

# The Accountability of Public Museums in Portugal

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## ABSTRACT

This research examines the historical development and current state of accountability practices in Portugal's public museums, within the context of New Public Management (NPM) philosophies. The study addresses the following research questions: (1) What systems of accountability presently apply to Portugal's public museums? (2) What are the historical determinants of these systems and what has been the role of NPM? (3) Relative to the objectives and missions of the museums, what deficiencies are evident in the systems of accountability and how might these be redressed?

New institutional theory, supplemented by the concepts of path dependency, practical drift and governmentality, provides the theoretical framework for examining the historical determinants of accountability practices, identifying the limitations of those practices, and proposing possible solutions. This study adopts an interpretative paradigm and an inductive reasoning approach. The research uses a case study approach based on the Portuguese Museums Network. The study combines quantitative, archival and qualitative (interviews) data. The survey was administered to directors and other people directly responsible for the management of public museums and yielded 220 usable responses. The analysis of archival data included historical documents available in the archives of museums, legislation, newspapers and historical books. Finally, 26 interviews were conducted with directors and other personnel from nine museums and six interviews were conducted with representatives from the central government and relevant professional associations.

The findings show that present accountability systems in Portuguese public museums are hierarchical and frail and provide limited information for meaningful accountability evaluations. In addition, accountability has been influenced by historical path dependency, leading to museums being used as instruments of governmentality for controlling citizens, society and public organisations. The implementation of NPM and double entry bookkeeping are reflections of a process of institutional isomorphism that has led to a process of "double talking" and the adoption of practical drift situations. The accountability deficiencies identified – within the context of the missions and objectives of museums – lead to a set of recommendations to improve accountability in the sector. Managerial implications stemming from the study entail, for example, giving more managerial autonomy to the museums; periodically auditing the collections and their scope; and, producing new accounting rules that reflect and involve relevant stakeholders.

## STATEMENT OF AUTHORSHIP

Except where explicit reference is made in the text, this thesis contains no material published elsewhere or extracted in whole or in part from a thesis by which I have qualified for or been awarded another degree or diploma. No other person's work has been relied upon or used without due acknowledgement in the main text and bibliography of the thesis.



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# DEDICATION

To  
Saint Joseph,  
Patron of workers

# TABLE OF CONTENTS

1	Introduction: The Dilemmas of Accountability in the Public Sector .....	1
1.1	The issue addressed in the study .....	1
1.2	The relevance of museums .....	8
1.3	The aims of the study and research questions .....	11
1.4	The research method .....	13
1.5	The structure of the thesis .....	15
2	Literature review: Systems of accounting and accountability .....	17
2.1	Introduction .....	17
2.2	Accountability throughout the centuries .....	18
2.3	The mutant concept of accountability .....	27
2.3.1	Accountability versus responsibility .....	29
2.3.2	Genres, Bases and Contexts of Accountability .....	30
2.4	Accounting and accountability .....	33
2.5	Accounting, accountability and the self .....	37
2.6	Summary .....	39
3	Accountability in the public sector: A museological overview .....	41
3.1	Introduction .....	41
3.2	Accounting, accountability and New Public Management .....	42
3.3	The limits of accounting and accountability in the public sector .....	45
3.4	Accounting and accountability in public museums .....	48
3.4.1	Overview of prior studies .....	50
3.5	Summary .....	58
4	Theoretical perspectives and research method .....	60
4.1	Introduction .....	60
4.2	Institutional theory .....	60
4.2.1	Institutions as a source of legitimacy .....	63
4.2.2	Institutional isomorphism .....	65
4.2.3	Decoupling .....	67
4.3	Complementary concepts .....	70
4.3.1	Path dependency .....	71
4.3.2	Practical drift .....	75
4.3.3	Governmentality .....	78
4.4	Ontological and epistemological position .....	82
4.4.1	Methodological approach .....	85
4.4.2	Methods .....	87
4.5	Case study .....	88
4.5.1	Case study: The Portuguese Museums Network .....	91
4.5.2	Survey .....	91
4.5.2.1	Questionnaire design .....	92
4.5.2.2	Piloting the questionnaire .....	93
4.5.2.3	Questionnaire administration .....	93
4.5.3	Archival research .....	96
4.5.4	Interviews .....	96
4.5.4.1	Interview protocol .....	99

4.5.4.2	Interview analysis and ethical issues .....	100
4.6	Summary .....	101
5	The Portuguese public museum sector .....	103
5.1	Introduction .....	103
5.2	The evolution of accountability in the Portuguese government.....	104
5.2.1	Corporatist Absolute Monarchy (1755-1820).....	105
5.2.2	Liberal Monarchy (1820-1890).....	107
5.2.3	Waning Liberalism and Rising Corporatism (1890-1926) .....	111
5.2.4	Corporatist dictatorship (1926-1974).....	112
5.2.5	The Welfare State and Neo-Liberalism (1974 to present).....	114
5.3	The adoption of NPM in Portugal .....	117
5.3.1	Overview of the Portuguese public sector .....	118
5.3.1.1	The administrative public sector .....	118
5.3.2	The Reform of Governmental Accounting in Portugal.....	123
5.3.3	The Chart of Accounts for Public Accounting.....	125
5.4	The evolution of Portugal's public museums.....	128
5.4.1	Historical overview of the public museum sector.....	129
5.4.1.1	Up to the late 1760s .....	129
5.4.1.2	Late 1770s to 1833 .....	130
5.4.1.3	1834 to 1910 .....	131
5.4.1.4	1911 to 1974 .....	132
5.4.1.5	Post-1975 .....	134
5.4.2	Contemporary public museum management.....	135
5.5	Summary .....	145
6	Research findings: questionnaire .....	146
6.1	Introduction .....	146
6.2	Sample profile .....	146
6.2.1	Museum profile: facilities, services and communication platforms .....	146
6.2.2	Respondent profile .....	151
6.3	General management.....	153
6.3.1	Enacting legislation, objectives and the managerial approach .....	154
6.3.2	Networks and markets.....	163
6.4	Collection management.....	168
6.5	Accounting and financial management.....	173
6.5.1	New Public Management, autonomy and accountability.....	174
6.5.2	Accounting systems, budgeting and auditing .....	178
6.5.3	Performance and financial indicators.....	184
6.5.4	Museum revenue and expenditure .....	191
6.5.5	Main insights derived from the preliminary field work.....	197
6.6	Summary .....	197
7	Research findings: interviews .....	198
7.1	Introduction .....	198
7.2	Profile of the museums in the Portuguese Museums Network sample .....	199
7.2.1	Museums run by the Institute of Museums and Conservation.....	199
7.2.2	Museum run by a local government.....	200
7.2.3	Museum ruled by the Ministry of Defence .....	200
7.3	Context of the museum sector.....	201
7.4	The management of museums.....	215
7.4.1	Structural problems .....	216
7.4.2	Museums' mission and goals .....	219

7.4.3	Strategic management and development plan.....	220
7.4.4	Centralisation versus autonomy.....	222
7.4.5	Communication process.....	224
7.4.6	Museums and communities.....	226
7.4.7	Staff involvement in management.....	229
7.4.8	Sources of revenue.....	230
7.4.9	Security of collections.....	232
7.5	Expertise of museums staff.....	236
7.6	Role of legislation.....	239
7.7	Cultural/public administration.....	242
7.8	Accounting/accountability technique.....	245
7.9	Summary.....	248
8	Malaise in the Systems of Accountability within the Portuguese Public Museum	
	Sector: A Discussion.....	249
8.1	Introduction.....	249
8.2	The systems of accountability in the Portuguese public museums.....	250
8.2.1	Museums as social constructions: history and legitimisation.....	251
8.2.1.1	The monarchy period – (1755-1910).....	252
8.2.1.2	First Republic – (1910-1926).....	252
8.2.1.3	The new state period – (1926-1974).....	253
8.2.1.4	The democracy period (1974 – now).....	254
8.2.2	Diversity in systems of accountability.....	256
8.2.3	The lack of autonomy in museum management.....	261
8.2.3.1	Levels of budgetary autonomy.....	263
8.2.3.2	Managing structural and maintenance issues.....	264
8.2.3.3	Staff management.....	265
8.2.4	Towards hybrid managerial models of public museums.....	267
8.3	Historical determinants of the systems of accountability and the role of NPM... ..	270
8.3.1	The disorganised State.....	271
8.3.2	The emergence of accounting figures.....	272
8.3.3	From the control of public finances to the control of people.....	273
8.3.4	The political breakdown and the continuity in accountability practices.....	274
8.3.5	Failure and change in reforms.....	276
8.4	Accountability in museums’ missions and objectives: reflections and avenues..	278
8.4.1	The role of legislation in defining museums’ objectives and mission.....	279
8.4.2	Towards a standard model of enacting legislation: Solution or trap?.....	282
8.5	Summary.....	282
9	Conclusion.....	284
9.1	Introduction.....	284
9.2	The Systems of Accountability in Portuguese Public Museums.....	284
9.2.1	Lack of autonomy.....	285
9.2.2	Accountability process.....	286
9.2.3	Financial and performance accountability.....	289
9.2.4	Other accountability issues.....	293
9.3	Managerial Implications.....	294
9.4	Research limitations.....	299
9.5	Future research.....	301
	References.....	303
	Legislation.....	365
	Archival Sources.....	373

Appendices.....	374
Appendix A - Cover letter and questionnaire .....	375
Appendix B - Interview protocol .....	393
Appendix C - Approval of Human Research Ethics Committee .....	399

## LIST OF FIGURES

Figure 1.1 Structure of the Thesis .....	16
Figure 4.1 Theoretical Matrix .....	77
Figure 5.1 Structure of the Portuguese Public Sector .....	121
Figure 5.2 Accountability networks in museums under the tutelage of the Secretary of State for Culture .....	140

## LIST OF TABLES

Table 4.1: List of Interviewees .....	99
Table 5.1: Legal framework of the Portuguese administrative public sector .....	116
Table 6.1: Museums holding collections in the categories indicated .....	147
Table 6.2: Facilities available in the museum.....	148
Table 6.3: Museum location .....	149
Table 6.4: Governing entity .....	150
Table 6.5: Periods of the museums' foundations and periods of each museum's closure .....	150
Table 6.6: Respondents' job positions .....	151
Table 6.7: Respondents' academic qualifications.....	152
Table 6.8: Main priorities for the museum .....	153
Table 6.9: Enacting Legislation .....	155
Table 6.10: Annual objectives .....	157
Table 6.11: Views on the objectives of public museums.....	158
Table 6.12: Views relating to the management of Portuguese public museums .....	160
Table 6.13: Views on the importance of the museum being managed by a professional manager.....	162
Table 6.14: Membership of the Portuguese Museum Network and reasons leading to affiliation.....	164
Table 6.15: Surveys of visitors .....	165
Table 6.16: Views concerned with the importance of surveying of visitors .....	167
Table 6.17: Number of items in the museum's collections.....	168
Table 6.18: Written policies concerning the activities of museums and protection of museum collections.....	169
Table 6.19: Inventory of a museum's collections.....	170
Table 6.20: A Supporting system of inventory .....	171
Table 6.21: Audit of museum collections .....	172
Table 6.22: Main factors that influence the selection of temporary exhibitions .....	173
Table 6.23: Priorities in the meaning of New Public Management.....	174
Table 6.24: Priorities of those museums which have chosen accountability as first priority .....	175
Table 6.25: Bank account .....	176
Table 6.26: Autonomy in Fundraising .....	176
Table 6.27: Museum revenue and control.....	178
Table 6.28: System of accounting and policies on the valuation of assets .....	179
Table 6.29: Annual budget.....	181
Table 6.30: Cost accounting .....	182
Table 6.31: Use of Activity-Based Costing, Activity-Based Management or Activity- Based Budgeting in the museum.....	183
Table 6.32: Museum's accounts subject to periodic audit .....	183
Table 6.33: Internal control over the methods and procedures to control cash, accounts payable and receivable, stocks and fixed assets.....	184
Table 6.34: Selection and use of performance indicators .....	186
Table 6.35 : Documents disclosed to the governing entity .....	187
Table 6.36: The role of financial information in management decisions .....	189

Table 6.37: Accounting record policies on fixed assets.....	190
Table 6.38: Most significant sources of revenue .....	191
Table 6.39: Admission fee .....	193
Table 6.40: Views on the importance of the museum’s admission fee.....	195
Table 6.41: Expenses which are given the most attention .....	196
Table 6.42: Recognition of expenditure and revenue .....	197

## **LIST OF ABBREVIATIONS**

ASBPA – Accounting Standard Board for Public Administration

CAPA - Chart of Accounts for Public Accounting

EAM – Enabling Accountability in Museums

GDCH – General Directorate of Cultural Heritage

GDP – Gross Domestic Product

IMC – Institute of Museums and Conservation

IPSAS – International Public Sector Accounting Standards

IPSASB – International Public Sector Accounting Standards Board

NPM – New Public Management

OECD – Organisation for Economic Co-Operation and Development

PFI – Private Finance Initiatives

PIM – Portuguese Institute of Museums

PPP – Public-Private Partnerships

ROC – Regional Office of Culture

# **1 INTRODUCTION: THE DILEMMAS OF ACCOUNTABILITY IN THE PUBLIC SECTOR**

...there must be public accountability for the real objectives of the reforms.

(Barton, 2009: 241)

## **1.1 THE ISSUE ADDRESSED IN THE STUDY**

The late 1970s witnessed the beginnings of a global revolution in the public sector, as governments of generally liberal persuasion promoted the adoption of corporate models and language that had their origin in the private sector. In the name of efficiency and effectiveness many services were subsequently privatised and others were restructured through joint ventures, private finance initiatives, Public-Private Partnerships and outsourcing.

While it is still easy to identify the presence of the public sector in areas such as policing, museum and defence in many Western countries, there are other areas – such as public transport and water supply – where the boundaries between the two sectors are difficult to pinpoint. The notion that that efficiency and effectiveness in the provision of public services can best be achieved by privatisation – or at least the emulation of private sector entities – has become widespread (Letza & Smallman, 2001; Ogden, 1995, 1997; Shaoul, 1997).

The roots of the public sector go back to the eighteenth and nineteenth centuries when governments began to accept some responsibility for their populations' well-being and to engage in the provision of services and public goods that were considered fundamental for solving their collective problems and needs. However, it was during the first half of the twentieth century that western societies saw the emergence of unprecedented intervention by the state in all areas of human life, leading ultimately to the construction of the welfare state (Funnell, 2001). Progressively, through the provision of numerous and diverse services, public organisations became an intrinsic element in the construction of people's

lives. However, in the late 1970s, national deficits placed governments and the public sector under close scrutiny due to their perceived failure to enable a better and fairer society. The importance of economy, in particular efficiency and effectiveness in the public sector, was placed firmly on the political agenda (Parker & Gould, 1999).

In the late twentieth century theorists like Milton Friedman presented the individual as the centre of life and supported the intervention of governments only for those functions that could not be performed by the market. Such intervention would be mainly to “determine, arbitrate, and enforce the rules of the games” (Friedman, 1982: 27). Hence, gradually the private sector began to be presented as the perfect solution for all inefficiencies associated with the public sector, which was characterised as being marked by a rigid bureaucratic hierarchy (Tullock, Seldon & Brady, 2000). During the 1980s and 1990s, governments began to redefine their own role, first by promoting an entrepreneurial spirit in the provision of their services (Osborne & Gaebler, 1992) and later on by initiating a process of marketisation and privatisation of the public sector. However, governments have been criticised for the increasing involvement of the private sector in public affairs (Giddens, 2000). More recently there has also been criticism that the processes of change seem to be more related to the reduction of size of government as an end in itself, rather than with potential efficiencies (Barton, 2009).

Around the world, governments have been pressed to reduce their deficits due to the extreme weight of the public sector on national economies and the difficulty of dealing with constant increases in liabilities. In order to promote market competition, some governments have elected to privatise diverse areas of the public sector instead of improve their efficiency, while reducing their spending, on the premise that efficiency and effectiveness could be improved as a result. In other situations, governments have appealed to *creative accounting* to relieve pressures to reduce their deficits. For example, as Forelle and Craig (2010) stated, budgetary gimmicks have been implemented by governments in countries from the European Monetary Union, the consequences of which have been identified in the recent European financial crisis.

Moreover, governments, which have been more than worried about the efficiency and effectiveness of the public sector, have seen the alienation of the public sector services as a way to increase their receipts and to create the illusion that their deficits have been reduced. What is more, it became common to turn to Private Finance Initiatives (PFI) or

to Public-Private Partnerships (PPP) to finance the construction of new public infrastructure without committing additional public resources and deferring their accounting and budgetary recognition (Benito, Montesinos & Bastida, 2008). Summing up, PFI and PPP seem to be a great opportunity for governments to borrow more money during electoral periods, because they allow them to run into debt without showing it.

The marketisation and privatisation of the public sector has been based mainly on the assumptions that the creativity of the public sector to solve community problems has been exhausted and that the private sector is more efficient than governments in providing community services. On a recurring basis, it has been claimed that the apparent utility benefit for citizens emerges from the high quality of the service provided by the private sector, and this has been presented and associated with an idea of a reduction in public funding. However, in many situations, such as in the privatisation of the railway industry in the United Kingdom and the corporatisation of Sydney Water in Australia during the 1990s, privatisation has not just decreased the quality of public services and diminished levels of accountability, but has also put at risk the life of citizens (Funnell, Jupe & Andrew, 2009; Jupe & Crompton, 2006). Both examples suggest that governments may have relinquished their duty of care to community needs when deciding to privatise public services without attending to citizens' best interests or protecting and strengthening the systems of accountability.

Citizens in the late twentieth century became well educated and more conscious of their rights, putting an increasing pressure on governments to provide an array of new services and with the efficiency associated with the private sector. However, to provide a public service is not the same as selling a product because it enshrines a set of social values that overtake the way the concept is understood by the private sector. In addition, the system of accountability in the public sector is much more complex than the system of accountability in the private sector, where all is summarised to provide benefits and retain the confidence of the stockholders (Parker & Gould, 1999; Shaoul, Stafford & Stapleton, 2012).

Many of the problems the public sector has been facing seem to lie in failures in the mechanisms and systems of accountability. Every time social trust is eroded due to the public services being provided by the private sector in the name of public interest, governments announce improvements, promise tighter legislative control and spend more

public money to restore public confidence. However, new rules or improvements in existing legislation *per se* are not enough because legitimacy is promoted by social trust, which is not ameliorated by decree. Indeed, social trust in the public sector is improved among other ways by avoiding secrecy and promoting efficiency, transparency in decision making, value for money, good communication and cooperative relationships between institutions and the individuals (Barton, 2006). Hence, accountability seems to be a cornerstone in all of these.

In the last thirty years accountability has become a buzz word due to difficulties faced by governments around the world to meet citizens' expectations and thus produce a positive impact on the lives of those citizens. The importance of accountability tends to be more visible in moments of economic crisis when people demand explanations for crises and an increase in accountability mechanisms (Joannides, 2012).

Accountability is a difficult concept to define (Roberts & Scapens, 1985; Sinclair, 1995) because it is influenced by different power forces and it is permanently changing according to the time and the context (Bracci, 2009). In general, accountability is associated with a hierarchical relationship of dependency between someone (agent) who needs to give an account to a principal who has the right to demand information (Lerner & Tetlock, 1999; Roberts & Scapens, 1985; Tetlock, 1985). However, reducing accountability to a simplistic explanation is to ignore the relationship between the self with one's self and the role that social, cultural, legal and political environments play in shaping one's views (Bracci, 2009; Lindkvist & Llewellyn, 2003). According to Roberts (1996), as we all are bound up in relations of accountability, the constitution of the self is an important point of departure because the actions of each human being have an impact on other people's lives and in organisations, determining how and by which way the individual and the community achieve their goals. This imbues the process of accountability with a moral dimension and it is much more important when it refers to the public sector. Conversely to the situation in the private sector, where profit is the main effort and where there is not much space for "altruistic activities" (Schweiker, 1993: 235), the public sector should be different because it should look after the well-being of all the community.

Due to the existence of multiple forms of accountability, it is important to study and understand the different environments in which particular accountability relationships are enacted (Sinclair, 1995), rather than seeking a general definition of it. It is important, for

example, to improve and understand how different institutions combine current procedures with new ideas in order to answer new and more exigent multiple demands.

Since Normanton (1971) considered the simple process of discharging responsibility by means of financial reports to be insufficient, studies in accountability have been undertaken in many areas including health care (Emanuel & Emanuel, 1996), psychology and behaviour (Frink & Klimoski, 2004; Schlenker, Tetlock, 1992), politics (Ezzamel, Hyndman, Johnsen & Lapsley, 2008; March & Olsen, 1995), non-governmental organisations (Everett & Friesen, 2010; Goddard & Assad, 2006; Oakes & Young, 2008; Unerman & O'Dwyer, 2006), history (Barlev, 2006; Ezzamel, 1997). Other studies have focused on comparing the private and the public sectors (Ahrens, 1996); accountability's relationship with accounting (Roberts & Scapens, 1985; Roberts, 1991) or its relationship with ethics, the role of the self and the limits of accountability (Butler, 2005; Messner, 2009; Roberts, 2009; Shearer, 2002). The adoption by the public sector of management practices in use in the private sector, known as New Public Management (NPM), has made research on public sector organisational accountability vast and varied. Studies have been undertaken in a range of settings, including the public sector in general (Boyne, Gould-Williams, Law & Walker, 2002; Cavalluzzo & Ittner, 2004; Day & Klein; 1987; Goddard, 2004; Romzek & Dubnick, 1987), schools (Bracci, 2009; Ezzamel, Robson, Stapleton & McLean, 2007), prisons (Andrew, 2007) and museums (Carnegie & Wolnizer, 1996; Carnegie & West, 2005; Gstraunthaler & Piber, 2007, 2012; Rentschler & Potter, 1996).

The apparatus of NPM has emerged from the need to modernise the public sector and move away from a Weberian paradigm to a more flexible one that is oriented to efficiency, effectiveness, reduction of costs and focused on results (Hood (1995)). In this new paradigm, information is fundamental to the process of management and decision making, and so financial information in general and the accounting craft in particular come forth either as powerful tools or as instruments for strategic management. However, this role attributed to accounting information should be taken as just a visual representation and not be confounded with organisational reality itself as accounting information cannot capture or accurately portray all events and practices (Roberts & Scapens, 1985).

Since the 1980s NPM doctrines have been disseminated throughout the world, pervading all kind of public services, with different flavours and diverse impacts. Internal pressures for more economic efficiency and external pressures for more transparency from

international organisations such as the Organisation for Economic Co-Operation and Development (OECD) and the European Union led governments to adopt NPM processes and to implement new public financial management initiatives. In other cases, those policies have been adopted by governments just to keep pace with international trends, and in expectation of automatically obtaining the potential benefits that have been announced. In these situations, the diffusion of NPM within the public sector and within its various services were not similar because the way these organisations experience and answer to institutional processes is not expected to be the same (Scott, 2001).

This makes NPM a social phenomenon, one in which environment and culture have been playing an important role that cannot be ignored in the study of NPM globalisation and the degrees of its implementation in public sector organisations. During the 1970s, Portuguese governments which emerged from the Carnation Revolution in 1974 (after a dictatorship regime) worked in the opposite direction to many OECD countries and enlarged the functions of the state.

With respect to new public financial management, only during the 1990s did the implementation of governmental accounting and financial management begin. First, the Public Accounting<sup>1</sup> Basic Law (Law 8/90) was enacted and the State Financial Management Regime (Law-decree 155/92) was decreed in 1992. These sources led to the establishment of two regimes of accounting: one general regime applicable to public bodies with administrative autonomy and a second one, a financial and administrative regime, which was defined for application by autonomous bodies. However, the Chart of Accounts for Public Accounting (Law-decree 232/97) was not published until 1997. Later on, and based on this framework, three more charts of accountants would be created: one for education bodies, another for health entities and finally another chart of accounts for social security. Despite these changes, even after more than a decade of compulsory application of accrual accounting in the Portuguese public sector, its implementation had been very slow (OECD, 2008).

Like other public institutions, museums around the world are facing increasing scrutiny from both governments and citizens, largely because most of their revenue is sourced from taxes and other government levies (Lawley, 2003). Directors and staff are

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<sup>1</sup> In this thesis, “public accounting” refers to accounting in the public government sector.

required to be accountable not just for the funds provided to enable them to operate, but also for their programs (Gstraunthaler & Piber, 2007), including the conservation and preservation of collections, the security of artefacts and the appropriate acquisition of artefacts under institutional acquisition policies.

Portuguese museums are similarly facing calls to be more accountable while performance measurement systems are key means of discharging accountability under NPM. However, little is known about how Portuguese museums manage their collections so as to optimise their cultural, heritage, scientific and educative values. Continuous newspaper reports relating to the disappearance and theft of artworks and other artefacts provide the most striking evidence of an accountability deficit within Portugal's public museums. News stories report such problems as a shortage of museum employees, financial difficulties and safety concerns which are also frequent, forcing some museums to close their doors to the public. The inability to make effective use of artefacts by means of display due to inadequate funding restricts the public's access to collections and curtails their enjoyment of them, thus resulting in the sub-optimal use of public resources that have been entrusted to museums for optimising their cultural, heritage, scientific and educative values.

There is no publicly available information source to inform citizens of the resources individual museums are deriving from government, the private donations they are obtaining from companies to pursue their purposes, what their budgets are and whether or not they are achieving financial and non-financial targets, as well as a lack of information on the adequacy of management planning and control. Public museums in Portugal are not publicly ranked in any way on the basis of their organisational performance.

The understanding and explanation of the systems of accountability in use in Portuguese public museums presented in this research is preceded by an analysis of the history of museums, in order to identify their determinants and evolution, and by a study of accountability in the context in which it operates. Although a number of studies on accountability in the public sector have been undertaken, few have focused on museums and similar organisations (Carnegie & West, 2005; Carnegie & Wolnizer, 1996; Gstraunthaler & Piber, 2007, 2012; Menezes, Carnegie & West, 2009; Ouda, 2014; Paulus, 2003; Rentschler & Potter, 1996; West & Carnegie, 2010) and none of those studies analysed accountability within an organisational and social context.

## 1.2 THE RELEVANCE OF MUSEUMS

In a time of financial crisis society and those with political power require demonstrable evidence of the importance of museums' function (Gray, 2011). Although accounting plays a central role in NPM (Lapsley, 1999) and the economic figures are important in the process of justifying the value added by museums to a society, museums have other key roles which have a significant value for communities and which are often forgotten or ignored. As expressed by Carman, Cooper, Firth & Wheatley (1995) concerning archaeological remains, society attributes value to museums and understanding their worth is crucial for realising what social values they represent.

The artefacts and documents entrusted to museums by the state are symbols of national identity and because of that they are priceless. Museums are not just responsible for preserving the legacy of our forebears, they are also responsible for taking care of and choosing those items which reveal the individuality and ingeniousness of the society (Barrio, Herrero & Sanz, 2009). Although a monetary value for some artefacts and collections can be determined, depending on their social context (Carman *et al.*, 1995), the majority have mainly a non-monetary value. Their value is not derived from each single element but from collections as a whole because they are invested with what Douglas and Isherwood (1996: 21) called "otherworldly morality". This value tends to be altered from era to era because it depends on the way the past is looked at and how the discourse around that past and around all different collections is constructed and presented. Thus, the value of collections depends on the capacity of these peculiar societal institutions to provide good narratives to the public. The capacity to spread their message far afield and heighten their value has also increased due to the power of new technologies. Culture has been made available to a worldwide audience, and has enabled museums to become like other modern entertainment institutions (Carrozzino & Bergamasco, 2010) and thus accomplish their educational purpose.

According to O'Neill (2006) there is a lack of agreement in society and among museum professionals about the importance and various functions of museums, which is attributed to the existence of two schools of thought, the essentialist and the adaptive. Essentialists do not see museums as performing any social role. For them, museums should

just proceed with their traditional functions. For essentialists, emphasising any external roles for museums is reducing the importance of their collections to a base level that is determined by the immediate needs of people (Appleton, 2001; O’Neil, 2006). On the other hand, the adaptive group does not ignore the traditional functions of museums, but justifies their existence by the potential set of services that they can provide to communities (O’Neil, 2006; Sandell, 2002). In addition, the different roles museums can play are also influenced by the new rationalities that new governments try to imprint on the sector.

Museums are the safeguards of artefacts from a past more or less distant. However, because they are about people and civilisations with a substantial capacity to generate a strong impact on different fields in our society, museums must be linked to the present while orientated to the future so as to spread cultural heritage to the world.

Museums were always centres of learning and universities were among the first public institutions to promote the foundation of museums (Boylan, 1999). The creation of the welfare state and the democratisation of education after World War II turned these institutions into centres of informal learning which can complement the work performed by schools. According to statistics provided by the Secretary of State for Culture, during 2012 museums and palaces under the auspices of the General Directorate of Cultural Heritage (GDCH)/Institute of Museums and Conservation (IMC)<sup>2</sup> were visited by 159,073 students, which represents about 28.4% of the total number of visitors (IMC/GDCH, 2012). In the same way, in a study developed by the Netherlands Museums Association, national museums were visited by 400,000 students from primary and secondary schools (NMA, 2011). Museums can help students develop their creativity, create their own concepts through a less structured learning process and help schools to teach a range of subjects through the association of sounds and by viewing objects, pictures and motion (Kotler & Kotler, 2000) related to concepts and issues to be learned. The impact of this process of informal learning can be enormous. In the short term, it promotes the success of students in schools and prevents failure. In the medium and long term it raises the possibility of success in the employment market and contributes to the increase of national productivity. Likewise, those results will have an impact on the accountability of those institutions and

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<sup>2</sup> At the end of 2011 the Portuguese government conducted a reorganization of the State central administration. As it will be explained in Chapter 5, this reform merged a range of public institutes and departments, including the Institute of Museums and Conservation, into a single entity called the General Directorate of Cultural Heritage.

on the State General Budget. The improvement in students' performance will reduce failure, consequently representing an improvement in the performance of educational institutions and at the same time permitting a reduction in spending which leads to a release of financial public resources for other public investments.

The educational role of museums does not end with students. Indeed, there is an array of other groups of visitors, including immigrants and retired people who can benefit from the educational function of museums. It is a learning process in which visitors are not just spectators can help them to enlarge their view of the world. As stated by Weil (2002: 72) "the eye is a part of the mind, and looking and seeing are not the end of what happens to a visitor in a museum but only the starting points of an ultimately holistic experience."

Yet, museums have a social value that has not been properly explored in many countries and needs to be investigated. For example, museums through their exhibitions and narratives promote feelings of creativity, self-esteem and confidence (Dood, 2002); develop a sense of personal identity; make people share a common cultural and historical root through the linking of the past, present and future (NMA, 2011); and turn them into more active citizens. Moreover, through volunteer work museums can help senior people to maintain dynamism and confer new professional skills to the long-term unemployed that can help them return to the labour force (NMA, 2011). All in all, museums can contribute to reversing the decrease in social capital that has been occurring in western societies (Putnam, 2000) by "providing an antidote to urban loneliness" (Weil, 2002: 68).

Museums are also relevant for cultural tourism. For example, in a study conducted by KEA European Affairs (2006), in 2003 the Portuguese cultural sector contributed 1.4% to the country's GDP and generated a €6.358 million turnover, which made it the third highest contributing sector. In relation to museums, during 2012 the museums and palaces governed by the IMC/GDCH had 559,803 visitors of which 37.4% were foreign visitors (IMC/GDCH, 2012). Additionally, tourists who visit museums tend to spend more money than those who are not interested in them (NMA, 2011) and they spend money on accommodation, transportation services, restaurants and gift stores.

Museums can contribute to the vitality of city centres and in revitalising rundown areas. Examples of this include the Guggenheim Museum in Bilbao, the Tate Liverpool, the Doha's Islamic Art Museum and the Vilnius Guggenheim-Hermitage. In each case

these institutions have boosted their communities and their regional economies (Plaza, 2006, 2010). These museums have been part of “complex urban re-development strategies” (Tufts & Milne, 1999: 614) devised by politicians and urban planners to transform them into centres of attraction for tourists. Dynamic and attractive museums make their neighbourhoods prosperous, increase the quality of life of the people, create jobs in the organisation and in local economies, and increase the value of real estate.

### **1.3 THE AIMS OF THE STUDY AND RESEARCH QUESTIONS**

As discussed in the previous section, public museums may play an important role in the growth of national development and in the creation of a sense of national pride and common identity within the population and can turn accountability into a very important issue that cannot be ignored. This thesis considers that only through the study of the systems of accountability will it be possible to protect and improve the legacy that has been entrusted to museums. What is more, performance management through the development of appropriate accounting regimes can boost the improvement of their contribution to the economy and quality of life.

The main aim of this study is to examine the historical development of accountability practices in public museums in Portugal and to explore the present state of accountability in those museums under NPM philosophies for public sector management. Given this research objective, there are three profoundly intermingled research questions in this research. These are:

- What systems of accountability presently apply to Portugal’s public museums?
- What are the historical determinants of these systems and what has been the role of NPM?
- Relative to the objectives and missions of the museums, what deficiencies are evident in the systems of accountability and how might these be redressed?

Portugal has been a country of Napoleonic administrative tradition, where law prevails over management (Ongaro, 2008, 2010) and upon which accountability relies (Painter & Peters, 2010b). This can be seen as a sign of an environment less encouraging

for carrying out changes to the accountability systems. Museum management is composed of social actions, which emerge from the interaction between people, objects, accounting systems and culture, among others. The systems of accountability are responsible for interpreting and giving logic to those interactions, making intelligible and understandable the management of museums and providing sense to the big picture in which they are incorporated. Thus, this study seeks to analyse and recognise the systems of accountability currently in use in Portuguese public museums in deep connection with the museums' reality and to examine the circumstances in which legislation is just a base for an accountability ladder that goes from standards to judgement (Stewart, 1984) or it is truly relevant as its quintessence.

Furthermore, these systems of accountability are profoundly blended with the country's history, national culture and the evolution and traditions of the Portuguese public administration and as such, how they can influence the shape of accountability systems. This study assumes that it might be possible that the roots of potential deficiencies in the systems of accountability in Portuguese public museums are not just a result of inadequacies in the sector, but are structurally related with the culture, and behaviour prevailing in the public sector. Considering that a significant number of the most important museums were founded more than a century ago and their practices tend to influence the other museums, these factors cannot be disregarded. In addition, the study draws attention to the role that NPM plays in these systems of accountability. On one hand, the mixture and co-existence of the traditional bureaucratic administration with NPM doctrines may be presented as evidence of the lack of "champions" or "laggards" (Hood, 1995: 95) on the NPM adoption around the world. On the other hand, this uniqueness and distinctiveness along with the promotion of NPM as their mechanisms by "formal, centralized and bureaucratic enforcement" (Panozzo, 2000: 372) may not lead to the adoption of NPM mechanisms and undermine the implementation in museums of strong systems of accountability oriented for their management.

Although the first laws on financial management in the Portuguese public sector were published in the 1990s, it seems that techniques such as accrual accounting and performance management are taking longer to be implemented and to have impact on Portuguese public museums. What is more, there seems to exist a great decoupling between what is prescribed by these laws, what museum managers say they are doing concerning

the implementation of NPM and what is actually being done by them. Moreover, through the study of these historical determinants and the analysis of the role of NPM it will be possible to identify and better understand what the deficiencies in the systems of accountability are and how they are obstructing public museums from accomplishing their objectives and missions.

Finally, this study seeks to present ways to improve mechanisms of accountability in public museums in order to enhance the image of these important institutions and thereby assist in increasing the quality of life in the areas in which they are located.

