tax authority without anyone fully realising what was happening or able to control or resist the process.

The paper makes three contributions to the turn to publicness in PSAR. First, we extend conceptual understanding of publicness based on an interdisciplinary review of public administration literature. We argue that a normative approach to public values fits better with PSAR’s critical stance than more structuralist approaches to publicness, yet lacks empirical grounding. Second, we develop a conceptual framework for analysing public values in terms of relational power. Our relational approach enables critical analysis of the emergent properties of socio-material networks in which public sector workers, managers, citizens accounting technologies and discourses interact. Third, we offer detailed empirical evidence about the changing publicness of the UK tax authority. We identify three emergent properties of neoliberal accounting technologies that facilitated a gradual change in power relationships, public values and societal outcomes.

Based on our interdisciplinary review, we establish that the normative approach to public values fits well with PSAR’s critical orientation to the undesirable consequences of NPM. It adds to the conceptual armoury of studies which have demonstrated that NPM introduces neoliberal values in conflict with traditional professional values, which can destroy public service motivation, and strengthen a compliance mentality and quantification culture (e.g., King and Crewe, 2013; Tuck, 2010; Currie *et al*., 2015, 2016). However, it risks becoming ‘old wine in new bottles’, if public values are merely bolted-on to critical analyses of NPM reforms. Following Beck Jørgenson & Bozeman’s (2007) categorisation of public values, we have demonstrated that the UK tax authority underwent a transformation from traditional public administration values (e.g., human dignity, legality, user orientation) towards neoliberal values (e.g., efficiency, productivity, performance, competition). While based on the popular dimensional approach to publicness (Bozeman, 1987), this could be argued to be a shift toward different types of public values in relation to changing structural characteristics of organisations. From a normative perspective the UK tax authority hasHMRC the UK tax authoritythe essentially become a private organisation because profound undesirable consequences have eroded its ‘publicness’ (Pesch, 2008; Rutgers & Van der Meer, 2010; Denhardt, 2011). Yet, casting this story in terms of public values is in itself insufficient as a conceptual innovation for PSAR.

Therefore, we have added conceptual depth by developing a framework for analysing public values in terms of relational power. Building on relational thinking in accounting (Vosselman, 2014, 2016; Broadbent and Laughlin, 2009) and public administration (Bartels & Turnbull, 2019), we combined governmentality and Actor-Network Theory to understand public values as the emergent properties of dynamic interactions and power relationships in socio-material networks. Public values are not created or changed by decree, nor do accounting technologies simply facilitate the implementation of said values. Accounting technologies are ensembles of expertise, locales, inscription devices, and centres of calculation, which are enacted in and through these evolving networks, mediating interactions between actors, and both exercising power and reshaping the exercise of power in the network. An appreciation of what is or should be valued in the organisation emerges from, and is folded into, these relational processes between human and non-human actors. Hence, we claim that PSAR benefits from adopting a relational approach to public values that comprises of a relational ontology, an epistemological theory of emergent properties, and a critical methodology for identifying normative values emerging from socio-material networks.

We illustrate and ground these conceptual claims through an analysis of the transformation of public values of the UK tax authority. First, based on our relational ontology, we demonstrate that public values are enacted in-between actors (tax workers, managers and citizens) and in interactions with accounting technologies. Public values are not transcendental or pre-determined entities, but are (re)created, challenged and sustained in processes of relational power. In line with studies of street-level bureaucracy and tax administration practice (e.g., Maynard-Moody & Musheno, 2003; Raaphorst & Loyens, 2018; Wynter & Oats, 2019), we find that face-to-face encounters in local tax offices offer discretionary space for responding to citizens’ complex characteristics and needs, building relationships, and enacting relational values such as trust, care, respect and fairness. We also confirm that ‘screen-level bureaucrats’ (Bovens and Zouridis, 2002) have little discretion, as they are subjectivised to neoliberal values through digitised calculative practices. Whereas workers used to be able to see if a citizen was struggling to fill in a form, they now only see partial information on a computer screen that they have to relay via telephone.

Moreover, we added insights about the importance of the physical setting (locale) and materials (inscription devices) for learning how to do tax administration: this used to occur through interactions with colleagues at the workplace (in offices and kitchens), with citizens at the front desk, and with ‘battered’ paperwork. By reallocating workers into different and isolated locales and mediating their interactions with ICT and PMS, they became increasingly disconnected from each other and from citizens, losing touch with the latter’s lived experience and replacing the desire to ‘help’ with achieving ‘targets’ and generating ‘yields’.

