Professionalism in British management: bogus claim or reality?

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In assessing the professionalisation of British management and the influential position enjoyed by accountants in British business, a multi-disciplinary approach is adopted in order to provide a better understanding of the processes at work. After devoting some space to analysing the literature on professionalisation, our main concerns are [1] the degree to which British management has become professional; [2] the relationship between managers and accountants; and [3] the extent the former ‘mimic’ the latter. The power exerted by accountants could well be seen to have successfully challenged the autonomy of other managers, further undermining the ability of the latter to lay claim to any professional status.
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While over the last forty years British management has come increasingly to resemble especially the American model, in terms of status, numbers and legitimacy, there remains widespread disagreement over the issue of professionalism. With specific regard to Quail’s concept of ‘managerial capacity’ (2002), one can see how from a position in 1900 when Britain had neither the necessary human capital nor the ideological mindset, by 2000 the business system had moved towards managerial capitalism, even if it has still a long way to go to reach American standards. At the same time, there is also the work of Armstrong (1984; 1985; 1987) and Barry (1989) that emphasises how accountants represent the only cadre within British business that can lay claim to being a profession. Similarly, the enormous literature on professionalism, power, and functionalist and trait approaches provides a more detailed understanding of the core issues. It is consequently essential that we combine these analyses as a means of developing better insights into the processes at work in British business.

At the root of our concerns is the feeling that this debate about the alleged ‘professionalisation’ of management suffers from many defects, not least a gross oversimplification of what is meant by management in the UK by the late-20th century, a dilution of the word ‘professional’, and a poor awareness of the organisational dynamics at work. This paper employs a multidisciplinary approach to try and unravel these issues and offer much greater clarity. In bringing together critical management and historical analyses, it is possible to produce a more nuanced understanding of the debate, concluding with a much more sophisticated insight into the nature of professionalism within British business. The paper will consequently start with a review of the sociological literature on professions and
professionalisation, as a means of identifying the nature of the processes at work, following which we shall provide some historical background. This will act as the foundation on which we can build an analysis of the interactions between a group that has been aspiring to professional status and a profession that has infiltrated another group and asserted its power over the other strata.

**Professions and professionals.**

The literature on the professions is vast and varied, spanning more than a century, with a strong sociological bent. Ritzer and Walczak (2001) reported that sociologists have conceptualised professions and the process of professionalisation in various ways: some have used functionalist and trait models, with their roots in Durkheim’s sociology of consensus and order, while others have adopted processual models, including power and action approaches, taking their theoretical lead from the work of Marx and Weber. The early functionalist models attempted to identify the key traits and characteristics of the professions, differentiating them from other occupations, and focusing on their perceived ‘function’ of maintaining social order (Durkheim 1964). The processual approach may be divided between the power approach and action approaches. The power approach considers how professions acquire the power base, which differentiates them from other occupations, and having acquired it, how the situation may be exploited to further enhance that power base. This influential body of literature deals with inter- and intraprofessional conflicts, professions and their relationship with government, and professions and social stratification. More recently, it has also been concerned with loss or potential loss of professional power, via ‘deprofessionalisation’ and ‘proletarianisation’ resulting from
bureaucratisation and corporatisation. (Johnson 1972; 1995; Haug 1973 and 1975; Boreham 1983; McKinlay and Arches 1985; Coburn 1992). Action approaches, on the other hand, emphasise the ability of professionals to influence and shape the organisations and environments in which they operate. Rather than viewing changing patterns of professional control as outcomes of organisational and structural changes, they are seen as outcomes of continuing struggles by occupational groups for legitimacy and institutional recognition. (Friedson 1970a; 1970b; 1984; Larson 1977; Starr 1982; Harrison 1994).

What do we mean by a profession? Ritzer and Walczak (1986, 6) claim that it is an occupation that has had the power to have undergone a development process enabling it to acquire or convince significant others…. that it has acquired a constellation of characteristics we have come to accept as denoting a profession.

Friedson (1983) suggested that any definition of a profession should reflect that it is a changing concept with roots in industrial nations strongly influenced by Anglo-American institutions. In his own analysis of the medical profession, Friedson (1970b:xvii) defines a profession as,

An occupation which has assumed a dominant position in a division of labour, so that it gains control over the determination of the substance of its own work. Unlike most occupations it is autonomous and self-directing’

Friedson (1983:23-26) also later presents a useful summary of the history of the professions. He observes that the medieval universities of Europe produced three ‘learned professions’, medicine, law and the clergy. Johnson (1972) referred to these as the ‘true’ professions, against which other occupations seeking professional status compared themselves in terms of defining characteristics or traits. These characteristics were defined by functionalist theorists as altruism, autonomy and self-regulation, authority over clients, general systematic knowledge, distinctive
occupational culture and community and legal recognition (Parsons 1954; Goode 1957 and Greenwood 1957). Friedson, (1970a; 1970b) stresses the autonomy of the professions and the resulting necessity for self-regulation as the key characteristics of ‘true’ professions. Friedson (1983) observes that as the occupational structure of capitalism developed during the nineteenth century in UK and USA, newly formed middle class occupations seeking a secure and privileged place in these economies sought professional status, competing with each other in the process. To achieve this status they had to organise their own training and ‘credentialing’ institutions. Gaining recognition as a profession was important because its traditionally defined characteristics of lack of self-interest, dedication and learning, legitimated efforts to gain protection from competition in the labour market. Wilensky (1964) also noted that indicators of professionalisation portray a historical sequence of events through which all professionalising occupations must pass in a series of stages to an end state of ‘professionalism.’ In the USA these were defined as the emergence of a full time occupation, the establishment of a training school, followed by a professional association, political agitation to protect the profession by law, and the adoption of a formal code of ethics and conduct.