## **1.4 THE RESEARCH METHOD**

The systems of accountability in the public sector are subjected to permanent changes and subjugated to the games of power and to political reforms, which such systems enable by attaining the external legitimacy needed for their subsistence. NPM and its mechanisms, from which accountability pertains, have become part of the day-to-day activities of public institutions and many times been taken for granted as useful and fundamental for organisational survival due to pressure of the mass media, politicians and governments. However, public servants and even people with responsibility to make decisions, frequently do not have any idea about their fundamental concepts (Panozzo, 2000) and what purpose they serve. At other times these new policies face difficulties in being implemented in organisations due to the inertia resulting from organisational imprinting practices that frequently go back to their beginnings (Scott, 2001). The process by which accountability is diffused and socially constructed in public museums is deeply influenced by social and cultural environments (Ashworth, Boyne & Delbridge, 2009). In accordance with this premise, the activity of organisations is oriented towards sustaining the rationalised myths and ceremonies that emerge within the field in order to increase their legitimacy and prospects for survival (Meyer & Rowan, 1977).

This thesis analyses the evolution of institutionalised accountability practices in Portuguese public museums and considers the general trend for the “managerialisation” of the public sector, and it identifies the systems of accountability they are using according to

these “new” doctrines. To interpret the construction and diffusion of accountability and the homogenisation that organisations in each field tend to follow, it will make use of institutional theory and its concepts of isomorphism (DiMaggio & Powell, 1983; Meyer & Rowan, 1977).

In understanding accountability in Portuguese public museums, the notion of *Decoupling* that emerges from institutional theory is fundamental. As posited by Meyer (1983), in order to survive and maintain their legitimacy, organisations keep their head in the sand and manipulate accounts, neglect rules, ignore the implementation of decisions that were taken, and reduce the frequency of formal evaluation and inspection (Brignall & Modell, 2000). Identification of this notion can help in understanding the challenges and present day difficulties that Portuguese public museums are facing. In addition, institutional theory will be embellished with the concepts of path dependency; practical drift and governmentality. Path dependency may lead to the identification of the historical determinants of systems of accountability in use in Portuguese public museums. The idea of “practical drift” (Snook, 2000) may help provide an understanding of why and how problems concerning implementing rules arise and, therefore, to help explain the reasons behind the failures regarding the administration and the systems and practices of accountability in Portuguese public museums. In regard to the concept of governmentality, it adds flesh to the comprehension of those systems of accountability and assists in identifying their deficiencies as well as interpreting how governments, through museums, exercise the “conduct of conducts” (Foucault, 1997a: 341).

In order to capture, to understand and to critique the diversity of the phenomenon of accountability in Portuguese public museums, this research adopts an interpretative paradigm and an inductive reasoning approach. The study uses a case study approach based on the Portuguese Museums Network. The study combines quantitative, archival and qualitative (interviews) data. The survey was administered to directors and other people directly responsible for the management of public museums and yielded 220 usable responses. The analysis of archival data included historical documents available in the archives of museums, legislation, newspapers and historical books. Finally, 26 interviews were conducted with directors and other personnel from nine museums and six interviews were conducted with representatives from the central government and relevant professional associations. By considering museums as a “recognised area of institutional life”

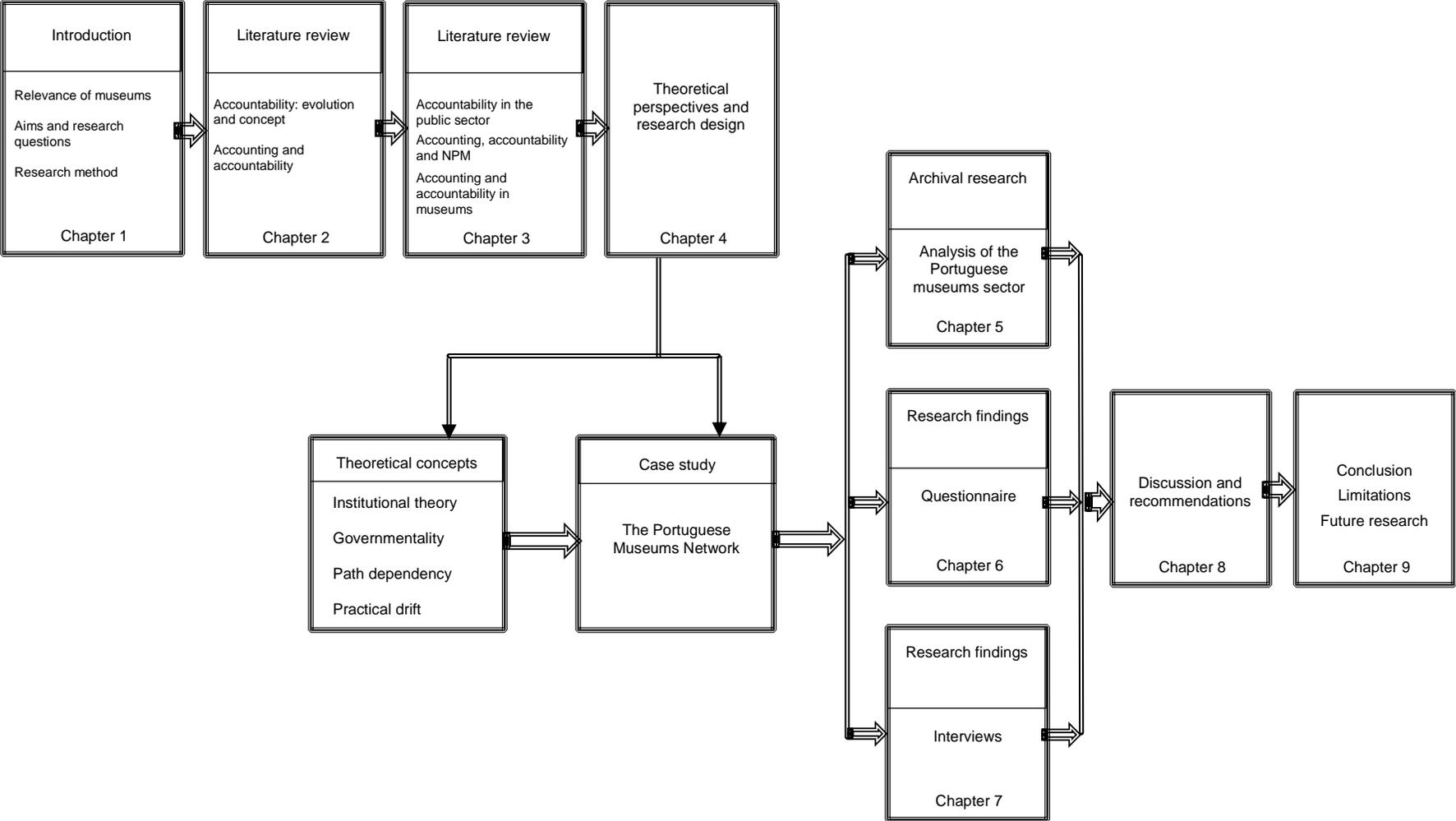
(DiMaggio & Powell, 1983: 148-149) this study takes into account the concept of “field”, presented by DiMaggio & Powell (1983), where museums appear as a meso-level system that “mediate[s] between societal structures and individual organizations” (Scott, 2001: 207, 2008b).

## **1.5 THE STRUCTURE OF THE THESIS**

This thesis is composed of two parts. The first refers to the study of accountability. Building on the analysis of the general concept of accountability and its relationship with autonomy and responsibility, and of its importance to the self (Chapter 2), the analysis moves to the examination of accountability in the public sector, particularly in museums (Chapter 3). Next, the thesis examines the evolution of accountability in Portuguese public museums and the systems of accountability that presently are applied to them (Chapter 4). Chapter 5 is dedicated to the presentation of institutional theory and the concepts of path dependency, practical drift and governmentality and a discussion and justification of the methodology and methods applied.

The second part refers to the case study conducted in Museums of the Portuguese Museums Network and is presented in Chapters 6 to 8. This part begins with an analysis of the questionnaires that were sent to all public museums (Chapter 6), followed by a study of the interview data (Chapter 7) and finishes with a discussion chapter, which includes the presentation of the key findings of the research developed through the archival research, the analysis of the questionnaires and the interviews undertaken with the public servants in the museums (Chapter 8). Chapter 9 summarises the results of the research conducted in the public museums, and presents the limitations of the study and outlines directions for future research. An overview of the structure of the thesis is presented in Figure 1.1.

Figure 1.1 Structure of the Thesis



## **2 LITERATURE REVIEW: SYSTEMS OF ACCOUNTING AND ACCOUNTABILITY**

even if I deny my primordial responsibility to the other by affirming my own freedom as primary, I can never escape the fact that the other has demanded a response from me before I affirm my freedom not to respond to his demand.

(Levinas & Kearney, 1986: 27)

### **2.1 INTRODUCTION**

Our society has become so complex that accountability is ubiquitous in all aspects of our lives. It seems like a paradox, but rather than contributing to a better level of comprehension of the different systems and relations of accountability, such omnipresence has created more ambiguity and dependency on the context it relates to. The increase in intricate relationships between the public and the private sectors has been so strong that for most of the time it is very difficult to identify who is accountable for what and to whom. Despite this ubiquitousness in people's lives, the intensity of such presence has not always been the same throughout time and it has tended to be adjusted to each society and economy and to reflect the political, ideological and social context in which it is positioned. Therefore, the study of systems of accountability sheds light on "how institutions and societies succeed and fail at their most basic levels" (Soll, 2014: xiv).

The present chapter is divided into six sections. The second section presents an overview of the evolution of accountability throughout history and its importance in society. The third section deals with the difficulty of presenting a definition of accountability. It also reflects upon the different types of accountability and their complexity. The fourth section examines the relationship between accounting and accountability. The fifth section dissects the relationship between accountability and the self with recourse to the Foucauldian concept of "technologies of the self". Finally, a summary of the chapter is provided in section six.

## 2.2 ACCOUNTABILITY THROUGHOUT THE CENTURIES

The studies that have been prepared on the accounting of ancient civilisations have demonstrated that those cultures had systems of accountability well developed for the time (Elster, 1999; Ezzamel, 1997, 2004, 2005, 2009; Mattessich, 2000). Evidence of different levels of accountability was found in research developed by Carmona and Ezzamel (2007). In some situations the relationships of accountability were hierarchical, i.e. between the state and an individual, such as the duty to pay taxes. However, the most important surviving evidence of a formal system of accountability within this civilization is the Babylonian Code of Hammurabi (circa 1772 BCE) (Brown, 1905).

The process of accountability in Egyptian civilization was quite different because religion had a central role in the Egyptian administrative apparatus. Indeed, the Pharaoh was seen as god and was accountable to the gods in the name of Egypt and its citizens. Therefore, the Pharaoh, or someone in his name, was responsible for supplying offerings to the gods. These offerings were registered (Ezzamel, 2009) and maintained the order and balance between the sky, the earth and the world of the dead (Ezzamel, 2005). It is possible that the practices of accountability in use in Egypt influenced the implementation of accountability among the Hebrews because Moses, who was entrusted by God with the mission of guiding the Israelites into the Promised Land, was educated as an Egyptian prince in the court of the Pharaoh (Barlev, 2006). Moses gave an account to his people of all of the resources received and the materials spent in the construction of the sanctuary, a public facility, which was contrary to the usual practice of the time (Barlev, 2006).

Concerning the Greek and the Roman civilisations, the simplicity of accounting records from these periods is not evidence of an elementary level of economic thought, instead they reflected the complexity of the economic system at the time (Rathbone, 1994). In fact, evidence of the accountability practices within Greek and Roman civilisations varies, although in the private domain it seems not to be as great as in the public one. In both civilisations, state accounting was random and fraud was frequent (de Ste. Croix, 1956). In addition, it seems that the imposition of the death penalty was a common response by statesmen to those who requested their books to be checked (Soll, 2014). The need for a system of accounting and the improvement of accountability in ancient Greece appears to

have emerged with the enrichment of the Athenian state and was a consequence of the attempt to improve the lives of the citizens in areas such as education, defence, religious needs and public welfare (Costouros, 1977). It can be observed that accountability in ancient Athens was a strong pillar of the democratic regime, given that “no man is free from the audit who has held any public trust” (p. 323). The accountability process was so strict that even a man who had not spent or received any public money, but who was connected to administrative matters, would need to produce a written statement stating “I have neither received nor spent any public funds” (Aeschines, 1919: 327).

It is well known that Roman civilisation was profoundly influenced by Greek civilisation. Accordingly, the accounting system that was used by the Greeks was widespread throughout the Roman world, both in private and public affairs until the fall of the empire (Hain, 1966).

It seems that the reason for keeping accounts in the public treasury of ancient Rome was derived from the traditional practice of *patres familias* (heads of families) (de Ste. Croix, 1956). The preparation of accounting books became very important because Roman law imposed on taxpayers the need to prepare statements of all their properties and debts owed (Chatfield, 1977; Edwards, 1989). Furthermore, the analysis of evidence, such as the estate accounts of Zenon (Hain, 1966) and Appianus (Rathbone, 1994), led to the conclusion that they were also used for protecting property (Edwards, 1989) and controlling people (Macve, 1994), given that accounting records would expose losses derived from fraud and mismanagement (de Ste. Croix, 1994). In the same way, keeping accounts in the public sector was not just important for the state, but was also used by public servants as a precaution against accusations of corruption and fraud, as the Roman society was a very litigious one (Oldroyd, 1995). In the days of the Empire (27 BC – 476AD), the administration became more complex; its apparatus spread throughout the Empire and the number of public accounts multiplied (de Ste. Croix, 1994). While de Ste. Croix (1956) and Edwards (1989) consider the unlikelihood of financial information to have been used for purposes other than the collection of taxes and financial control of the treasury, it is very difficult to not support the argument of Oldroyd (1995) that the information was used as well for planning and make decisions. Indeed, it is odd to consider the existence of financial control without financial planning.

Unfortunately, except for the works developed by the English Exchequer during the Middle Ages (Jones, 2008a, 2008b, 2008c, 2009, 2010), little attention has been given to the study of the systems of accounting and accountability during this period of time. Jones (2009) emphasises the common characteristics of the systems of accountability of the middle ages compared with those used in Babylon, Egypt and Rome. In all these civilisations there was a strong centralisation of the regime with mechanisms for control at a distance, in which charge and discharge accounting seems to have played an important role as an instrument in collecting taxes for central governments. What is more, all these societies were founded on the agricultural sector. Furthermore, the main objective of the system of accounting was to control and to implement accountability. Finally, all societies were autocracies and profoundly structured. Despite the similarities between periods, the need for efficiency in collecting taxes and in the improvement of “vertical communication between layers in the pyramid” (Edwards, 1989: 33) in England led to the institution of the Exchequer in the twelfth century as an accountability tool. The English Exchequer and its charge and discharge accounting system, supplemented by an hybridised set of calculative technologies (Miller, 1990), such as the reintroduction of the abacus, the accounting pipe rolls, the use of new materials for writing (parchment and tallies) and a power-knowledgeable elite (Jones, 2010) trained in the universities of that time (Hoskin & Macve, 1986), made it an important innovation.

In the Royal Exchequer, the accountability process consisted of charging individual sheriffs to be the King’s representatives (Normanton, 1966) in collecting revenues previously estimated to be owing in the shires. The Exchequer, as an audit body, was an accounting innovation introduced in England during the reign of King Henry I (1100-1135) (Lyon & Verhulst, 1967; Jones, 2008a, 2008b, 2008c) and which was founded on personal accountability. The success of charge and discharge accounting, which operated for more than 800 years, could not have been achieved without a strong system of surveillance based on control and audit. This system guarded against mistakes and the misappropriation of the King’s assets and contributed to controlling efficiently at a distance the activity of public officials. Despite the simplicity of the accounting system, where receipts and expenditures tended to vary little from one period to another (Chatfield, 1977) and where no distinction was made between capital and revenues (Edwards, Coombs & Greener, 2002), the internal control and audit is distinguishable from previous periods and was very

advanced compared to the “Method of Venice” presented later on by Pacioli (Chatfield, 1977: 29).

Although studies on the role of financial accountability and medieval institutions do not abound, it seems that permanent political instability, the ongoing menace of war among European states, and the revitalisation of the economy instigated the need for centralising the financial systems throughout Europe (Jones, 2008c; Lyon & Verhulst, 1967) and for the adoption of more effective methods for collecting and recording taxes, registering disbursements and holding vassals accountable.

Concerning Portugal, due to the lack of studies on the topic, little is known about the system of financial accountability in middle ages. Nevertheless, it is known that in the thirteenth century the Portuguese court was still itinerant and accounting registration was rudimentary and mostly written in full. However, references in legislation from 1211 concerning the activity of the King’s *porteiro* (doorman) show the use of tallies at this time in the processes of prosecution against people (Gomes, 2003). Furthermore, despite the presence of the Moors on the Iberian Peninsula from the eighth century to the fifteenth century, the Royal Treasury was still not using Arabic numbers during the fourteenth century (Rau, 1951). Moreover, during the reign of King Dinis I (1279-1325), the sovereign was permanently advised by a treasurer. In addition, efforts to bring about a financial supervision system were carried out with the foundation of the Customs House [Casa dos Contos] and the implementation of “royal accounting” (Godinho, 1975: 25). The creation of this organisation along with other bureaucratic and judicial entities was part of a set of changes intended to make the structure of the state more sedentary and to create a central nerve in the country from where all territorial units could be controlled by a unified judicial, financial and economic administration, while the court was still itinerant. Later, around the year 1370, King Fernando I (1367-1383) instituted the Higher Officer of the Treasury [Vedores da Fazenda], which was a kind of Exchequer (Godinho, 1975).

While there is evidence that in 1375 the Customs House and its structure was already defined (Rau, 1951), it was not working efficiently due to abuses of power, slowness, delays and the appropriation of public funds for private use by those responsible for collecting taxes (Rau, 1951). In order to raise Crown revenues efficiently, discipline public accounts and render accountable those in charge of gathering public monies, the first Rule of the Customs House was issued in 1389. However, only in 1407 did the King pass a directive

separating the expenses related to his house from those of his court (Gomes, 2003). This event may have been the result of the development of internal commerce,<sup>3</sup> which represented an improvement in the process of making the King accountable to his council.

Contrary to what happened in other countries such as England, Flanders, France and Normandy, it seems that in Portugal a delay occurred in the development of a centralised financial system and in the adoption of an accounting system as an instrument for enforcing accountability. Unfortunately, due to the lack of investigation into accounting in the Middle Ages in Portugal, the reasons for such a delay remain unknown. This makes it difficult to identify similarities between the system implemented in the Customs House with the systems commonly applied in other European countries during this period (Jones, 2008c) and to understand the extent to which accounting was a form of technology within a disciplinary system (Hoskin & Macve, 1986).

The growth of commercial activity in the northern city-states of Italy (Chatfield, 1977), along with a set of universities controlled by a knowledgeable church whose nerve was in Rome, made Italy a favoured place for innovation and promotion of new technologies of accountability. Among those new technologies was double entry bookkeeping. Although it was already being used during the thirteenth and fourteenth centuries in Genoa and Venice (Lee, 1977), its spread to other European countries was sluggish, which may have been due to the small size of businesses and the lack of use of accounting information in the process of decision making (Edwards, 1989). With the increase of international trade, the emergence of new structures of business organisations (Bryer, 1993, 2000a, 2000b), and an increase in the amounts of loans conceded by bankers, double entry bookkeeping appeared as an alternative system to single-entry. However, the reasons for its adoption may be linked to other, non-economic, reasons (Hoskin & Macve, 1988). Evidence shows that single-entry continued to be used by important bank organisations in Europe until the nineteenth century (Yamey, 1977). Furthermore, the irregularity of balancing by entities that were using double entry bookkeeping is a sign that it was not utilised for purposes of regular accountability (Hoskin & Macve, 1988). Accounts continued to be mainly used as an instrument of control and for disclosing any mismanagement, but accounting information was also gathered for the purpose of

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<sup>3</sup> According to Godinho (1975), in the year 1402 tax revenues represented 75 per cent of the State revenues.

anticipating future financial events and avoiding financial losses or maximising gains (Edwards, 1989; Hoskin & Mcve, 1994; Yamey, 1964).

The Age of Discovery began during the fifteenth century, lasting until the eighteenth century. Considering the high investment and other risks associated with the journeys it precipitated, the Age of Discovery would never have succeeded without bankers' support (Littleton, 1966). In turn, the long distances involved and the number of months on board required the keeping of detailed descriptions and explanations of the journeys in order to provide those in charge with enough information for making decisions at a distance. The introduction of Arabic numbers in Europe turned the "rambling narrative" (Chatfield, 1977) of accounting records with Roman numerals into a more coherent and stable accounting inscription (Robson, 1992). The number zero became the cornerstone of two contraries (Hoskin, 1996; Hoskin & Mcve, 1986), "defining the longitude and the latitude of the accountability space" (Quattrone, 2004: 659). According to de Ste. Croix (1956), it is believed that Europe was still using Roman numerals until the sixteenth century. Despite the adoption of this numbering system being already under way in other parts of the Portuguese empire, the Customs House was not using it in the seventeenth century nor does it seem that anyone was able to understand such figures (Rau, 1951). It should not be ignored that the adoption of Arabic numbers may have been adopted deliberately due to the frequent deceitful practices of officials in Goa (Miranda, 2009). Therefore, at the same time that they were promoting a new technology already in use in other European countries, they were also delaying and undermining the process of accountability.

Furthermore, it depicts the inefficiencies of the process of collecting and analysing information at the centre of the empire, which made it almost impossible to implement "action at a distance" (Latour, 1987: 223) on behalf of the King and his government. This paved the way for Pombal to create the Royal Treasury and to implement double entry bookkeeping as a compulsory system in central government in the eighteenth century (Gomes, 2007).

The widespread adoption of Renaissance ideas throughout Europe in the fifteenth century, the increase in commerce, the ambiguities in the clergy's arguments on usury, and the rise of Protestantism contributed to the erosion of the power of the Church on economic matters and to some relief from the moral prejudice against usury that prevailed during feudal period (Toms, 2010). During the sixteenth century, at least in England, only a few

merchants had already adopted double entry bookkeeping. However, it seems that there was no “clear idea of the advantages to be derived from it” (Ramsey, 1956: 198). During this period merchants were still not making any distinction between their businesses and their private activities. At that time they did not feel coerced to compute the rate of return on capital (Bryer, 2000b) and they were not accountable to anyone but themselves (Ramsey, 1956).

The development of mercantilist policies encouraged governments to centre their attention on the growth of state revenues and population. To pursue those objectives, a discourse of order infused the art of government through an administrative apparatus, intended to gather detailed information about all and everything in the country. Therefore, governments were provided with the knowledge required by the state for acting and managing their populations (Foucault, 1991). In France, the country where mercantilism emerged, accounting was called to play an important role in the “discourse of order” (Miller, 1990: 323) whether in commerce or in government actions. With regard to the former, innovations in the practices of government aimed to improve the accountability of employees to their employers and the accountability of a merchant to the state and society through a “legal machinery” (Miller, 1990: 324). Among other measures for preserving order in commerce, merchants were compelled to keep their accounting books up to date. Furthermore, the books needed to be authenticated by a public servant recognised by law for performing such a task (Savary, 1675). Therefore, accounting and accounting books emerged as important instruments of supervision and according to Savary (1675) were of great importance for society. In the case of a business failure they were fundamental in assessing the responsibility of the merchant, who would be sentenced to death in the case of fraudulent behaviour (Savary, 1675).

A discourse of order also pervaded the practices of the government. Through a set of administrative innovations coined as “government by inquiry” (Miller, 1990: 327), it was intended to increase the stream of information from all areas of the country to the centre of the government. At the centre of this administrative apparatus were the Intendants (Miller, 1990: 334), who were accountable to the King and his government by using the “calculative technologies of accounting” (Miller, 1990: 334). During the period Colbert was in office, accounting became an instrument of administration and centralisation of the state. At the same time, Louis XIV (1643-1715) used it as a device to repress all those who could dare

to challenge his absolute power. The King learned accounting and used it to make decisions, which were based on simplified accounting information available in pocket books that Colbert prepared for the King to carry with him (Soll, 2014).

The evidence shows that there had been diverse attempts to introduce double entry bookkeeping as an instrument of accountability by central governments, such as in the Royal Treasury of Naples and in the Royal House of Castile (Jurado-Sánchez, 2002) during the sixteenth century, and two hundred years later in France (Lemarchand, 1999) and in Portugal (Gomes, 2007; Gomes, Carnegie & Rodrigues, 2008). These attempts were due to the determination and action of institutional actors (DiMaggio & Powell, 1991; Fligstein, 2001; Lawrence, Winn & Jennings, 2001; Scott, 2008b). However, these accounting innovations did not survive their “institutional entrepreneurs” (DiMaggio, 1988: 13). After the disappearance of these institutional actors from the political scene, they were abandoned and replaced by others or by other instruments or the previous ones. Indeed, that is what happened in France after Colbert’s death. As Soll (2014) posits, Louis XIV was conscious of the threat that accounting figures represented to the exercise of his absolute power, and decided to not nominate anyone to the post left vacant by Colbert. However, when the King died in 1715, France was bankrupt. A similar situation arose with the use of double entry bookkeeping in the Portuguese Royal Treasury after Pombal, the Chief Minister of King José I, was dismissed in 1777 (Gomes, 2007).

The obsession for quantitative data and the use of technologies of accounting for sustaining and legitimising the actions of those in charge of governmental or private organisations would never stop after the sixteenth century. Since then, accounting has been assisting an ever increased and diversified set of aims and objectives (Hopwood, 1987).

The understanding of how modern states are accountable cannot be fully acknowledged without referring to the role of Jacques Necker (1732-1804) as the finance minister of Louis XVI, and his publication *Compte Rendu au Roi* (Accounts Rendered to the King) in 1781, at the dawn of the French Revolution. Necker intended to show his good management by finishing with what he called “the mysteries of state finance” (Necker, 1781: 3) and negated all accusations of corruption by his opponents. However, at the same time he proved his ability in good administration and discharging accountability, he promoted insurgency against the King and his court due to the scandalous amounts of money they were spending (Soll, 2014).

The Industrial Revolution (1760-1830) brought changes to the process of production and to the structures of organisations and society. It was during the eighteenth century that the first steps were taken to construct a system of accounting capable of identifying the costs involved in the production process and making it more profitable (Hoskin & Macve, 1986). The problems of productivity and profitability that Josiah Wedgwood faced in his porcelain company led him to search for the cost of production. His innovations and discoveries associated with the role of fixed costs in his production machinery and the importance of accounting for pricing his products and determining profits forever changed the relationship between the craft and industry (McKendrick, 1970; Soll, 2014). Increasingly, cost accounting became the cornerstone of a system of surveillance capable of providing the fundamental data for intervening in the organisation without meeting the employees. From then on it would be possible for a manager to be continuously omnipresent in an organisation through an invisible “accounting eye” (Hopwood, 1987: 215). The emergence of this new technology legitimised the need for acting at a distance due to reasoning based on costs (Miller & Napier, 1993). However, no attention was given to the discourse of accountability and profitability (Hoskin & Macve, 1986). Accounting information was registered so as not to be forgotten, and to avoid fraud. Furthermore, there was no appraisal system for assessing the efficiency of employees. Although accounting had been used since the sixteenth century for controlling and rewarding or punishing good or bad students respectively, the lack of a mathematical mark did not allow the development of a system of individual accountability (Hoskin & Macve, 1986). The borrowing of the quantitative mark from the pedagogic field in the nineteenth century (Hoskin, 1979) allowed institutions to proceed with permanent evaluations of performance according to rules and regulations in force, imposing on the business world “a new kind of labour and cost-efficiency” (Hoskin & Macve, 1994: 5).

The use of accounting information for the purposes of the measurement of financial performance imposed a new system of organisational discipline owing to the need to collect and process data from all organisational areas (Hoskin & Macve, 1988). As an organisation’s efficiency relies upon the efficient performance of each member, since the nineteenth century the lives of the employees have become increasingly involved with techniques and technologies, imposing on them self-discipline, contributing to the foundation of a system of personal accountability and constructing a governable person (Miller & O’Leary, 1987).

The next section reviews the concept of accountability, its relation with responsibility, as well the existing different types, genres and bases. It also considers how accountability is a multifaceted concept, which is revealed according to time, contexts and culture.

## **2.3 THE MUTANT CONCEPT OF ACCOUNTABILITY**

Accountability became fashionable in the 1960s and 1970s (Beneviste, 1985; Warham, 1970). However, the changes and reforms that have been occurring in the public sector since the 1980s turned it into a core concept in the implementation of NPM policies. Therefore, accountability has become a “buzzword” (Lerner & Tetlock, 1999: 255) in several disciplinary fields, including accounting, health care and education (Patton, 1992).

The literature on organisational accountability is diverse with various forms being discerned (see, for example, Lindkvist & Llewellyn, 2003; Sinclair, 1995). Studies of accountability have been undertaken in a range of settings, including the public sector in general (Boyne, Gould-Williams, Law & Walker, 2002; Cavalluzzo and Ittner, 2004; Day & Klein, 1987; Goddard, 2004; Romzek & Dubnick, 1987); non-governmental organisations (Goddard & Assad, 2006; O’Dwyer & Unerman, 2007; Unerman & O’Dwyer, 2006); universities (Coy & Dixon, 2004; Coy & Pratt, 1998); schools (Beneviste, 1985; Bracci, 2009; Ezzamel, Robson, Stapleton & McLean, 2007); football clubs (Cooper & Johnston, 2012); social services (Bracci & Llewellyn, 2012); religious groups (Jacobs & Walker, 2004), and museums and libraries (Carnegie & West, 2005; Carnegie & Wolnizer, 1996; Gstraunthaler & Piber, 2007, 2012; Menezes *et al.*, 2009; Rentschler & Potter, 1996; West & Carnegie, 2010). The reason for all this interest in the study of accountability relates to the central role it plays in making organisations governable. Like the importance of oil in making engines work or blood in keeping human bodies alive, accountability contributes to decreasing “the variability of human behaviour and to producing stable patterns of activity” (Katz & Kahn, 1966: 34).

Accountability is usually presented as being synonymous with concepts such as efficiency, responsibility, responsiveness and transparency (Mulgan, 2000; Schillemans & Bovens, 2011). Furthermore, there is no single definition of accountability. Authors seem

to present their own definitions, which in some situations are quite loose and in others they are quite limited (Schillemans & Bovens, 2011). Therefore, accountability is an ever-expanding (Mulgan, 2000), elusive (Sinclair, 1995) and ambiguous concept (Day & Klein, 1987).

Generally, accountability is referred to as the process of requiring and giving reasons for one's conduct (Garfinkel, 1967; Roberts & Scapens, 1985). This notion implies that there is a person who gives reasons for the decisions made, takes responsibility for them – including accepting penalties – and engages in a reorientation of actions when required (Mulgan, 2000). However, the process is not as simple as it seems due to the numerous and intricate sets of personal relations involved, either with others or the self. Barberis (1998: 451) called it a “trick subject”, and Sinclair (1995: 219) and Mulgan (2000: 555) called it chameleon-like due to its permanent state of mutation and re-birth. Indeed, the study of accountability and the different relations involved varies with time and space and relies on the “ideologies, motifs and language of our time” (Sinclair, 1995: 221). As a member of society, one can play different roles. As a member of society, human beings face at all times the need to provide others with reasons for their conduct, whether presented in words or reported in numbers (Munro, 1996), according to the codes of each “field of accountability” (Stewart, 1984: 16). This permanent call makes accountability an endemic feature of people's lives (Willmott, 1996). Therefore, one permanently feels the need to be understandable to others and to oneself, one's life and actions (Schweiker, 1993).

Codes of accountability confer sense to one's life (Roberts, 1991) and tie together the supplier and the user of the information. However, a system of accountability is like a frame and cannot predict any outcome. Even in those situations where a formal system of accountability is established, all processes and results are dependent on those involved, the relations of accountability that each one is engaged in and on the interpretation of the process (Willmott, 1996). Given that the hermeneutical process involves an interpreter, the type of comprehension achieved cannot be dissociated from him/her. As such, narratives give meaning to people's lives and influence the way they live, making them a product of their narratives (Shearer, 2002).

This permanent process of understanding the social world and giving reasons for decisions and actions that have been taken is fundamental for tying societies and organisations together.

The development of a form of citizenship consciousness and the evolution of private and public organisations in societies during the late twentieth century have increased the use of accountability, which “has come to stand as a general term for any mechanism that makes powerful institutions responsive to their particular publics” (Mulgan, 2003: 8).

### **2.3.1 ACCOUNTABILITY VERSUS RESPONSIBILITY**

In southern European countries it is common to use the word accountability with the same meaning as responsibility (Dubnick, 1998). Accountability has also been used in Anglo Saxon literature, such as in Roberts (1991) or Woodhouse (1994), as a synonym for responsibility. However, their meanings are different and they have been changing through time. There were periods in which accountability was defined according to a more narrow definition and as a part of the concept of responsibility (Mulgan, 2000). However, the present day has witnessed an enlargement of the accountability field and a reduction of the responsibility field (Mulgan, 2000).

According to Schlenker *et al.* (1994), responsibility is central in comprehending how people assess, punish and attempt to govern the actions of others. Responsibility is related to morality and to controls that are inherent for each person. One is compelled by internal processes, i.e. by cognitive and emotional mechanisms, to make fair decisions according to the system’s regulations (Lindkvist & Llewellyn, 2003). Bracci (2009: 297) also considered the feeling of responsibility as an “internal path” that implies a formal or informal acceptance of the related person. It is responsibility which turns decisions made or activities developed into a certain way and not differently, i.e. all in all, to be responsible means to be “agents of their actions” (Tetlock, 1985: 307).

In turn, accountability is concerned with the mechanisms established by society for governing its members. Therefore, it implies instrumentality and exogenous controls (Lindkvist & Llewellyn, 2003). Through written regulations, natural law and moral precepts, society weaves a complex net of expectations which allows it to judge its members according to their explanations of their actions. Attending to the more or less acceptable justifications provided, people can be rewarded or punished respectively (Lerner & Tetlock, 1999).

### **2.3.2 GENRES, BASES AND CONTEXTS OF ACCOUNTABILITY**

In a simple way, the process of accountability is normally understood as a relationship between a principal and an agent. The former transfers resources and gives autonomy to the latter, who in turn is responsible for developing an activity in his or her name. This relationship varies according to factors such as time, culture and the professional field. As societies are in a permanent process of change, so are organisations and the way they are managed either in the public or in the private fields. Events such as moving to a new job, converting to a new religion or joining a professional group impose on the new member the necessity to learn new systems of accountability because “norms, values, and ideologies to which people are held accountable differ dramatically from one situation to the next” (Telock, 1985: 307).

Accounting has become the centre of many facets of our lives (Hopwood, 1994) and it pervades formal and informal discourses. It has become an important instrument of accountability due to the neutral and impartial attributes that numbers seem to reveal and its capacity for making organisations more efficient. However, accounting numbers are neither neutral nor impartial. Indeed, accounting information is implicated in modelling and shaping organisational order through worthwhile achievements and the changes it can promote in an organisation (Hopwood, 1989). However, there are very important aspects of organisations’ lives, such as their social aspects, that are ignored and/or omitted by accounting information, but which are fundamental to the process of discharging accountability.

Although it is difficult to define accountability, many studies have tried to identify its different typologies. It is believed that the interpretation of such styles and their discourses may help managers to ameliorate their ability to deal with the pressures derived from the nebulosity, which hangs over the concept (Sinclair, 1995).

Stewart distinguished different “bases of accountability” (1984: 16-19) in the public sector, because a person is permanently subjected to a variety of ties of accountability. The different “bases of accountability” of this hierarchical model, which Stewart (1984) compares to a ladder, go from accountability by standards to accountability by judgement. Romzek and Dubnick (1987) named four types of accountability: bureaucratic, legal,

professional and political. Day and Klein (1987) presented only two types of accountability, namely political and managerial accountability.