By understanding public values as emergent properties, we move beyond an instrumental view of the way accounting technologies facilitate the implementation of neoliberal values by foregrounding the crucial role of relational power. Contributing to critical accounting studies of ‘entrepreneurs of the self’ and subjectification by neoliberal governments (e.g., Tuck, 2010; Bracci, 2014; Cooper 2015; Chow and Bracci, 2020), we identify three emergent properties of neoliberal accounting technologies: (1) *disconnecting* workers and claimants spatially and socially through frequent reallocation and re-categorisation into isolated locales; (2) *losing touch* with the embodied and holistic nature of tax administration as the increased use of ICT standardised the re-presentation of citizens in abstract and coded forms; and (3) *yielding* to PMS which subjectify workers by constantly surveying, assessing and sanctioning them. As a result, the texture of relationships changed in such dehumanising ways that it disempowered workers and citizens from fostering the emergence of normative relational values such as respect, trust, responsiveness and care.

Finally, our critical-interpretivist methodology has enabled us to empirically identify how public values changed and take a normative stance towards emergent values. Whereas workers used to feel part of a community and responsible for citizens’ cases, the isolation of their expertise and locales meant they became increasingly disconnected. Instead of being able to relate to a citizen in a holistic way, workers lost touch with the lived experience underpinning each case. What was valued in the UK tax authority had transformed from ‘a person who needs help’ to ‘a case to process to meet targets for generating yield’.

Our analysis has normative and practical implications for public sector organisations. By identifying the public values which 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 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, workers, managers and citizens need to be ‘valua-able’; i.e., they need to be enabled to change their relational power (Vosselman, 2016). By having face-to-face encounters in local offices, workers would, for instance, be able to have holistic, humanised conversations with citizens about how to help them with their complex cases. By making time to have conversations with workers 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 and post-Covid-19 public sector. We also recognise that our research only provides limited evidence to support our claims about the effectiveness of such reforms, even though our wider study provided additional evidence (to be published). Unfortunately, we were not able to interview more workers and managers, as HMRC did not grant us access. Indeed, we have speculated that this seems to be indicative of the eroded publicness of the organisation. We would welcome future studies that probed a greater breadth of views and experiences within tax authorities to ascertain the public value mechanisms, patterns, and outcomes we have identified. We recommend such studies to pay particular attention to the ‘practices of freedom’ (Griggs *et al*., 2014) through which hegemonic systems are challenged, modified and resisted; a phenomenon that did not become manifest in our data. We hope to have shown that it is valuable for future research in PSAR 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 emerge and change. Finally, we recommend public sector organisations and accounting researchers to collaborate on transforming relational power in order to let relational values re-emerge from the ashes of NPM.