Rueschemeyer (1983) observed that, particularly since the 1960s more critical attitudes towards the professions and their position in society have developed. The emerging ‘power’ and ‘action’ paradigms emphasised professional self-interest rather than selfless altruism. In particular the professions are perceived as being capable of achieving high status in society, privileged terms and conditions of work, guarantees of high material rewards, and the highly valued professional autonomy and self-regulation. The power approach focuses on the political and social processes by which the professions secure and reproduce their privileged position in society. The action
approach suggests that professional status is actively pursued, and is the result of individual and collective action, rather than the result of macro-structural influences. (Larson, 1977).

The functionalist and trait approaches to the sociology of the professions are concerned with defining the characteristics of a profession and identifying the role they fulfil in society. Marshall (1963), stressed the ‘altruism’ of the professions, and Parsons (1954), defined their collective orientation. Etzioni (1969), classified occupations into ‘professions’ and ‘semi-professions’. Millerson (1964), listed twenty-three elements of the ‘true’ professions, based on twenty-one definitions from earlier works. Goode (1957) defined the characteristics of ‘ideal-type’ professions against which occupational groups could assess themselves in their claims for professional status. Two of these characteristics were viewed as essential, these were, prolonged specialist training in a body of abstract knowledge, and a service orientation. From these, ten other characteristics were derived, five of which underpin the concept of professional autonomy. Professional autonomy is here defined as a profession’s right to determine its own standards of education and training, legal recognition by licence, licensing and admission boards controlled by members of the profession, and legislation concerning the profession shaped by the profession itself. Practitioners are free of ‘lay’ regulation and control (Friedson 1975). This results in an ability to determine the nature and content of work and peer evaluation without reference to others outside the profession (Friedson 1970a; 1970b).

Hickson and Thomas (1969) extended trait theory by going beyond lists of elements of professions and attempting to establish a hierarchy of professions in Britain by putting measurable indicators of ‘professionalism’ into a Guttman cumulative scale. They suggested that the scale produced a close relationship between
the professionalisation score and the age of the various associations included in their study. They concluded that the process of professionalisation is a very long one.

Barber (1963) stressed the unique behaviour of the professions in relation to other occupations. He argued that professional behaviour may be defined in terms of four essential attributes. These are a high degree of generalised and systematic knowledge; orientation to community interest, rather than self-interest; a high degree of self-control through codes of ethics, internalised via work socialisation; and finally, a system of rewards, monetary and honorary that symbolise work achievement. Hall (1968), attempted to define ‘the professional model.’ He saw this as comprising structural and attitudinal characteristics, indicating how professional autonomy is isolated as an attribute that is both structural (in the form of, for example, professional associations) and attitudinal (reflected in the manner in which professionals view work. Professional autonomy is structural because it is part of the work context. If the structural pre-requisites for professionalism are met, then the attitude to practice becomes the important consideration in measuring professionalisation. The combination of the structural and attitudinal aspects are seen to be the basics of the professional model and according to Hall (1968) are present to a large degree in highly professional organisations such as medicine and law. These are present to a lesser degree in less professional organisations.

While Wilensky (1964), and Roth (1974) have suggested that functionalist and trait approaches were largely descriptive, ignoring history and process, they provide a deeper understanding of the processes at work. Although Johnson (1972) pointed out that trait approaches merely accept a profession’s own definition of itself, this perhaps is the reality: namely, professions exist to project an image, as a means of differentiating themselves from other occupations. Rueschemeyer (1964; 1983) is also
critical of the functionalist approach to specialist knowledge. He argued that this knowledge is assumed to be of equal value to all groups in society, which is not necessarily the case. Rueschemeyer (1964) also questioned the ‘bargain’ that professionals allegedly strike with society. What happens if they do not fulfil that bargain? The functionalist approach implies that there are effective mechanisms of self-regulation. Rueschemeyer argued that the power of the professions would protect their privilege and autonomy in the event of poor practice. He concluded that the privileges of the professions are similar to those held by any group high up in the social stratification system, given that they are rooted in the power resources derived from positions in the division of labour. Nevertheless, professionalism would appear to be the status to which many occupations aspire, setting up a typology that can be applied directly to the British management.

Moving on from this definitional analysis, it is also necessary to assess the processual approach may be divided between the power and action perspectives. The Power approach is concerned with explaining how professions acquire and then maintain and enhance their power base. Action approaches explore a profession’s ability to influence and shape the organisations and environments in which it operates. Power approaches stress the impact of macro structural and organisational change, whilst action approaches are concerned with the impact of human agency in shaping and influencing outcomes.

Esland (1980) has suggested that the power and influence of the professions lie in their professional autonomy, the degree of control over the management and exercise of specialist knowledge, and the skills which are based on it. In addition, the level of public acceptance and support they can obtain. These are necessary acquisitions for professionalising occupations and gaining these are political activities
involving an ongoing task of public persuasion and competitive relationships with other occupations. James and Peloille (1970) argued that when there is a high degree of ‘indeterminacy’ in the work of a profession, when tasks are variable and non-rationalised the group is likely to achieve professional autonomy and high status and rewards. On the other hand, if work has been systemised and subject to laid down rules and procedures, it is possible for external forces to control the work process. Social and political factors also create or prevent conditions where elite groups can capitalise on the work situation. At crucial points in a profession’s development, pursuit of best practice might cause a group to codify and mechanise their own work, enabling control to be shifted to outside managerial elements.

In attempts to become recognised as a profession, Parry and Perry (1976) emphasised the problem of ‘exclusiveness’ and ‘market control’. To exercise control over the market anyone with expertise must be included, but this results in lowering the standard of higher status members. Parry and Perry (1976) argue that the claim to unique competence, legally supported, is the key to professionalisation. Larkin (1983) and Macdonald (1985) demonstrated that occupations need to work continually to identify both the territory they wish to monopolise and control, as well as dominate the work of surrounding groups without diminishing their own power and prestige. Secondly, they need to regulate the relations between these groups and the distribution of power between specialities. This obviously generates conflict within and between occupations, an issue to which we can return when assessing the potential for conflict between accountants and managers. Abbott (1988) argued that the key factor of professional life is interprofessional rivalry. He argued that it is important to have a ‘systemic’ rather than an ‘individualistic’ view of professions. It is necessary to look at interdependencies and the overall ‘system’ of groups engaging
in the fight for professional status. It is not the work that the profession performs but the competition over work that is the basis of the dynamic relationship between professions. Abbott (1988) suggested that this is explained by the concept of ‘jurisdiction.’ This is the control a profession exercises over a specific area of work, the right to perform the work, at the same time excluding others, and to define best practice. Jurisdictional claims are made to for example, the law, public opinion, and the state. Abbott (1988) argued that jurisdiction could be created, willingly vacated, and also lost to a more competent group. Fighting for jurisdiction is the means by which the development of professions occurs.