Birkett (1988) identified three concepts of accountability that can be found in organisations. *Communal accountability* is usually associated with institutions or organisations that gather people under common goals, such as professional bodies that gather people of the same field, and public entities, such as a national taxation office or a ministerial cabinet. People are scrutinised and need to give reasons for decisions and for what should have been accomplished and was not. Under this kind of accountability the wellbeing of a community is the priority. *Contractual accountability* is evident in the private sector and in public sectors where there is a strong profit orientation. This kind of accountability tends to be hierarchical, where a principal gives autonomy and resources to an agent for developing a certain activity according to his will. In return, the latter provides all information necessary for the former to proceed with assessments and is rewarded or sanctioned for respective actions and outputs attained. The final type of accountability identified by Birkett (1988) concerns *administrative accountability*, which rests on norms, regulations and pre-determined objectives to be achieved by subordinates. All information is expected to be well defined and common as much as possible to all people in the same group. Under this genre of accountability, people have obligations and responsibility and there is no room for familiar relations or privileges (Birkett, 1988). Finally, considering the influence of instructions emanating from society on accountability, the author also presents three social archetypes with which each type of accountability matches. These archetypes are like a kind of lighthouse for guiding the analysis of “the complexity of historical or contemporary social formations” (Birkett, 1988: 16).

Gray and Jenkins (1993: 55) introduced the roles and the importance of codes of accountability that constitute “systems of signals, meanings and customs”, and which are responsible for tying together principals and agents in all stages of their relationship. They distinguished codes that are internal from others that are external.

Sinclair (1995) followed an empirical method by interviewing 15 chief executives of public sector institutions in Australia in order to understand how they interpreted accountability and how they were accountable both to themselves and to others. Five categories of accountability were identified: political, managerial, public, professional and personal. The study also revealed that there are overlaps, intersections and tensions among

these different forms of accountability, which lead chief executives to be accountable in different ways at the same time.

In a different way, Roberts (1991, 1996) stressed the contexts in which accountability occurs and their influence on accountability relations. Therefore, two broad contexts were identified: hierarchical and socializing forms of accountability. The former is a particularly formal context in which an individual obtains a position on a hierarchical ladder according to his or her performance, which corresponds to the vision that the superiors have of the person's merit. The duration of the individual in that position will not depend on his or her singularity but on their capacity to comply with their superior's requirements. The individual becomes the result of a particular discipline imposed by superiors (Foucault, 1995).

Socialising forms of accountability occur in contexts where people exercise the same or similar levels of formal power and positions in the organisation and have regular face-to-face communication with each other (Roberts, 2001). In contrast to the hierarchical forms of accountability, in this context reciprocal and informal relationships among people are promoted and there is not a clear definition of the information required. The self tends to be more real than in the hierarchical contexts of accountability. The individual acknowledges his or her individualisation and the importance of others in the construction of the self, but also the importance of the self in moulding others' views. Hierarchical accountability ignores the multi-relationships that the self is involved with every day, and makes individuals feel as though they are living in a permanent state of loneliness. However, where the self and others are seen as instruments to be used for the fulfilment of accountability expectations, socialising forms of accountability promote informal relationships and interdependence among people and humanise the work place (Roberts, 1991). In addition to the instrumental use of the self and of others, there is also an ethical and moral concern. However, socialising forms of accountability are confined to local contexts and are always incorporated in broad organisational systems of hierarchical accountability.

In a similar way, Laughlin (1990, 1996) divided the types of accountability contexts into two main strains depicted as communal and contractual contexts. As in the socialising forms of accountability, the communal contexts refer to more informal bonds of accountability. In a similar way, the contractual context embraces formal bonds of

accountability like the hierarchical form of accountability where all requirements are well defined (Laughlin, 1996). More recently, a study conducted in a non-governmental organisation by O'Dwyer and Unerman (2008) added holistic accountability as a new type of hierarchical accountability. This new genre of accountability is related to the effective or potential influence that organisations can have in the contexts they are involved with in the long term. It tries to combine hierarchical accountability with downward accountability (Unerman & O'Dwyer, 2010). As a result of a new political culture, which promotes lateral relationships to the detriment of hierarchical ones (Giddens, 2000), dialogue and argument are seen as important instruments in the definition of the strategy to be followed by such organisations, and investment in proactivity is seen as the main requirement for their success (Cordery *et al.*, 2010: 796).

The various types of accountability exhibited in this section show how complex and contradictory accountability is. Regardless of the nomination of other types of accountability, it must be noted that moral order is a common feature present in all depictions of accountability. This moral relationship is the bond that attaches one side to the other and lays down a set of reciprocal rights and obligations, which provide assurance that something previously defined will be appropriately accomplished.

The next section provides an overview of the relationship between accounting and accountability and how the former contributes to a better accomplishment of the latter.

## **2.4 ACCOUNTING AND ACCOUNTABILITY**

The use of accounting as an instrument of power legitimisation is not a new trend. From the 1970s onwards, statistics became involved in governing people and in the process of defining strategies in the private sector (Rose, 1991). In a world which is experiencing ongoing changes, complex organisations are subjected to metamorphosis in order to adapt themselves to those changes and the complexity of their relations with other entities. As such, the increase in the size of companies, the diversification of products and services provided by them, along with the internationalisation of the economic life, leads companies to focus their attention on management and on financial technologies for reducing their

costs and maximising their profits, among other goals. In the name of economy, efficiency and effectiveness, a strong effort has been made to try to define new criteria, or improve the existing criteria, for measuring organisational performance, and consequently make their members accountable for the results achieved.

As a consequence, the task of designing and implementing efficient systems of accountability seems to have become more and more difficult, if not impossible, or at least profoundly herculean to perform. Among other reasons, it can be difficult to identify both parts in the process of accountability and also the reasons why one needs to be held accountable. In addition, this permanent searching for the improvement of financial efficiency and effectiveness in organisations can turn into a double-edged sword. Indeed, at the same time that it promotes transparency and can make users of financial information more confident and supportive of financial decisions that have been made, it can make them ignore its limitations (Roberts, 2009) as well as reduce the concept of accountability to one of merely transparency, thus leading to the claim that there is a never ending line of new kinds of transparency. The problem of sovereign public debts in some European countries may create the idea that human beings are caught in a twisted and tangled financial and economic world (Schweiker, 1993). This world is filled with models and financial theories, but ignores the fact that disciplines like mathematics are not necessarily based on indisputable truths and, as Starbuck contends (1965: 346), imply “certain communicative responsibilities”.

During the nineteenth century, the intention of the state to intervene directly and without any limit in all aspects of people’s lives (Foucault, 2010) was replaced by an unnoticeable government. Since then, this new form of government has been acting at a distance through a set of techniques and mechanisms that have been invented and reinvented through the years, keeping pace with the development of society, in order to “shape and regulate economic, social and personal activities” (Miller & Rose, 1990: 1). As governments go far in trying to obtain new and/or additional information, as a way of governing, or compelling (Rose, 1988) the sameness of the self (Ricoeur, 1994),<sup>4</sup> they also can engage in managing the self through one’s selfhood, i.e. in the course of the relations of the self with others from which emerges what the author calls the otherness.

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<sup>4</sup> For Ricoeur (1994), the self comprises those aspects that make one singular and remain over time, which he calls “sameness”, and those characteristics, called selfhood and that are derived from relationships, which result from encounters or actions that the self maintains with others.

Consequently, the self is moulded and shaped in order to fabricate an individual “with particular desires and aspirations” (Rose, 1988: 196), resulting in a “paradox of the self” (Durand & Calori, 2006: 99) between sameness and selfhood. Therefore, the solving of such a paradox is done with recourse to “practical wisdom”, in which others’ views and assessments are considered worthy of note and importance (Durand & Calori, 2006: 99).

According to Munro (1996: 5) accountability has the virtue of making visible what is hidden or abstract. Public organisations like any other, are complex entities with varied goals, disjointed programs and with units that are always competing against each other (Meyer, 1983). Therefore, it is crucial to understand their contexts and the existence of diverse specificities in order to design appropriate systems of accountability. Although Latour’s proclamation that “everything may be made to be the measure of everything else” (1988: 158), accounting is the most efficacious instrument for presenting an organisation as a whole due to its facility as a language (Meyer, 1983). Furthermore, it has the capacity to bring to light the consequences of the actions of both the individual and of collective members of organisations (Roberts, 2003: 254). It is a fundamental technology in the process of objectifying organisational reality. What is more, it has the power to reduce large arrays of diversified information to a common denominator and also provide new visions and solutions for organisational problems as well as new ways for managing institutions (Miller & Rose, 1990, 2008).

In the present world, which is dominated by an emphasis on quantification, preference is given to what can be objectively proved (Crosby, 1997). Never before was the vision of man as a “calculating animal” (Nietzsche, 2006: 45) so seriously taken to heart as is the case now. In the process of discharging accountability, the common belief that “numbers do not lie” has led to a preference for “computational accounting” (Kamuf, 2007: 252) over any other technology. As for the private sector, the systems of assessment in public organisations are more and more dependent on quantitative data for appraising their achievements and the performance of public servants (Espeland & Sauder, 2007). This is not just for reasons of economy and efficiency, but also because there is an increase in the public scrutiny of governments’ policies.

Governments are subject to an ongoing process, where financial indicators and other metric measures of performance can suffice as evidence that good management has been followed. In addition, given the sense of objectivity and neutrality, calculative technologies

compel governments to use accounting numbers to legitimise their power. Calculative technologies can supply the plain and unvarnished truth, and as such they are “veridical knowledges” (Miller & Rose, 2008: 16). Through numbers, governments disclose a sense of a lack of arbitrariness in the way they exercise power and show them having control over the future (Miller, 1994).

However, accounting is far from being a neutral apparatus that unveils “organisational truth” (Roberts, 1991: 355), as the image that it conveys does not necessarily coincide with the organisational reality that is mirrored (Roberts & Scapens, 1985). In fact, there are many aspects of organisational life that are not captured or are ignored by accounting numbers. Among others, the obsession with the quantitative side of numbers might contribute to people ignoring the qualitative aspects they hold (Scott & Orlikowski, 2012). Therefore, the systems of accountability need to attend to “narrative accounting” (Kamuf, 2007: 252) as numbers are statements subjected to a specific language with its own rules (Foucault, 2002a: 93). The knowledge they state does not exist without human minds (Rorty, 1989: 5), which are responsible for assembling and giving them acceptable meaning for those in organisations who are looking for information (Ahrens, 1996) for making decisions. “Narrative accounting” is linked to the “hidden power” of a human’s mind, and its unique capacity for fabricating realities at the same time as capturing and describing it (Hines, 1988: 257). Thus, a narrative generates an interaction between the accountant and the accountee and the process of giving reasons is of great importance as an opportunity for the latter to convince the former with reliable arguments, who is there and available to be convinced (Butler, 2005).

According to Heidegger (1996) the meaning of a statement is only obtained after being read or spoken. As such, the process of discharging accountability by providing financial information, even when there is just recourse to “computational accounting”, needs discourse and narrative as norms that sustain it (McKernan & McPhail, 2012). Therefore, both discourse and narrative are deeply entangled and grounded on the moral of the accountability holder as the one who makes “life intelligible and meaningful” (Schweiker, 1993: 234).

Having this in mind, the following section studies the role of the self and the importance of regimes and technologies of truth, which exist in systems of accounting and accountability.

## **2.5 ACCOUNTING, ACCOUNTABILITY AND THE SELF**

This section on accounting, accountability and the self is based on the work of Butler (2005). It attempts to examine the difference that has always been made – at least in philosophy – between the one and the self and what technologies of government of the self are applied to smooth out that relationship. Therefore, the concept of governmentality introduced in Foucault's works and their technologies of domination and the technologies of the self are fundamental.

The financial crisis that has recently caused the collapse of some European economies and their financial systems probably weakened the strong faith of those who still follow Friedman's (1953) or Hayek's beliefs (1975); if not, it caused them to at least question their trust in the precision of positive economic models. More generally, it brought to the fore the need to look at reality in different ways and accept the perspectives of different fields of knowledge and what their contributions can bring to the discussion and solutions of financial problems. However, because of the suspicion accompanying something that does not match the pattern of calculability and utility (Horkheimer & Adorno, 2002), the acceptance of such contributions faces many hindrances. It is believed by many that only science can lead to "truth, reason progress and freedom" (Macintosh, 2004: 533). However, for others it seems that rationality has lost its critical force and it is in a permanent process of adaptation and conformity, subjugated to patterns of managing, producing and spending using rules and an apparatus capable of maintaining the efficiency, appropriateness and logic of the system (Marcuse, 1972).

The human mind is not a blank slate. Consequently, it is without doubt that attached to the accounting practices of recording and reporting there are thoughts and practices of decision making that are shaped more or less by scientific norms and forms (Foucault, 2007a). Therefore, reducing accountability to financial reporting is a narrow view of what accountability is and what it is meant to be. However, accounting is inscribed in a set of technologies of control that governments use to exercise power and intervene in society to implement their policies and achieve the results they intend. The natural imposition of accounting as a form of technology of domination is bound by its objectivity, which allows the setting up of a numerical panoptic apparatus. As the financial difficulties of the present times are imposing on some governments "new forms of the will to truth" (Foucault, 2008a:

318), accounting is dressed up with a new appearance and look and linked to a new and appropriate vocabulary (Rose, 1988).

Given that technologies associated with governmentality accounting concepts are pervading political discourses, their techniques of planning and control are presented as vigorous practices. Therefore, they are deeply involved in the “intensely moral activity of governments” (Dean, 2010: 19). Furthermore, the obsession for eliminating inefficiencies in the public sector is leading to mimetic isomorphism (DiMaggio & Powell, 1983). Managers are implementing sets of controls considered successful in the private sector without attending to their own specificities and to the interests of their final consumers, i.e., the citizens (Almquist, Grossi, van Helden & Reichard, 2013). Moreover, such fixation on the economy and efficiency leads one to wonder whether or not those responsible in the public sector for designing systems of accountability are aware either of the problems in anchoring such systems just on accounting techniques and of the difficulties in the implementation of technologies of control that are intended to rule behaviours and processes, as it was once suggested to be done (Ouchi, 1979).

National governments are facing an increasing level of scrutiny from citizens in terms of how public monies are spent. As such, people are demanding more in terms of truth than economic production or political power (Foucault, 1997b). Given that accountability always implies reporting the truth, the implementation of techniques of control that disregard the self seem inadequate for assuring the quality of systems of accountability. Each system of accountability has its own code, norms and practices to be followed. The way one is more or less accountable depends on the framing of each system, which is intended to work like a guide. However, it cannot be simplified to a “machine of censorship” (Foucault, 1997b: 241) resulting from a level of obedience to a set of rules. The level to which an individual is accountable is influenced by how deeply rooted accountability is within the “self”. Thus, these systems can only be fully understood through the “technologies of the truth”, which comprehend not just techniques but also verbalisations, narratives and discourse (Foucault, 1997b; 2007a). The “technologies of the self” impose a regime of truth on the “I”, which through its own structures transmit it to the “self”. In this way, it is the “self”, which attends to some factors such as culture, personal characteristics, personal interests and aspirations, moral precepts, external expectations and rules, proceeding to self-examination, analysis that reflects and interprets it and answers to

the “I”. It belongs to the “self”, the process of the revelation of truth, which no one can lose against his/her will because it is available to all (Augustine, 1993). Over time, these technologies are intended to contribute to improving the government of the “self” and the systems of accountability, with the eyes set on perfection and excellence (Foucault, 2007a). On one hand, they have impact on the thoughts and conduct of the self. On the other hand they also act upon the way the accountee behaves and contributes to improving his/her performance.

The process of giving an account, like any “regime of truth”, always implies the existence of another/other person(s), autonomy for acting and the submission to a judgement. Once the truth is transmitted by the “self” to the “I”, the “self” becomes exposed and subjected to the discriminating authority of the accountant, who as a judge has the power to reward or to punish. In line with the thinking of Foucault (1991; 1997b), it is the meeting point of both technologies that he calls governmentality. Therefore, the most effective system of accountability is the one where both technologies without notice are naturally incorporated, contributing to improving organisational economy and efficiency.

Systems of accounting and accountability, like in any other system, are dynamic and subjected to communication and exchanges among those involved (Roberts & Scapens, 1985). Hence, the way the “I” behaves and answers the calls for accountability also contributes to the changes that occur in the system. This is certainly one reason why accountability practices, well accepted in a certain period of time, can be less-well received in the near future (Burns, 2000).

However, one cannot be engulfed in the illusory thought that the truth narrated is the real one (Roberts, 1991, 1996). Despite the cornerstone role a body has for the “self” in terms of contact with the external world, the truth it brings to light is just an image, like the one of a body shown in a mirror (Roberts, 1991).

## **2.6 SUMMARY**

Accountability is a core concept in each society and its systems are essential instruments of management for both private and public organisations. The difficulty in

finding a common definition derives not just from it being a concept shared with other fields, but also because of its variability according to periods of time, social spaces, culture and language. All of them have a strong influence on the way accountability is requested and on the manner with which it is provided.

Although systems of accountability are composed of different external instruments and controls which give meaning to life, accountability can never be separated from those involved, the roles they play and the bounds of accountability they are subjected to. Therefore, independent of the field, accountability is a never ending process of providing reasons for one's conduct, which is responsible for tying organisations and societies together.

The rise of technology and the centrality of numbers in society as being synonymous with truth and science, has made accounting a cornerstone of systems of accountability, purporting to make measurable and tangible the value of public services and resources. In addition, at the same time that it is an essential mechanism for discharging accountability, it is also an important instrument of control available to governments for exercising their power and implementing their policies according to the results they want. Furthermore, it has the power to bring to light what is hidden or to display what is dissimulated. However, this feature of unveiling the organisational truth is far from making it a neutral and impartial apparatus. Moreover, when the level to which an individual is accountable is influenced by how deeply rooted accountability is within the "self", it may be similar to reducing systems of accountability to a "machine of censorship" (Foucault, 1997b: 241). This ignores the role an individual plays in systems of accountability, and is independent of who is talking about personal or professional accountability. This makes psychological mechanisms and cultural frameworks important elements to consider for organisational success.

The next chapter analyses the importance of accounting and accountability in NPM philosophies and discusses their limits. Finally, an overview of studies on accountability in museums and other similar organisations, along with an examination of accounting legislation on heritage assets, will be provided.

### 3 ACCOUNTABILITY IN THE PUBLIC SECTOR: A MUSEOLOGICAL OVERVIEW

Accounting is neither a static nor a homogeneous phenomenon. Over time, all forms of accounting have changed, repeatedly becoming what they were not. Accounting, moreover, is not a homogeneous craft.

(Hopwood, 1983: 289)

#### 3.1 INTRODUCTION

Since 1970 the financial problems that governments have been facing have led them to privatise many public assets and to move away from the direct responsibility of providing public services within the sphere of the sovereignty of the state. Instead, provision of such services has been handed to the private sector (Funnell *et al.*, 2009). When bearing in mind the spirit of marketization presently engrained in the public sectors around the world, which Giddens (2000) forewarned would ultimately lead to a failure in public life, and the problem of excessive sovereign public debt in many European countries, this chapter provides a study of the unavoidable relationship between accounting, accountability and NPM and its implication for museums and similar organisations.

The following section emphasises the changes that have been occurring in the public sector concerning its management and how, as a result of that, systems of accountability have become more complex. Networks of accountability have become more difficult to identify and accounting has turned into a miracle technology for bringing together accountability and NPM through the calculation of financial measures and/or via non-financial measures of performance. The third section discusses the limits of accounting and accountability. The fourth section presents several studies on accountability in museums and other similar organisations, as well as the state of progress of recent developments in accounting legislation on heritage assets that can contribute to the present study. Finally, a summary of the chapter is provided in the last section.

## **3.2 ACCOUNTING, ACCOUNTABILITY AND NEW PUBLIC MANAGEMENT**

The idea that truth is something created by the human mind goes back to the emergence of the critique during the Enlightenment. The cutting off of the King's head during the French Revolution made people realise that nothing was immutable and any institutions, conventions and vocabulary held up at that time as basic tenets of social life were nothing but social constructions that could be replaced in a flash (Rorty, 1989) without putting society at risk. Since then the state has never stopped increasing and reinforcing its power. The globalisation of the world has brought new problems and the need for governmental strategies to deal with them, as well as new approaches to the old ones. Therefore, the public sector has become an ambiguous field.

Accountability processes, along with the help of individuals and with varied tactics and techniques such as language and technologies of calculation, provide governments with access to an array of germane and significant knowledge (Bracci, 2009) fundamental to their action (Rose & Miller, 1992). Through them, governments legitimise their policies and ensure the stability and the normal operationalisation of society and its organisations. However, as Best (2008) stresses, there is the danger of being ensnared in a seduced discourse that tends to favour techniques of calculation due to their promise of delivering reliability and effectiveness (Miller & Rose, 1990), thus minimising their pitfalls to solve the problems in previous strategies.

The NPM present in many OECD countries from the end of 1970s appeared as a reinvention of public administration and was intended to help them to get rid of the "moral bankruptcy" (Hood, 1991: 4) of the public administration paradigm, which was losing credibility as a result of accusations that it was overly centralised, oversized, inefficient and corrupt (Hood, 1995). In addition, the decoupling between policy and economy and the discrediting of political policies that did not respond to political expectations, along with an economic crisis (Smith, 1994), paved the way for public discontentment and the election of governments with a commercial agenda (English, Guthrie & Parker, 2005; Parker & Gould, 1999).

The rapid dissemination of NPM policies throughout Anglo-Saxon countries may be a result of sharing the same language (Pina & Torres, 2005) and the same administrative model (Hood, 1991). However, the level of adoption of NPM varies and it cannot be said that it has been following a common path throughout the world (Pollitt & Bouckaert, 2011). In addition, the difficulty in presenting a precise definition of NPM, among other reasons, resides in its multiple dimensions (Robbins & Lapsley, 2005), which makes it difficult to assess the results and consequences of the various measures implemented. Concerning the southern European countries, the lack of NPM was a result of an absence of research in English idioms related to the processes of implementing those policies in these countries, which contributed to a distorted view of those reforms (Pollitt & Bouckaert, 2011). Fortunately, today it is readily acknowledged that “the institutional context of a particular state and administration is relevant for the form and content reforms assume there, and for their success and failure” (Lynn, 2006: 223). Therefore, the qualification of “leaders” and “laggards” (Hood, 1995: 106) may be very naive, because it does not attend to the national aspects of each administrative system. While one cannot say that one administrative model is better than another, this does not mean that the effectiveness of a particular model is the same in different political and social contexts (Peters, 2008). In fact, this worldwide phenomenon varies from country to country, and even within the public sector it varies among segments of it (Lapsley, 1999). In the case of southern European countries, the delay or failure in reforming their administrative systems, which rely heavily on rules and legal control (Ongaro, 2009) due to their Napoleonic heritage, makes the implementation of some NPM policies difficult (Peters, 2008). In these countries, reforms resulted in small changes, which are “patchy” (Ongaro, 2010: 11), do not follow a common pattern and in some situations have emerged as a result of “double talk” (Ongaro, 2009: 233).<sup>5</sup>

The novelty of the so-called NPM has resided in the introduction of a set of innovations, some of them related to financial management technologies that are intended to improve efficiency in the public sector. The downsizing of governments, performed mainly through privatisation and corporatisation, was undertaken at the expense of the size of the services instead of maintaining or improving the level of effectiveness of services provided by agencies (Stiglitz, 2002). In addition, contracting-out or the outsourcing of public services became central to NPM, where business entities and not-for-profits

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<sup>5</sup> According to Ongaro (2009: 233), double talk means that “rules are ‘observed’ through slow, elaborate and exasperating (for the citizen) procedures, but outcomes are achieved by more direct, informal arrangements.”

celebrated contracts with governments or public agencies and began to provide services that used to be exclusively supplied by governmental agencies. The increased complexity of network liaisons resulted from a “hollow state” (Milward & Provan, 2000) has been creating a mistrust among citizens, who no longer seem to believe in the benefaction of states and their governments (Funnell *et al.*, 2009). Another method adopted for providing public services was the celebration of PPPs with civil society and the private sector. In the case of Portugal PPPs have resulted in a “heavy burden” (Sarmiento & Reis, 2013: 48) for people and future generations at the same time that researchers have been presenting doubts about their efficiency and value for money (Sarmiento, 2010).

The “accountingization” (Power & Laughlin, 1992: 133) of the public sector transformed the old fashion Weberian bureaucrats into executives (Hoskin, 1994), freeing them from the burden of red tape in public administration as the stress has moved from overseeing and following rules to managerial accountability. Indeed, accounting has become deeply ingrained within the self (Hoskin, 1994) as one notices the omnipresence of it in human life through the activities of the calculation of financial measures or in non-financial measures of performance.

Nowadays, the public sector is increasingly dependent on “calculable adjudication and administration” (Weber, 1981: iii) to operate rationally, and accounting information has emerged as the cornerstone of systems of accountability in the public edifice. This has made public value measurable and tangible, something which is increasingly demanded by citizens and other public constituents. Progressively, the stress moved from processes of accountability to outputs (Hood, 1995), and a high level of faith was put in quantifiable measures of performance and ‘hard’ technologies (Pallott, 1999) in order to reduce subjectivities as much as possible. The lexicon of state functions was translated into business language in order to adapt it to a discourse of economic calculation where the priority for the efficiency of management and of accounting for costs is given priority over the public good (Watkins & Arrington, 2007).

Following this study of the “accountingization” of the public sector and the increasing request for new forms of accountability, the next section provides a reflection on the limits of accounting and accountability in the public realm.

### **3.3 THE LIMITS OF ACCOUNTING AND ACCOUNTABILITY IN THE PUBLIC SECTOR**

The recent debt crisis in European countries such as Ireland, Greece and Portugal and the need for other countries to bail them out has brought to the fore the fragility of systems of accounting and accountability in the public sector. In many European countries, the possibility of their national economies collapsing has been hanging over them like the sword of Damocles. The identification of potential failures in their financial systems has also exposed the lack of implementation of the NPM philosophies promised by their governments. This highlights the “double talk” (Brunsson, 1989; Ongaro, 2009) of many governments, concerning the financial management reforms they have engaged in, and the decoupling between their discourses and their practices. In some situations standards were enacted in national parliaments, as occurred in the Portuguese parliament with the passing of a Chart of Accounts for all forms of public administration (as will be presented in Chapter 5), but the services of the central government have never implemented the standard (Brunsson & Jacobsson, 2000). As such, double entry bookkeeping in all forms of public administration is still just pie in the sky. Nevertheless, the crisis has provided an opportunity for the emergence of new regimes (Miller & Rose, 1990) that promote and promise more accuracy in public accounts and in the assessment of public services and servants. Therefore, a new “calculative infrastructure” (Kurunmäki & Miller, 2013) has been developed, where the infallibility of numbers is presented as an indisputable truth, along with new systems of accounting, with rules similar to those in practice in the private sector.

Due to the visibility that numbers seem to transmit, governments aim to demonstrate their commitment and give prompt responses about various concerns and the increasing requests by citizens around the world for greater accountability from those engaged with public management. The dictum that “numbers don’t lie” may have contributed to increasing the importance of instrumental accountability and emphasising the process of reducing to measures of performance all aspects of the public sector. However, instruments of performance, such as the balanced scorecard, has been applied for panopticon purposes (Martinez, 2011), spoiling the original aims of its creation. Measurement of performance contributes to transparency and in making the subject visible (Foucault, 1995). As such,

due to its successes in the private sector, accounting has been presented by many as a *deus ex machina* for all problems in the public sector, ignoring the role accounting had played in the loss of reliability in the financial markets, as well as the specificities of the public sector.

Indeed, when accounting and researchers in the field intend to measure and ascribe values to public goods, resources and services related to “amorphous concepts” (Carnegie & West, 2005: 906) such as aesthetics, heritage, security or good health, the discussion moves into a grey area. What is more, as a result of an increase in “situations of doubt, conflict, mistrust, and danger” (Power, 1997: 1) in our times, being accountable and asking others to provide reasons as part of what a rational individual is about (Douglas, 1992), is leading people to a non-stop checking of everything. At the same time there is a permanent request for information concerning everything that relates to public monies. As such, there are limitations (Messner, 2009) and imperfections (Roberts, 2009) in the process of accountability that must be acknowledged due to the difficulty, if not impossibility, of overcoming them.

Drawing on Butler’s work (2005), Messner (2009) asserts that there are limits to the act of providing reasons for one’s behaviour through speech, which makes it difficult to accept accountability as the utmost expression of responsibility. According to Messner (2009), there are three distinct limits to be considered. The first limitation relates to the opaqueness of the self. Following Butler (2005), it is acknowledged that the innermost of the self and its behaviour cannot be completely known. The existence of parts of the self that are unknown leads to behaviours that are a consequence of unconscious activity, which cannot be incorporated within “knowledge and narration” (Messner, 2009: 925). As a result, Messner states that it is an “ethical burden” (2009: 925) to request a subject to provide reasons for what is hidden and cannot be explained even to itself.

When considering man as a “calculating animal” (Nietzsche, 2006: 45), one can recall the presence of numbers to fill the gaps. Nevertheless, there will always be someone who carries the burden of making decisions (Messner, 2009). Given the impossibility of the subject to provide reasons, such a decisional process “always exceeds in complexity whatever guidelines we develop” (Schweiker, 1993: 249). Even without knowing why, many decisions are rationally founded. If there is a successful outcome, the opacity of the self and lack of rational reasons for decisions made are ignored. However, when the

outcome is failure (Messner, 2009) and if it is concerned with the public sector, a scapegoat must be found. In moments of failure, there is a tendency for the marginalisation of narrative knowledge (Lyotard, 1983), which increases the pressure for accountability to be provided through scientific knowledge.

With regard to the second constraint, it refers to the exposition of the subject, which occurs when reasons for its behaviour are demanded. For Butler (2005), his process goes beyond the simple task of narrating a story of the self as “I also enact the self that I am trying to describe” (p. 66) to an Other, who “is within the action of my telling” (p. 81). Once the self accepts the responsibility to give account, the addressee’s action is legitimised, and the self cannot refuse to carry on, as such rejection can also be seen as giving an account (Messner, 2009). Considering that accountability gives flesh to a subject’s identity (Messner, 2009; Roberts, 1991; Shearer, 2002), once there is the pressure of a demand the scene is established for the subject to try to build an impressive image of itself through narration in order to convince the addressee of the self’s reasons and receive recognition and approval. What is more, even if the self makes a strong effort to meet the requests of others and experiences a feeling that it played a fair role in all processes, the simple effort to make itself understandable is enough to make room for distortion of the account provided. For Messner (2009), a call for more or unlimited accountability tends not to be seen as a burden as long as it results from a democratic process or “free decision” (p. 925). As such, he points out the importance of people being subjected to “legitimated forms of contemporary discourse” (Miller & O’Leary, 1987: 238), which means to regimes of truth (Foucault, 1997a).

The last limitation emerges from regimes of truth that actuate as mediators of an accountability relationship. External to any subject, a regime of truth is “a system of ordered procedures for production, regulation, distribution, circulation, and operation of statements” (Foucault, 1997a: 132). Systems of truth are “the forms of rationality by which we know ourselves and offer ourselves to others, which are established historically, and at a price” (Butler, 2005: 121). They are responsible for stating what can and what cannot be said and only within them is the subject capable of recognising itself and others (Butler, 2005). In the face of such limitations, Roberts (2009) considers that on the one hand accountability as transparency leads to ceaseless reaction in the self to protect it and avoid revealing more than what is expected as it always “exceeds the passive image of [the]

simple making visible” (p. 958). On the other hand, it can make narcissistic feelings appear in the subject that can lead it to desperately avoid blame and look for rewards and praise. To overcome such difficulties, Roberts (2009) claims there is the need to put effort into constructing “intelligent accountability”. This new form of accountability goes beyond making the traditional forms of accountability visible and stresses “face-to-face” relationships, which are less determined and more contextualised.

Bearing in mind all that was exposed in the previous sections, the next section presents an overview on the literature of accounting and accountability in public museums.

### **3.4 ACCOUNTING AND ACCOUNTABILITY IN PUBLIC MUSEUMS**

Public museums are important organisations in our society and for many years they were seen as sacred and untouchable cathedrals of aesthetics. Recently, this view has been changing and more attention has been given to the cultural sector in general and to museums in particular. Recently researchers have been showcasing the potential of the cultural sector and its value for the economy and society (Beyers, 2002; Gstraunthaler & Piber, 2012; Lawrence & Phillips, 2002; Throsby, 2004). Since the 1980s, museums, like other public organisations in the western world, have been under pressure for more rationalisation: reduction of their budgets and staff in the name of more efficiency and effectiveness (Zan, 2000). Such new philosophies and their practical instruments, many of them modelled on the private sector, became “institutionalised practices” (DiMaggio & Powell, 1983; Meyer & Rowan, 1977) and a synonym of efficiency and a *sine qua non* for being seen as successful organisations.

Progressively, NPM spread out all over the world, even in countries like those in southern Europe, where “juridification” (Zan, Baraldi & Gordon, 2007) is a structural characteristic of the public sector framework. Such a feature has led to a process of implementation of “management by decree” (Panozzo, 2000), promotion of “double talk” in which outcomes are accomplished through “informal arrangements, including corruption” (Painter & Peters, 2010b: 22). However, it seems that the fall of the welfare state, along with the European sovereign debt crisis that shocked many European countries after the

global financial crises in 2008. This widened the “accountingization” of society (Power & Laughlin, 1992: 133) and the adoption of a profit paradigm (Gstraunthaler & Piber, 2007, 2012). Cultural organisations in general and museums in particular have been subjected to strong scrutiny, not just by governments and their oppositions but also by other stakeholders, such as taxpayers, communities and the public at large (Wei, Davey & Coy, 2008). More than ever before, society is interested in knowing more about how museums and other cultural organisations are managed and what is happening in the back office. How are they spending public monies; how are their programs and exhibitions planned; and to what extent are the public monies they spend generating benefits for society?

Public museums are safeguards of cultural heritage. This is an even greater responsibility when it is believed that it is within the exclusive remit of a state to preserve the cultural legacy that was passed on by our ancestors. As such, it seems to be normal that any structural change in the public sector will have an impact on the regular functioning of museums and other cultural entities (Lusiani & Zan, 2011). However, the adoption of an economic discourse in museums, intermingled with a business nomenclature, has been a cause of friction between those who call for more economy and efficiency in the use of public monies and those who contest the introduction of a commercial agenda in museums on the grounds that they are not firms but not-for-profit organisations. (Wang & Zan, 2011). However, the financial state in which the present world is living has been reinforcing the need to improve the alignment and commitment of the public sector to “commercial accounting” (Carnegie & Wolnizer, 1996). Performance measures used in the business world and financial accountability have become the “technical lifeblood” (Guthrie, Olson & Humphrey, 1999) of public organisations (including public museums) at the same time they are being recognised as a “cultural symbol of modernity” (Hopwood, 2000: 763). Considering the capacity of accounting “to create ‘facts’ out of the uncertain world of the past and even, in a planning context, the future” (Hopwood, 1994: 153), the use of financial management for enhancing the process of promoting accountability in museums has been shrouded in controversy. Such a dispute centres on the emphasis that has been placed on the quantification and monetary valuation of public sector elements, such as collections in museums and libraries, archaeological treasures and archaeological remains with the purpose of enhancing accountability (Carman, Carnegie & Wolnizer, 1999; Carnegie & West, 2005; Carnegie & Wolnizer, 1995, 1996; West & Carnegie, 2010).

The diffusion of NPM philosophies throughout western civilisation during 1980s sought to make the management of public organisations visible through the process of “accountingization” (Power & Laughlin, 1992). This included introducing “ever-more explicit cost categorisation into areas where costs were previously aggregated, pooled or undefined” (Hood, 1995: 93). The impact of NPM on organisations provoked institutional changes and strengthened the levels of responsibility and accountability (Lusiani & Zan, 2011). However, this process did not affect cultural organisations immediately (Zan, 2006). In the case of museums, despite a significant number of European ones being organisations with a history of over one hundred years and still sponsored by governments due to their holdings of valuable collections, they still follow a non-managerial approach (Zan, 2006, 2012).

The changes that have been occurring since the 1980s in the public sector have also impacted on cultural organisations. They have changed both the way organisations look to themselves and the role they play in society (Abraham, Griffin & Crawford, 1999; Gilmore & Rentschler, 2002; Griffin & Abraham, 1999, 2000). Despite the importance of the role played by the cultural sector in society (Zan, 2012), namely its contribution to the creation of jobs and to economic growth; to the well-being of citizens; and to the social cohesion of communities (Brand *et al.*, 2000; Wei *et al.*, 2008), the increase in debate for more than twenty years on the economy and management of cultural organisations has not captured enough attention from the research community. (See Mariani & Zan, 2011 and Ferri & Zan, 2014 for an exhaustive literature references on the topic). Studies like those of Bennett (2001); Boylan (1992); Cannon-Brookes (1996); Edwards (1996); Janes (1997) or Moore (1994) present the idea that curators and other museum professionals share a range of management issues. These studies also disclose tensions between cultural professionals and the advocates of a more business-like approach for museums.