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|  | Appendix A1: Archival data |  |
| Date / Period | Type of document | Length  (no. of pages) |
| 1998 | White Paper: ‘Public Services for the Future: Modernisation, Reform, Accountability’ | 156 |
| 1999 | White Paper: ‘Modernising Government’ | 66 |
| 2002 | Inland Revenue Inspector’s Online Manual November 2002, Section IM1 | Not specified |
| 2002 | Inland Revenue Assessment Procedures Online Manual, Section AP1 | Not specified |
| 2003.04 to 2015.16 | HMRC annual reports, financial statements, and key performance reports | 1,358 |
| 2003.04 to 2007.08 | Public Accounts Committee Annual Reports on Tax Credits | 211 |
| 2003.04 & 2005.06 to 2007.08 | Treasury Reponses to Public Accounts Committee's Annual Reports on Tax Credits | 109 |
| 2004 | Inland Revenue Self-Assessment Tax Worker’s Online Manual | Not specified |
| 2004 | The Gershon Review: ‘Efficiency, efficiency, efficiency: public service efficiency and the management of change’, The Work Foundation | 24 |
| 2004 | The Gershon Review: ‘Releasing resources to the front line: Independent Review of Public Sector Efficiency’ | 66 |
| 2005 | Published online article from ‘Taxation: A Taxpayer’s New Charter?’ | Not specified |
| 2006 | HMRC Online Manual, Section EP140 | Not specified |
| 2006 | HMRC Assessment Procedures Online Manual, Section AP1 | Not specified |
| 2007 | HMRC 'Helping the Taxpayer’ Online Manual, Section EP26 | Not specified |
| 2007 | HMRC Departmental Report: ‘Integrating and growing stronger’ | 84 |
| 2008 | House of Commons Public Administration Select Committee: ‘From Citizen’s Charter to Public Service Guarantees: Entitlements to Public Services’ | 41 |
| 2009 | HMRC: Your Charter | 4 |
| 2009 | HMRC Report: ‘Value for Money Delivery Agreement (Revised)’ | 12 |
| 2012 | HMRC Report: ‘Corporate Responsibility in Action 2011-12’ | 29 |
| 2014 | HMRC ‘Check your tax credit award notice’ guidance form TC602 | 2 |
| 2014 | HMRC 'Code of Practice COP26 booklet: What happens if we’ve paid you too much tax credits?’ | 19 |
| 09.01.2014 | HMRC notice of decision to stop tax credits | 1 |
| 09.01.2014 | HMRC provisional tax credit statement | 4 |
| 20.01.2014 | HMRC tax credit claim form | 10 |
| 22.01.2014 | HMRC tax credit award notice | 6 |
| 24.01.2014 | HMRC final tax credit decision notice | 4 |
| 07.02.2014 | HMRC notice to pay | 2 |
| 10.02.2014 | HMRC tax credit award notice | 6 |
| 21.02.2014 | HMRC tax credit annual review form | 3 |
| 27.02.2014 | HMRC letter to tax credit claimant | 1 |
| 14.03.2014 | HMRC final tax credit decision notice | 4 |
| 26.03.2014 | HMRC letter to tax credit claimant | 2 |
| 18.06.2014 | HMRC letter to tax credit claimant | 2 |
| 19.06.2014 | HMRC notice to pay | 3 |
| 20.06.2014 | HMRC letter to tax credit claimant | 2 |
| 10.04.2015 | HMRC letter to tax credit claimant | 2 |
| 21.07.2015 | Chair of Public Accounts Committee's statement on fraud and error within the HMRC | 2 |
| 14.09.2015 | Public Accounts Committee transcript of oral evidence: ‘Fraud and error stocktake’, HC 394 | 46 |
| 12.11.2015 | HMRC online news article: ‘HMRC announces next step in its ten-year modernisation programme to become a tax authority fit for the future’ | 3 |
| 19.07.2016 | HMRC Digital Online Blog: “Join the biggest digital revolution in the UK - 60 apprenticeships on offer” | Not specified |
| 03.05.2017 | HMRC debt collector letter | 1 |
| 21.09.2017 | Published online article from ‘TaxNotes: Taxpayer Rights and the Role of a Taxpayers’ Charter’ | Not specified |
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|  | **Appendix A2: Observations and associated field notes** | | | |  |
|  |  | | | |  |
| Date | **Type of observation** | **Length**  **(minutes)** | **Location** | **No. of pages** | **No. of words** |
| 01.08.2014 | Telephone conversation between HMRC worker and tax credit claimant | 38 | Claimant home |  |  |
| 01.08.2014 | Field notes on observation |  |  | 2 | 1,090 |
| 17.06.2016 | Telephone conversation between HMRC worker and tax credit claimant | 11 | Claimant home |  |  |
| 17.06.2016 | Telephone conversation between HMRC worker and tax credit claimant | 6 | Claimant home |  |  |
| 17.06.2016 | Field notes on observation |  |  | 5 | 2,917 |
| 08.05.2017 | Telephone conversation between HMRC worker and tax credit claimant | 69 | Claimant home |  |  |
| 08.05.2017 | Field notes on observation |  |  | 9 | 4,452 |
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|  | **Appendix A3: Artefacts** |  |
|  |  |  |
| Date/Period | **Type of artefact** | **Length** |
| 1983 to 1991 | Inland Revenue Control Card Form P200 | 2 pages |
| 1986 | Inland Revenue Worker’s Training Notes | 1 page |
| 2011 to 2017 | HMRC computer screenshots of taxpayer records | 112 screenshots |
| 2011 to 2017 | Recorded telephone conversations between HMRC workers and tax credit claimant on Compact Disc | 615 minutes |
| 01.10.2015 | Notes written by HMRC worker regarding telephone conversation with tax credit claimant | 2 pages |
| 04.07.2016 | Job Advert “Universal Credit Service Centre Telephony Agent / Account Developer” | 9 pages |
| 2017 | HMRC abbreviation and codes guidance for workers | 9 pages |
|  |  |  |

**Table 1:** Interviews conducted between July 2014 and June 2017

| Interviewee pseudonym | Status at time of interview | Employment information | | | Length of interview (minutes) | No. of pages of interview transcript | No. of words in interview transcript |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Job title | Start date | End date |
| Anna | Employed | Tax credits advisor | 1999 | N/A | 75 | 15 | 7,887 |
| Dylan | Retired | Senior tax inspector | 1986 | 2010 | 128 | 26 | 16,817 |
| Claire | Retired | Senior tax inspector | 1978-79 | 2013 | 153 | 23 | 15,166 |
| Julie | Employed | Tax credits operational management | 1999 | N/A | 109 | 17 | 10,636 |

1. Prior to the establishment of HMRC, UK tax administration was carried out by two government departments: Inland Revenue and HM Customs and Excise, both accountable to the Chancellor of the Exchequer (MP) (Smith, 1980). [↑](#footnote-ref-1)
2. The 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; Behaviour of public-sector employees; Relationship between public administration and the citizens. [↑](#footnote-ref-2)
3. The purpose of the survey is to understand the levels of engagement, satisfaction, and experiences of UK civil servants. It contains 62 questions about staff perceptions of work, grouped into key themes, including 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. [↑](#footnote-ref-3)
4. We emphasise key words and sentences in quotes using **bold** font. [↑](#footnote-ref-4)