Abbott (1988) also argued that knowledge is important, it must have high status in society. Work related knowledge is formalised into an intellectual system, with its own methodology, philosophy, ethics and theory. This knowledge enables a profession to defend its position and claim further jurisdiction. It attempts to re-define human problems into professional problems that it alone is able to solve using its expertise. The system of professions posed by Abbott (1988) provides a framework to explain the range of professional development. Professions may attack each other, external forces may open up or close jurisdictions, jurisdictions may be willingly vacated or shared. In the latter case, junior members of a profession may be supervised by more experienced members of a profession. In this way, inter-professional relations can be co-operative as well as competitive. MacDonald and Ritzer (1988) identify other studies of inter- and intraprofessional conflict taking place within the context of ongoing power struggles. (Holloway et al 1986; Podmore 1980).

Other significant contributions within the power approach concern the relationship between the professions and the state. Johnson (1972) in his book
'Professional Power’ considers types of professional control. He identifies collegiate control in which the producer defines the needs of the consumer and the way in which these are provided. Secondly, patronage, where the consumer defines his/her needs and how they are to be met. Within this type, ‘oligarchic’, and ‘corporate’ patronage are distinguished. Oligarchic patronage arises in traditional societies where an aristocratic patron is the major consumer of various goods and services. Corporate patronage refers to professions in industrial societies, where the demand for services comes from large corporate organisations. The final type of control is ‘meditative’, in which a third party mediates the relationship between producer and consumer, defining both the needs and the manner in which they will be met. Again this may be sub-divided into capitalism, where the capitalist intervenes between the producer and consumer in order to rationalise production and to regulate markets; and state mediation, where a powerful centralised state intervenes in the relationship between producer and consumer to define what the nature of the needs.

Johnson (1982) later extended this view by arguing that the development of the professions could be understood in terms of the opposition between professional autonomy and state intervention. The development of capitalism in Britain involved an interrelated process of state formation and professionalisation. Arising from this, Johnson (1982, 207-08) concluded that

the relationship of state to profession presents itself as one of constant struggle and seeming hostility, while at the same time constituting an interdependent structure. The view that professionalisation is not a single process with a given end-state also suggests that the relationship with changing state forms is in flux … To claim that the modern professions are a product of state formation does not entail a view of profession as universally the servants of power. (1982:207-208)

A further interest of processual theorists is the relationship between the professions and the stratification system. Johnson (1980) based his analysis on the work of Marx
and analysed the place of the professions in relation to production and therefore the class structure. Johnson (1980) considers the ways in which various professions relate to the dual structures resulting from the antagonistic relations of capital and labour, in relation to the appropriation of surplus value, the realisation of capital and the reproduction of the relations of production. These were seen to generate parallel systems of social control in the maintenance and expansion of capital. Boreham (1983) analysed knowledge and power in relation to the professions. He argued that professionals achieve and sustain their position by identification with recognised norms and values of capitalist organisation of the labour process. He also argued that professions align themselves with the values of capitalism and are rewarded by incorporation into the ‘upper echelons’ of society, where their ideology of a ‘calling’, masks the contradictions that develop at the level of production and in the organisation of the labour process.

In contrast to the power approach, there is what Everett Hughes (1963) first referred to as an ‘action’ perspective, which is concerned with the ways in which individuals and groups influence the contexts in which they operate. Hughes (1963) reported that he had

> passed from the false question, ‘Is this occupation a profession?’ to, ‘What are the circumstances in which people in an occupation attempt to turn it into a profession and themselves into professional people?’ (quoted in Macdonald 1995:6)

Becker (1962) also highlighted the ‘symbols’ of professionalism, stating that these represented the ideal base for the control of the work of members, and for defining relationships with clients. He suggested that ‘profession’ is a label which secures political advantage
because the symbol legitimates the autonomy of the worker, occupations that are trying to rise in the world very much want to possess it……so we find many occupations trying hard to become professions and using the symbol of the profession in an attempt to increase their autonomy and raise their prestige. (1962:139).

Hughes (1971:288) argued that professions claim a legal, moral and intellectual mandate. Individually, as they gain a licence to practice as a group; they ‘presume to tell society what is good and right’, suggesting that this licence and mandate are the key sources of professional authority. It is consequently essential that occupations need to persuade the public and the government that the specialist nature of their work means it can only be undertaken by ‘qualified’ individuals. Once achieved, this provides considerable internal control over the organisation of a profession. It enables professions through their professional associations, to define the necessary qualifications and criteria for entrance to the profession, and codes of practice. ‘Ideologies’ are also created emphasising the importance of its specialist knowledge and skills along with warnings of likely dangers if practised by unqualified individuals.

In 1986, Friedson demonstrated how professional powers grew out of their ‘market shelters’. Knowledge monopolies are identified as a major source of power because this facilitates control over how work is conducted, which is labelled, ‘technical autonomy.’ This in turn leads to situationally specific knowledge monopolies. For example, because of their specialist knowledge, professionals normally control case records of clients, this organisationally significant information enhances the power of professionals in work situations. Other special privileges flowing from the specialist knowledge of professionals are more favourable employment rights and terms and conditions of work than enjoyed by other
occupations. It is technical autonomy which also creates the alleged necessity for self-direction (self-regulation) of the professions.