### **3.4.1 OVERVIEW OF PRIOR STUDIES**

As will be presented in this section, the current literature can be divided into two broad groups: authors that see enormous advantages in tagging museums’ collections and heritage assets and integrating them in the financial statements of their organisations

(Micallef & Peirson, 1997; Micallef, Sutcliffe & Doughty, 1994; Rowles, 1991); and authors that advocate broad-scope accountability (Carman, *et al.*, 1999; Carnegie, 2005; Carnegie and West, 2005; Carnegie & Wolnizer, 1995, 1996; Parker, 1996; West & Carnegie, 2010) as they do not see any interest in valuing heritage and museums' collections, calling it a "border-crossing" activity (Carnegie, Sidaway & West, 2013), which results in submerging an organisation into a field of "uncertainty, subjectivity and ambiguity" (West & Carnegie, 2010: 221).

In a search for transparency and seeing benefits from improvements in accounting standards and widening their coverage of the public sector, governments in several countries, such as Australia and New Zealand, decided to revive a discussion similar to one which happened in the fourteenth century at Merton College Oxford, where scholars thought about measuring light, heat and colour and quantifying virtue and grace (Crosby, 1997). Measuring and quantifying city parks, museums' collections, historical sites and their artefacts, collections of libraries and the land under the roads came onto the agenda as if they were assets like those of business organisations. For more than 25 years the controversy surrounding the accounting treatment of heritage and other public "goods" has been under dispute and until now has remained unresolved by standard setters. However, heritage goods continue to be included in government financial statements in countries such as Australia and New Zealand. Some of the defenders of this accounting treatment (including standard setters such as the International Public Sector Accounting Standards Board (IPSASB); the Australian Accounting Standards Board (AASB); the Financial Reporting Standards Board (FRSB) from New Zealand and the Accounting Standards Board (ASB) from the UK) see in it an opportunity for promoting and improving "good governance" (Biondi & Lapsley, 2014). The argument is that increasing transparency and improving the quality of accounting information provided to the various stakeholders will make the government more accountable (Koppell, 2005). Others support the idea that it contributes to improving management discipline and it is useful for insurance purposes (Hooper, Kearins & Green, 2005). For about the last 25 years researchers have been drawing attention to inconsistencies resulting from ascribing monetary values to community assets and the like, as they relate to the preservation of values and to the building of an identity of a country or a community (Barton, 2003). From this point of view, several studies have disclosed the inadequacy of applying the financial reporting regime used in the business world to the public sector (Barton, 2000; Carman *et al.*, 1999;

Carnegie & West, 2005; Carnegie & Wolnizer, 1995, 1996, 1997, 1999; Glazer & Jaenicke, 1991; Hooper *et al.*, 2005; Mautz, 1988; Newberry, 2001; Pallot, 1990; Rentschler & Potter, 1996; Stanton & Stanton, 1997; West & Carnegie, 2010). Furthermore, it is debatable if such resources should be considered assets as they do not meet all the recognition criteria or the definition for being regarded as such. When this discussion concerns public goods bequeathed to the present generation by our forebears, the issue is even more complex. Mautz (1981) was among the first researchers to draw attention to the recognition of heritage assets in financial statements. At the time, he supported the view that they should be recognised as liabilities due to the difficulties in generating cash inflows from them. However, in a later work he revised his perspective and qualified them as “facilities assets” as they “facilitate the transfer of resources outward” (Mautz, 1988: 125) to the communities where they are located. Pallot (1990) refined Mautz’s view and when considering the particular characteristics of heritage assets suggested calling them “community assets”, as they are held for community use. What is more, those entrusted with the maintenance and management of these resources are limited in the way they use them, as they act “on behalf of ... citizens” (Barton, 2000: 230). They cannot be assessed on their financial performance in managing such facilities as “their business is ‘to be’ and ‘to hold’ not to do business” (Carnegie & Wolnizer, 1995: 37). The difficulty in valuing heritage assets has also been discussed by Stanton and Stanton (1997). However, the starkest opposition is presented in the Carnegie and Wolnizer (1995, 1999) studies, in which they consider “commercial fiction” to be a form of “intellectual vulgarism” (Adam, 1937: 2) when attempting to ascribe a financial value to heritage assets and other public collections, because they are not assets from a commercial, accounting or common sense perspective (Aversano & Christiaens, 2014). Indeed, Carnegie and Wolnizer (1995) supported Mautz’s (1988) classification of heritage assets as facilities or his effort to include them on the balance sheet as liabilities, as the entities responsible for their management disburse financial resources for their conservation and daily maintenance instead of generating financial inflows. Moreover, they stressed the position that the inclusion of heritage facilities on the balance sheet as assets does not contribute to discharging accountability, but to reducing it as such a procedure may lead stakeholders to shift their attention to financial aspects, when from their perspective the nub of the issue is the social objectives of the organisations that hold them (Carnegie & Wolnizer, 1996).

More recently, Christiaens, Rommel, Barton and Everaert (2012) presented what they called “a holistic approach” (p. 430) and claimed that accounting issues, which are concerned with the classification of public sector goods as assets, are not just related to their physical type, but there is also a need to consider the status attributed to them that only those in charge, such as governments or legislators, are in a position to ascribe. Consequently, they differentiate between governmental capital goods and social/cultural capital goods. The former may provide the holder with financial or economic benefits. As they are similar to private sector assets, a similar accounting treatment can be applied. The latter, related to those goods that are held and preserved due to their use in rendering services to citizens, such as schools and medical centres, and those that despite not providing significant financial inflows, if any, due to their nature and social objectives are non-excludable and without a rival. Individually or collectively, they supply services for free or for a nominal sum to everyone in society. For such reasons, Christiaens *et al.* (2012) think that social/cultural capital goods can make a better contribution to increasing accountability by being disclosed off the balance sheet rather than on it.

Despite all the academic arguments that have been brought to the fore on the accounting treatment of so-called “heritage assets” and the accounting treatment that the IPSASB prescribes in IPSAS 17, (concerning Property, Plant and Equipment), a consensual position is still far from being achieved. The rule, as Aversano and Christiaens (2014) have shown, has many unsolved issues, such as the lack of a definition of heritage assets or the absence of the need to recognise them except when they conform to the definition of property, plant and equipment (Biondi & Lapsley, 2014). In accordance with what is prescribed, the recognition of a “heritage asset” emerges from the discernment of its “cultural, environmental and historical significance” (IPSASB, 2006: p. 10). In addition, the rule gives examples and enumerates some of the features that heritage assets display, such as the difficulty in finding a financial value that can fully express their cultural, educational, environmental and historical values due to the problem of traditional methods in measuring and capturing their intrinsic value (Porter, 2004). It also calls attention to the impossibility of them being disposed of, as can happen with other public assets, and their irreplaceability in the case of deterioration or destruction. Furthermore, it is difficult, if not impossible to determine a useful life for them and, in contrast with most other assets, even in the case of deterioration in their physical condition, there is still a strong possibility of their value increasing.

In 2010, the IPSASB issued IPSAS 31, which is concerned with the accounting and disclosure policies relating to intangible assets, including heritage assets. These had been either ignored or neglected until then. However, when compared with IPSAS 17, it does not add any relevant treatment, except when capitalisation is adopted, and instead imposes a need to disclose information. Recently, in order to improve concepts considered fundamental and more appropriate for the development of IPSASs, the IPSASB prepared a Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities (IPSASB, 2013).

The assessment of museums' activity through a profit paradigm is an issue that has been contributing to increased pressure on those who work and manage museums. Museums, like other cultural organisations, are difficult to evaluate in the same way as a business organisation, owing to the various aims and objectives they pursue and the fact that the output of their work is mainly creative (Zorloni, 2010). However, the diffusion of systems of performance appraisal that are mainly reliant on accounting information has impacted on museums' purposes as their managers will tend to privilege a "mass culture" and please politicians, the procurators of taxpayers, instead of focusing on professional excellence (Gstraunthaler & Piber, 2012). Seen as a consequence of NPM philosophies (Gstraunthaler & Piber, 2007) or just as a result of more autonomy being given to public services (Brunsson & Sahlin-Andersson, 2000; Ferri & Zan, 2014), the adoption of systems of performance assessment is intended to improve the efficiency and transparency of public organisations.

The literature on systems of performance assessment in museums is not vast, but diverse depending upon the level of quantitative approach adopted. Some studies, such as those developed by Botes, Diver and Davey (2013); Christensen and Mohr (2003) or Wei *et al.*, (2008), followed a more quantitative analysis approach of information disclosure in annual reports. Other studies adopted or suggested a mixed perspective, in which quantitative information plays an important role without ignoring the relevance of qualitative information. Following in this vein, Weil (1994) presented three classificatory schemes that are intended to measure inputs, outputs and outcomes (also see Jackson, 1991). In an evaluation of the adoption of technology in several Australian museums and performing arts institutions, Rentschler and Potter (1996) found that technologies may play

an important role in areas such as administration, communication, marketing and collection management, and thereby assist managers to discharge their accountability.

Based on interviews with museum professionals in Austria, Gstraunthaler and Piber (2007) concluded that performance measurement in museums can serve not only as an aid to management, but also as a marketing tool and can help to improve future organisational performance. These authors also pointed out that performance measures can contribute to ameliorating internal communication problems and augmenting the quality of the information exchanged. A more recent work by Gstraunthaler and Piber (2012) analysed the systems of performance measurement of two museums and found the existence of two loosely coupled target systems. One was related to NPM and orientating an organisation towards a business approach, while the other was connected to the judgements of peers and professional art experts (Gstraunthaler & Piber, 2012). They concluded that different professional associations have different influences on the fundamental assumptions of performance measurement. Therefore, managing directors and marketers tend to follow the first set of performance measurements, while artistic directors and curators, whose backgrounds tend to be in the humanities, follow a more internal performance measurement based on experience and expertise. The two sets do not complement each other, thus the external stakeholders lack a comprehensive and multidimensional perspective of museums. According to Gstraunthaler and Piber (2012), such a situation will lead to an increasing number of requests for additional information, distracting managers and staff from other important duties, such as the improvement of the quality of the services they provide.

In a study developed in the Australian and New Zealand public sectors, Carnegie and West (2005) exposed the “arbitrariness and lack of reliability” (p. 910) of public organisations involved in assigning financial values to non-financial resources. They concluded that such otiose practices erode accountability, as quantifying qualities “abstract away much of their conventional meaning” (Porter, 1996: 44, also cited in Carnegie & West, 2005). Hence, they request an alternative discourse of accountability beyond the boundaries of mainstream accounting and for scrutiny of those in charge of defining and dictating such guidelines. In the same vein, they developed a study in which financial reporting of library collections of Australian universities between 2002 and 2006 was analysed. They concluded that there is chaos in the accounting policies employed (West & Carnegie, 2010) and an absence of reliability, comparability and usefulness in the

institutions' annual reports. Recently, they updated their research and examined the period between 2007 and 2011, also extending their focus to include the heritage and special collections held by the libraries of 36 Australian universities under study. "Chaotic accounting" – characterised by divergent approaches to recognition, valuation and depreciation – was again observed (Carnegie *et al.*, 2013).

Based on a literature review, Paulus (2003) analysed the performance of 14 art museums, seven in each of France and the United States, through a model that considered three main aspects of their activities. The first one was concerned with the validity of the assessment indicators and with the multidimensionality of museums; the role of employees; and the value of the collections and future generations. The second aspect referred to reliability, relating to the capacity of an instrument to obtain the same result. Thus, it related to the precision and sensitivity of the measurement and its capacity to capture nuances. The third aspect was associated with efficiency and cost-effectiveness. Finally, two additional requirements were suggested. The first referred to externality, which exists if there is a third group connected to the measurement and evaluation, and the other pertained to the capacity of the performance indicators selected to synthesise the data. Furthermore, a set of four quantitative indicators, such as costs, consumer revenues, number of visitors and total revenues was used. According to Paulus (2003), this set of performance indicators was intended to be neutral and objective (p. 50). Considering that such indicators ignore future generations and non-paying visitors, it was suggested that their weaknesses and strengths be balanced with qualitative indicators. Furthermore, this author noted that efficiency scores and consumer benefits were also appropriate, at least theoretically, despite the difficulty in gathering data about them.

Ouda (2014) was conscious of the inappropriateness of applying the reporting model of the business realm to public entities responsible for managing heritage assets, and suggested the implementation of what he called a practical approach, elaborated upon in two sub-approaches. One is called the "assets-liabilities matching approach", which considers the possibility of capitalising on those situations where information on the cost or value of heritage assets exists or for those heritage assets which are designated "unrestricted heritage assets" and can be disposed of. In these situations heritage assets should be integrated to the statement of financial position. The other sub-approach, called the "non-assets matching approach", does not accept capitalisation when information on

cost or the value is not available, or where even if it is available the heritage assets, called “restricted heritage assets”, cannot be disposed of. In such a case, heritage assets are called trust/agent assets and instead of including them in a statement of financial position, it is suggested that a trust/agent assets statement be prepared and include them all in physical units. Furthermore, the study also suggests the preparation of a Trust Fund, for the inclusion of all revenues and costs related to all heritage assets of a nation. In doing so, the balance of this statement would be included on the balance sheet as an asset or as a liability.

Perhaps the most comprehensive set of proposals are those developed for the Australian context by Carnegie and Wolnizer (1996) under the title “Enabling Accountability in Museums” (EAM). They argue for the necessity of applying a broad and functional notion of accountability to museums because of their non-profit orientation and concern for optimising non-financial values. That is, they are not oriented towards profit seeking or monetary wealth creation but are instead vitally concerned with “enhancing the intellectual capital of a society” (1996: 86). EAM is concerned with optimising accountability while maintaining the integrity of organisational objectives/missions. These authors advocate the use of a set of factual, reliable and interpretable financial and non-financial indicators, derived from accounting and other organisational control systems, which are intended to depict the performance of museums in meeting organisational objectives. On the other hand, these authors oppose the monetary valuation of collections for financial reporting purposes, which they argue imposes a spurious and stultifying notion of accountability upon such institutions, even though this accounting practice is supported under NPM. Instead, EAM proposes that public museums adopt an accountability regime that is appropriate within the non-profit, organisational context in which these unique social institutions operate.

In summary, public museums are complex organisations within the contested public sector, and no single performance measure can be used to discharge the accountability of their managers and elucidate the vitality and viability of the organisations they oversee. On the contrary, each museum must be analysed in order to identify the most adequate set of indicators in accordance with time-honoured organisational missions/objectives. Thus, EAM comprises not only collection inventory systems and financial and non-financial indicators to evaluate organisational performance, but it also encompasses information such as activity-based costing and activity-based management, budgetary planning and cash

flow management, other financial reports, and technology optimization (Carnegie & Wolnizer, 1996).

### **3.5 SUMMARY**

This chapter presented an overview of the relationships between accounting, accountability and NPM, and how accounting and all the language concerned with it has been utilised for the “accountingization” (Power & Laughlin, 1992: 133) of the public sector, thus empowering governments with hard information for intervening in the private and public life of each individual. However, there are limits and imperfections in the systems of accountability that need to be acknowledged, otherwise it will lead people to get into a process of non-stop checking of everything, turning the process into “ethical violence” (Butler, 2005: 41) for the persons who are held to be accountable.

Museums as safeguards of cultural heritage play an important role in society, which goes far beyond the tangible aspects of the collections and artefacts they are entrusted with. Like the systems of accounting in organisations, museums are responsible for disclosing certain aspects of culture at the same time as they may obscure other characteristics (Stylianou-Lamberta, Boukas & Christodoulou-Yerali, 2014). In recent years, museum managers and those in other public organisations have been pressured into discharging accountability through financial information. Furthermore, international accounting organisations, such as the IPSASB, have been disclosing information in favour of ascribing financial values to the museums’ collections and other heritage artefacts. At the same time, researchers around the world have been contesting the lack of reliability of such policies, favouring alternative discourses of accountability capable of elucidating different stakeholders on the vitality and viability of such exquisite organisations.

With regard to public museums in Portugal, little is known about what is happening within their walls. However, people are becoming more interested than ever before in how they look after the legacies of our forebears; how they promote their collections and how they spend their monies. As systems of accounting and accountability contribute to the comprehension of organisational successes and failures at their most basic level (Soll:

2014), it is imperative that a detailed examination of the Portuguese museum sector be produced.

After this analysis of accountability and its limits in the public sector and an overview of the literature on accountability in museums, the following chapter will outline the theoretical perspectives and the research method that will be adopted in the study.

## **4 THEORETICAL PERSPECTIVES AND RESEARCH METHOD**

The philosopher, the scientist, and the artist seem to return from the land of the dead. What the philosopher brings back from the chaos are variations that are still infinite but that have become inseparable on the absolute surfaces or in the absolute volumes that lay out a secant [sécant] plane of immanence: these are not associations of distinct ideas, but reconnections through a zone of indistinction in a concept.

(Deleuze & Guattari, 1994: 202)

### **4.1 INTRODUCTION**

The systems of accountability that prevail in public organisations tend to reflect and reveal much of what they and their members are, what ideologies they follow, what they want, and how they intend to pursue their programmes and policies. The present chapter has two aims: first, it intends to present the theoretical perspectives adopted to study the systems of accountability in the Portuguese public museums and second, to describe the methodology adopted to develop the study. Therefore, the next section, provides an overview of institutional theory emphasising the role of institutions as sources of legitimacy; the concept of institutional isomorphism and the process of decoupling, which organisations embark on to achieve legitimacy in daily work. In order to complement the analysis offered by an institutional lens, section three details the concepts of path dependency, practical drift and governmentality. The fourth section outlines a methodological position and the methodology and methods employed during the empirical investigations undertaken. Section five presents the case study of the Portuguese Museums Network. Data sources included archival research, a questionnaire and interviews. Finally, in section six, a summation of the issues discussed will be offered.

### **4.2 INSTITUTIONAL THEORY**

The contexts in which organisations operate significantly affects their actions and their performance. Coase's article "The Nature of the Firm" (1937) is normally presented

as the landmark study because it has been highly influential in changing mainstream economics. Nevertheless, only in the 1970s was the significance of this seminal work fully appreciated. Until then, the importance of institutions in governing the economy was not widely recognised and institutional economics was reduced to the collection of facts. During the 1970s, and following Coase's thoughts, the studies of North and Davis (1970), North and Thomas (1973) and Williamson (1975) laid the foundations for a new approach that became known by the term "New Institutional Economics" in opposition to the "Old Institutional Theory". The term "new" is simply used in order to draw a distinction from neo-classical theory.

Neo-classical theory presented just one world, the one that is perceived, and a distinction was always made between what was perceived and the true reality. In addition, goals and values were presented as constant, and rationality was postulated as always coherent in relation to its environment (Simon, 1986). Conversely, in relation to such assumptions, new institutional economics tries to blend institutions with economics and contributes a "healthy dose of realism" (DiMaggio & Powell, 1991: 3) to the assumptions of microeconomic theory. Therefore, the institutional theory begins by calling attention to the importance of transaction costs in firms (Coase, 1937, 1960) and later on it was extended to the study of the connection between the institutional context and economic performance, stressing the importance of the efficiency of transactions (North, 1981, 1990a; Williamson, 1985). More recently, analyses were extended to the study of the influence of institutions on the performance of economies (North, 1990b, 1993, 1995; North, Wallis & Weingast, 2009). As has been acknowledged, institutions play an important role in the process of decision making for each of us, which in turn exerts a strong influence on societies and economies.

For over 30 years, researchers of different areas of study have been drawing extensively on the New Institutional Theory while trying to figure out how and in what ways the external environment shapes the structures and behaviour of organisations. First applied only to institutionalised organisations, the institutional framework later became an outstanding lens for comprehending changes and continuity and with applicability to all organisations (Ashworth *et al.*, 2009).

The new institutionalism appeared in the late 1970s in opposition to the minimalist view of the old institutionalism (for a review describing old institutionalism, see DiMaggio

& Powell, 1991 and Scott, 2008a). Some commentators did not see institutionalisation as the process of “*infus[ing] with value* beyond the technical requirements of the task at hand” (Selznick, 1957: 17). The different approaches of institutional theory offered a phenomenological perspective, where managers were tasked with interpreting the contexts in order to explain organisational behaviour (Greenwood, Oliver, Sahlin & Suddaby, 2008; Scott, 2008a).

Research on institutional theory must recognise, the “cognition revolution” (DiMaggio & Powell, 1991: 15) which has occurred in the social sciences and acknowledge the seminal works of Berger and Luckman (1967), Garfinkel (1967), Goffman (1967), whose contributions are still having an impact on research today. Progressively, institutional theory turned into what DiMaggio and Powell (1991: 1) called the “distinctive approach”, having at its centre institutionalised rules, values or beliefs. Organisations and people who integrate them are suspended in this kind of quintessence or web, as Barley and Tolbert (1997) described it, which plays a pivotal role in shaping behaviours (Carruthers, 1995; Lounsbury, 2008; Ribeiro & Scapens, 2006) and in helping social actors to interpret and translate the world. It is important to state that this shaping process of behaviour goes beyond the simple guidance of individual and collective actors as it influences their thoughts and feelings (Lawrence & Suddaby, 2008).

Although the centrality of the concept of institution is in all institutional approaches (Jepperson, 1991), there is a variety of usages of this notion and even the literature is not clear about its definition (Searle, 2005). According to Scott (2008b) institutions are made up of regulative, normative and cultural-cognitive components, which, along with activities and resources, are responsible for bringing meaning and stability to one’s social life. In the same vein, Fligstein (2001) stresses the regulative essence of institutions and the cognitive frames of actors. Following the afore mentioned distinctive elements, he describes institutions as “rules and shared meanings ... that define social relationships, help define who occupies what position in those relationships, and guide interaction by giving actors cognitive frames or sets of meanings to interpret the behavior of others” (p. 108).

In opposition to this perspective, Jepperson (1991) suggested that institutions are always purposive. They correspond to “enabling structures” or “performance scripts” that are responsible for rendering “stable designs for chronically repeated activity sequences”. They “represent a social order or pattern that has attained a certain state or property”

(Jepperson, 1991: 145), following a certain sequence of actions interconnected and sustained by a set of procedures of control (Lawrence & Suddaby, 2008).

#### **4.2.1 INSTITUTIONS AS A SOURCE OF LEGITIMACY**

The environments in which organisations are engulfed and how their structures and behaviours are shaped by them have been the focus of attention of researchers since the dawn of institutional theory. Among the most influential studies are those developed by Meyer and Rowan (1977), Scott (2008b), Scott and Meyer (1983, 1991), and Zucker (1977), who concluded that organisations tend to conform to rules and regulations and to adjust to practices well accepted by other constituents in the field for reasons that are far beyond market competition or economics (Grafton, Abernethy, & Lillis, 2011). Organisational legitimacy can be also comprehended as an effort to manipulate through the creation of new audiences and new tenets or principles (Wæraas & Ihlen, 2009). Commonly, it is presented as a distinction granted by social actors, resulting from organisational conformity in their activity to their values and expectations (Deephouse, 1996). In addition, neither are endorsers of legitimacy always the same, given their variability from one field to another (Bitektine, 2011), nor are all social actors able to concede legitimacy as the extent of their importance is also diverse (Clemens & Cook, 1999; Meyer & Scott, 1983; Suchman, 1995). Despite the external process of granting legitimacy, an internal process also occurs “as actors establish internal legitimacy in their own task environment” (Drori & Honig, 2013: 347).

Given the importance of the concept of organisational legitimacy in the literature, Suchman (1995: 571) described it as an “anchor-point of a vastly expanded theoretical apparatus addressing the normative and cognitive forces that constrain, construct, and empower organizational actors”. Legitimacy emerges from a harmonisation process between the elements of a social action and the set of rules, values and beliefs that are assumed to be shared by all, independent of individual acceptance (Johnson, Dowd & Ridgeway, 2006). When conferring legitimacy on practices and structures, social actors are recommending what they believe to be favourable for them and their community or society (Bitektine, 2011). Conformity to institutionalised elements protects organisations

from external pressures, protects them from being promptly penalised for divergences in technical performance (Meyer & Rowan, 1977), and protects them from the need to give reasons due to being labelled as a legitimated organisation (Scott & Lyman, 1968).

The literature shows that discourse, narrative and rhetoric have been used in different ways either to legitimate organisations (i.e. Elsbach & Sutton, 1992; Maguire & Hardy, 2006; Shepard & Zacharakis, 2003; Vaara, Tienari & Laurila, 2006; Wæraas & Ihlen, 2009) or promote institutionalised practices (Green, 2004; Kennedy & Fiss, 2009). Bitektine (2011) suggested linkage legitimacy as an additional dimension, which refers to the ties that organisations have with those extremely legitimate social actors in their environments.

There seems to be no doubt that when it comes to the public sector, special attention needs to be given to discourse and rhetoric due to the central role they play in the political field. Therefore, legislative and judicial authorities are among the most important legitimate institutions. They are responsible for moulding and interpreting legal mandates. Public entities make decisions, introduce rules of practice and delineate strategies. However, it may happen that these are regarded as nothing but “rhetorical pyrotechnics”, which are “pretty to look at perhaps, but of little structural consequence” (Morphew & Hartley, 2006: 456). Furthermore, as has been shown in other studies (Carpenter & Feroz, 1990, 1991, 1992, 2001; Covaleski & Dirsmith, 1988b; DiMaggio & Powell, 1983; Judge, Li & Pinsker, 2010; Meyer & Rowan, 1977; Tournon, 2005), accounting is an important tool in the process of discharging accountability and legitimising organisations, contributing to monitoring the alignment of policies and practices in organisations (Bromley & Powell, 2012). Its “adjudicatory qualities” (Miller & Power, 2013: 584) are more noticeable in times of financial crisis as they can provide strong and real evidence of the financial health of public entities and bring to light the debt unsustainability of nations. However, such qualities of the craft of accounting and its financial infrastructure cannot overcome the difficulty that exists in corroborating the usefulness and positive effects of intangible public services (Luoma-aho, 2007; Tyler, 2006), such as occurs with museums. In accordance with this line of thought, it may be possible that through the systems of accountability of the Portuguese public sector and particularly of public museums, similar inconsistencies can be identified among talk, decisions and actions, as Brunsson (1989) demonstrated in his study of Swedish local government.

## 4.2.2 INSTITUTIONAL ISOMORPHISM

Institutional theory presents organisations as being deeply influenced by social and cultural environments (Ashworth *et al.*, 2009). In accordance with this, the activity of organisations is oriented towards sustaining the rationalised myths and ceremonies that emerge within the field in order to increase their legitimacy and prospects for survival (Deephouse, 1999; DiMaggio & Powell, 1983; Greenwood & Suddaby, 2006; Meyer & Rowan, 1977; Scott, 1995).

Organisations in each area of society and with the same environmental conditions and pursuing the same ends tend to be homogenised, following environmental expectations. This process among organisations is frequently called organisational isomorphism. It does not emerge from a shaping process (Ashworth *et al.*, 2009; Frumkin & Galaskiewicz, 2004). On the contrary, organisations confine themselves to adapting to a socially constructed context (Boxenbaum & Jonsson, 2008) and meeting their stakeholders' expectations or pressures that arise from norms and external scrutiny (Frumkin & Galaskiewicz, 2004). It is a process in which organisations do not just adapt but also adopt other's practices. In doing so, they not only survive but can also thrive for a while (Bailey, 2013). Isomorphism seems to become apparent in organisations that are deeply dependent on other organisations; or do not have their aims well-defined; or do not clearly know what institutional characteristics to embrace or are in a field where there is no variety of organisational models to be adopted (Andrews, 2011; Frumkin & Galaskiewicz, 2004).

Hawley (1968: 334), the first to describe isomorphism, proposed that "units subjected to the same environmental conditions, or to environmental conditions as mediated by a given key unit, acquire a similar form of organization". Meyer and Rowan (1977), the first to apply the concept of isomorphism to institutions, were mainly concerned with structures and practices. However, it was DiMaggio and Powell's (1983) landmark paper that developed and gave isomorphism tremendous visibility. Instead of competition, they asserted interconnectedness as the intrinsic apparatus of organisational isomorphism (Oliver, 1988). They distinguish between competitive and institutional types of isomorphism. Competitive isomorphism relates to efficiency and occurs when a certain way of doing things is accepted by all (due to being recognised as the best way, the most efficient and the cheapest) (Carruthers, 1995; Greenwood & Hinings, 1996). Institutional

isomorphism reports the rules, symbols and beliefs which individuals must follow to receive social legitimacy (Connolly, Reeves & Wall, 2009; Hassan, 2005). While they accepted the environment having a fundamental role in moulding organisational structure, they emphasised institutional instead of competitive forces or economic fitness as the drivers of homogeneity (Carruthers, 1995; Farndale & Paauwe, 2007). They distinguished three forms of it: coercive isomorphism, mimetic isomorphism and normative isomorphism. The former is tied to the external organisational field and the other two correspond to internal forces in the field, assisting in explaining the dissemination of roles and structures (Frumkin & Galaskiewicz, 2004). These types can occur separately or intermingle and often it is not possible to identify them separately (Mizruchi & Fein, 1999). Coercive isomorphism arises when an organisation is forced to adopt practices through formal and/or informal demands that are imposed by dominant organisations, legislation or by others on which it depends, such as the influence of government on an organisation (Carpenter & Feroz, 2001; Connolly *et al.*, 2009; Dillard *et al.*, 2004; DiMaggio & Powell, 1983). It is important to state that not all external pressures will lead to isomorphism as organisations can always exercise substantial discretion in terms of what concerns their structure (Oliver, 1988). However, those organisations that provide resources have the opportunity and power to impose their will over other dependent organisations. DiMaggio and Powell (1983) contend that coercive isomorphism may occur more often when there is financial dependence; and financial resources are centralised or institutional goals or outputs are vague.

In line with Adhikari, Kuruppu and Matilal (2013), these forces seem to be an important element in describing the relationship between international organisations, such as the European Commission, the International Monetary Fund, the European Central Bank and European countries. As external pressures increase, organisations or countries try to find ways of softening or eradicating them through the implementation of desirable reforms and in changing their practices. This type of institutional pressure is particularly significant in the case of public museums, since they are non-profit organisations and they are under the influence of the state and depend mostly on public funds. Inversely, mimetic isomorphism and normative isomorphism are internal to the area where the organisation operates. The former occurs in scenarios of uncertainty or when the environment indicates the right moral choice, leading the organisation to imitate and implement practices in use in other organisations; sometimes these are perceived as successful, but other times they

are adopted without any noticeable benefits (Abrahamson, 1996; Covaleski & Dirsmith, 1988b), in order to improve its legitimacy. Government entities and their bureaucrats tend to implement in the public sector practices that have been known to be successful, effective and efficient in the private sector, to cope with uncertainty (Adhikari et al., 2013; Hassan, 2005). Indeed, as DiMaggio and Powell (1983: 151) stress, “Uncertainty is also a powerful force that encourages imitation”. For instance, one can cite the widespread adoption of accrual accounting in the public sectors of many countries, as a large number of studies have already identified (Carlin, 2005; Carpenter & Feroz, 2001; Connolly & Hyndman, 2006; Hyndman & Connolly, 2011; Irvine, 2011; Pina, Torres & Yetano, 2009), the increased use in the public sector of risk management techniques adopted from the private sector (Lapsley, 2009), and the adoption of accounting policies for the library collections of Australian public universities (Carnegie, Sidaway & West, 2013). Finally, normative isomorphism emerges from professionalization in order to normalise organisational practices, such as what often happens in accounting practices (Carnegie & Parker, 1996). Professionals transfer the knowledge learned at universities and on professional training programs to those organisations where they work and imprint it on them as the most appropriate. As an example, it can be cited that the importance of normative forces for the adoption of International Public Sector Accounting Standards (IPSAS) in the public sector is required by accounting professional bodies and supported by worldwide professional associations (Carpenter & Feroz, 2001; Meyer & Scott, 1983; Oulasvirta, 2012; Walker, 1969). In the case of central government public museums, universities have an important role in the spread and normalisation of knowledge and practices of accountability.

### **4.2.3 DECOUPLING**

To understand the practices of governmental organisations requires a comprehension of the concept of decoupling, which is central to institutional theory. March and Olsen (1976) used it in their studies and noted a fragile connection between diverse problems and the respective solutions organisations find for solving the problems they face during their activity. Further, they found that decoupling contributes to organisations obtaining legitimacy from the external world while at the same time preserving their internal flexibility, which allows them to solve practical problems (Meyer & Rowan, 1977; Tilcsik,

2010). Decoupling is not a privilege of some organisations but a common denominator of a variety of them, as it suits and assists the interests of their leaders (Westphal & Zajac, 2001).

An organisation with a low level of decoupling means that it has a high interdependence between its units and subunits. According to Meyer and Rowan (1978: 79), if there is decoupling it means that the “structure is disconnected from technical (work) activity, and the activity is disconnected from its effects”. As posited by Meyer (1983: 237), in order to survive and maintain their legitimacy, organisations keep their “head in the sand” and manipulate accounts, neglect rules, ignore the implementation of decisions that were taken, and reduce formal evaluations and inspections as much as possible (Brignall & Modell, 2000; Meyer & Rowan, 1977).

The traditional vision of decoupling presents it as a normal and natural process as it results from theory, rules and formal policies, construed as ideal situations and their application in daily practice. The decoupling of policy versus practice in organisations that face external pressures makes room for them to accept policies that are sometimes inconsistent and even in conflict with each other, without putting at risk the organisation and its normal function. However, Tilcsik’s (2010) research showed that what was intended in the short term to be just a symbolic adoption of a policy in a government agency due to stakeholder pressure, was fully executed in the long term because of factors such as processes of distribution of power and changes of ideologies. Furthermore, practices may sometimes emerge before any formal policies and these will only appear due to the need to institute methods for accomplishing a set of goals (Kalev, Dobbin & Kelly, 2006; Meyer & Rowan, 1977).

More recently, a different view of decoupling has been emerging where the stress is not put on policy versus practice but on the means versus the ends. Bromley and Powell (2012) consider that decoupling between the means and ends occurs in scenarios “where formal structures have real organizational consequences” (p.496); work tasks are modified and, conversely with regard to decoupling between policy and practice, policies are implemented and evaluated. However, there is no strong showing that these events have any connection to the effectiveness or results of the organisation. In this new situation, decoupling is more closely associated with a symbolic implementation, where practices are used and respective evaluation methods have an unclear connection with the results

obtained. Means and ends decoupling have tended to become more discernible in present times. The social and power apparatus of the world society we live in is no longer organised on national grounds and the life and actions of people extend beyond national borders (Beck, 2000). The public sector is under constant surveillance, with citizens making permanent demands for information to ascertain how public monies are spent and how efficient and effective public entities are. Due to the importance of accountability and transparency, decoupling between policy and practice has become less common as a result of the probability of being understood as nothing but a “moral and operational failure” (Bromley & Powell, 2012: 498). To give account of their activities and reduce as much as possible the inquisitive behaviour of citizens and watchdogs, there is a constant need for governments to reinvent their forms of making information available and understandable. Governments tend to improve the “optical consistency” (Latour, 1986a: 10) of instruments of accountability in order to obtain a real and detailed description of everything, “to secretly see and without suspicion what is done far off [and] in other places” (Alpers, 1983: 201). Therefore, governments need instruments of accountability with “properties of being mobile but also immutable, presentable, readable and combinable with one another” (Latour, 1986a: 7).

Orton and Weick (1990: 206) referred to this process of means-ends decoupling as “causal indeterminacy” and identified a possibility for this tendency to be more dominant in organisations that are oriented to providing social and public goods. In the case of museums, difficulties in assessing their outcomes and the extent of their contribution to society – along with environmental fragmentation due to the adoption of NPM and neo-liberal technologies (Bromley & Powell, 2012) – may contribute to a frequent decoupling between means and ends.