A further source of professional power is identified as ‘gatekeeping’ activity. This is referred to as ‘institutional control’ over desired resources and involves interpretation and judgement of the benefits required by a client. For example, in England, general medical practitioners are gatekeepers to secondary care. Professional power is defined as greatest where situations combine a monopoly of situational knowledge and gatekeeping in interaction with clients, reinforcing Friedson’s (1994) claim that professionalism has always been a dynamic concept.

This section has reviewed the nature and development of the professions as a distinct occupational group from functional and processual perspectives. It has argued that the key defining characteristics of a profession are its professional autonomy and self-regulation. This has many dimensions to it, but in essence it is the ability to determine the nature and content of work and the right to self-regulation without reference to others. The dominance of the professions is based on its unique access to and regulation of a body of knowledge valued by the state and society. Professional autonomy empowers the negotiation of other privileges including institutional influence, the ability to achieve premium financial rewards and entry to exclusive markets, and the opportunity to influence policy and its implementation. Another theme explored has been the nature of the challenge to professional autonomy. Neo-Marxist analysts interpret reductions in professional autonomy in terms of two overlapping concepts of deprofessionalisation (Haug 1973; 1975) and proletarianisation (McKinlay and Arches 1985; McKinlay and Stoeckle 1988). Deprofessionalisation explains the erosion of professional legitimacy and knowledge monopolies resulting from the improved levels of general education and a less
deferential society. Medical mistakes are open to greater scrutiny. Doctors are in effect, technicians producing medicine for the consumer according to standard protocols. This implies that non-medical professionals could do the job, the doctor’s monopoly of knowledge may be easily eroded and managers can monitor professional performance. Proletarianisation suggests that in advanced capitalist societies professional work is ‘bureaucratised’ and ‘corporatised’, reducing its status to that of any other type of worker in a capitalist system.

Professionals work to achieve organisation goals rather than to serve clients. Regulation and inspection reduce their freedom to practice. Whilst they continue to receive high rewards, surplus value is still extracted from their labour. Neo-Weberian analysts prefer explanations which focus on changes within the profession. Restratification implies a decline in collegiality, with elite groups emerging within a profession and limiting the autonomy of ‘rank-and-file’ practitioners. The power and dominance of the profession as a whole is maintained. Medicine has become more hierarchical. It has simultaneously responded to and shielded itself from managerial control by ensuring that professionals themselves take on significant managerial positions. Professions acquire power which was previously the sole domain of managers, but the distribution of this varies within the profession. A previously homogenous group is divided into those with and those without a wider organisational stake. (Friedson 1984; 1986). Friedson (1984; 1985; 1986; 1994) argued that bureaucratisation, rather than causing a decline in the overall power and autonomy of the medical profession, results in a redistribution of power and autonomy within the profession. This restratifies the profession into distinct and separate groups: a ‘knowledge management’ group, such as accountants who serve on senior committees to produce protocols and guidelines; a ‘supervisory stratum’ of managers; and finally,
‘rank and file’ operatives in the field who might well lose power and autonomy, but not to managers but to elite groups of professional colleagues.

Given the nature of this theoretical work on professionalism, it is now necessary to assess the nature of the relationship between those accountants who work in business alongside the managers who lay claim to the notion of being professionals. In this context, one might also introduce the concept of ‘mimics’, given that the latter are attempting to lay claim to the same attributes as the former. In doing so, and especially by articulating a specialist business knowledge and discourse (Llewellyn 2001), they create a hybrid discourse (Chouliaraki and Fairclough 1999). Of course, they are not straightforwardly co-opted into the accounting agenda (Coburn 1992); neither are they merely professional enforcers of accounting diktat. Clearly, the role is complex because they balance managerialism against professionalism. Nevertheless, in mimicking the accountants’ claim to be a profession, British management has been attempting to consolidate its position within both business and society at large. It is this process that we now need to examine empirically, with a view to answering the questions posed in the introduction.

**Historical Trends.**

While this is not the place to replicate the work of Wilson and Thomson (2006), by referring to Table 1 it is possible to gain some understanding of the main stages. As far as the main subject of this paper is concerned, a major watershed occurred between the 1940s and 1970s, when largely as a result of the growing divorce between control and ownership it is apparent that several demand-side factors combined to create a much more conducive environment in which ‘professional’ managers could flourish after the 1940s. The key factors were:
• **Growing divorce between control and ownership.** By 1975, individuals owned just 37.5% of those shares quoted on the London Stock Exchange, while pension funds, insurance companies and other financial institutions had acquired almost 50% (Scott 1997). Looking specifically at the top 100 non-financial British firms, in only fourteen did directors hold more than 10% of the equity, while in fifty-six companies they held less than 0.5 per cent. This trend also provided the chartered accountants with an opportunity to cement further their well-entrenched positions in British business, in that these functionaries frequently acted as the guardians of City interests at boardroom level (Matthews, Anderson & Edwards 1998).

• **Growing scale and scope of business.** Principally as a result of several intense waves of merger activity (early-1950s; late-1950s; and 1967-9), British business achieved a scale and scope of much greater significance. This process also continued in the last two decades of the twentieth century, forcing firms to consider how best to structure such operations. Prais (1976) has calculated that in 1958 the 100 largest manufacturing companies had an average of 27 plants; by 1972, this number had risen to 72 and was spread over a larger number of industries. Channon (1973) has also noted that, whereas only 25 of the top 100 companies could be considered diversified in 1950, this had increased to 60% by 1970.

• **Internalization of labour management.** Although in the context of a full employment economy up to the 1970s, management struggled to impose its will on a strong trade union movement, increasingly over the post-war decades control of the shopfloor swung in favour of the former (Gospel 2005). The decisive moves came in the early-1980s, providing management with an
opportunity to develop more elaborate control systems that were backed up by
decisive changes in trade union status. In addition, management accountancy
became a much more intrinsic feature of business operations, reflecting the
desire by more managements to introduce effective financial planning and
control techniques, after decades of neglect in this respect.