The use of decoupling will provide insights into the reasons for the possible lack of accountability in the Portuguese public museum sector and the impact of the adoption of NPM policies and double entry bookkeeping in the Portuguese public sector generally.

### 4.3 COMPLEMENTARY CONCEPTS

Considering the complexity of the Portuguese public sector, it seems that institutional theory cannot capture and express alone a holistic view of the systems of accountability applying in the Portuguese public museums. As such, it is believed that additional concepts can complement institutional theory and provide a more comprehensive account of the evolution and of the historical determinants of these systems. Furthermore, they may contribute to a better comprehension of deficiencies of the systems of accountability; what role has the accounting craft been playing in the NPM reforms in Portugal, and how has it been used by the Portuguese public museums.

Therefore, and adding flesh to the present theoretical framework, institutional theory will be embellished with the concepts of path dependency, practical drift and governmentality.

Taking advantage of the inherent synchronic lens of the concept of path dependency may contribute to identifying the historical determinants of systems of accountability that presently apply in Portuguese public museums. In addition, as the public sector is deeply influenced by the political realm where the legal system has a strong impact on any process that can lead to changes, this concept may contribute to a better comprehension of the reasons for the persistence of potential deficiencies in these systems. It also explains why changes, when implemented, take so long to produce results or even be implemented in the first place.

Concerning the concept of practical drift, it has the virtue of congregating the concepts of decoupling and time, i.e., it helps to capture organisational dynamics and contexts of phenomena integrated in time, which may contribute to a better comprehension of the reasons practical action in public organisations is hampered. The application of this notion to the present study provides an opportunity to get a holistic, more detailed and integrated view of the present situation of the systems of accountability applied in Portuguese public museums. It will aid in the provision of explanations for potential failures that have been occurring in these organisations throughout time as a result of non-compliance with rules and governmental policies, including accounting ones, the actions adopted to overcome them and the consequences of such actions.

Museums and their collections participate in the construction of discourses of truth, helping governments in the exercise of the “conduct of conducts” (Foucault, 1997a: 341) and the shape of knowledge and behaviour of their communities and the self. As “centres of calculation” (Latour, 1987; Miller & Rose, 2008) they compile, gather and give sense to their collections; aggregate financial information; count their attendees and accumulate data about them, such as their aesthetic tastes. In attending to a “narrative necessity” (Bruner, 1991: 4) of the apparatus of power, they make intelligible and useful their worlds and collections, granting to governments the appropriate information for intervening in their communities and the self, through the delineation of new policies or the improvement of the old ones. In this case, the concept of governmentality contributes to the comprehension of the systems of accountability of Portuguese public museums and in the identification of their deficiencies. Furthermore, it provides insight into the role that financial and accounting information plays in those systems and on the importance of accounting and accountability narratives in the construction of discourses related to the truth museums present to the community.

#### **4.3.1 PATH DEPENDENCY**

Institutions are also made up of routines and habits. Considering that institutions constrain the way one thinks, feels and behaves (Lawrence & Suddaby, 2006), habits and routines do not only enable one’s preferences and aspirations to become real, but also shape and change them (Hodgson, 2004), producing inevitable impacts on the way organisations pursue their activities. However, to understand such institutional changes, it is necessary to understand the practices in use in organisations and the different aspects from their past that over time have been prevailing. Therefore, the concept of *path dependence* might create a great a sense of the “passing of time and the succession of events” (Pollitt, 2008: 40).

Although it was first introduced in the lexicon of economics through the work of Arthur (1989, 1990) and David (1985), path dependency has become seen as a fundamental concept of a “new interpretative or epistemological paradigm” (Martin & Sunley, 2010: 62) in many sciences, such as economic geography (Martin & Sunley, 2010; Scott, 2006; Walker, 2000); social institutions (North, 1990b); historical sociology (Mahoney, 2000);

political science (Krasner, 1984; Pierson, 2000a); corporate organisation (Bebchuk & Roe, 1999); social behaviour (Anderlini & Ianni, 1996); public organisations (Pollitt, 2008); and accounting (Burns & Scapens, 2000; Modell, Jacobs & Wiesel, 2007).

According to Arthur (1989; 1990) and David (1985), present and future outcomes are influenced by past and remote events. More recently, David (2001: 15) stated that the concept is related “to a property of contingent, non-reversible dynamic processes, including a wide array of processes that can properly be described as ‘evolutionary’” and which asymptotic distribution develops with the unfolding of history (Garud Kumaraswamy & Karnøe, 2010), so it complements institutional theory by adding the time variable. In *path dependence*, history emerges as an important element to be considered because it can shed light on the intertwinement of culture and social structures (Tilly, 1994; Thornton & Ocasio, 1999) in institutional logics and it can contribute to the understanding of processes of decision making and the exercise of power and control in organisations.

However, other authors have already drawn attention to the need to clarify the concept and the way it is used (Beckman & Burton, 2008; Greener, 2005; Sydow, Schreyögg & Koch, 2009), to prevent either its loss of meaning or inconsistencies in its application. The recognition of the role history plays in the way outcomes are obtained is not an acceptance of its fatalistic (Pierson, 2000a) and inert characters. Indeed, in *path dependence* no initial conditions are specified nor is it possible to determine in advance the results that are going to be obtained. Moreover, *path dependence* is full of “novelty” (Garud & Karnøe, 2001: 5) and is more dynamic than it seems, especially if the events are analysed through recourse to a synchronic rather than a diachronic lens. However, once choices have been made and a direction has been taken, a new dynamic and a new equilibrium tend to be generated in organisations (Krasner, 1984). This does not mean that the one chosen is the best or most desirable solution selected from among multiple ones. In fact, it can be inefficient and suboptimal (Altman, 2000). However, and in many cases, it results from arrangements made over time as organisations and institutions are “carriers of history” (David, 1994: 205). Reliance on organisations and institutions is a fundamental aspect for individuals as they are also “vessels for trust” (Lash, 2000: 56). Once this stage is achieved, the possibility of accepting new alternatives is very low, as the organisation finds itself ensnared in a situation of inflexibility, in a lock-in process (David, 1985). This does not mean that the organisation cannot avoid such a locked-in situation or if a level of reliance is reached, that the organisation will be blocked and will not work.

Indeed, persistence in a certain path results from a “host of small events” (Arthur, 1994: 14) that lead to an increase of positive feedback in the beginning of its adoption (Crouch & Farrel, 2004; Pierson, 2000b) and which will prevail until a set of events leads to the acceptance of a new model with a renewed “logic of action” (Streeck & Thelen, 2005: 18) that can confer a higher rate of return.

Mahoney (2000) offered a concept of “critical juncture” emphasising the importance of historical background and the link between this metaphor and path dependence (Capoccia & Kelemen, 2007). These are responsible for laying institutions and organisations on paths (Pierson, 2004), from which it is difficult to change once choices have been made (Krasner, 1988; Pierson, 2004) and even more difficult to return to the previous situation when different options are available to be chosen. The role of agents sometimes seems to be forgotten in the study of path dependence. However, institutions and organisations are influenced and constrained by daily practices (Quattrone & Hopper, 2001) and in turn agents are influenced by them and all the associates that surround them (Hines, 1988; Meyer, 1996; Rautiainen & Scapens, 2013).

An analysis of path dependency can be done using an economic method, such as Arthur performed in his study (1994) or a more sociological approach, such as those presented by Powell and DiMaggio (1991), Thelen (2003) or Pollitt (2008). The way organisational activities are developed, how power is exercised and how communication is established among interested parties in order to accomplish their ends have also changed (Thompson, 1995). When organisations are public, things are far more complex as they deal with a varied array of demands (Brunsson, 2002). Further, as they depend heavily on political power, reforms take longer than in the private sector. Consequently, it seems that the public sector is not keen to change. However, when examined in detail, reality shows that stability seems not to be the best characteristic for depicting public organisations as changes are continuously occurring (Peters & Hogwood, 1988; Pollitt, 2008).

When compared with economics, the political world has particularities that need to be acknowledged as they contribute to an increasing amount of positive feedback, which is not found in the economics realm. The power and legitimacy of political institutions and public organisations have a tremendous impact on people’s lives and on the way public policies are developed. Public organisations are entrusted with the responsibility of providing to society a set of products and services to the recipient at a reduced cost. The

introduction of principles of private management in the public sector has been used to reduce the number of such services. However, in those situations where such products or services have not yet been privatised, prices do not outweigh their production costs. All this is possible because it is derived from the logic of action of a group or community (Olson, 1971) and is supported by law and reinforced by society's authority mechanisms. Therefore, both have the virtue to bind individuals together. In addition, political authority induces positive feedback, as those in charge sometimes use it and the coercive machinery that governments have at hand for ruling, thus making the reversal of a certain path difficult.

“Political uncertainty” (Moe, 1990: 124) is a factor that makes an extraordinary difference between economics and political realms and creates positive feedback. The changing processes that have been occurring in the public sector for more than twenty years have turned it into a large set of intricate organisations with multiple sets of ties and commitments not always easily recognised and understood by common citizens. Such a situation contributes to increasing the opacity of public sector organisations in the development of public policies and the pursuit of goals and interests. In addition, due to the “murkier environment” (Pierson, 2000b: 489) of the political field, often it is quite difficult to evaluate their activities and make credible connections between actions and results, making their activity vague (Pierson, 2004).

The relationship between politicians (agents) and citizens (principals) is built on a discourse that privileges the making of long-term commitments by the former to the latter (Pierson, 2004). The impressions of such engagements on citizens are structural as they “tend to coalesce into a natural view of the world” (Mannheim, 1952: 298), which will influence future experiences and decisions. However, reality proves that this seems to be true only in those cases that politicians' future election is not put at risk or in those situations in which long-term consequences are prominent (Pierson, 2004). Therefore, having the short time horizon dictated by the term of office promotes the search for increasing returns, as it persuades politicians to follow a path guided not by efficient criteria but by any opportune solution that conforms to institutional myths and ceremonies.

However, unlike economic markets, mistakes and disasters bring about a natural selection, realms where decisions depend on legislation, ideologies and political institutions tend to be more predisposed to inefficiencies (North, 1990b; 1993) and to inoperativeness. In fact, errors and learning are rarely admitted in the political field and when they are,

consequences need to be acknowledged by those who admit them. What is more, ideologies and institutions resulting from the arrangements of “mental maps” or “mental models” (Denzau & North, 1994; Pierson, 2004) contribute to providing environments with order and meaning.

The ever increasing dimension and complexity of liaisons and networks in the public sector does not often result from a search for efficiency or the improvement of people’s lives but it is just derived from the equilibrium of formal legislation, informal curbs and the need of the political moment, which is intended to “serve the interests of those with the bargaining power to create new rules” (North, 1992: 5).

### **4.3.2 PRACTICAL DRIFT**

Much of the legitimacy of public sector organisations is derived from their responsibility in preserving key public sector values such as “societal welfare, distributive justice, fairness, equity, the protection of the public interest, and promotion of [the] public good” (Considine & Afzal, 2011: 376) and the meanings and associations that are settled on rules and laws. Following the agreement of a range of authors on the importance of rules in the rationalities of actions (DiMaggio, 1994; Gomes, Carnegie & Rodrigues, 2013; Ortmann, 2010; Snook, 2000), it can be inferred that legal apparatuses are fundamental in shaping the practices of public organisations, including their systems of accounting and accountability. The process of making rules and standards is a kind of praxis. However, when it comes to their practical “street-level” implementation, there is a great difference between their structure, and the actions resulting from their use (Feldman & Pentland, 2003: 100; Rerup & Feldman, 2011). Such practices always bring something novel, making them a permanent improvisation (Bourdieu, 1990). Drifts in rules and standards are common and are frequently imperceptible. Snook (2000) considered that one glimpse is not enough to notice a drift. As a dynamic process, their real effects tend to be only disclosed with the passage of time.

Snook has developed a concept which tries to illuminate why people faced with legal procedures tend to develop what he calls “practical action” (2000: 182). This is defined as a “behaviour that is locally efficient, acquired through practice, anchored in the logic of the

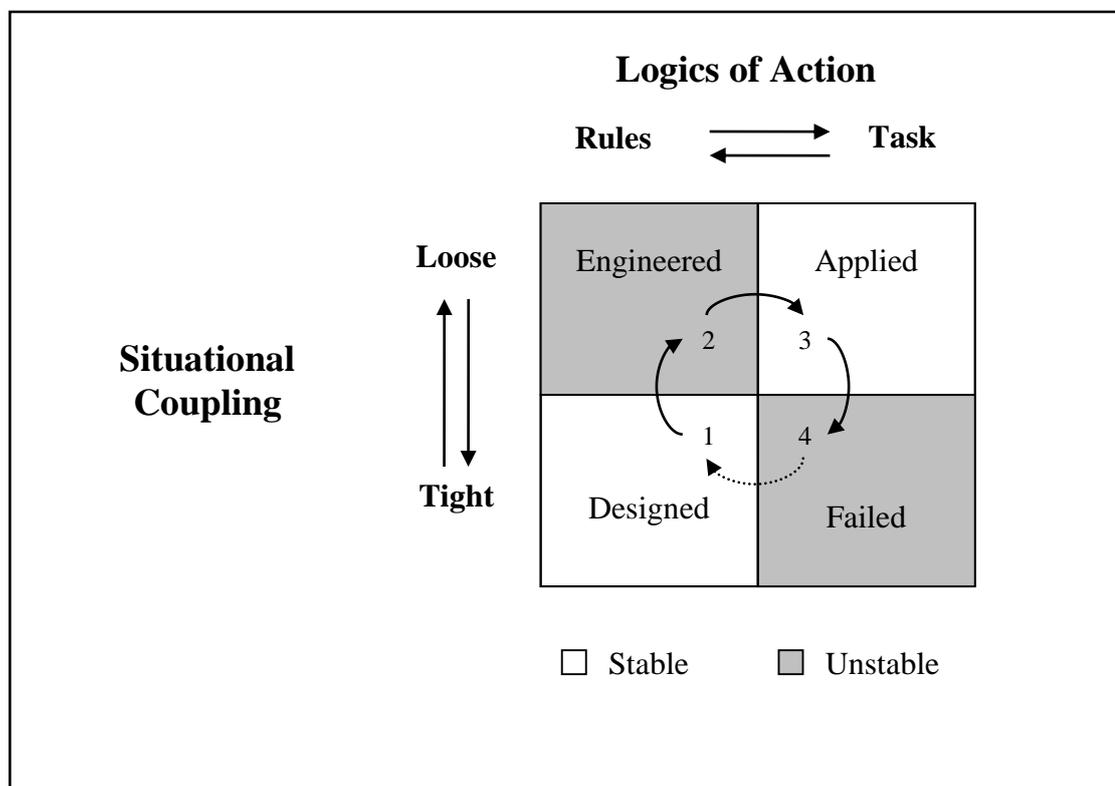
task, and legitimised through unremarkable repetition” (Snook, 2000: 186). Snook states that the gap between the demands of what is generally stated in rules and procedures and the practices locally developed may lead to what he named “practical drift” (Snook, 2000: 193). Snook (2000: 24, 194) clarified “practical drift” as “the slow steady uncoupling of local practice from written procedure”. As Gomes *et al.* (2013) posit, such practical drift emerges when people in local institutions, responsible for ensuring that legislation is observed and enforced in practice choose not to follow it and direct their attention to task requirements and environment changes (Dekker, 2011). Therefore, “practical drift” may provoke organisational errors and failures in the systems of accounting and accountability and put at risk the viability and sustainability of a set of disseminated public organisations.

Through the capture of phenomena “across levels of analysis and across time”, Snook (2000: 179) elaborated a theoretical matrix to obtain a holistic view. Snook is mainly interested in the study of phenomena using levels of study such as individual, group, organisational boundaries and time for producing a “recursive relation” (Ortmann, 2010: 210) between norms and their application as “generalizable procedures applied in the enactment/reproduction of social practices” (Giddens, 1984: 21). The notion of “practical drift” is profoundly related to the concept of decoupling. Indeed, it may complement it as it combines three dimensions: situational coupling, logics of action, and time. Concerning the first dimension, the situation can be loosely or tightly coupled. The “logics of action” that incorporate the second dimension derives from a term employed in a DiMaggio (1994: 39) survey on culture and economy to refer to “a finite set of context-dependent orientations”, or to “systems of scripts, norms, and schemas among which people shift”. Finally, the time dimension emerges from the need to capture the movement that results from the imperceptible movement and which is shown by the arrows at the centre of the matrix.

As is shown in Figure 4.1, the theoretical matrix is comprised of four quadrants. Quadrant 1 relates to the rational process of planning and designing rules and regulations, assuming that the organisation will be working as expected and that all its members will follow the legal dictates. The “design state” of this quadrant is “defined by a rule-based logic of action and a tightly coupled situation – a rational fit” (Snook, 2000: 190). Quadrant 2 is characterised by the encounter of “a rule-based logic of action and a loosely coupled situation” (Snook, 2000: 192). Even being in a loosely coupled situation, members of the organisation follow the rules and are conscious of their importance and of the risks that can

result from their violation. In the meantime, members are accumulating experience in the development of their daily activities. The consequence of such a precarious situation results from an existing disconnection “between the real world constraints of everyday practice and those imposed by externally dictated logics of actions” (Snook, 2000: 192). Quadrant 3 defines a fading of the rationality behind the tight logics at the outset of the system design and the enactment of the rule. Derived from the pragmatism and confidence of experience accumulated over time, a multiple set of local logics and routines are implemented. It is a situation where standards are out of kilter with the situation every so often (Snook, 2000), leading individuals to infringe the law and adapt their conduct to the demands of their daily practice. Finally, Quadrant 4 refers to an organisational paradox where although the situation is tightly coupled, it is also marked by instability. The system is tightly coupled as a result of the local procedures in each subgroup that with time have superseded those others laid down during the process already described in Quadrant 1. Therefore, the continuing of such a paradox paves the way for the collapse of the organisation’s activity, leading the organisation to disaster.

Figure 4.1 Theoretical Matrix



Source: Snook (2000: 186) as reproduced in Gomes *et al.*, (2013: 9).

The four quadrants of the theoretical matrix exhibit two distinct states. On one hand, Quadrants 1 and 3 are marked by a state of quasi-equilibrium where the logic of prevalent action coincides with the “basic planning assumptions” (Snook, 2000: 200) of the situation. On the other hand, Quadrants 2 and 4 expose an intrinsic state of instability, where “rule-based logics don’t match loose coupling and task-based action is no match for tight coupling” (Snook, 2000: 189). Finally, the movement reported by the dotted arrow represents the re-arrangements made in order to ensure that the perverse grip in which the organisation was locked-in will never happen again. Therefore, new rules are adopted, and enforced more tightly than before, leading the organisation to a new stage of stability. However, as organisations, public and private, “seem to be positively programmed to forget yesterday’s ideas” (Hood & Jackson, 1991: 19) and bury past lessons, the cycle will go on until the system again fails.

### **4.3.3 GOVERNMENTALITY**

The term governmentality is the result of a semantic association between the French words “gouverner” and “mentalité”, which in Foucault’s work are intended to mean governing and ways of thinking, respectively. Named as an “ugly word” and considered as a “problematic and artificial” concept (Foucault, 2007b: 115-116; McKinlay, Carter, Pezet & Clegg, 2010), it turned into a “key term” or a “deranging concept” (Allen, 1991) in Foucault’s analysis of power (Lemke, 2010). Foucault (1991: 102) presents the concept of governmentality as:

The ensemble formed by institutions, procedures, analyses and reflections, the calculations and tactics that allow the exercise of this very specific albeit complex form of power.

An understanding of this concept requires an analysis of the historical period that surrounds its emergence. The new art of government looks to the individual and social body as a valuable resource (Miller & Rose, 2008). Therefore, it goes beyond simple administration as it involves the construction of knowledge of the inhabitants’ habits and the different strategies and visions in the way of governing and looking after them and solving their problems, keeping always in mind that the liberal art of government considers that the ability of the state can never be taken for granted (McKinlay *et al.*, 2010).

Progressively, states drifted away from “the traditional, ritual, costly, violent forms of power” (Foucault, 1995: 221), and from the embodiment of the state in the person of the king, which was the hallmark of an absolutist regime. The techniques of coercion and oppression were surreptitiously substituted for those of the “conduct of conducts” (Dean, 2010: 24; Gordon, 1991: 2). The techniques of the new art of government are anchored “on the active consent and subjugation of subjects” (Clegg, Pitsis, Rura-Polley & Marosszeky, 2002: 317) where everyone is a “sovereign citizen and consumer” (McKinlay & Pezet, 2010: 487), and which implies freedom of thinking and behaving. As governing requires the management of different sorts of “things” (Foucault, 1991: 104) and situations – which are often antagonistic, implying the adopting of a balancing strategy – the priorities can be aspects other than populations (Neu & Heincke, 2004). In addition and in line with that, techniques of governmentality are sensitive to their environment; to culture; to political views. Furthermore, the globalisation of a society may contribute to the dissemination of some techniques of governmentality. Some countries, states or national organisations, may just adopt them due to their so-called successful results. Others may adopt them as a result of international pressures coming from organisations such as the European Union or the International Monetary Fund. The coordination of social organisations and power relations is no longer undertaken at the national level. As such, the impact of these changes on “the totality of practices, by which one can constitute, define, organize, instrumentalize the strategies which individuals in their liberty can have in regard to each other” (Foucault, 1997b: 300) is profound and cannot be ignored.

The concept of governmentality has been used across a variety of areas, such as moral regulation (Corrigan & Sayer, 1985; Hunt, 1996, 1999); formation of liberal subjectivities (Valverde, 1998); in issues related to sexuality, race and empire (Stoler, 1995); in criminology (Garland; 1996, 1997); in cultural studies (Bennett, 1997; Hunter, 1988, 1991, 1993, 1994), including museums (Bennett, 2004, 2007); and organisation studies (Burrell, 1988; Clegg, 1989; Clegg *et al.*, 2002; Grey, 1998; Knights, 1992; Knights & Morgan, 1991; Knights & Willmott, 1989; Kornberger & Carter, 2010; McKinlay, 2002; McKinlay & Starkey, 1998; McKinlay *et al.*, 2010; Rowlinson & Carter, 2002; Sewell & Wilkinson, 1992). Foucault has also influenced accounting (Anderson-Gough, Grey & Robson, 2000; Ezzamel, 1994; Hopwood, 1987; Hoskin, 1994; Hoskin & Macve, 1986, 1988; McKinlay & Pezet, 2010; Miller, Hopper & Laughlin, 1991; Spence & Rinaldi, 2014; Sánchez-Matamoros, Hidalgo, Espejo & Fenech, 2005; Stewart, 1992; Walsh & Jeacle, 2003; Walsh

& Stewart, 1993); and the governing of economic life and its multi-manageable locales (Burchell, Gordon & Miller, 1991; Gordon, 1991; Miller & O'Leary 1987, 1989; Miller & Rose, 1988, 1990; Rose, 1988, 1989; Rose & Miller 1992).

To understand Foucault's concept of governmentality, it is important to go further and analyse the different technologies human beings use to comprehend themselves. In line with Foucault (1997b: 225), there are four types of technologies:

(1) Technologies of production, which permit us to produce, transform or manipulate things; (2) technologies of sign systems, which permit us to use signs, meanings, symbols, or signification; (3) technologies of power, which determine the conduct of individuals and submit them to certain ends or domination, an objectivizing of the subject; (4) technologies of the self, which permit individuals to effect by their own means, or with the help of others, a certain number of operations on their own bodies and souls, thoughts, conduct, and way of being, so as to transform themselves in order to attain a certain state of happiness, purity, wisdom, perfection, or immortality.

However, governmentality derives from the encounter of the technologies of domination with the technologies of self. Technologies of power relating to all those techniques that act over the human body in order to transform and to improve it, without recourse to coercion, until the obtainment of a useful, efficient and "docile body" (Foucault, 1995: 136). Central to these technologies is discipline, which is "an art of rank, a technique for the transformation of arrangements" (Foucault, 1995: 146) and responsible for the individualisation of bodies. The emergence of concerns with the problems of population as a "global mass affected by overall processes characteristic of birth, death, production, illness" (Foucault, 2003: 242-243) brings forth the emergence of what Foucault designates as the "era of bio-power" (Foucault, 1981a: 140). Biopolitics is concerned with the population as a political, scientific and biological problem (Foucault, 1981a, 2003, 2010). Much of Foucault's work on technologies relates to the "technologies of the self" as the efficiency of power technologies depends on the process of making the self and/or of shaping by oneself (Foucault, 2007a). "Technologies of the self" and "techniques of the self" are used interchangeably in his work (Foucault, 1993: 203; 2007a: 154). As he repeatedly reinforces in his writings, technology should not be comprehended as "hard technology, the technology of wood, of fire, of electricity" but as a *techne* "practical rationality governed by a conscious goal" (Foucault 1984, 255-256). These are the techniques that allow each one to conduct by oneself "on their own bodies, on their own souls, on their own thoughts, on their own conduct" a certain number of actions that will lead them to a "certain state of perfection, of happiness, of purity" (Foucault, 2007a: 154).

Confession, together with self-examination, reading, learning and writing are among those technologies that contribute to the perfect government of the self (Foucault 1981a). Although constrained by rules and conventions of society, Foucault sees these technics as “practices of freedom” (Foucault, 1997b: 281) as they pave the way for the self to make choices; transform and modify oneself (Foucault, 2007a).

Peter Miller and Nikolas Rose are among the more influential Anglo-governmentalists to have used Foucault’s concept of governmentality and all associated technologies of government (Miller & Rose, 1990, 2008; Rose & Miller, 1992). They wanted to analyse the connection between rationalities and programmes of government and the different technologies of government used to intervene in society and people’s lives, i.e. the so called “technologies of government”. Technologies of government are comprised of those mechanisms, such as “all those devices, tools, techniques, personnel, materials and apparatuses” (Miller & Rose, 2008: 16), that authorities use in their attempt to “shape, normalize and instrumentalize the conduct, thoughts, decisions and aspirations of others” (Miller & Rose, 1990; 2008) for the fulfilment of their intended aims. However, as Foucault (1997b: 172) has noted, “things never happen as we expect from a political program”, because reality never concurs with programmes and their theories and respective agenda (Miller & Rose, 1990, 2008). According to Miller and Rose (1990), when it comes time to put them into practice, government shows itself as “a congenitally failing operation” (p. 10).

Although Foucault never explicitly embraced museums when he developed the concept of governmentality, it has already been applied to the realm of culture generally (Bennett, 1997, 2002, 2007). Museums, with their expertise, techniques and apparatuses are “civic machineries” (Bennet, 2007: 116), involved in “bringing specific forms of knowledge to bear on the classification, arrangement, exhibition, and distribution of cultural resources and materials arising from other practices” (Bennett, 2007: 104).

After presenting the interpretative perspective of institutional theory enriched with the concepts of path dependency, practical drift and governmentality as lens for increasing comprehension and provide possible explanations for accountability practices in museums, the following section presents the ontological and epistemological position of the study and the different methods employed in the development of empirical investigations.

## 4.4 ONTOLOGICAL AND EPISTEMOLOGICAL POSITION

Defining a paradigm is a complex task. In different circumstances, authors such as Christenson (1983), Chua (1986) and Gaffikin (1988), have presented definitions with distinct meanings. However, adopting a Kuhnian perspective, paradigms are sets of universal well-accepted achievements that explain and bind researchers of a certain area of knowledge for a certain period of time (Kuhn, 1970). This definition has affected the way knowledge is produced and the influence of the social and political environment on its accomplishment (Arrington & Schweiker, 1992). Paradigms provide researchers with a tool box, comprising not just premises, notions and ethics but also practices for the support of researchers in producing their vision of the world (Malmi, 2010) and building their personal research identity.

According to Burrell and Morgan (1979) there are four paradigms for analysing social theories. However, Burrell & Morgan (1979) finished their study by reducing the four paradigms to two main positions of philosophy of science: objectivism and subjectivism. The importance of paradigms resides in the fact that the right selection helps researchers to locate themselves in the world of science and that they open new windows for conducting inquiries. Ignoring their importance and all philosophical, methodological and theoretical issues might be too risky as it will lead the researcher to adopt a very narrow approach to the problem, disregarding the whole picture (Lukka, 2010).

Intimately related to paradigms are the philosophical assumptions about ontology and epistemology. Ontology refers to the nature of society and social entities (Bryman, 2008). Social entities can have real existence, and as such they are external to people and their cognition (Hopper & Powell, 1985). Instead of being external, social entities can be the result of individual awareness, made up of labels and notions that are the fruit of people's mind and which are constructed in order to make social entities understandable. The former ontological position is normally nominated as objectivism and the latter as subjectivism. With regards to epistemology, this concept refers to the nature of knowledge. It inquires about how and what it is possible to cognise (Chua, 1986; Gaffikin, 1988) and how it can be communicated. Epistemology is concerned with the reasonable ways of attaining the social reality ontologically defined. On one side there are those who support the view that

knowledge can be produced step by step and obtained through observation. On the other side there are those who stand for a more subjective position, with the subject under research at the centre, which *a priori* needs to be known (Blaikie, 2009; Hopper & Powell, 1985). While in the philosophy of science the positive paradigm has been already abandoned, it still prevails as the mainstream in accounting research, maybe due to economics being the main provider of theories and methods of much research in accounting.

Nowadays it is well accepted that all central methods of science are based on theories. Furthermore, at the same time that the possibility of knowledge of unobservable entities is still not accepted, methodological praxis seems to manifest a kind of metaphysical concern with the unobservable that empiricists disapprove of (Boyd, Gasper & Trout, 1991). The supremacy of the mainstream position in accounting research is a sign that it has been affected by that vision. Abstract theories seem to be more important than doing field research for analysing accounting in the context it operates (Hopwood, 1983, 2007, 2008). However, as individual actions are instigated by aims and always incorporate meanings, it is fundamental to understand them in accordance with interpretative schemes, which are social and intersubjective realities (Chua, 1986). Such schemata are deeply intertwined not just with social processes, but also with cultural and political ones (Ahrens *et al.*, 2008). The accounting field in which research happens is deeply theoretical and moulded by the concerns of those researchers involved (Ahrens & Chapman, 2006). In doing qualitative research it is important to always have in mind that scholars have previous experiences, they are influenced by their cultural framework and their expectations (Kuhn, 1970; Lukka, 2010).

Accounting is a very rich field, always reinventing itself, embracing new forms, methods and roles (Hopwood, 2007). Due to such richness, it is plausible that the use of a mono-paradigm confines research instead of liberating it, as issues considered unimportant under the operative paradigm will be automatically excluded from discussion (Lukka & Mouritsen, 2002). It is believed that research will benefit from adopting paradigm diversity (Chua & Mahama, 2012; Lukka, 2010; Malmi, 2010; Modell, 2010). However, there are no significant interactions between the mainstream and other paradigms (Hopwood, 2007; Lukka, 2010; Lukka & Granlund, 2002). Concerning public sector accounting, and reflecting on its institutional and organisational complexity, there have also been calls for a mixing of paradigms (Humphrey & Scapens, 1996; Jacobs, 2012). Notwithstanding the

increasing number of more complex publications (for a detailed analysis see Jacobs, 2012), the majority of research published concerning this accounting sub-field are descriptive and/or prescriptive (Broadbent & Guthrie, 2008, Goddard, 2010; Jacobs, 2012; Modell, 2013; van Helden, 2005).

In order to capture, to understand and to critique the diversity of the phenomenon of accountability in Portuguese public museums, this study adopts an interpretative paradigm. The interpretative paradigm states that human behaviour or institutions cannot be analysed through the same lens as natural science phenomena (Ponterotto, 2005). Interpretivism regards methods of natural science as inappropriate for developing research in the social sciences given their incapacity of capturing the “reality”. Interpretivism adopts a relativist position, recognising that reality has numerous meanings. It wants to grasp a holistic view of meanings and actions according to the subjective frames of actors (Williams, 2000) and considers that researchers and participants are co-responsible in the construction of reality (Ahrens, 2008; Ahrens & Chapman, 2006; Chua, 1986; Hopper & Powell, 1985; Johnson *et al*, 2006; Robson, 2002). Underlying this paradigm there is a hermeneutical approach which states that the researcher needs to interact at a deeper level in order to understand and bring to the surface the meaning of actions and the real intentions of its players (Husserl, 1969; Ponterotto, 2005). As stated by Bryman (2008: 17), this process embodies a “double interpretation”: those furnished by the researcher about others’ interpretations and the interpretations that need to be made according to the relevant conceptual framework.

The adoption of an interpretive paradigm in this research does not ignore or reject objectivism. It favours the *emic* perspective, which stresses and describes the individual thoughts, beliefs and actions that are integrated in a cultural framework from an individual’s own understanding. Therefore, this perspective will help to illuminate the visions that those who are involved in public museums have on the systems of accounting and accountability, as well as their respective importance in their daily action and their importance or not in organisational changes. However, the study also acknowledges the importance of the *etic* perspective. The *etic* perspective will assist in the description of reality from a position culturally neutral, trying to link people’s practices to previous historical, political and economic factors (Morris, Leung, Ames & Lickel, 1999; Pike, 1954). Therefore, the interpretative paradigm seems to be an appropriate approach for describing the processes of “accountingization” (Hood, 1995; Kurunmäki, Lapsley & Melia, 2003; Power &

Laughlin, 1992) that have been occurring in the Portuguese public sector and in museums in particular. In addition, it will contribute to explaining their meaning and their impact on organisational structure and culture (Dent, 1991).

With regard to the adoption of a specific theory or lens to interpret a given situation, each theory has a deductive connection or an inductive connection with the research. However, for Bryman (2008), both processes are influenced by each other because the deductive reasoning entails an induction element and the inductive stance also involves deduction. Bryman prefers to look at them as tendencies (2008) and Eisenhardt and Graebner (2007: 25) posit that they are “mirrors of one another”.

#### **4.4.1 METHODOLOGICAL APPROACH**

Each paradigm has its methodology. While often presented as having the same meaning as “methods” (Jennings, 2005: 216), methodology is responsible for the overall research direction, and it is independent of the adoption of a particular method (Ahrens & Chapman, 2006: 822). There are two main methodologies. Quantitative methodology stresses mensuration and analysis of the causal-effect linkages between variables (Denzin & Lincoln, 2008), and qualitative methodology underlines “the qualities of entities” (Denzin & Lincoln, 2008: 14). In opposition to the quantitative approach, qualitative researchers take a “hands-on” fieldwork approach, leave their comfortable offices and roll up their sleeves in the field, mixing with people and their environment, rediscovering many times what was thought already known (Ahrens & Chapman, 2006; Parker, 2003).

Quantitative research study seeks to present universal theories and construct predictive laws of behaviour (Parker, 2003, 2012). In opposition to this type of analysis, qualitative research is fundamentally a local representation and does not deal with the entire population. This representation is embedded in a time and space frame, which makes it very distinctive (Vaivio, 2008). Good achievements in one arena do not mean that the same results will be obtained in another context (Burns & Vaivio, 2001; Granlund, 2001; Kasurinen, 2002). Theories that emerge from qualitative research are perishable to time. They are born, have a life period and die (Vaivio, 2008).

Qualitative research provides “a more complete view of organizational action [that] reinforces the notion that organizations are inextricably embedded in a dynamic system of interrelated economic, institutional, and ecological processes” (Dacin, 1997: 47). Some quantitative researchers aware of the weaknesses of statistical models and forecasted rules of behaviour (Parker, 2003) have also been using qualitative research for analysing and penetrating research topics. This may contribute to a better comprehension of their statistical outputs and help them in making sound inferences from their results. In opposition to quantitative research, which is developed at a distance, qualitative research favours the involvement of the researcher with those under study (Vaivio, 2008).