- **Adoption of the M-form.** After an era in which the H-form had been the
preferred structure of many large-scale firms, largely as a result of advice
offered by American consultancy firms British business moved decisively
towards the M-form. By 1970, 72 of the top 100 firms were M-forms
(Channon 1973), while by 1993 this had risen to 83 (Whittington & Mayer
2000). The adoption of the M-form also reinforced the tendency towards
financial planning and control, in that divisional managers were increasingly
monitored by the central management through the use of management
accountancy techniques that were widely adopted.

- **Increased globalization of business.** Not only has the UK consistently
contributed more than any other economy except the USA to global FDI since
the 1950s, British firms have been amongst the leaders in outsourcing aspects
of their operations (Jones 2005).

- **Deindustrialization.** The growing importance of the tertiary sector has been
the most significant change within the British economy, especially since the
mid-1960s when industrial employment started its long downward absolute
and relative declines. This has given rise to a huge surge in office
employment, where managerialism has traditionally been more rampant.
Of course, it is important to stress that these factors coincided with other trends that served to undermine the growth of business bureaucratization. In particular, the widespread incorporation of IT systems into business during the 1970s and 1980s facilitated a significant degree of delayering across bureaucracies. There has also been the increased use of management-buy-outs, especially in the last fifteen years, indicating how firms have divested non-core activities in a drive to provide much greater focus to their business (Toms & Wright 2005). At the same time, the M-form has been overlaid on to the creation of global supply chains that reflect the re-emergence of the externalisation strategies that had been so popular up to the 1940s. Indeed, it is apparent that the pursuit of internalisation between the 1940s and 1970s was a historical aberration, in that both before and after this period British business has preferred to externalise activities wherever possible and rational.

Having mentioned these caveats, however, it is clear that a powerful combination of demand-side factors precipitated an enormous increase in demand for managers (see Figure 1) as firms built larger and more sophisticated organisations that were run from top to bottom by those who owned only a tiny proportion of the equity. As a result, by 2000 both the nature of business organisation and the role of the manager had changed substantially, even if the general principles underlying the role had not. There were many more managers, in a much wider range of functions, and a substantial proportion of the positions were held by women.¹ The role was not only fully accepted by the wider society, but was also held in considerable esteem and recognized as the key to economic success.

¹ According to a Chartered Management Institute survey (2004), while in 1974 only 1.9% of managers (including directors) were women, by 2004 this had increased to 31.1%.
Table 1: The stages of British business evolution

Stage One: PERSONAL (to the 1870s)
Family-based Ownership & Management

Stage Two: PERSONAL-PROPRIETORIAL (1870s to 1940s)
Clinging to Family-based system with greater levels of 'External' influence, viz., Syndicates of owners and professional managers; mergers and concentration; holding company forms; international investment and cartels very active; SME’s: increased dependence on 'Big' Business

Stage Three: MANAGERIAL (1940s to 1970s)
Extensive divorce between control and ownership. Adoption of M-form by large firms owned by professional investors; business schools appearing; merger and international investment at record levels; SME’s tied in to a cycle of dependence.

Stage Four: MANAGERIAL-FINANCIAL (since 1980s)
Dominance of City interests; Rise of international combines in global networks; heterarchic systems of management; bring SME’s into loops as 'stakeholders' in the chain; 'professionalisation' of management.

But why was there such an apparently inexorable increase in the numbers of managers (see Figure 1)? Perkin (1990) identified the increasing number of managers with the rise of 'professional society' more generally, with managers finally achieving equivalence with the other branches of what were regarded as the more traditional professions. As Williams (2001: 1) notes, though, because different studies use different definitions, ‘estimates of current numbers of those in management occupations vary considerably (from 2.5 million to more than 6 million) but are most likely to be around 4 or 4.5 million’. One source that can provide some degree of
certainty is the decennial censuses, although even here it is difficult to interpret trends accurately because of changes in definition and classification. Figure 1 provides the raw data from this source, but it is vital to remember that the category includes senior administrators, as well as managers, thereby confusing the general picture. In view of the enormous changes to the structure of the British economy, and in particular the absolute collapse of industrial manufacturing and the substantial rise in ‘white-collar’ employment, the data in Figure 1 must be treated with much caution.

Regardless of these caveats, however, it is clear that over the course of the 20th century there had been a significant increase in the number of those classified as managers. As Wilson and Thomson also stress (2006), there had also been a significant move from ‘salaried’ to ‘professional’ management, indicating how in terms of status, legitimacy and remuneration something dramatic had occurred. ‘Salaried’ managers, in this context, were functional operatives who acquiesced in the
demands of the owners, while ‘professional’ managers had developed a greater degree of independence, often as a result of the transfer of ownership to professional investors. Interestingly, when Poole et al. (2001) conducted a survey of managers (admittedly drawn from membership of the Institute of Management, which is not a representative sample), in response to the question ‘Do you regard yourself as a professional?’, 59 per cent answered positively in 1980, whereas in 2000 this figure had risen to 95 per cent. Self-regard, however, would not satisfy a more stringent definition of professionalism. Indeed, merely talking about independence of action would appear to dilute other definitions of the word ‘professional’, as we noted in the last section, forcing us to delve deeper into this area as a means of understanding the true nature of the changes to British managers.

While on the one hand we accept that managers have certain professional attributes, we see a significant difference between, on the one hand, those salaried managers who moved into narrow functional roles from lower level positions and whose knowledge-base for management was experiential or instinctive, and, on the other hand, those managers, whose generic knowledge base as managers was explicitly developed in a way similar to those in the accepted professions, and hence are more deserving of the term professional. Another dimension of this distinction is that the salaried manager usually had a primary role in a functional position and was dependent on functional skills for his identity as a manager, whereas the professional manager can be seen as a manager first and not dependent on functional skills, even though that would be a significant part of the job. Equally important was the tendency for the salaried manager to have low status and low authority, while the professional manager has much higher status and more authority. The trend in the development of more sophisticated industrial systems and structures has been away from dependence
on the salaried manager towards the emergence of professional managers, although even today there will be a balance between the two. The main argument underlying this final theme is that other countries, in different ways, achieved a transition from salaried to professional management well before Britain. Moreover, this was not a short-term problem, but rather one that underlay British economic development, or the lack of it, for well over a century (Handy 1987). Indeed, it is still a cause for concern in the early twenty-first century.