For many years, accounting was seen only as a mirror of economic reality (Covaleski & Dirsmith, 1990) and academic research in accounting, profoundly influenced by the positivist paradigm, was constrained by a “myopic view” (Tomkins & Groves, 1983: 361). Since the 1980s, prominent scholars have been calling for the undertaking of accounting research in the environments in which it operates (Merchand & van der Stede, 2006). Studies in accounting, such as those developed by Chua (1986); Hopwood (1983); Kaplan (1983, 1984, 1986); Tomkins and Groves (1983); Roberts (1990); Scapens and Roberts (1993) and Vaivio (1999), have supported the use of qualitative measures in the field. Accounting is no longer seen as a simple device of economic data collection, “a mere assembly of calculative routines” (Burchell, Clubb, Hopwood & Hughes, 1980: 6), but is instead viewed as the art of interpreting organisations’ reality (Morgan, 1988). In recent decades all kinds of organisations, public and private, have become conscious of the pervasive character of accounting (Hopwood & Miller, 1994; Potter, 2005). The presence of the craft in all facets of governments and organisations contributes to bounding them together with their purposes (Meyer, 1983). It grants an opportunity for reducing different organisational realities to common denominators, which makes possible the assessment of people’s performance (Potter, 2005). Further, accounting can be used to justify the actions and decisions of those in charge in order to accomplish certain aims. Looking from such a perspective, the accounting craft goes far beyond its technical aspects, enabling organisational action instead of moulding it (Hopwood, 1987).

The other aspect of accounting includes the process of elaborating “judgements with something upon something – activities, in which images, categories and distinctions are involved” (Kalthoff, 2005: 73), i.e., according to this author, expectations and

interpretations. Therefore, accounting has hidden potentialities, one of which is the promotion of new realities that are completely detached from numbers, which have impact not just on the way persons and organisations act and react but also in society (Potter, 2005).

The aspects exposed in this section suggest that systems of accounting cannot be understood or comprehended only through a positivist stance, which is inappropriate for grappling with social behaviour (Tomkins & Groves, 1983), as has been already posited. Thus, quantitative and qualitative accounting researchers are using triangulation and bringing to light the benefits of using it (Davila, 2000; Malina & Selto, 2001; Marginson & Ogden, 2005; Stoner & Holland, 2008: 37).

#### **4.4.2 METHODS**

A set of methods is used to collect and analyse research data. Mathematical models, statistical tables and graphs are associated with quantitative research. A large array of other methods, such as case studies, grounded theory, questionnaires, interviews, observations, archival research, observations and textual analysis, historical texts, field notes, conversations, photographs, recordings, transcriptions, and memos are usually linked to qualitative research (Denzin & Lincoln, 2008; Parker, 2003).

The process known as triangulation refers to the use of different methodological practices and perspectives by observers and empirical materials. The adoption of different sources allows the researcher to analyse an organisation's events from different angles (Hoque, Covaleski & Gooneratne, 2013) and thereby better understand the phenomena being studied (Denzin, 1970; Hopper & Hoque, 2006). De Loo and Lowe (2012) posit that triangulation allows the researcher to depict a certain phenomenon in a more accurate way. According to Modell (2005a), there are several forms of triangulation, such as method triangulation, data triangulation, theory triangulation and investigator triangulation. In line with Hoque *et al.*, (2013), triangulation provides synergies to the research field, as each method adds additional aspects and organisational dynamics that can only be detected from their position.

In the accounting field, studies such those published by Ansari and Euske (1987); Arena, Arnaboldi and Azzone (2010); Berry, Loughton and Otley (1991); Burns (2000); Collier (2001); Carpenter and Feroz (1992); Covalleski and Dirsmith (1983,1988a, 1988b, 1990); Covalleski, Dirsmith and Samuel (1996); Covalleski, Dirsmith and Rittenberg (2003); Hoque and Hopper (1994); Hoque, Arends and Alexander (2004); Hopper and Major (2007); Major and Hopper (2005) and Modell (2005b, 2010) are examples of research in diverse areas of accounting that employ different kinds of triangulation (for an exhaustive literature review on triangulation see Hoque, Covalleski and Gooneratne, 2013).

This study uses a single case-study design resorting to a number of data methods that allow for data triangulation. A combination of qualitative and quantitative research methods, and data sources were used. These included archival data (e.g., books, newspapers, and archives), a questionnaire and interviews.

## **4.5 CASE STUDY**

In the past few decades, the case study has become very popular in social sciences (Adams, Hoque & McNichols, 2006; George & Bennett, 2005). It has been presented as an appropriate method when how and why questions are raised, when the control kept over events by the researcher is scant and when the centre of attention is on present-day phenomena among objective circumstances (Yin, 2009).

The often-quoted definition of a case study by Yin (2009) presents it as a description of phenomena related to individuals, groups, organisations or societies. Bryman (2008) identifies case studies with single “units”; Cooper and Morgan (2008) call them “specific organisations”; and Silverman (2013) calls them “units of analysis”. All authors transmit the idea that a case study is focused on a single reality. Some researchers refer to it as “not a methodological choice, but a choice of object to be studied” (Stake, 1998: 86). Others (Creswell, 2013; Denzin & Lincoln, 2005; Merriam, 1998; Yin, 2009) alluded to it as a strategy of inquiry, a methodology or a comprehensive research strategy. In the case of VanWynsberghe and Kahn (2007), they do not consider a case study either as a methodology or a method because it does not render a theory nor do researchers use it for

collecting information, respectively. To gather information and collect data, researchers use techniques such as participant observation, in-depth interviews and archival research. For Creswell (2013) and Stake (2006), a case study is a process of inquiry about a certain case and a product of it. According to the objectives of research, a case study can involve single or multiple cases (Creswell, 2013). However, this is usually determined by the choice of the case rather than by the choice of methods (Stake, 2006). Often associated with qualitative research, such an erroneous perspective about case study is due to qualitative methods being more suitable for producing an in-depth and comprehensive analysis of it (Bryman, 2008).

Several criticisms that are commonly made of case studies are the difficulty in producing general theoretical knowledge. These include the difficulty in making credible generalisations; the contention that they are more appropriate for the process of generating and testing hypotheses at the beginning of a research process; a high probability of results being biased by the preconceived notions of the researchers; and of producing knowledge deeply dependent on context. However, in line with Kuhn (1987), who reinforces the value of developing case studies, Flyvbjerg (2006, 2011) shows the importance of them and demonstrates that all those criticisms are fallible and not strongly supported.

Thirty years after Hopwood's request (1983) for more accounting research in the field, the case study has turned into a very important method in areas such as management accounting (Merchand & van der Stede, 2006). The results of studies conducted by Ahrens (1996, 1997); Ahrens and Dent (1998); Covalleski and Dirsmith (1983, 1988a); Cruz, Major and Scapens (2009); Dent (1991); Edwards, Ezzamel and Robson (2005); Granlund (2001); Habersam, Piber and Skoog (2013); Hopper and Major (2007); Järvinen (2006); Jørgensen and Messner (2010); Lukka (1988); Roberts (1990), Scapens and Roberts (1993), Spence and Rinaldi (2014); Thomson, Grubnic and Georgakopoulos (2014) and Vaivio (1999) have shown the importance of case studies for the development of accounting as a social science. Nevertheless, and in contrast with the opinion that a case study presents a reality, Llewellyn and Milne (2007) argues that in accounting there is more than one reality to be captured. Drawing on the works of Popper (1972), Polkinghorne (1988) and Archer (1988, 1995), Llewellyn (2007) shows how a case study can encompass information from physical, structural, agential, cultural and mental worlds.

The richness of case study research comes from the combination of an array of techniques in the collection of data. Such heterogeneity includes formal and informal interviews, memoranda, archives, direct observation and participant observation, content analysis, and focus group interviews (Adams *et al.*, 2006; Eisenhardt, 1989; Merchant & van der Stede, 2006; Parker, 2003; Yin, 2009). These techniques are often combined with quantitative techniques in order to improve the analysis of phenomena and capture the “little things”, which Nietzsche (2004: 38) pointed out are “the fundamental affairs of life itself”. In quantitative research, the independence and neutrality of those involved are fundamental characteristics. This distance from the real world strips the science of its ambiguity (Nietzsche, 2001).

Culture has been presented as an elusive concept that results from the action and interaction of people (Dent, 1991), organised in “clusters of significance” (Geertz, 1973: 363) and through “webs of significance” (Geertz, 1973: 5). Likewise, museums are complex and important organisations in societies. It is supposed that they are deeply rooted in their communities and as such they are a true and reliable picture of their past and present. At the same time that they have a natural ability for bridging the past with the present, they open new windows to the future. Museums are complex institutions and are involved in a wide variety of relationships with their stakeholders. Their systems of accountability are very complex and are not always simple to describe. Contrary to quantitative research, qualitative research “can reveal the human, social world behind the numbers that requires and may trigger new forms of ‘accountings’” (Parker, 2012: 68).

The absence of rich literature on the real-life in museums along with the “little control over events” (Yin, 2009: 2) that researchers have, and the contemporaneity of the topic and the importance of the context of museums, has led to the adoption of a case study component in this research. The possibility offered by a case study makes a strong contribution to comprehending the characteristics and features of systems of accountability in practice (Ryan, Scapens & Theobald, 2002) and adds “flesh” (Brignall & Modell, 2000) to the theoretical framework previously presented. Despite the difficulty in demarcating the boundaries among the different types of case studies (Ryan *et al.*, 2002), this research conducts a case study design which tries to understand and explain the systems of accountability among the public museums members of the Portuguese Museums Network.

#### **4.5.1 CASE STUDY: THE PORTUGUESE MUSEUMS NETWORK**

This research is based on a single case study of the Portuguese Museums Network. Concerning the number of cases to be examined during the research, there is no hard and fast rule to be followed. It is more important to obtain a sufficient number of case studies that can assure that all potential findings to be reached are sufficiently covered, than to try to define a sample. By doing so, it is possible to understand the organisational dynamics (Eisenhardt, 1989) and achieve a homogenous coverage and an exhaustible description of phenomena under study (Patton, 1990; Zach, 2006). As such, this study includes the only case existent in the Portuguese context: the Portuguese Museums Network. A detailed description of the Portuguese Museums context and of the Portuguese Museums Network is presented in the next chapter (Chapter 5).

Data collection entailed quantitative and qualitative data (Eisenhardt, 1989). Three main forms of data collection were adopted in this study: archival data, survey and interviews.

#### **4.5.2 SURVEY**

A survey is a practical and efficient way of gathering information on the perceptions of respondents (Ary, Jacobs & Razavieh, 1972), especially when a considerable number of respondents are included. In the present study, the administration of a questionnaire to directors from Portuguese public museums is in accordance with the literature review, as it is intended to learn about the systems of accountability of those entities: what role does financial information play in those systems and how are public museums and those in charge of them involved, so as “to reveal, to explain and to justify what one does; how one discharges responsibilities, financial or other” (Normanton, 1971: 311). However, as systems of accounting and accountability are human systems (Ijiri, 1983) and like “Any major financial account hides far more than it reveals” (Normanton, 1971), the analysis of questionnaires will not reveal everything.

This study addresses accountability issues in Portuguese public museums. According to Statistics Portugal, a museum is a “permanent non-profit institution in the service of society and of its development, open to the public, which acquires, conserves, researches, communicates and exhibits, for purposes of study, education, enjoyment, the tangible and intangible evidence of people and their environment” (Statistics Portugal, 2014). With the intention of shedding light on the hidden aspects of the accountability systems, the results that will emerge from the survey analysis will be used in the design of the protocol for conducting the interviews.

#### **4.5.2.1 QUESTIONNAIRE DESIGN**

The questionnaire was designed in order to make a characterisation of Portuguese public museums and to sound out the opinions and perceptions of those in charge. The questionnaire was drawn up to address mainly the first and the third research questions. The questionnaire included 53 close-ended and open-ended questions distributed across five sections (see Appendix A). The first section was designed to help the researcher to get a general overview of the organisation, such as location in the country; main collections; facilities available; views of respondents on objectives; and to assess the number of museums that charge entrance fees. The next section was prepared in order to get the views of respondents on the management of public museums. The section after that was included in order to acquire information concerning the management of museum collections. The fourth section, related to financial management, was intended to capture perceptions of respondents and collect information on issues such as accountability; implementation of NPM policies; adoption of performance indicators, financial and cost accounting, auditing and financial reporting in museums. The fifth section was designed to inquire about the importance of surveys of visitors and on the perceptions of respondents on the priorities of their museums.

The questions were intended to obtain the perceptions of the respondents across a range of issues and were composed of statements and organised on a Likert five point agree/disagree scale. In order to capture further details about the opinions of the respondents, some of the questions invited respondents to elaborate on their answers.

The questionnaire was distributed to all public museums in Portugal along with a cover letter (Appendix A). The cover letter detailed the objectives, the usefulness of the study, the potential benefits in the future for the museums and the sector and an explanation of the process of assuring confidentiality and anonymity.

#### **4.5.2.2 PILOTING THE QUESTIONNAIRE**

Before the questionnaires were sent to the museums, some procedures were followed to reduce potential ambiguities in some words and sentences. The literature recommends pre-testing a questionnaire to increase the clarity and assure the reliability and validity of questions (Oppenheim, 1992). However, detecting word or/and sentence problems seems insufficient and in recent years other aspects have been considered, as the meaning of what is being asked is also dependent on the use of paralanguages: information transmitted through numbers, symbols and graphics (Christian & Dillman 2004; Jenkins & Dillman, 1997; Redline & Dillman, 2002). The questionnaire for this research was elaborated on and improved with the support of the researcher's supervisors. Further, the questionnaire was carefully translated into the Portuguese language, attending to the recommendations of Usunier (1998). At this stage, the questionnaire was sent to two academics knowledgeable in both languages for the purpose of detecting and correcting potential mistranslations, ambiguities and to improve the clarity of words and sentences. In the next stage, the questionnaire was sent to staff members from two museums, to check on its coherence, comprehensibility and intelligibility. Based on their comments a couple of questions were changed in their structure and the terms used.

#### **4.5.2.3 QUESTIONNAIRE ADMINISTRATION**

The administration of questionnaires can be performed in two ways. Under the first, known as self-completion or a self-administered questionnaire, respondents are invited to answer questions by themselves. The alternative way is interviewer administration, under which the answering of the questionnaire is mediated by telephone or in the presence of someone, the surveyor or any other supervisory personnel (Bryman, 2008; Bourque &

Fielder, 2003; Saunders, Lewis & Thornhill, 2009). The self-completion of a questionnaire is the most popular way of collecting data from respondents (Bourque & Fielder, 2003). Despite a possibility of semi-supervised administration, in those situations where someone distributes questionnaires and provides assistance in case of need and collects the questionnaires after being filled out, the un-supervised administration, i.e., the absence of assistance to respondents, is very common. Nowadays, several examples of this last-mentioned form can be cited, such as postal questionnaires, email questionnaires, internet or intranet questionnaires. However, among the different forms, postal or mail questionnaires are the most common and prominent ones (Bourque and Fielder, 2003; Bryman, 2008).

For this research, a self and semi-supervised administration questionnaire was adopted. For any additional information or follow up concerning any doubts or relevant questions about the questionnaires, the telephone numbers of the researcher and the supervisor were made available. Further, the researcher with the assistance of a staff member from the School of Economics of the University of Minho organised the process of delivering the questionnaires to the public museums.

The sampling frame was based on a list of 623 Portuguese museums provided by the Observatory of Cultural Activities. The Observatory of Cultural Activities conducts a survey of “all self-denominated museums, operating on a permanent or seasonal basis, with at least one exhibition room or space and at least one person employed” (Statistics Portugal, 2014). To identify on the list all museums that are public institutions, an internet search was conducted. In situations where no website was found or no information about the governing entity was available, telephone contact was made. Museums governed by associations, cooperatives, foundations or societies under private management, and where public institutions own or operate a museum in collaboration with private institutions, were excluded. From a list of 623 museums, 386 were identified as institutions under public supervision, with the remaining 237 museums being classified as private. After all contacts had been established, 11 museums were excluded from the sampling frame because one central government museum, nine local government museums and one regional government museum had merged with other museums or had closed. Thus, the list was reduced to 612 museums of which 375 are governed as public institutions.

Portuguese public museums can be governed by several governing entities. Some of them are under the supervision of central government administration and others under local administration or regional administration. A total of 83 museums are led by central administration institutions under the supervision of several ministries. Of this set of institutions, 28 museums and five palaces are supervised by the IMC which is part of the Ministry of Culture. The remainder are run by entities in a range of ministries including the Ministry of Internal Administration; Ministry of Economy and Innovation; Ministry of Agriculture, Rural Development and Fisheries; Ministry of National Defence; Ministry of Health; Ministry of Education; and Ministry of Science, Technology and Higher Education. Local administration, such as municipalities and civil parishes supervise 273 public museums. Finally, 19 public museums are governed by regional administrations in the Atlantic islands, Azores and Madeira.

Preliminary contact was made with each of the 375 institutions in order to identify the person in charge (intended respondent to the questionnaire) and to inform them about the study's objectives. In some situations it was necessary to contact the governing entity because the person in charge was not working at the museum. In this informal conversation and when the respondents inquired about the deadline for completing the questionnaire, the researcher suggested filling it in as soon as possible and asked for the process not to take longer than four weeks. For future monitoring and administration, a database was created with the name of each museum, the person in charge and the contact number. In addition, a research assistant in charge of posting and receiving the questionnaires pre-coded a freepost envelope and added this information and the delivery date of each questionnaire to the database. These procedures were taken in order to maximise the response rate at a minimal cost, as the validity and reliability of the research strongly depended on it (Anseel, Lievens, Schollaert, & Choragwicka, 2010; Bryman, 2008; Edwards, Roberts, Clarke, DiGuseppi, Pratap, Wentz, & Kwan, 2002; Nachmias & Nachmias, 1996). Finally, the questionnaire, the cover letter and the freepost addressed envelope were delivered. One month after questionnaires had been sent out, a follow up call was made to the person in charge of each museum in order to ascertain whether the questionnaire had already been completed or not. Only a couple of museums requested the delivery of a new copy of the questionnaire and cover letter, without specifying the reasons for having lost the previous letter.

The final mail out included a cover letter providing instructions and explaining the purpose of the study, the questionnaire, and a pre-paid envelope. The mail was addressed to the person identified earlier as being responsible for the museum and was sent from the University of Minho in Portugal during the period October 15 to November 30 2009. Out of the 375 questionnaires sent, a total of 220 responses were received. A preliminary screening of the cases suggested the exclusion of eight questionnaires due to: incompleteness (three cases) and making excuses for not answering the questionnaire (five cases). Consequently, the survey produced 212 usable questionnaires. The usable response rate was 56.5 per cent (212 usable responses out of 375).

Data analysis entailed descriptive statistics such as frequencies and crosstabs. The SPSS statistical package was used for data analysis.

### **4.5.3 ARCHIVAL RESEARCH**

This study embraced a narrative and an interpretational approach (Previts, Parker & Cofman, 1990a; Previts Parker & Cofman, 1990b) through the use of historical evidence (Carnegie & Napier, 1996). As stated by Previts *et al.* (1990b: 144), the method to be used in historical research should be determined according to the issue being studied. The analysis of archives is important as they can illuminate relevant aspects of institutions, actions and behaviours of their agents and environment (Carnegie & Napier, 2012).

This study adopted a wide concept of archival research (Carnegie & Napier, 1996). Therefore, the analysis of archival data included historical documents available in museums' archives, the National Audit Office and the National Archives of Torre do Tombo in Lisbon. Examination of past legislation, newspapers and historical books, available in the National Library, was also undertaken.

### **4.5.4 INTERVIEWS**

The museums selected for the case-study interviews were chosen from those that responded to the questionnaire. Although the majority of public museums are managed by

local governments, it appears that many of them do not observe the Framework Law on Portuguese Museums on such fundamental aspects as having a payroll and an annual budget. In addition, there is some controversy around the classification of local government museums because municipalities sometimes fail to submit proposals for the opening of new museums to the Ministry of Culture, as is required by the Framework Law on Portuguese Museums. If and when this law is properly observed and enforced, some of the municipal places presently called museums may be re-classified as visitable collections. In addition, because the most important collections and the oldest museums are under central government supervision, the majority of interviews were performed with professionals from museums under the jurisdiction of the IMC. However, because not all public museums are managed by the IMC, other public museums were selected from the remainder of the questionnaire respondents. Furthermore, in order to gain a comprehensive representation of those museums governed by local governments, a municipal museum was also chosen. Given that the Portuguese Museums Network is the entity responsible for certifying museums, and it can be assumed that its members are observing the Framework Law on Portuguese Museums, all institutions appointed are members of the Portuguese Museums Network.

A total of nine museums were selected for conducting the interviews: seven were chosen among those managed by the IMC. Of the remainder, one was selected from those under central government control and the other one from the group of those controlled by local government authorities. Attention was paid to selecting the museums according to geographical area, size, and importance, and as far as possible according to their different areas of interest. The main reasons for selecting the museums in which to undertake interviews for the case study from the set of those museums under IMC control was due to: (1) the oldest and most significant museums are under IMC supervision; (2) the impacts of new policies prescribed by central government are likely to be most evident in these museums; and (3) the IMC museums are generally viewed as leading institutions and the practices they adopt tend, over time, to influence the museums ruled by local governments and regional governments.

In each museum, semi-structured interviews and informal interviews were performed with managers (directors), curators and the administrative public servants in charge of financial resources to establish the way collections, financial resources and staff are

managed. In relation to museums managed by a local government, it was not possible to interview anyone from the financial department. Indeed, the services are located in city hall and despite persistent demands for an interview with a leading staff member, nobody was available to participate in the study. The director/manager of each museum was asked to nominate a curator and an administrative employee to be interviewed. In total 26 interviews were conducted. In one museum, the curator requested to be interviewed with the person responsible for the educational services of the museum. Given the weight of influence that the national government has in administering the museum sector, the interviews were also conducted with representatives of governmental entities and with professional bodies in order to gain deeper insights into the issues. Hence, four additional interviews were conducted: two with representatives of professional organisations; one with one of three top managers of the IMC; and one with a person connected to the Portuguese Museums Network. Concerning the interview performed with a senior manager of the IMC, the participation of the person in charge of the financial department of the IMC was requested. In addition to these interviews, informal interviews were also conducted with the purpose of probing organisational contexts and notes were taken from the observations made during the periods spent in the museums.

The interviews were conducted over a period of two months (November and December 2010) and, on average, each lasted for about one hour (from a minimum of 16 minutes to 122 minutes). All interviews were audio-recorded with the permission of participants. The interviews were undertaken in the respective museums, with one exception, which was conducted outside the organisation. Given the potential sensitivity of the issues under discussion, and in order to encourage forthright and comprehensive comments, all interviewees were informed that their statements would remain anonymous and confidential. Table 4.1 summarizes the information regarding the interviews.

**Table 4.1: List of Interviewees**

<b>Date 2010</b>	<b>Length (m)</b>	<b>Museum tutelage</b>	<b>Interviewee<sup>1</sup></b>	<b>Position</b>
08 Nov.	87m	Central Government	Interviewee D1	Director
11 Nov.	95m	Central Government	Interviewee D2	Director
12 Nov.	90m	Local Government	Interviewee D3	Director
16 Nov.	95m	Central Government	Interviewee D4	Director
17 Nov.	70m	Central Government	Interviewee D5	Director
18 Nov.	110m	Central Government	Interviewee D6	Director
23 Nov.	65m	Central Government	Interviewee D7	Director
30 Nov.	70m	Central Government	Interviewee D8	Director
07 Dec.	40m	Other Central Government	Interviewee D9	Director
08 Nov.	52m	Central Government	Interviewee C1	Conservator
11 Nov.	45m	Central Government	Interviewee C2	Conservator
12 Nov.	74m	Local Government	Interviewee C3	Conservator
16 Nov.	35m	Central Government	Interviewee C4	Conservator
17 Nov.	53m	Central Government	Interviewee C5	Conservator
09 Dec.	52m	Central Government	Interviewee C6	Conservator
12 Dec.	77m	Central Government	Interviewee C7a/C7b <sup>2</sup>	Conservator/Educational services representative
30 Nov.	74m	Central Government	Interviewee C8	Conservator
07 Dec.	82m	Other Central Government	Interviewee C9	Conservator
08 Nov.	45m	Central Government	Interviewee A1	Administrative
11 Nov.	46m	Central Government	Interviewee A2	Administrative
16 Nov.	38m	Central Government	Interviewee A4	Administrative
19 Nov.	22m	Central Government	Interviewee A5	Administrative
18 Nov.	16m	Central Government	Interviewee A6	Administrative
23 Nov.	27m	Central Government	Interviewee A7	Administrative
30 Nov.	64m	Central Government	Interviewee A8	Administrative
14 Dec.	30m	Other Central Government	Interviewee A9	Administrative
21 Dec.	122m	Portuguese Association of Museology	Interviewee R1	Representative
14 Dec.	55m	ICOM Portugal	Interviewee R2	Representative
24 Nov.	63m	IMC	Interviewee R3a/R3b <sup>2</sup>	Representative/Financial staff
24 Nov.	80m	PMN	Interviewee R4	Representative
Total	31.233m (31h)	30 interviews	32 interviewees	

<sup>1</sup> The letter attributed to each interviewee identifies their position and the number identifies the museum. Therefore, interviewees D1, C1 and A1 are all from the same organisation.

<sup>2</sup> During the interview, two people were interviewed.

#### 4.5.4.1 INTERVIEW PROTOCOL

Interviews are used as a means to verify how interviewees' actions are indeed moulded by organisational structure, culture or by-laws, or if there is a "practical drift". To reduce potential bias, a semi-structured interview guide was produced in order to provide an understanding of how day-to-day procedures are developed and applied (Appendix B). The questions emerged from the literature review, the analysis of questionnaires and the archival research. The interview guide addressed the following five areas of inquiry:

1. *The structural problems of the museum and how they may be solved* – this section relates to structural problems and is intended to identify anything that can be considered as hindrances to the achievement of the museums' objectives.
2. *The expertise of the museum's staff, including information on their profile, background and experience* – this section refers to the expertise of museum staff and is aimed at obtaining information on their profile, background and experience.
3. *Details about the influence and use of legislation in the management of the museum and contribution to achieving the museum's objectives* – this section is concerned with the importance of legislation in the development of museums' activities and how it contributes to the achievement of museums' objectives, or whether it is viewed as a hindrance to their achievement.
4. *Details about the influence of the history and culture of Portuguese public administration on the way the museum is managed and staff behaviour* – this section examines the importance of the culture of Portuguese public administration in the way museums are managed and how their staff behave.
5. *Details about how financial information is prepared and utilised in decision making processes* – this section deals with accounting and accountability and requests information related to the preparation of financial information and its use in the process of making decisions.

#### **4.5.4.2 INTERVIEW ANALYSIS AND ETHICAL ISSUES**

Analysis of the interviews was undertaken using a general analytical procedure in order to code, categorise and identify patterns (Jinkerson, Cummings, Neisendorf & Schwandt, 1992; Miles & Huberman, 1994). The sections in the interview guide directed the analysis. NVivo software was used for data analysis.

All interviews were conducted in Portuguese and were transcribed and translated into English for analysis. In order to reduce potential bias associated with the classification and interpretation of data, two steps were strictly followed after the transcription of each

interview. The first step relates to the codification of data. A hierarchical coding scheme was used which is comprised of thematic categories derived both from an accurate reading of all the interviews, in order to establish similar patterns and concepts, and also from the literature review. The second step refers to the interpretation of data which used a qualitative approach.

As interviews involved contact in the field with human subjects, of which attitudes, opinions and beliefs were at the centre of the analysis, ethical issues had to be dealt with (King & Horrocks, 2010; Silverman, 2013). Therefore, the process of data collection in this study for both the questionnaires and interviews was subject to the approval of the Ethics Committee of Federation University Australia (Appendix C). After ethics approval had been received, the questionnaire was prepared and interviews were conducted in accordance with the rules of the University, in order to ensure the confidentiality and anonymity of all participants. Rules and procedures governing the use of particular archives were also strictly complied with.

## **4.6 SUMMARY**

Museums are social constructions and important complex organisations that have an impact on society. Their systems of accountability are important instruments for guaranteeing that their resources, including financial ones, are managed with the purpose of assuring the integrity and safety of their collections and for generating benefits for their communities and future generations. To identify the systems of accountability that presently apply to museums and how they have been evolving through the years, it is fundamental to understand the myths, symbols, routines and systems of logic that are institutionalised in these cultural and aesthetic organisations and what role they play in our lives. There is no single perspective from which to analyse the possible factors that can provide an explanation of what has happened in Portuguese museums and, accordingly, provide a fuller understanding of the factors influencing their systems of accountability. However, new institutional theory, adorned with the concepts of path dependency, practical drift and governmentality, emerges as the most natural and suitable framework for examining historical determinants, and identifying pitfalls and potential solutions.

This study aims to apply the call to study accounting in the contexts where it operates (Hopwood, 1987) to accountability in the public sector, by applying an interpretative approach to assist the researcher to describe and narrate the different contexts and realities captured. In order to obtain a real picture and answer the research questions, a case study was conducted combining questionnaires, interviews and archival data sources.

Having discussed the theoretical position and the methodological approach adopted for carrying out the present research, the next chapter, in accordance with the literature review, provides an analysis of the Portuguese museum sector, positioning it within the public sector and in relation to the NPM philosophies.

## 5 THE PORTUGUESE PUBLIC MUSEUM SECTOR

In a broader setting, neither have our social institutions just suddenly appeared but instead are the product of a chronologically and, therefore, lineally arranged sequence of interactions, both natural and human, some of which are captured in written histories as historical events.

(Funnell, 1998:146)

### 5.1 INTRODUCTION

To understand the importance of both accounting and accountability in the public sector it is crucial to analyse their origins and evolution over time. According to Hopwood, the origins of accounting – and by implication the systems of accountability it enables – “are seen to reside in the exercising of social power both within and without the organisation” (1987: 213). However, in the contemporary setting it seems that little regard is given to how current practices developed over time and how the past thereby continues to exert influence on decision making processes today. What is more, past events and history are not just ignored but also forgotten (Pollitt, 2000, 2008), in part as a result of a path followed by social science, policy-making and planning which is submissive to a “model of scientism and technical manipulation” (Hobsbawm, 2008: 36).

Despite the increasing importance of accounting and accountability in the managerialisation of the public sector, little is known about the historical development of accounting and accountability practices within that sector in Portugal. In a similar vein, little or no archival research has been undertaken concerning Portuguese public museums and transformations in their management systems over time, particularly following the general adoption within the Portuguese public sector of NPM philosophies.

In order to gain a better understanding of how discourses of accountability have been produced and how they have functioned over time, this chapter adopts a genealogical perspective in Foucault’s sense (2002a). In particular it addresses research question number 2: What are the historical determinants of the systems of accountability and what has been the role of New Public Management?

The next section of the chapter presents a historical overview of accounting and accountability in the public sector since the introduction of double entry bookkeeping in Portugal up until today. This is followed by a brief description of the adoption of NPM in Portugal and an examination of the financial reform of public administration that was carried out during the 1990s, including the adoption of a Chart of Accounts for Public Accounting and other sub-sectors.

The penultimate section focuses on the historical evolution of these institutions in Portugal and their systems of accountability since the first museum was created with public funds in Lisbon in 1765. The most recent developments concerning the management of Portuguese public museums are also summarised. The final section summarises the chapter's key findings and identifies their implications for the study as a whole.

## **5.2 THE EVOLUTION OF ACCOUNTABILITY IN THE PORTUGUESE GOVERNMENT**

Portugal is generally depicted as one of the oldest nations in Europe (Chilcote, 1967; Cusack, 2005; Menezes *et al.* 2009). This seems to be an important explanation for Portugal's leading role during the early European maritime discoveries. During this time Lisbon was a commercial entrepot from where oriental and African spices were distributed to other southern European countries and northwest Europe (Boxer, 1969). However, this advantageous position did not last for very long. After reaching its apex in the first decades of the sixteenth century, rivalry from France (1524) and especially from Holland (1595-1596) and England (1600-1611) caused Portugal to lose its importance as the "nerve centre" (Boxer, 1969: 52) of the new world.

In what pertains to accounting and accountability there were almost no formal rules beyond very simple precepts until the reign of King Manuel I (1469-1521), who oversaw the collation of the few regulations that did exist. It was during this period that the Regulation of Treasury Inspectors came into force (17 October 1516), which defined among other things the duties of each public servant in charge of collecting and inspecting the collection of taxes; the books for registering all tax collected and the periods in the year for giving an account to the Crown. Until the reform period initiated by Sebastião José de

Carvalho e Melo (1699-1782), the Chief Minister (1756-1777) of King José I (1750-1777), better known as the Marquis of Pombal,<sup>6</sup> tax collection was often overdue and the reporting process was also very slow (Monteiro, 1921).

Given the important reforms in accounting and public administration which were undertaken during the “Pombalism period” (Gomes, 2007), the present study will adopt the Lisbon earthquake of 1755 as the time from which to commence the historical overview. The structure adopted is informed by Rodrigues *et al.* (2003) and Birmingham (1993).

### **5.2.1 CORPORATIST ABSOLUTE MONARCHY (1755-1820)**

The first signs of reform and organisation of the state occurred during the reign of King João V (1706-1750). In 1736 the King passed a law organising the existing secretaries into secretaries of state, later to be called ministries. These comprised Internal Affairs, Navy and Ultramarine Domains, and Foreign Affairs and War. Under the King’s jurisdiction the political structures were also provided with highly ranked employees, such as diplomats and magistrates, and – as will be discussed later – the first law was passed protecting artefacts and other heritage assets. However, effective changes were minimal and the Aristotelian vision of society still prevailed. When King José I was nominated as the new King the country was still facing many financial difficulties with a decentralised governance system and diverse administrative models (Gomes, 2007) in use throughout the empire. In some cases these were replicas of the one in the political hub of Lisbon, where corruption and fraud were widespread (Miranda, 2009).

To better understand this new period and the reforms that were implemented, it is necessary to analyse the impact of the 1755 earthquake in Lisbon and the person of Pombal, who was first appointed by the new King in 1750 to lead the Ministry of Foreign Affairs and War, and then promoted to Chief Minister after the earthquake.

The earthquake that shook Lisbon in the morning of November 1, 1755 was followed by a tsunami and many public buildings were destroyed, leaving just one-third of the city habitable (Pereira, 2009). In just ten minutes, the catastrophe turned all the support pillars

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<sup>6</sup> Sebastião de Carvalho e Melo was granted the title of Marquis of Pombal in 1769. Thus, hereafter he will be referred as “Pombal”.

of the economic, judicial and bureaucratic systems of the Portuguese empire to dust. Such a tragedy had never been seen before in the country's history and caused the King and his ministers great consternation and disorientation. However, what others had seen as a punishment from God, Pombal saw as a natural disaster and an opportunity to show his political leadership and put into practice the knowledge he had acquired during his diplomatic career.

Among the numerous measures, Pombal ensured that the monopoly trading companies established to take charge of commerce in Portugal and its colonies followed the regulations under which they had been founded. He also created a Board of Trade (1756); abolished slavery in the country (1761); founded the College of Nobles for imparting to the children of distinguished families the required skills for performing government or military roles (1761); reformed the army; and ended the differentiation between "New Christians" and "Old Christians" (1773). Other measures which had had a major impact on public administration and the state apparatus were the creation of the School of Commerce (1759); the foundation of the General Intendancy of the Court and the Reign (1760); the institution of the Royal Treasury (1761); and the Reform of the University of Coimbra (1772).

The School of Commerce, which was teaching double entry bookkeeping (among other subjects), seems to have been the first school of commerce that was both patronised by the State and also under its jurisdiction (Gomes, 2007; Gomes, Carnegie & Rodrigues, 2008; Rodrigues *et al.*, 2003, 2004; Rodrigues & Craig, 2004; Rodrigues *et al.*, 2007). The creation of this School represented a milestone for national trading because it contributed to increasing the knowledge of national businessmen and to the competitiveness of national trade and commerce promoted by "both the public and the private sectors" (Rodrigues *et al.*, 2004: 57). In addition, the Letter of Law of 30 August 1770, imposed a condition that only graduates from the School of Commerce could be nominated for public positions, such as ships' clerks, bookkeepers, cashiers and army clerks (Rodrigues & Craig, 2009). These measures not only contributed to improving the quality of services provided by public and private institutions but also created a new culture and new forms of accountability.