Two further points deserve discussion. One is that while the attributes of a professional manager are essentially individual, as we saw in the last section a professional is also linked with more general aspects of public and organizational recognition, concerned with power, status, legitimacy and authority. While some earlier managers may have had the personal attributes of professionalism, it was much more difficult than it is now for them to enjoy these additional dimensions of esteem. By contrast, it is now much easier to achieve professional status, mainly through better supply-side institutions, even though by no means all managers do so. The other point is that professionalism is not only concerned with the individual manager's suitability to take decisions involving change, the application of technology, and strategic considerations involving marketing, labour and financial issues, it is about a cadre of managers acting in an integrated way in an organization. Crucially, though, in contrast to other professions there is no need to secure a state license to manage; indeed, it is not essential to have any type of qualification to manage a business. On the other hand, one profession has come to play a powerful role in British business, a trend to which we must now turn.
Accountants and managers.

The rise to prominence of accountants has been one of the most decisive trends in British business management over the last 150 years. As Table 2 reveals, using a significant sample of companies Matthews et al. (1998) have demonstrated that by 1991 over 80% had an accountant on the board of directors, compared to just 3% in 1891. In addition to their employment as directors, the aggregate number of accountants has also risen impressively, from almost 11,700 in 1911 to 198,490 in 1991, a seventeenfold increase. In contrast, the legal profession has only grown threefold over that period, while engineering has experienced a ninefold rise. A further insight into their position can be found in the comparison with manufacturing employment: for every accountant in 1911, there were 633 manufacturing employees; by 1991, ‘there were only 31 people making things for every one professional accountant adding up the figures’ (Matthews et al. 1998: 72-3). Furthermore, only the USA has more practising accountants than the UK, while in terms of labour force per accountant the latter (at 198) far undercut the former (427). The proportion of accountants that were employed in business, as opposed to private practice, had also altered dramatically, even amongst the ICAEW. Indeed, by the 1990s 55 per cent of the ICAEW membership worked in business, while the vast majority of CIMA members were similarly employed, indicating how British firms were increasingly keen to utilise this particular kind of expertise.

Running in parallel with this trend, and in many ways accelerating it, was the extensive transfers of business ownership outlined in the last section. As Zeitlin (1974: 1107) has argued with regard to American corporations, the alleged separation of ownership and control could well be described as a ‘pseudofact’, because all that had happened was a change in controlling interest from a small group of proprietor
into the hands of an elite cadre of fund managers operating in the City of London. On the other hand, it is reasonable to use terms like financial capitalism to describe these trends in British business, because by the 1970s the City provided the nucleus of a new corporate class which dominated British business, working through a series of interlinking directorships that produced a ‘national inter-corporate network, with financial and non-financial enterprise fully integrated’ (Scott 1987: 180). At the core of this network was the chartered accountant, reinforcing the message emanating from Table 2. Clearly, by the 1970s British business was beginning to resemble the system of financial capitalism that had emerged in the USA twenty years earlier (Fligstein 1993: 226).

Although the chartered accountant played a key role in this process, it is also important to stress how during the 1960s and 1970s management accountancy made enormous progress in the UK, firstly through the adoption of standard costing across much of industry, and secondly as a result of the emergence of financial planning. Although Granick’s (1972) survey had been highly critical of British central company headquarters, given their relatively limited use of planning and financial controls, especially compared to American corporations, from the 1960s Armstrong (1987) demonstrates graphically how the drive to modernise production, introduce scientific management and gain greater control over labour resulted in a significant surge in the use of management accountants, often associated with computerization. At exactly the same time, with the M-form growing in popularity, financial planning and decision-making came into vogue, usually as a result of visits from American management consultants, further increasing the need for management accountants. The Warwick survey of British business (Marginson et al. 1988) also revealed how by the 1980s line management had become heavily reliant on budgets and accounting control, while the
personnel functions at divisional and HQ level became separated from, and reactive to, these developments.

**Table 2: Qualified accountants in company management, 1891-1991.**

<table>
<thead>
<tr>
<th></th>
<th>1891</th>
<th>1931</th>
<th>1971</th>
<th>1991</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companies in sample</td>
<td>541</td>
<td>340</td>
<td>322</td>
<td>324</td>
</tr>
<tr>
<td>Directors in sample</td>
<td>2651</td>
<td>1653</td>
<td>1870</td>
<td>2084</td>
</tr>
<tr>
<td>% of companies with accountant-director</td>
<td>4.0</td>
<td>19.1</td>
<td>65.8</td>
<td>81.2</td>
</tr>
<tr>
<td>% of chairmen who were accountants</td>
<td>0.8</td>
<td>4.6</td>
<td>13.6</td>
<td>20.7</td>
</tr>
<tr>
<td>% of managing directors who were accountants</td>
<td>0</td>
<td>2.6</td>
<td>13.8</td>
<td>19.3</td>
</tr>
<tr>
<td>% of company secretaries who were accountants</td>
<td>7.1</td>
<td>14.3</td>
<td>41.7</td>
<td>47.4</td>
</tr>
<tr>
<td>% of directors who were accountants</td>
<td>0.8</td>
<td>3.8</td>
<td>15.2</td>
<td>22.0</td>
</tr>
</tbody>
</table>

Source: Matthews *et al.* (1998: 125)