The creation from scratch of the Royal Treasury, after the destruction of the Customs House during the Lisbon earthquake, represented another important decision taken by Pombal. The system represented by the Customs House was seen as ineffective in

collecting taxes and other levies and incapable of putting an end to the corruption plaguing the Portuguese Empire (Gomes, 2007). Coincidentally, the earthquake paved the way for reforming the Royal finances and implementing new procedures and methods, such as double entry bookkeeping, in a new edifice with new public servants recruited from the School of Commerce as was required by the Letter of Law from 22 December 1761.

When Pombal took office, education in Portugal was controlled by the Jesuit Order. While the Enlightenment had already influenced all the other European courts, in Portugal its adoption was prohibited (Gomes, 2007; Maxwell, 1995). The educational system maintained a backward view and was unable to keep pace with the evolution that had happened in science and education around Europe. After expelling the Jesuits, Pombal placed education under state jurisdiction and among other measures reformed the University of Coimbra (1772) and created a colleges of mathematics and of natural philosophy. It was under these new institutions that Pombal founded a museum of natural history and a botanical garden. A few years previously, in 1765, the King had created a museum of national history and a botanical garden for the education of the princes, near the Palace of Ajuda (Brigola, 2003).

These reforms cannot be seen as isolated because they were part of the state apparatus, and were used to protect the “interests of the ruling class” (Althusser, 1971: 137). Indeed, like other enlightenment rulers, Pombal was profoundly influenced by the Enlightenment and mercantilism: he sought to centralise power, develop national industry, accumulate gold and silver and prevent their outflow, and extinguish all feudal privileges. However, lacking money to fully implement these measures, or due to time delays in exchanging information between the centre of the Portuguese empire and the colonies or even due to decoupling, as was found by Gomes (2007) in the implementation of double entry bookkeeping in the Royal Treasury, there was a significant gap between the aspirations of the regime and the way it operated (Miller, 1990: 322).

### **5.2.2 LIBERAL MONARCHY (1820-1890)**

On February 24, 1777, King José I died and his daughter Queen Maria I then became the first Queen-Regnant of Portugal. Just days later, Pombal and the majority of his friends

and collaborators were dismissed. With a new administration, the church once more regained power and those families which had been persecuted under Pombal recovered some of their influence. However, the policies adopted by the Queen and her cabinet were those developed by Pombal, even including maintaining employment of the majority of the new bureaucrats (Livermore, 1976; Marques, 1991a). In 1792 the Queen was declared insane and her son João took over the government in her name until her death in 1816.

This period is marked by the Napoleonic invasions in 1807 which forced the court to flee to Brazil and transfer the capital, government and all administration to Rio de Janeiro. In 1820, influenced by English and French ideals, a revolution spread throughout the country and required the return of the King João VI from Brazil. In 1821, when King João VI returned to Portugal and swore fidelity to the constitution, the country was still deprived of its resources and faced many economic and financial difficulties (Livermore, 1976). After elections for the national assembly a liberal constitution was approved. This emphasised the separation of powers and respect for individual rights (Homem, Silva & Alonso, 2010). However, the opening of Brazilian ports to all nations (1808), the treaty with England in 1810 and the independence of Brazil in 1822 ruined the basis of the Portuguese economy (Marques, 1991a). Economic problems plunged the country into permanent political instability, which culminated in a civil war (1832-1833) between Absolutists and Liberals. With the victory of the Liberals emerged a new regime and the foundation of the Portuguese modern state was laid.

As in the eighteenth century, when Pombal had emerged as a central figure of the regime and the one responsible for a set of reforms that propelled the development of the country, Mouzinho da Silveira (1780-1849) as Chancellor of the Exchequer was responsible for the breaking with the Ancient Regime and also for some of the most important measures necessary to introduce fiscal reform. His importance was so great in the creation of the modern Portuguese state that he is called “the Moses of Portuguese Liberalism” (Santos, 2010). In addition, and in line with liberal thought, monopolies were prohibited, excise taxes and duties were reduced and the first Commercial Code was enacted (1832). However, contrary to liberal thinking at the time, the Code did not deregulate bookkeeping activity (Rodrigues *et al.*, 2003). Rather, regulations were strengthened and this included the imposition of a system of registration for all those responsible for preparing the accounting books of merchants.

Although double entry bookkeeping had been adopted by the central government since the foundation of the Royal Treasury, it seems the law was not always followed (Pinheiro, 1989). Yet during the civil war and influenced by the report of Mouzinho da Silveira, King Pedro IV (March 1816 - May 1822) eliminated the Royal Treasury and replaced it with the National Public Treasury (Report and Decree 22 of 16 May 1832). According to the report, which referred to the “old and monstrous Treasury”, the main reasons for the change were the secrecy of information and the incapacity to collect money properly, or to collect it on time.

After the independence of Brazil, the Portuguese Empire became impoverished. After the civil war, the government decided to nationalise Crown patrimony, and to rule out interference, all religious orders were eliminated and their property confiscated and sold at public auctions. However, these measures did not solve the persistent budget deficits (Marques, 1991a) and although there was no well-organised fiscal machine (Fernandes, 2005), raising taxes was the only solution for solving the scarcity of financial resources, which was the seed for political turmoil and popular revolts (Cardoso & Lains, 2010).

Given the importance of taxes, governmental accounting became a keystone in the state apparatus. After the war it was important again to bring discipline to the national finances. On 2 December 1835, a Decree was passed setting up principles for the State Budget and rules for public spending and collecting revenues. On 26 August 1848, a Law of revenues and expenses was enacted stating the budget principles to be followed on an annual basis, such as forbidding the addition to the State Budget of any expense that was not authorised or the possibility of taking action against ministers who incurred expenditures beyond those that had previously been authorised. In 1850, another two decrees were enacted concerning the regulation of the National Audit Office and the rule of the Public Treasury Administration (Decrees of 28 January and of 27 February).

Under the influence of Mouzinho da Silveira, budgetary legislation had been progressively improved. However, those advances were isolated and not interconnected over time. In addition, public institutions were not following double entry bookkeeping in the same manner as during the “Pombaline period”, which can be attributed to the fact that it was considered a very complex method. This view was supported by the government in a report submitted to the King in 1859 (Report in the Decree of 19 August 1859). Thus, Decree No. 2 of 19 August 1859, created an accounting section in each ministry that was

under the supervision of the General Directorate of Public Accounting of the Ministry of Finance.

In 1863, another report to the King resulted in the issue of the first rule of public accounting (Decree of 12 December 1863). In the report, public sector accounting was characterised as a “social necessity” for discharging accountability. In this Decree accounting was divided into three important branches: legislative, administrative and judicial accounting. Legislative accounting embraced, among other issues, the laws concerning the approval of taxes and the authorisation of public expenditures, as well as the analysis and inspection of their execution. Administrative accounting was concerned with the process of registration of taxes collected and of the spending of the State income. Finally, judicial accounting referred to all activity related to the National Audit Office. All work developed was intended to provide order and clarity for “the Directorate of Public Accounting to be able to organise the general registration of the State through a clear, methodical and regular system” (Article 198). However, the Decree did not prescribe any method or system of accounting. All books for registration of expenses and revenues were defined in the law with models to be adopted following a single entry bookkeeping method. Administrative accounting was very descriptive about the process of registration, the competencies and responsibilities of cashiers and of all accounting offices located in each ministry, and their duties to the General Directorate of Accounting of the Ministry of Finance. This legislation represented an important step in financial law because at that time only Italy (1730), France (1838/1862) and Belgium (1846) had already codified their “dispersed, fragmented and contradictory” legislation (Monteiro, 1921: 284). Later, in 1870, the accounting legislation was again modified and divided into two main rules: the rule concerning the administration of the public treasury and the rule related to public accounting (Decree of 4 January 1870). All these improvements were intended to reform public services and improve their economy and efficiency. Despite the introduction of legislation in 1870, which stated that its purpose was to “introduce new and practical methods for bookkeeping”, there was no reference to the method to be used for registering revenues or expenses in the rules concerning public accounting. However, the rule concerning the administration of the public treasury posited that single entry bookkeeping was the accounting method to be used by treasury offices (Article 140).

Contrary to what was prescribed in those two pieces of legislation, a new law and a new rule of public accounting was passed in 1881 (Decree 31 August). These new sources of legislation centralised all public accounting in the Directorate of Public Accounting. In addition, a permanent committee of accounting was created which was responsible for reconciling the relationships between the diverse accounting departments and the National Audit Office in order to simplify control over public income. Further, there was the imposition of double entry bookkeeping as the method for accounting bookkeeping and the use of a *Razão* [Ledger] and of a *Diário* [Journal] in accounting departments of all ministries. Furthermore, any person wanting to be admitted to any accounting department had first to submit to a public exam on accounting and on double entry bookkeeping. However, only graduates in commercial studies from industrial schools in Lisbon or Porto, students who had finished the entire course of central lyceums, and students approved in disciplines of mathematics from the University of Coimbra or from the Polytechnic School or Polytechnic Academy of Porto, were allowed to submit their candidature.

### **5.2.3 WANING LIBERALISM AND RISING CORPORATISM (1890-1926)**

The last 20 years of the monarchy did not see many changes in the public sector and in governmental accounting. Politically, this period was quite disturbed due to a series of external and internal factors. The monarchy went into a process of decay which led to the assassination of the King and his heir Luis Filipe (1887-1908) in Lisbon in 1908. The monarchy collapsed with the exile of King Manuel I and with the establishment of a Republic on 5 October 1910 (Wheeler, 1978).

The period between October 1910 and May 1926 was marked by constant political instability. The country had forty-five governments and eight Presidents, of which only one finished his term (Wheeler, 1981). Except between 1912 and 1914 – when the government did manage to control public finances – the country was in a permanent state of financial crisis and the state apparatus was controlled by public servants connected to the Democratic Party.

With regard to accounting, during the reign of the monarchy a 1907 Decree on the Foundations for the Reform of Public Accounting was published and which was intended

to complement the rule enacted in 1881 (Decree of 20 March 1907). In order to increase the levels of accountability, the 1907 Decree mandated the disclosure of the administration accounts four months after the end of the economic year and imposed sanctions including suspension of work and wages for those responsible for any non-disclosure or its delay, as well as dismissal of anyone committing inappropriate behaviour. In addition, a Parliamentary Committee on Public Accounts was created which was responsible for ensuring that all laws had been observed.

During the first Republic there were no changes in governmental accounting. The only alterations that occurred concerned the disclosure of governmental financial information. On 13 October 1910 the provisional government re-enacted the Administrative Code of 1878 (Decree of 13 October 1910). Later, in April 1911, the National Audit Office was close down because its activity was considered useless and it was replaced by the High Council of State Financial Administration (Decree of 11 April 1911). Contrary to what was done by the National Audit Office, the new committee was responsible for increasing accountability of those in charge of public funds.

On 8 May 1919, Decree n° 5519 was enacted simplifying the process of disclosing information. For that, the term of writing-off state debts was reduced from five years to two years. In addition, and given the persistent delay in presenting the Administration Accounts of the previous years, this duty was ruled out and the process of accountability simply imposed the obligation of presenting the State of Accounts, the term of which moved from October to January of the following year.

#### **5.2.4 CORPORATIST DICTATORSHIP (1926-1974)**

The military coup d'état which occurred in 1926 sought to overthrow the First Republic which had drowned the country in a sea of political corruption, bankruptcy and economic stagnation (Baklanoff, 1992). However, the new government was unable to balance the budget and bring order to the public finances (Marques, 1991b), leading to more attempted coups d'état and more uprisings. In 1928 the Ministry of Finance was entrusted to António de Oliveira Salazar (1889-1970) on the condition that no one could make any expenditure without his sanction. By the end of 1932 Salazar was invited by President

General António Óscar Fragoso Carmona (1869-1951) to be Prime Minister, starting an authoritarian regime known as *Estado Novo* [New State] (1932-1974) which established an administrative apparatus that was used for controlling citizens.

In 1928, immediately after Salazar joined the government as Minister of Finance, budget reform was promoted in order to put governmental accounting on track. Under this reform, public accounts were presented as performing a strategic role in the national economy and being a central instrument in the process of accountability.

All financial issues concerning any aspect of the Portuguese public service were centralised by the Ministry of Finance and the General Budget became “the main centre of the governmental accounting” (Jorge, 2003: 247). In the following year another decree was issued in order to improve the clarity, method and control of the expenses in the budget. Consequently, Decree 16670 enacted in 1929 was intended to promote “the way of parsimonious spending of public funds” and give assurance that such funds were expended efficiently.

To complement the reform initiated in 1928, another decree was enacted in 1930 (Decree 18381) to supersede the rule of 1881, the Law of 20 March 1907 and Decree 5519 issued in 1919. This new legislation intended to improve comparability between the General Budget of the State and the State General Account and to increase the usefulness of financial information.

The financial reform developed by Salazar took many years to give a new shape to Portuguese public accounting. The delay or even the absence of financial information disclosure was due to it being prepared too late but also because of the lack of a common set of principles for use by all Ministries. In addition, the accounts of the state were neither being examined by the National Audit Office nor were they discussed and approved by the Parliament. Contrary to what was prescribed by the Letter of Law of 30 August 1770 and other ulterior legislation, it seems that a knowledgeable background in accounting was no longer a legal condition for working in public accounting.

In order to improve the process of accountability, Decree 27223 was approved, prescribing new statements for the State General Account and rules for treasury operations. Later, in 1944, in an attempt to standardise the recording of public expenses in all public services, another regulation (Decree 34332) was issued enforcing the adoption of a set of

books in accordance with the models specified in the decree. In order to improve efficiency in the public sector, the government enacted in 1951 what seems to be the first piece of legislation on the efficiency of public services (Decree 38503). The regulation imposed the adoption of several precepts concerning organisations and techniques for reducing costs and for the improvement of public services. Finally, in 1971 a new rule was issued dividing all budget revenues and expenses into current and capital (Decree 305/71).

During this period two trends concerning accountability can be distinguished. On one hand, there was a movement to the centralisation of finances by the Ministry of Finance in order to obtain the desired balanced budget, which was considered a fundamental justification for the dictatorship regime and which had never been obtained before for an extended length of time. On the other hand, there was another movement towards uniformity of financial information. To achieve its goals, the state apparatus could rely on a bureaucratic apparatus, supported by a set of powerful Directors-General and Directors of Administrative Services (Graham, 1983), which played an important role in implementing a system of administrative accounting, based on the State General Budget, with all procedures and details specified by law.

### **5.2.5 THE WELFARE STATE AND NEO-LIBERALISM (1974 TO PRESENT)**

This period can be broadly divided into two periods. The first one begins with the Carnation Revolution in 1974 and extends until the admission of Portugal to the European Economic Community (now known as the European Union) in 1986. The second period extends from admission to the European Economic Community until today.

The overthrow of the *Estado Novo* [New State] dictatorship on 24 April 1974 plunged the country into political turmoil, marked by coups d'état and attempted coups d'état, and was worsened by the international oil crises of 1973 and 1979 (Amaral, 2010; Mateus, 2006). The first priorities of the governments during this decade were to dismantle everything that could be connected directly with the dictatorship and its forms of oppression. The creation of a system of social welfare increased the number of public services provided by the state and the number of public servants. The state became the principal employer and in five years the number of public employees increased from about 200,000 to 400,000

(Franco, 1995). Public spending increased from 23% of GDP in 1973/1974 to 35% in 1976/1977. The strict policies imposed on public finances and the detailed control exerted by the Ministry of Finance were abandoned and the rules of public accounting became more flexible.

After the Revolution, only a few changes occurred in the bureaucratic edifice of the New State (Rocha & Araujo, 2007). However, these alterations were fundamental in terms of changes which occurred during the 1990s. One of these changes related to the new Constitution of the Portuguese Republic passed in 1976. According to the new Constitution, Parliament is responsible for approving the State General Budget and, along with the National Audit Office, is also in control of the execution of the annual budget. Due the diversity of new services provided by the state and in order to increase transparency and accountability, in 1976 the government enacted a new classification of revenues and expenses (Law-decree 737/76). In 1978 the government also simplified the system of payment of expenses for previous years (Law-decree 265/78). During the 1980s, the legislation published did not produce significant changes to the accounting reforms promoted during the dictatorship.

In 1986 Portugal became a member of the European Economic Community which represented a remarkable opportunity for developing the country (Medeiros, 2014). However, it was a time of pressure from European institutions over how the government modernised public administration. Thus, the government established the priorities of fighting against waste and the need for a permanent improvement of information systems underlying the allocation of public funds. In response to the persistent outcry for increasing the accountability of politicians and other public office holders, a law was enacted during this year describing particular crimes and the sanctions which could be imposed (Law 34/87 of 16 July 1987). With the intention of increasing the efficiency of financial and administrative control and the cost-benefit of public spending, the government approved a new classification of public expenses (Law-decree 112/88 of 2 April 1988) and later passed a new classification of revenues (Law-decree 450/88 of 12 December 1988).

The 1990s represented the turning point in the Portuguese public sector. During this period a slow process of denationalisation which aimed to reduce the presence of the state in the economy was initiated; new legislation was passed for reforming the public sector

and orienting the accounting system towards NPM. The main laws and regulations are summarised in Table 5.1.

**Table 5.1: Legal framework of the Portuguese administrative public sector**

<b>Legislation</b>	<b>Description</b>
Law 8/90	Foundations of Public Accounting.
Law-decree 155/92	New Government Financial Management System.
Law-decree 232/97	Chart of Accounts for Public Accounting.
Law-decree 68/98	Organic Law of the Accounting Standards Board for Public Administration.
Law-decree 42/98	Local Finance Law.
Ministerial order 116/99	Ministerial order of the Minister of Finance – Guideline No. 1/98 of Accounting Standards Board for Public Administration.
Law-decree 54-A/99	Chart of Accounts for Local Government.
Ministerial order 671/2000	Ministerial order of the Minister of Finance – Cadastre and inventory of State property.
Government order 794/2000	Chart of Accounts for the Education Sector.
Government order 898/2000	Chart of Accounts for the Ministry of Health.
Notice 7466/2001	Ministerial order of the Minister of Finance – Guideline No. 1/98 from the Accounting Standards Board for Public Administration.
Notice 7467/2001	Interpretative regulation No. 2 from the Accounting Standards Board for Public Administration.
Resolution No. 4/2001	Guideline No. 1 from the National Audit Office concerning the organisation and documenting of local government accounts and similar entities submitted to the Chart of Accounts for Local Government.
Ministerial order 42/2001	Ministerial order of the Minister of Finance – Guideline No. 2/98 concerning the rules for the inventory of assets managed and controlled by entities compelled to apply the Chart of Accounts for Public Accounting.
Law 91/2001	Budgetary Framework Law.
Law-decree 26/2002	New juridical regime of codes of economic classification of public revenues and expenses as well as the framework for departmental classification applied to central administration bodies.
Law-decree 12/2002	Chart of Accounts for Welfare Institutions and Social Security.
Resolution 1/2004	Guideline No. 1 from the National Audit Office concerning the organisation and record of accounts of entities submitted to the CAPA and other charts of accounts of sub-sectors of the Administrative Public Sector.
Budget Circular (Serial A) 1314	Directorate General of the Budget – Accounting bookkeeping of VAT as an off-budget operation.
Law 53-E/2006	General Regime of local government fees.
Law 53-F/2006	Juridical regime of local government owned companies.
Law 2/2007	Local Government Financial Law.
Ministerial order 474/2010	Guideline No. 1 concerning the consolidation of accounts in the sphere of the Administrative Public Sector.
Law 8/2012	Commitments control law.
Law 73/2013	Local Government Financial Law.

Among all these pieces of legislation, the Budgetary Framework Law (Law 91/2001) is the one that has been amended the most, the eighth amendment being published on 10 July 2014. However, it is important to emphasise that the law has been improved over the years in order to increase the convergence between accounting for specific government entities and Portugal's overall national accounts. The various amendments that have been made in the Law over more than a decade have also contributed to improvements in financial accountability in the public sector as new budgetary principles and rules have been adopted. While all budgetary principles and rules are important, the principle of intergenerational fairness and the principle of sustainability seem to be particularly important. The first requires that preparation of the State budget should observe the distribution of benefits and costs among generations. The latter, closely connected to the late payments Directive and to the commitments control law to avoid the accumulation of domestic arrears, considers that each entity should have the capacity to finance all existing and future commitments (see also Law 8/2012 of 21 February 2012). In doing so, it is believed that public entities will be contributing towards a structural budget balance while limiting public debt.

After this general overview, the adoption of NPM in Portugal will be analysed in the next section.

### **5.3 THE ADOPTION OF NPM IN PORTUGAL**

Although discussions on management, rationalisation and efficiency of resources in the public sector took place before the 1970s (Chow, Humphrey & Miller, 2005; Dunsire & Hood, 1989; Gray & Jenkins, 1995; Hood, 2001; Humphrey, Miller & Smith, 1998; Rose & Miller, 1992), it was during the first term of Margaret Thatcher's Conservative government in the United Kingdom (1979-1983) and of Ronald Reagan's presidency in the USA (1981-1985) that a manifesto was implemented to reduce the size of the public sector. At the same time that this search for reshaping the public sector was being undertaken, Portugal was trying to recover from a revolution – which profoundly increased the size and shape of the public sector due to the ubiquitous presence of the State. After being admitted as a member of the European Economic Community, various Portuguese governments have

re-privatised some sectors and have reorganised the provision of public services in such a way that they have turned the public sector into something elusive and have blurred the boundaries between the public and the private sectors (Flynn, 2007).

Next, an overview of the Portuguese Public Sector will be presented, in particular what concerns to the Administrative Public Sector and State-owned enterprises, followed by a description of the reform of government accounting.

### **5.3.1 OVERVIEW OF THE PORTUGUESE PUBLIC SECTOR**

Variations are evident in depictions of the way the Portuguese public sector is organised. Pereira *et al.* (2009: 359) adopts a broad concept and defines the public sector as “comprising all entities under control of political power”, i.e. incorporating the administrative public sector and State-owned enterprises. Moreno (2000) adds to these the sector of public associations and foundations and other entities of private law. Overall, the public sector is described by relevant authors as being divided into two main blocks, the administrative public sector and State-owned enterprises.

#### **5.3.1.1 THE ADMINISTRATIVE PUBLIC SECTOR**

The Administrative Public Sector comprises all collective entities under public law, the main goal of which is to provide free or subsidised services to the community and redistribute income (Carvalho, Pina Martinez & Torres Prada, 1999). These entities are non-commercial and financed from taxation revenue. In those situations in which services are subsidised, citizens pay a certain amount. However, in such cases, the prices paid are far from being the real cost of the service provided and nor do the fees charged represent the primary source of revenue of these institutions (Pereira *et al.*, 2009). As is presented in Figure 5.1, Public Administration includes Central Government, Local Government, Regional Government and Social Security. The latter is included here given the imposition made by the Constitution of the Portuguese Republic.

Social security is financed by compulsory public contributions and “other sources of financing” (Guillén, Alvarez & Silva, 2003), such as rent on properties and diverse financial transfers and is responsible for assuring the continuity of the services related to the age pension, unemployment benefits, the sickness allowance, guaranteed minimum income and so on. As has been posited by Moreno (2000: 56), social security has a special economic and financial life and its budget is juxtaposed with the State General Budget, that is, it is not part of it. In this situation, the General Law of Social Security is observed (Law 32/2002 of 20 December 2002) and a budget is set aside from the State General Budget and separately approved by the Parliament.

Concerning the central administration, this subsector incorporates all “integrated services”, also called “simple services” and “autonomous funds and services”. Integrated services depend on the General Budget of the State and are incorporated with the General State Account. The different integrated services decentralised throughout the country are services of the different ministries, such as justice, health, economy and education. These services do not have juridical personality nor do they have property and they only have administrative autonomy which is related to the need to imprint efficiency and effectiveness on the actions of ministries (Pereira *et al.*, 2009). In addition, each agency has a “director” who has autonomy to make current decisions and use financial resources according to the ceilings of each item of the budget that have been approved. All commitments are registered on a central IT system, allowing the Budget General Directorate delegations to supervise the execution of the budget. Every month the services request funds from the Budget General Directorate and apply for the liberation of funds in order to pay their expenses. What is more, in their budget there is no foreseeable revenue nor are they able to have recourse for credit. Altogether, their financial resources are just those foreseen in their annual budget.

In what relates to the “autonomous funds and services”, these are services with a different level of autonomy, whether administrative or financial. The autonomous services have legal personality and their own property which their managers can increase, manage or sell according to their strategies. In addition, they also have their own treasury and capacity for recurrence of credit (Pereira *et al.*, 2009). However, in this last situation the entity needs to get the authorisation of the Ministry of Finance. This level of autonomy is closely connected with the high level of personal revenue these entities can receive. Universities, polytechnic institutes and Parliament are some examples of entities that fall

within this category. Autonomous funds such as the Rehabilitation and Conservation Property Fund and the Safeguard of Heritage Fund are solely or predominantly devoted to the management of financial resources (Franco: 1995). Moreover, the level of autonomy of those funds and services does not prevent them from receiving financial transfers from the State Budget.

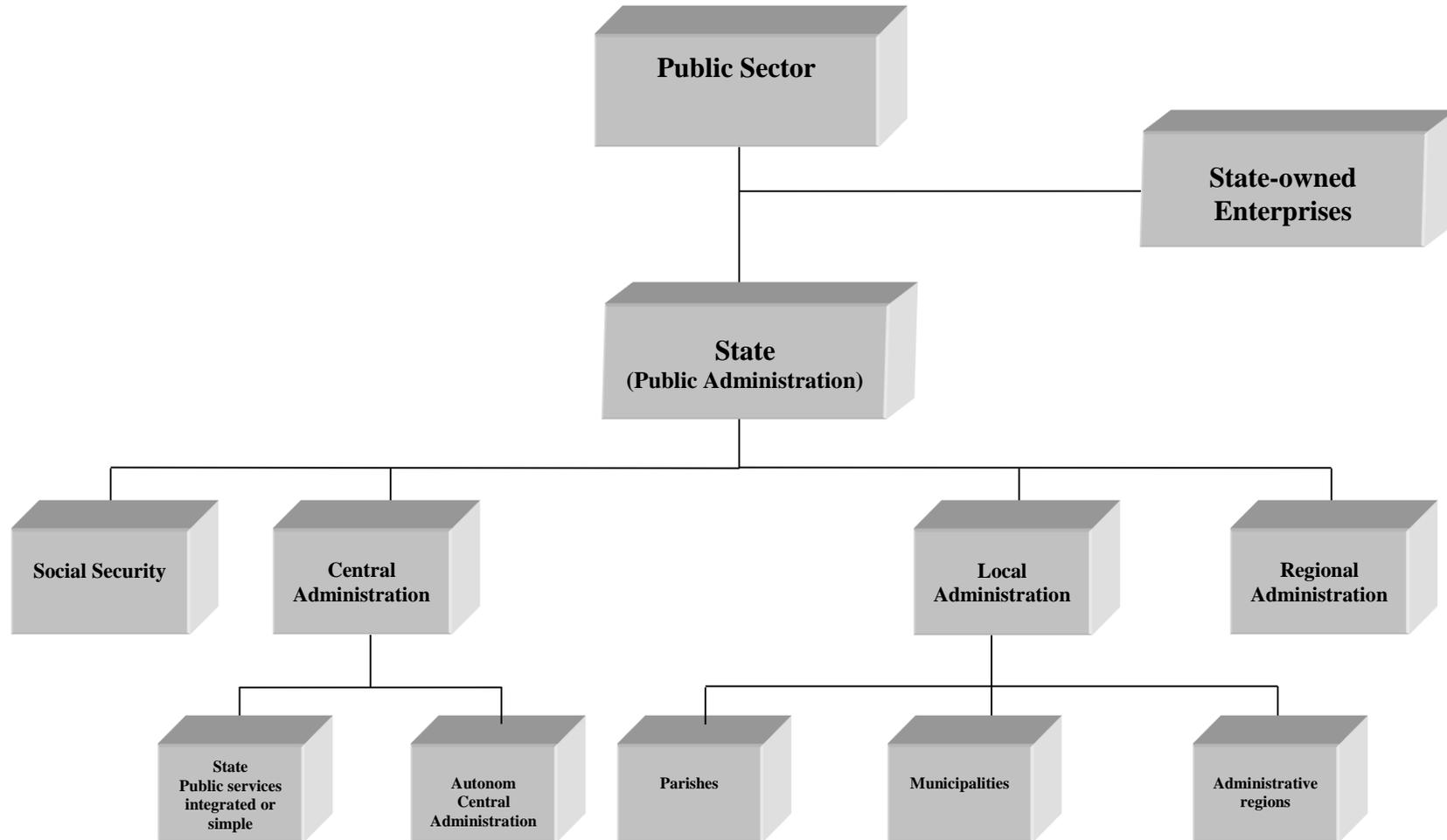
As has been posited by Jorge (2003), despite being described as “autonomous funds and services” these organisations do not have budgetary independence and their budgets are presented in a separate section of the State Budget.

The size of this subsector depends greatly on the policy developed by each government. In 2011 a new government emerged from the elections – a coalition formed by Social Democrats and Christian Democrats – which was composed of only eleven ministries, plus the Prime Minister’s Cabinet. Further, in an almost immediate announcement, the government launched a public administration restructuring programme (PREMAC). Through the merger and elimination of public services and leading positions, the government reduced the number of administrative units by 38% (i.e. from 361 to 224 institutions) and the number of management positions by 27% (i.e. from 6,286 to 4,574 positions) (EC: 2011).

The local administration subsector encompasses a two-tier system of government: municipalities and parishes. On the mainland and in the Autonomous Regions of Azores and the Madeira Islands there are 308 municipalities and 4,259 parishes. Each municipality includes two bodies, a Municipal Assembly which has decision-making power and a Municipal Chamber invested with executive powers and answerable to the Assembly. Unlike Central and regional administration, this subsector only provides “autonomous services”. Like municipalities, parishes are comprised of an executive body, the Parish Authority, and the Parish Assembly to which the former reports. Regarding Law 169/99, revised by Law 5-A/2002, the responsibilities of parishes are few when compared with those of the municipalities. However, as is stated in Article 37<sup>o</sup> and when convenient, municipalities can assign some of their ascribed responsibilities for development by Parish authorities.

Concerning autonomy, local administration is politically independent from central administration, they have their own assets and finances and their services have budgetary autonomy (Carvalho *et al.*, 1999). However, according to what is prescribed by the Law

**Figure 5.1 Structure of the Portuguese Public Sector**



Source: Adapted from Franco (1995: 145)

27/96, which refers to the Juridical Regime of Administrative Tutelage, the State, through the Government can inspect, control and punish them for their wrongdoings.

Finally, regional administration relates to the autonomous islands of Azores and Madeira. According to the Constitution of the Portuguese Republic (Article 6, n. 2 and Article 225, n. 1), they have a specific administrative and political regime and self-government institutions. In addition, their own entities are responsible for preparing, approving and executing their budgets (Pereira *et al.*, 2009); they have autonomy for setting taxes and adapting the national fiscal system; and they have autonomy over property and the capacity for contracting loans, in line with the limits imposed by the Law on the finances of the autonomous regions (Law 1/2010) and according to State Budget Law. Similar to the central administration, this subsector also has “autonomous and funds services”.

The State-owned enterprise subsector is not the main concern of this study, but a brief reference will be made to it. The State-owned enterprises subsector includes a vast array of entities operating in different sectors of economic activity. The main difference between the administrative public sector and the State-owned enterprises resides in the system of accounting each one employs. While the administrative public sector applies a governmental accounting model, the State-owned enterprises adopts a business accounting model (Jorge, 2003).

Until 1975, the State did not create many governmental business enterprises, although it was the leading shareholder in the country given its participation in the capital of many mixed companies (Amaral, 2010). Its size increased considerably in March 1975, when the government decided to nationalise banking, insurance companies, the iron and steel industry, ship building, cement production, and the chemical and petrochemical industries. In 1989, the government initiated a process of privatisation, the proceeds of which amounted to about USD 25.29 billion between 1990 and 2000 (OECD, 2002). However, the State continues to be in control of what is referred to by the European Commission as a “relatively large and complex web of companies” (EC, 2011: 22) in sectors such as transport, energy, communications and insurance, plus a set of smaller firms that it still holds. Nevertheless, the government that emerged from the electoral process of June 2011 eliminated “golden shares” and special rights that the State had in publicly quoted companies.

### **5.3.2 THE REFORM OF GOVERNMENTAL ACCOUNTING IN PORTUGAL**

The diffusion of NPM policies that spread throughout the Anglo-Saxon world during the 1980s and 1990s seems not to have had as large an impact on the Portuguese public sector (Carvalho, Fernandes, Lambert & Lapsley, 2006). Although there are few international studies concerning the implementation of those practices that include southern European countries, those like the one developed by Hood (1995) place Portugal among a group of countries considered to have a “medium” emphasis on the implementation of NPM practices. While it has not been presented as a “laggard” it is far from being considered a “forerunner”.

The 1990s are usually presented as the turning point in the financial management of government accounting (Jorge, 2003). However, the main body of important work began during the 1980s with the creation of a team for studying the preparation of a plan of accounts for local governments and the publication of a plan of accounts for public institutions of social welfare (Carvalho, 2000). Yet in 1989 the Constitution of the Portuguese Republic was revised and new methodologies and principles concerning the Budget of the State were incorporated. These methods were later developed when a Budget Framework Law was defined along with the steps to prepare and organise the State Budget, establish the process of budget execution, and determine the inspection process and budgetary responsibilities (Law 6/91 of 20 February 1991).

The publication of the Foundations of Public Accounting (Law 8/90 of 20 February 1990) and the new State financial management regime (Law-decree 155/92 of 28 July 1992) was the keystone in the changing of the process of the accounting regime and in the way public services were managed. Among other consequences of these new rules, it ended the requirement for prior authorisation from the Ministry of Finance for services to undertake any expenditure. In addition, regimes of both administrative autonomy and administrative and financial autonomy were created for services and bodies of central administration, as well as public institutes of the state and autonomous funds. An administrative regime is considered the rule and only in particular situations can a regime of administrative and financial autonomy be ascribed in order to achieve better management. However, it is also necessary that such entities generate revenue which is twice the amount of their total expenditure. Further, those pieces of legislation also created a general and an

exceptional regime of accounting for public administration entities. The former was composed of budgetary accounting in which entries were registered using single-entry bookkeeping, and on a modified cash basis, which implied that none of the expenditure could be paid without its prior registration. The implementation of cost accounting was also considered a fundamental instrument for measuring management outputs. The special regime was applied to entities such as public institutes, universities and hospitals. This regime observed the application of budgetary accounting like in those services under the general regime and an accrual accounting system modelled according to the chart of accounts for business entities and the adoption of double entry bookkeeping.

To increase accountability in the public sector, three requirements were enforced for authorisation of any expenditure by public bodies. Firstly, legal conformity, i.e., expenditure can only be made according to what is established by law. Secondly, financial regularity, i.e., expenditure can only be made according to what was foreseen in the budget and an appropriate classification must be assigned. Thirdly, economy, efficiency and effectiveness must be ensured, in order to obtain the maximum income with the minimum cost for the utility and priority of the expenditure, and the increment of productivity consequently obtained.

The exceptional regime of administrative and financial autonomy stated in the law for some institutions to manage their assets and finances is balanced by a new system of assurance composed of three types of control. Thus, each entity under this regime is subjected to a system of internal control supervised by its own managing board; and a system of internal audit which is conducted by audit units according to successive and systematic routines.

The approval of new classifications for expenses and revenues, the reduction to the minimum of *a priori* budgetary control, and the revision of both the process of accounting registration and the different steps for making expenditures, promoted the adoption of a new accounting system able to overcome the limitations of cash accounting and produce information for making management decisions. Thus, the new legislation maintained a system of cash accounting for general public services with only administrative autonomy, and a commitments accounting system for those public services with administrative and financial autonomy. However, none of these measures seems to have inspired confidence, comparability and uniformity in the collection of public financial information because those

charts were simple replications of the ones in the private sector. In addition, the new charts did not predict any form of budgetary accounting control according to the cash accounting system or the commitments accounting system.