By the late-twentieth century, accounting in both of its main forms had clearly become major influences within British business generally, competing effectively to assert their comparability with other professions and ensuring that their techniques were employed extensively (Procter, Rowlinson and Toms, 1999). Roslender *et al.* (2000: 208-10) have effectively argued that the accounting career could well have passed its peak, in terms of numbers and overall influence, while significant divisions between the lower levels of accountants performing routine tasks and those at the top of the profession continue to undermine the need for cohesion in dealing with twenty-
first century challenges. Nevertheless, as we noted at the outset and building on Armstrong’s (1985, 1987) contribution to this debate, by the late twentieth century accountants had become *The Priesthood of Industry* (Matthews et al. 1998), such was their control over key aspects of British managerial hierarchies. It is worth noting how this descriptive phrase was almost exactly the same as one devised by the leading interwar management authority, John Lee, who argued in favour of creating ‘a priesthood in industry’ capable of imposing a Christian style of management on the workforce (1922: 114-5, quoted in Perkin 1989: 304). As many authorities have demonstrated (Barry 1989), however, far from being a Christian influence, the growing power of accountants reflected the total preoccupation with financial performance within British business, marginalising any welfarist tendencies that might have been pursued by proprietors. Crucially, as accountants acted as the representatives of those financial institutions that by the 1970s owned the bulk of the equity traded in the City, their role was effectively to impose the short-termist strategies of financial capitalism on senior management. It is consequently a moot point whether British business benefited from having such a group operating at the heart of organizational hierarchies, even if more recently the management accountants have been able to impose more rigorous procedures and compensate for the allegedly baleful influences of their chartered counterparts.

While this debate will rumble on, the key issue as far as we are concerned relates to the relationship between accountants and managers. On the one hand, as Armstrong (1985) notes, accountancy qualifications provide a highly unsuitable preparation for management, especially in terms of the ‘soft’ skills required to manage people. Crucially, though, given that a professional management cadre was slow to emerge in the UK, ‘for many years [the accountancy qualification] has been
the only serious professional preparation for would-be managers’ (Handy et al. 1987: 12). As the banks and financial institutions ‘moved more and more into the centre of the [corporate] networks’ (Stanworth and Giddens 1975: 24), and ownership of British business was transferred to the City of London, this further enhanced the financial accountants’ ability to strengthen their hold over decision-making.

The chartered accountants especially, but more recently their management counterparts, consequently benefited enormously from the slow transition towards professionalism across British management generally, filling a gap that had been one of the most abiding characteristics of the business system since the nineteenth century. At the same time, one should stress that only since the 1970s has financial planning been adopted extensively in British firms, revealing how the influence of accountants on internal processes proved to be extremely limited for long periods. While up to that decade chartered accountants were becoming increasingly influential within the intercorporate networks, their roles were focused more on the external functions associated with reporting and auditing, rather than improving internal processes. Consequently, the extensive use of chartered accountants in British business reflected inherent weaknesses in managerial training and qualifications (Handy 1987: 12; Barry 1989: 58). At the same time, given the changing ownership patterns in British business (Wilson 1995: 181-94), chartered accountants were often regarded as a ‘safe pair of hands’ by the institutional investors who by the 1970s had come to control the bulk of the equity floated on the London Stock Exchange. The dramatic change in the nature of corporate governance that facilitated the rise of the accountant would also lead to significant ‘mimicry’ of their language by senior managers. This especially became apparent in the 1980s, when chief executive officers boasted about how they had cut costs (mainly in the form of jobs) in order to
cope with the era’s harsh economic environment (Sampson, 1995; 233). Mimicking the accountant’s style and approach to business has since become the very essence of British management-speak, linking the two groups inexorably in a partnership aimed at reinforcing the power of capital over all other factors of production. No self-respecting chief executive officer would ever consider giving a talk to City fund managers without using this kind of language, indicating that in power terms the profession of accountancy had come to dominate British management.

Conclusions.

The slow professionalisation of British management clearly provided an enormous opportunity for accountants to infiltrate the most senior positions. Although there was a multiplicity of bodies representing the various functional roles of managers, there was no professional body for managers as managers. It must be accepted, of course, that management is too heterogeneous an occupation for any institution to expect to bring all managers under its roof. Similarly, there was a lack of an adequate educational framework for nascent managers, or for their development after being appointed. Moreover, there was no strong demand from industry for such a framework; indeed, when such a framework did emerge it is our contention that the major thrust from the demand side came from individual managers, not business. Professionalism must be about integration, not merely the skills of the individual. British management hierarchies tended not to be well integrated, either between functions or between levels. Production was particularly weak, because that was the main base of the practical, uneducated manager (Keeble 1992). British businessmen from the top to the bottom lacked the expertise, either from education or experience, to make the M-form work (Channon 1973; Quail 2000). As Levine (1967: 17) concluded: ‘It appears that the Anglo-American and Anglo-German productivity
differentials sprang primarily from the relative backwardness of British industrial technique’. Although he considered other possible factors, such as natural resource disadvantages, capital intensity, demand structure, and labour force differences, Levine (1967) felt that these did not outweigh the main concern about technique, which included management and management systems. Caves et al. (1968) came to the same conclusion.

The second key dimension of professionalism involves a body of knowledge. Given that there is arguably still no fully accepted theory of management, the discourse of management in Britain came to be dominated by the accounting vocabulary. Although by 2000 the role of the manager had changed substantially and there were many more managers, in a much wider range of functions, such was the power of City financial interest that a managerial discourse failed to work itself through into common business parlance. While in the USA senior managers are associated with the MBA and in Germany with engineering qualifications, the British cadre is dominated by accountants, bringing a form of professionalism to a community that in the past has lacked this essential element. Yet it was a curious form of professionalism that might well be seen as a hybrid emerging from the coalescence of professional accountants and experience-based managers, with a discourse based much more on the former’s practices rather than the latter.

But how does all this link with our review of the theoretical work? The extent to which management has become professionalised is a moot point and depends on the model of professionalisation that is adopted. To take Goode’s (1957) perspective, management is not a profession, in as much as, firstly, it does not involve prolonged specialist training in an abstract body of knowledge, and, secondly, neither is it focused on service in any clear sense. Despite the best efforts of business schools and
management educators, management cannot be said necessarily to involve extensive training. Neither can it be said that management knowledge is by definition complex and abstract; to deploy a cliché, ‘It isn’t rocket science’. Barry Gibbons, former CEO of Burger King, makes the point quite bluntly: ‘A lot of bollocks is talked about management. The really important things are what your parents taught you. Would you invest in this if it was your money? Don’t lie. Treat people the same way as you want them to treat you’. (quoted by Caulkin in the Observer, 18 October 1998). While managers may increasingly refer to themselves as professional, the sense within which they use the word is perhaps more colloquial and rhetorical; it is more about a search for status in organizations and beyond, rather than a collective and organized professionalisation project.

To bolster this search, managers and their educators may gather about them the trappings of professionalism. Knowledge may be created in business schools and beyond (Thomas 2003), but this knowledge is developed not simply (or perhaps even primarily) to improve ‘professional’ practice, but also to further careerist strategies amongst educators, to provide ‘products’ for consultants to sell, and to lend power to managers within the workplace (Thomas 2003). Whitley (1984) and Astley (1984) established the rather insular nature of management knowledge and its role in academic career structures long ago. The consultancy industry has grown phenomenally over the last 20 years (Micklethwait and Wooldridge 1996; Ashford 1998), representing a commodification of management knowledge (Chouliaraki and Fairclough 2003). Finally, several authors (Gowler and Legge 1983; Watson 2001; Westley 1990) have explored the discursive nature of management and the use of knowledge to control and exclude within the workplace. In summary, the development of management knowledge seems to be less about devising a coherent
body of professional knowledge and practice and more about status-seeking, money-making and control. Certainly, if we consider the impact of management knowledge on economic performance, there would seem to be no clear positive relationship. Indeed, Robert Locke (1996) has gone so far as to say that management education seems to have undermined efficiency in many industries, whilst others have written of their great doubts about the value and influence of management thinking (Leavitt, quoted in Crainer and Dearlove1998; Ghoshal 2005).

Whilst it is difficult to establish that management is a profession under the traditional definitions of the concept, it is undoubtedly the case that management has become ‘professionalised’ in a more shallow sense. A number of authors have written of ‘making up’ managers (Reed and Anthony 1992; du Gay et al 1996; Bolton 2005), examining the ways in which management work, identity, and governance processes have evolved. Associations and institutes have emerged which may take management beyond the individualistic notion of professionalism that seems to underpin the practice to an increasing extent. The self referencing ‘professional’ may regard themselves as being ‘professional’ in conduct, and in turn may become increasingly drawn to institutionalizing their professional practice. These projects can be seen in a number of ways (Freidson 1986). Firstly, they can be construed as rational attempts to improve practice in a functional way. Secondly, they can be seen as political attempts to carve autonomous space in contested contexts. (In this case, organizations where managers may come up against other professional workers such as accountants, clinicians, engineers and so on.) We would certainly argue that in some contexts, such as the health service, this political aspect may be significant, as managers ‘compete’ or conflict with other professional workers in a contested terrain. However, given the dominance of neo-liberal, managerialist thinking in many contexts, this political
‘need’ for professionalism seems slight. Managers do not need to claim to be a profession to exert control over others in the workplace. Thirdly, professionalization can be seen as a social project creating social ties between individuals and groups, and in the process shaping positive social identities for managers. Most projects are probably a combination of all three, but we would like to focus on the latter perspective within this paper as we feel it has a particular significance for management at the current time.

One might also note that management is much derided in popular culture, from *Dilbert* to *The Office*. Managers are often portrayed as either faceless, heartless and gutless bureaucrats or as figures of fun, purveying ridiculous ideas and schemes, and foisting themselves on colleagues who see through the shallowness of the underlying thinking and simply sit out the ‘crucial’ initiative until the next one comes around, which they then also sit out. In many organizations, managers seem to be seen as overpaid idiots or bastards, or both. It is unsurprising that those who take on the managerial role in organizations may be well disposed to attempts to raise their social standing and dispel the negative connotations of the role. Aspiring to professional status may well be an attractive route out of this situation.

This aspiration may be heightened by envy of other professions. As mentioned earlier, the power of and status of accountants in industry is considerable. We could usefully deploy the notion of colonization here to explain the process that drives managers towards professionalisation. There are two aspects to consider, drawn from Fanon (1990) and Bhabha (1994). Both authors attempt to consider the way in which colonization takes place and how it is experienced by both colonizer and colonized. Both broadly see colonization as always being, simultaneously, a process of appropriation and colonization. It is not simply an imposition of dominant power that
sweeps away what existed before colonization; the colonizers are not resisted head on. For Fanon (1990: 39) ‘the colonized man is an envious man. And this the settler knows very well; when their glances meet he ascertains bitterly, always on the defensive, “They want to take our place’’. In our context, the manager envies the position and control of the accountant and seeks a position that is similar through a project of professionalisation. Here, Fanon (1990) reveals the ambivalence of colonization and power; of wanting what the powerful have, whilst at the same time perhaps scorning and resisting them.

Bhabha (1994) also sees an ambivalence and ambiguity in the colonization process. In this case, the process involves a mimicry of the colonizers, a selective appropriation of aspects of their apparent ‘rule’. This is cast as an ironic compromise by Bhabha (1994) of the tension between the demand for (or imposition of) identity and stasis and the counterpressure of change and difference (Said 1978). In our context, the accountants demand measurement, control and evaluation judged against their own metrics. The ambivalence of managers to such controls sees them appropriating aspects of the accountant approach, but the mimicry is always incomplete because it must also disavow the approach. It has to maintain a difference and not become the same as camouflage; it cannot become the background that it mimics (Lacan 1977). Managers cannot simply become accountants, but neither can they resist them; the only position left is perhaps mimicry and partial assimilation. The appropriation of professional trappings may be part of this, but also the managerialisation of accounting procedures that can be seen in schemes and models such as the Balanced Scorecard (Kaplan 1996).
Sources:


Ghoshal S.