Hence, what was presented as a new financial management regime did not have the expected impact on the public sector due to the limitations of the accounting regime. In fact, the main users of the financial information continued to be the National Audit Office and the Budget General Directorate which were mainly interested in verifying legal conformity, financial regularity and budget control. In addition, and although the law stated the need for adoption by all public services and entities of a cost accounting system as an instrument of management, the information provided by the accounting system did not contribute to the calculation of the costs of their activities, services and products.

### **5.3.3 THE CHART OF ACCOUNTS FOR PUBLIC ACCOUNTING**

The introduction of a chart of accounts in Portugal was closely connected to the culture and the administrative tradition. Countries from southern Europe, such as Greece, Italy, Portugal and Spain, are still profoundly influenced by the French administrative legacy resulting from legal reforms carried out by the emperor Napoleon Bonaparte I during his reign (1804-1815) and which spread throughout the empire. According to the Napoleonic model, the process of accountability is highly centralised and is grounded on the legal system, which oversees the bureaucracy (Painter & Peters, 2010b) and plays the main role (Corte-Real, 2008; Ongaro, 2010; Peters, 2008). Thus, given the entire historical background, the prevalence of codified law over common law it is presumed and understandable that the Portuguese accounting system, either in the public or private sectors, is grounded in uniformity and on precepts of law (Jorge, 2003).

The first steps towards the enactment of a national accounting code took some time before the Carnation Revolution. However, the first Official Chart of Accounts was not issued until 1977 and private sector and public sector companies were required to use it (Silva & Costa, 2002). It is important to keep in mind that the Portuguese accounting legislation used the French Chart of Accounts as a reference. As shown by Jorge (2003),

that influence was also fundamental in the creation of the Accounting Standard Board for Public Administration (ASBPA).<sup>7</sup>

The pressure exerted by the European Union on all member states to control their national deficits and the inability of the public sector to be managed towards “the three Es” – Economy, Efficiency and Effectiveness – highlighted the failure of the reforms carried out in the early 1990s. As the failure of policies provides a new opportunity for a government to introduce reforms and propose new programmes (Miller & Rose, 1990), a Chart of Accounts for Public Accounting (Law-decree 232/97 of 3 September 1997) was issued. The adoption of double entry bookkeeping as a “new device for intervening” (Kurunmäki & Miller, 2006: 89) in the reform of public administration and modernisation of the various tiers of government was based on the Official Chart of Accounts for the private sector (Law-decree 410/89). The new legislation presents the establishment of conditions for the integration of budgetary, patrimonial and cost accounting as the main goals in order to create a governmental accounting system able to provide the required support to the management of public organisations. It is also presented as central to the process of discharging accountability and enhancing transparency in public administration and in efficiently providing the information needed to maintain an adequate system of national accounting. For the first time, the government extended the utility of financial information of public administration to those interested – whether individuals or entities – beyond the perimeter of the state.

The Law-decree under which the CAPA had been approved also anticipated the future possibility of the approval of a chart of accounts for sub-sectors of public administration. Therefore, in 1999 a chart of accounts was approved for local government (Law-decree 54-A/99 of 22 February 1999). In 2000, a chart of accounts for the education sector (Government Order 794/2000 of 20 September 2000) and a chart of accounts for the Ministry of Health were approved (Government Order 898/2000 of 28 September 2000). The last chart of accounts to be approved was the Chart of Accounts for welfare institutions and social security in 2002 (Law-decree 12/2002 of 25 January 2002). All those charts of accounts had the CAPA as their model and followed the same general accepted accounting

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<sup>7</sup> The Accounting Standards Board for Public Administration was founded by the same Law-decree in which the Chart of Accounts for Public Accounting (Law-decree 232/97 of 3 September 1997) was approved and the rule of its different bodies was enacted by the Ministerial Order 117/99 of 10 February 1999.

principles, the same valuation and recognition criteria and the same financial reporting statements.

Finally, the publication in 2004 of a resolution from the National Audit Office (Resolution n. 1) can be interpreted as being the last step in the creation of all conditions towards the implementation of NPM (Jorge *et al.*, 2007; Fernandes, 2009). This resolution required all public entities to submit their accounts to that body, defined the statements to be submitted, and included a ministerial order concerning the consolidation of accounts in the sphere of the administrative public sector (Ministerial Order 474/2010).

The adoption of double entry bookkeeping by public entities independent of their size and their level of autonomy can be seen as a way to transform every public service, every ministry branch into a calculable space (Miller, 1992) in order to appraise the performance of each public servant and make them accountable for their actions. In addition, integrating all three kinds of accounting into a unique system was intended to centralise the process of decision making and to enable control over public administration at a distance (Latour, 1986b, 1987). However, the reality has been quite different and while the Law-decree on annual budget execution states that the adoption of the CAPA (see for example Law-decree 29-A/2011) is compulsory, its implementation has always been delayed, year after year. However, over time several inspections conducted by the National Audit Office alerted governments and governing entities to the need for its implementation, but these have not achieved any practical results. In addition, even though it has been 14 years since it was approved, the Budget General Directorate (2011) is still describing the implementation of the CAPA by all public entities as a major goal to be attained, while using a discourse that suggests that it is the first time that this effort is being made.

According to the schedule of the Budget General Directorate, only 19.4% of the 346 public entities to which the CAPA is applicable had adopted it by 2011. It was also predicted in the same timetable that by 2013 the other 80.6 per cent of entities would be applying it.

According to the 2008 report, the most recent on the ASBPA website, the Chart of Accounts for Local Government seems to be the most-successfully implemented one (2009: 7). The adoption of all other charts of accounts has been delayed. Finally, the lack of

education and training of staff in this field is presented by the Board as the main reason for the delay in the implementation of the CAPA.

As a consequence of the financial support that Portugal has been receiving from international organisations, the Portuguese government has been committed to the promotion of structural reforms in the country. Among them, there is one concerning the reduction of wasteful spending in the public arena. In order to accomplish such an aim, the approval of the Law-decree 134/2012 of 29 June 2012 eliminated the ASBPA and transferred all its responsibilities to the Accounting Standards Board in charge until then for issuing accounting norms and regulations for the private sector.

Despite all the work of the Accounting Standard Board in preparing an accounting standard system for the public sector in accordance with the IPSAS, none of the three important documents issued by the OECD and the Portuguese government during 2013 and 2014<sup>8</sup> even included a footnote recognising the advantages of implementing an accrual accounting system throughout the public sector. The Portuguese finance fiscal report “Analysis of the 2014-2018 fiscal strategy”, issued in April 2014, presents in only three sentences a prediction of the possibility of a new system of accounting standards for the public sector during the year.

## **5.4 THE EVOLUTION OF PORTUGAL’S PUBLIC MUSEUMS**

Since the 1980s, public museums around the world, like other public institutions, have been under strong pressure to adopt the management practices in use in the private sector. Over time, governments have been withdrawing from some services that they traditionally provided.

As has already been shown, the impact of NPM has not been the same in all countries (Hood, 1991). In the same way, the translation of those policies and their implementation

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<sup>8</sup> In May 2013 and July 2014 OECD issued the documents “Portugal: Reforming the state to promote growth” and “Portugal: Deepening structural reform to support growth and competitiveness”. In May 2014 the Portuguese government published “The road to growth: A medium-term reform strategy for Portugal”, in which it presents a set of key upcoming policies. Unfortunately, none of them concern the implementation of the accrual accounting system in the public sector.

by each public sub-sector has not been the same. However, few studies have analysed in detail the impact of these new practices on the cultural field in general and on the museum sector in particular (Janes, 1997; Lusiani & Zan, 2011; Zan, 2000, 2002). These new policies and the scarcity of public funds have put pressure on museums, leading them to follow and to adapt to the new reality that has been experienced by all public services (DiMaggio & Powell, 1983; Meyer & Rowan, 1977). Those changes have also been an opportunity for museums to discover their importance in society and justify their existence.

### **5.4.1 HISTORICAL OVERVIEW OF THE PUBLIC MUSEUM SECTOR**

For the purposes of this study, the historical development of cultural, heritage and scientific collections in Portugal and their placement in public museums is seen as spanning five discrete periods: (1) up to the late 1760s; (2) early 1770s to 1833; (3) 1834 to 1910; (4) 1911 to 1974; and (5) post-1975 to the time of writing.<sup>9</sup> Each of these periods will be considered in turn.

#### **5.4.1.1 UP TO THE LATE 1760S**

Before the 1760s, collections of historical artefacts in Portugal were to be found within “private” domains and by the Royal Academy of History, which was created in 1720 (Brigola, 2003: 37). A decree issued in 1721 by King João V (1706-1750) is considered to be the first official state legislation in Europe concerned with the protection of heritage (Maia, 1997: 103). This peculiar piece of legislation recognised the need for heritage protection due to the “negligence and ignorance” of people. In addition and for the first time, the concept of heritage was clearly defined, in a certain timeframe (Rodrigues, 2010). It also made local governments responsible for assuring the conservation of heritage in their territories. Furthermore, it established a budget for the Royal Academy of Portuguese Ecclesiastic Secular History, the director and censors of which were the King’s

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<sup>9</sup> This segmentation of the history of museums in Portugal into five discrete periods for the purpose of this study was partly informed by Teixeira (1985), who previously identified three periods in the history of Portuguese museology.

representatives, for protecting and conserving monuments, and for buying future archaeological finds. Finally, punishments, such as deportation to Africa were also proscribed for those who would not respect the Royal decree. Under this system, artefacts came under the control of the elite of Portuguese society, but with no obligation for public accountability in respect to their conservation, preservation, availability and management.

#### **5.4.1.2 LATE 1770S TO 1833**

The second period dates from the foundation of the Royal Museum and Botanical Garden of Ajuda,<sup>10</sup> the construction of which can be traced to the 1760s. This was followed in 1772 by the establishment at the University of Coimbra of the Museum of Natural History and Botanical Garden, where students “could obtain new ideas and new theoretical and practical knowledge” (Henriques, 1876: 9). Later, with the institution of the Sciences Academy of Lisbon, another museum was constituted. The creation of these museums and botanical gardens using public finance were pivotal events as previous collections of artefacts were among the private possessions of the King, noble families and the Church. However, by 1795 poor management of the Royal Museum and Botanical Garden of Ajuda had become so significant that Queen Maria I (1777-1816) attributed for the first time a budget of 400\$000 *reis* per month<sup>11</sup> and a decree was passed (Decree of 27 May 1795) establishing the adoption of double entry bookkeeping, “following as much as possible ... the mercantile system”; and other different requirements to be followed in the administration of the museum. Hence, the coercive pressure exerted by the Queen’s decree sought to alter the lack of management in the museum through the use of accounting technology. The internal control and the organisation of books adopted are evidence that double entry bookkeeping instituted in the Royal Treasury in 1761 was also assumed by other branches of public administration as a successful technique for solving management

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<sup>10</sup> In 1836, the collection of the Royal Museum of Ajuda was transferred to the Polytechnic School and merged with the collection from the Museum Mayense, a clerical museum, and with the collection from the Museum of the Sciences Academy of Lisbon. Today there are two distinct institutions, the National Museum of Natural History (Museu Nacional de História Natural) and the Botanical Garden (Jardim Botânico).

<sup>11</sup> Using tables presented by Mata and Valério (1993, p. 279) and the currency depreciation coefficients for goods and rights sold during 2011 (Ministerial Order 282/2011 of 21 October 2011), 33 *réis* in 1795 are approximately equivalent to €1 in 2010. Thus, the monthly budget of the museum is equivalent to €12,456.75 in 2010.

problems in the public sector (Gomes, 2007: 171) and for supervising and having control over all expenditures incurred in the museum.

However, these measures did not necessarily achieve the greater accountability that was sought. Employees, for example, continued to receive orders from the Royal family to deliver gold or inlaid works from the museum's collections for the pleasure of the King (Brigola, 2003: 340). In certain situations the political value of gifts or gestures bestowed by the Royal family was regarded as more significant than the cultural, heritage or scientific value of the artefacts disposed of so willingly. During this period the King had supreme power and was under duty to account to God and to God alone (Day & Klein, 1987). Accordingly, the general public's use of facilities was subordinated to the desires or needs of the King.

The notion of providing regular public access to collections emerged with the foundation in April 1833 of the Porto Museum of Painting and Engraving (Museu Portuense de Pintura e Estampas) (known hereafter as the "Porto Museum") as a public institution (Barbosa, 2006; Roque, 1990). Created in 1833 following the suppression of religious orders and the compulsory removal of artefacts from the Church and noble families, the advent and operation of the Porto Museum was financed by public funding. It took a number of years to establish its collections and, once officially opened, the Porto museum made its collections readily accessible to the public on certain days on a regular basis.

#### **5.4.1.3 1834 TO 1910**

The third period – commencing in 1834 and concluding with the Proclamation of the Republic on 5 October 1910 – witnessed the abolition of the monarchy and the nationalisation of all real estate of the Crown and of the Church (Teixeira, 1985).

The abolition of religious orders and the nationalisation of all their properties and real estate following the Liberal revolution conferred new duties to the state and put at risk the historical heritage of Portugal because many convents were occupied by the army and

others were converted into industrial plants, warehouses, courts, city halls, schools, theatres and bullrings (Custódio, 1993), revealing the disdain with which they were condemned.

Numerous museums were established during this period, including the Artillery Museum (Museu da Artilharia) (1842), the Naval Museum (Museu Naval) (1863) and the Museum of Coaches (Museu dos Coches) (1905), and relevant legislation began to focus on the educative value of public collections and their role in enhancing the intellectual capital of Portuguese society. At the end of the nineteenth century, many municipalities throughout Portugal created local museums and after 5 October 1910 some of these public museums were brought under the control of the central government (Serrão, 1990).

#### **5.4.1.4 1911 TO 1974**

As a further development of this national vision, legislation issued by the Ministry of Interior on 19 November 1910 – at the commencement of the fourth period – required public museums to prepare descriptive lists of their collections. This legislation also sought to prevent the transfer of artworks and archaeological artefacts to foreign countries, while also promoting the importation of art that “by its undeniable artistic value or historical significance can contribute to the education or advancement of Portuguese people” (Decree of 19 November 1910). On 26 May 1911 the government issued a report and a Decree reorganising the artistic and archaeological services and the Schools of Fine Arts of Lisbon and Porto. Both pieces of legislation, greatly influenced by similar legislation from other European countries,<sup>12</sup> are central to an understanding of the cultural policies and the regime of accountability imprinted on the sector by the new government. The arts were nationalised, education and training became a cornerstone for the republican regime and museums were nominated in the report as “rare institutes of art and history”, emerging as centres of power due to their instrumental character in the new political apparatus. For the first time art, monuments and museums were at the service of people’s education and the government assumed the need for the dissemination of artworks throughout the country. However, the political determination and the legal protection conferred by the government were not enough to avoid a lack of accountability due to the absence of resources for

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<sup>12</sup> According to the Decree, its content was mainly influenced by French, Italian and Spanish legislation.

conserving collections and repairing museums' buildings. Situations such as the selling of Persian rugs by the director of the Museum of Aveiro for restoring the building's roof is an example of the lack of resources and institutional solutions for solving the problems museums faced (Júnior, 1922). Indeed, the scarcity of financial resources that accompanied the First Republic (1910-1926) resulted in the legislation being "more a package of good intentions than of effective results" (Lira, 2002a: 68).

Throughout the *Estado Novo* [New State] (1933-1974), as in other fascist regimes in Europe, public museums tended to be politicised and charged with forging a national identity. Although the legislation issued during the first Republic was considered by the New State as a "milestone in the administrative evolution of these important lines of services", it decided to abolish it due to its complexity (Decree 20985 of 7 March 1932). The process of nomination for director positions based on competency was replaced by governmental nomination. The emphasis was on portraying and celebrating Portugal's glorious past and spreading nationalistic ideas (Lira, 2002a: 74) for the purposes of reinforcing the authority of the fascist government (Cairo, 2006: 270; Cusack, 2005), although they were "displaying in a neutral way sober and little interpreted objects" (Lira, 2010: 190). On many occasions during this time the director of the National Museum of Ancient Art (Museu Nacional de Arte Antiga) expressed concern about the safety of museum artefacts; for example, in respect to the chair of D. Afonso V (1438-1481) which was included in travelling exhibitions (letter from the Director of National Museum of Ancient Art to the organisers of the "Portuguese World Exhibition" on 20 April 1940) and also the eighteenth century French silverware used in official ceremonies (letter from the Director of the National Museum of Ancient Art to the government on 9 December 1948). During this time the government often seemed to treat artefacts in museum collections as private resources which could be appropriated for overt political purposes. Once again in Portugal, the political value of public collections tended to override their cultural, historical, scientific and educational value.

During the 1960s the museum sector in Portugal faced new and important challenges as a result of international professional contacts (Lira, 2002b: 99). New legislation introduced in 1965 was oriented towards an emphasis on improving the education of senior

officials,<sup>13</sup> turning the training for conservators into a course of museology (Law-decree 46758). In addition, a new concept of museums was adopted in order to turn them into cultural organisations for serving the community. Further, it reinforced the educative and social values of museums rather than the conservation and preservation of artefacts. The intention of the new legislation was to require museums to adopt a more outward orientation. However, the reforms adopted at this time did not introduce any public reporting requirements, financial or non-financial information, to assist in discharging accountability to the public.

Research into museum archives facilitated better insight into the process of financial accountability during this period. As already stated, during *Estado Novo* [New State] these institutions had no decision-making autonomy. Thus, directors needed to ask for permission for any spending, and budget proposals needed to be presented with a report explaining all expenses and variances.

#### **5.4.1.5 POST-1975**

The final period, beginning in 1975 and continuing until the time of writing, commenced immediately after the Carnation Revolution of 1974 that brought to a close the period of introspection and isolation that occurred under the fascist dictatorship. This new era witnessed the emergence of many new museums that were promoted by municipalities and fostered further by the emergence of a vigorous cultural and ecological movement (APOM, 2003).

Conscious of the need to reform the museum sector, in 2000 the government created the Portuguese Museums Network (Joint Dispatch 616/2000) as a means of promoting decentralisation, staff development and training and encouraging cooperation between museums. This development was followed in 2004 by the advent of the Framework Law on Portuguese Museums (Law 47/2004) that is applicable to all museums, including private museums such as those of the Catholic Church. Museums that are admitted to membership of the Portuguese Museums Network are recognised as “certified museums”. However, by

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<sup>13</sup> In 1953, a Decree was passed (Decree 39116 of 27 February 1953) making compulsory both a theoretical and a practical component in the training of senior officials.

early 2009 the number of museums that had applied for membership of the Portuguese Museums Network and which subsequently met the criteria for membership was a mere 21% of the 592 museums in the country (Neves, Santos & Lima, 2013).

The plan of activities and annual reports of those museums where interviews were carried out for this study were requested. From an analysis of these reports it can be concluded that, in general, museums do not give any reasons for the activities they develop. In addition, financial accountability almost does not exist. On one hand, many museums just foresee in their budgets an allocation of money for obligatory spending and/or salaries. On the other hand, many exhibitions are supported by funds from the central government, which requires museums to disclose in their reports the activities developed but does not require any reference to the amounts disbursed.

#### **5.4.2 CONTEMPORARY PUBLIC MUSEUM MANAGEMENT**

Portuguese public museums have never been under a single jurisdiction. In addition, the legislation passed has been concerned only with national museums and palaces, which means that the different governments have never created a global policy for the sector.

Under the *Estado Novo* [New State], museums were under the jurisdiction of the Ministry of National Education. After the Carnation Revolution (1974), museums were sometimes supervised by a Secretary of State for Culture, at other times by the Ministry of Education and Culture or even by the Ministry of Culture. This continuous change of tutelage seems to indicate that the importance various governments have given to museums in particular has varied according to the various political orientations and not the needs of the sector.

Given the growth of public entities responsible for managing museums, palaces and other heritage assets, the government founded the Portuguese Institute of Cultural Heritage in 1980 (Law-decree 59/80). Later in the same year the organisational structure of the Institute was published (Rule-decree 34/80), instigating a Department of Museums, Palaces and Foundations that was responsible for supporting and supervising the activities of those entities. The Institute was an organisation with financial and administrative autonomy and

had an accounting section as part of the Directorate of Administrative Services and was responsible for strictly following the rules of public accounting. The law outlined the revenues and expenses of the entity and foresaw the annual preparation of the administration accounts and a balance. There was no reference to the need to disclose to the public information about their collections or about their financial performance.

In 1990, the government changed the law and decentralised the services in order to promote the efficiency and effectiveness of their activities (Law-decree 216/90). In addition, the new law encouraged the Institute to take advantage of the new regime of financial and administrative autonomy in order to promote an effective management of revenues and also to study other sources of funding. Further, an inspection commission was created and was responsible for issuing opinions about the budget proposal, the planning and the reporting of activities and the administration account. As was the case with the previous legislation, only three articles were concerned with financial information. However, this piece of legislation eliminated any reference to the preparation of financial statements.

Given the increasing number of museums, the government decided to separate museums from the other heritage categories and in 1991 created the Portuguese Institute of Museums (PIM) which was an entity just with administrative autonomy (Law-decree 278/91). The Law-decree instituted a Directorate of Administrative Services with a branch for accounting and assets, which was responsible for preparing an annual budget proposal, registering all expenses, giving support to other departments of the PIM, the organisation and maintenance of inventories of all cultural assets under the PIM umbrella, as well as for all museums and palaces under its jurisdiction. Although the legislation made reference to the existence of two sections, one section concerning accounting and another related to heritage, the Law-decree did not indicate which responsibilities were ascribed to each section. In addition, the law dedicated just one article to financial and assets management, in which it was stated what should be considered the revenue of the institution and a prohibition on the PIM borrowing money.

In order to improve the ascribed tasks of museums and ameliorate the performance of their staff, the law was changed again in 1997 (Law-decree 161/97). For the first time the PIM became responsible for issuing recommendations on the foundation of new museums and on the organisation and operation of private and public museums and

collections. A new law also created the Portuguese Museums Network and assigned to the PIM the responsibility of certifying those museums wanting to be members. A department responsible for the inventory process of cultural assets was also created. The accounting and financial management of the PIM continued to be just one section of the Directorate of Administrative Services. However, for the first time its responsibilities were defined. Thus, among other duties, the PIM became responsible for the preparation of the annual budget and of the administration account, for overseeing budget execution, and for producing the accounting of the PIM and all of its dependent entities. In addition, it was also responsible for ensuring the working of a cost accounting system and producing a monthly interim balance and presenting it to the administrative council. Finally, it was responsible for determining all instruments and indicators for management control, which included the annual plan of activities, the annual budget and the financial and activities report. Later, in 1999 new legal amendments were introduced (Law-decree 398/99). Consequently, the Institute was transformed into an organisation with administrative and financial autonomy with the need to manage all funds derived from both the Programme of Investments and Expenditures of Development of the central administration and the European Community. In addition to those instruments previously defined in 1997 for financial management discipline, the income statement sheet and a projected balance sheet were also added. Further, and for the first time, it was stated in the law that the system of accounting of the PIM was to be integrated with the Chart of Accounts for Public Accounting.

The government created the Portuguese Museums Network in 2000, in order to improve the quality of all museums, irrespective of whether they are private, public or under church management, and to help them accomplish their missions. Among others things, the Portuguese Museums Network became responsible for improving museum buildings, developing research into collections, training museum staff, creating online collections, enhancing and disseminating heritage, and improving museums' inventories. Certification from the Portuguese Museums Network is a condition for museums to receive financial support from, and be members of, the Portuguese Museums Network. The foundation of the Portuguese Museums Network represented a milestone in the field because it constituted an improvement in the way museums share resources and experiences, such as how their collections and resources are managed. However, the imposition by law that all museums ruled by the PIM be admitted to the Portuguese Museums Network without having to fulfil the admission criteria for membership to that organisation, poses a

significant limitation for an organisation which seeks to be non-hierarchical and non-directed (Castells, 2004: 342). Moreover, the process of certification provides a snapshot of the organisation (Sani, 2010) at a certain point in time and it has not been followed by a continuum of evaluations of the museums' conditions. As will be seen in Chapter 7, museums tend to fulfil all requirements for being certified and for joining the Portuguese Museums Network, however, after having obtained their membership many of those conditions are forgotten or ignored on a day to day basis.

In 2004, the government issued the Framework Law on Portuguese Museums which was intended to cover private and public museums as well as those under the Church's jurisdiction. Although it can be considered a landmark for national museology, many of its rules, such as those concerning inventories, security plans and financial sustainability, are still not being applied or attained. In addition, there are no specific rules concerning the management of museums. Further, the law states that there should be an annual evaluation report of museum members of the Portuguese Museums Network and that this should include a set of indicators in order to highlight their performance, quality and efficiency. However, such reports have never been produced. These and other non-observances of the law are evidence of the decoupling process that seems to be troubling the Portuguese public museum sector.

In 2006, the government performed a reorganisation of the State central administration and created the IMC as a result of the merger between the PIM and the Portuguese Institute of Conservation and Restoration (Law-decree 215/2006 of 27 October 2006). In 2007, the Governmental Order 377/2007 was enacted transferring to the IMC the responsibility for the management of five more palaces that up until that time had been governed by the Portuguese Institute of Architectural and Archaeological Heritage. In addition, for the first time museums and palaces were given autonomy to manage all revenues derived from patronage and sponsorship, education services, the renting of museum facilities, and the rendering of services (Law-decree 97/2007). However, conditions reverted in many instances to the pre-IMC situation. The IMC was created but its level of autonomy was limited to administrative autonomy. In addition, responsibilities that previously were attributed to the Department of Administrative Services – such as the preparation of the annual budget, the preparation of accounting records and the implementation of a cost accounting system – were all removed from the new fundamental

law. All references to public sector accounting disappeared from the new legislation; the financial and management responsibilities of the new Department of Management were not defined in detail. Contrary to the previous legislation that defined with clarity the instruments for discipline, the new legislation did not include any reference to financial and assets management, and only gave a vague reference to the annual plan of activities and other strategic instruments. In addition, the legislation also assigns to the Department of Management the preparation of the administration account. This is not a document required by the CAPA, but a document to be disclosed according to the previous accounting legislation that was prevailing before the implementation of double entry bookkeeping in Portuguese public administration.

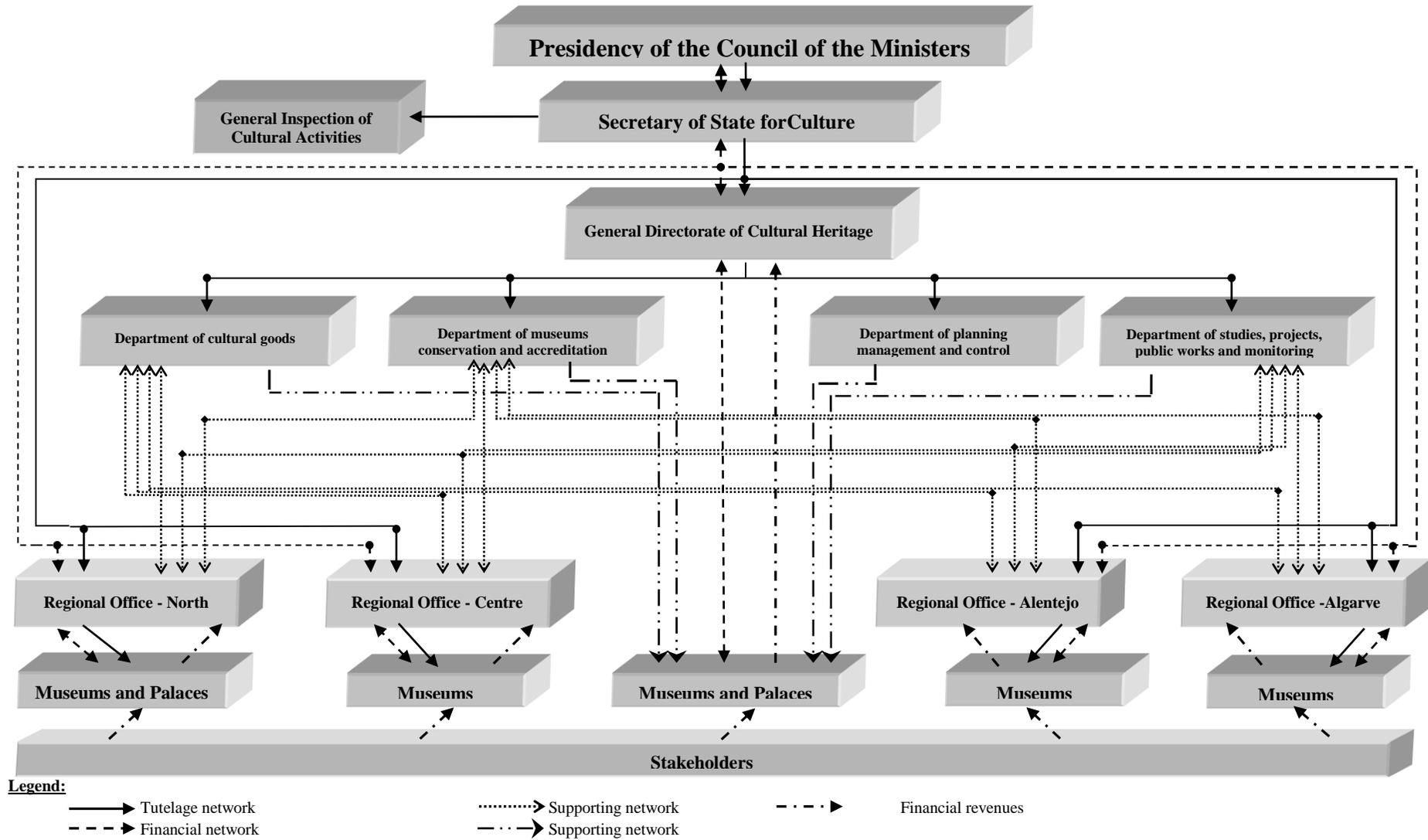
Similar to what happened to the ASBPA in the Ministry of Finance, reforms also occurred in the cultural governmental arena. Therefore, the approval of the Law-decree 126-A/2011 of 29 December changed the structure of what was until then the Ministry of Culture. Several public institutes and cultural departments were merged in order make the government “become more efficient, with smaller levels of overlap” (Universidade do Algarve, 2014: 6). According to the Law, the Presidency of the Council of Ministers,<sup>14</sup> through the Secretary of State for Culture, is responsible for the definition and implementation of cultural development, the safeguard and promotion of cultural heritage, the fostering of artistic creativity and the dissemination and internationalisation of the Portuguese language and culture. Figure 5.2 exhibits a flowchart showing a comprehensive and integrated overview of the different networks of formal accountability within museums and palaces ruled by the Secretary of State for Culture. It further depicts how income revenues circulate among museologic organisations.

Following the restructuring process, the IMC was replaced by the General Directorate of Cultural Heritage and all its responsibilities were transferred to this new entity. Those responsibilities included the accreditation of new museums in the Portuguese Museums Network (Law-decree 115/2012 of 12 May 2012). According to this Law-decree, the Department of Museums, Conservation and Accreditation is an entity with administrative autonomy, under the tutelage of the Secretary of State of Culture and, as is stated in Article 5º, it follows a hierarchical organisational model.

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<sup>14</sup> This ministry is headed by the Prime Minister and is considered a key ministry (OECD, 2010) due to its mission in providing all kinds of support to the Prime Minister and to all other members of the Portuguese government.

Figure 5.2 Accountability networks in museums under the tutelage of the Secretary of State for Culture



The restructuring did not transfer the tutelage of all of the 28 museums and five palaces that had previously been under IMC supervision to the Department of Museums, Conservation and Accreditation. In 2011, the IMC issued an internal discussion paper which suggested the possibility of transferring the tutelage of some museums to the Regional Offices of Culture (ROC) or to local governments. The reasons presented in the document were mainly related to the fact that some of them were entities with a strong “regionalist background” and others were “a result of local government initiatives” (IMC, 2011: 3-4). In line with this strategy, and without giving any reason for the decision made, the government approved the Law-decree 114/2012 on 25 May 2012, transferring the tutelage of 14 museums and one palace of those 33 organisations to the ROC, located in different parts of Portugal.

The management of the Department of Museums, Conservation and Accreditation is conducted by a General Director, who is assisted by four Deputy General Directors: one in charge of the Department of Cultural Goods; another responsible for the Department of Museums, Conservation and Accreditation, a third one responsible for Studies, Projects, Public Works and Supervision, and the fourth one is answerable to the Department of Planning, Management and Control. In line with Ministerial Order 223/2012 of 24 June 2012, in addition to these four departments, the central seat of the Department of Museums, Conservation and Accreditation also comprises a set of dependent services, among which are included heritage buildings, museums and palaces. All these departments and related services are run by a director, who is appointed after a process of public recruitment. In addition, Article 11º stresses the “powers of authority” of the managers and servants of the Department of Museums, Conservation and Accreditation in the pursuit of their professional attributions. However, nothing is said about their duties and about how they account for their work performance levels to their superiors or the community.

The Department of Museums, Conservation and Accreditation performs the following roles/responsibilities: development and implementation of museologic policies of the Department of Museums, Conservation and Accreditation; promotion of the study of the museum’s collections, and research and development of the field; assurance of the good management and the safeguard of entrusted artefacts and collections. It is also in charge of all those attributions that were assigned to the governing body of the Portuguese Museums

Network, including the accreditation and consequent admission of new members to the museums' network.

At first glance, the existence of a Department of Museums, Conservation and Accreditation can be misleading by suggesting that a minor role is carried out by the other departments of the Department of Museums, Conservation and Accreditation in the management of those museums and palaces under its supervision. However, all departments are inter-connected and play an important role in the improvement of practices and the accountability of these organisations. For example, the Department of Planning, Management and Control plays a pivotal role in the promotion of financial accountability. Concerning the planning tasks ascribed, this department participates in the preparation of the annual plan of activities of the Department of Museums, Conservation and Accreditation and the different reports that are needed to be elaborated. It is also responsible for proposing and defining the key indicators and the measures of performance in line with the strategic reference framework of the Presidency of the Council of the Ministers. In what relates to financial management, the department ensures all tasks related to budgetary, accrual and cost accounting of the annual and multiannual activity plans are undertaken; it further monitors accounting spending and revenues in order to ascertain that all necessary administrative procedures and the control of the legality of all processes concerning spending are observed. It is also the Department's responsibility to prepare the Administration Account of the Department of Museums, Conservation and Accreditation. Moreover, this department has among the ascribed tasks under its jurisdiction, the goods and services procurement processes, the management of contracts, buildings and official vehicles at the service of the Department of Museums, Conservation and Accreditation; the selection and admission of new public servants and the preparation of a social balance sheet.

For the first time in the considered time-span, the government emphasises in this Law-decree what the ascribed tasks museums and palaces should be. In particular, Article 6 (Ministerial Order 223/2012 of 24 July 2012) states that museums are responsible for researching, interpreting and incorporating current/new collections or artefacts, inventory management, conservation, security, exhibitions and education. These duties are aligned with the ones in the Framework Law on Portuguese Museums. Palaces include the enjoyment of historical references that are germane to asserting the national identity through safeguarding, collecting, valuing, and researching related heritage.

As an entity under the tutelage of the Secretary of State for Culture, the Department of Museums, Conservation and Accreditation receives financial transfers from the State General Budget (Article 6°). In addition to these revenues, there are the “own financial revenues”, which include the income obtained from the fees charged for the services or provided by the Department of Museums, Conservation and Accreditation or by any of its dependent services or units. In the case of museums and palaces, as dependent services, such revenues are sourced from entrance fees, educational services, sales in museum shops, rental of museum areas and patronage revenues. As with the Department of Museums, Conservation and Accreditation, there are also other revenues that may result from the services provided by museums and palaces to the community or to any private or public organisation. Also considered as part of the revenue stream of the Department of Museums, Conservation and Accreditation are those financial resources obtained under plans of investment, programmes and structural projects or others similar to the European Union or any international body. If revenues from the State Budget are not spent during the current financial year they need to be returned to the Presidency of the Council of Ministers at the end of the year. The other revenues from fee for service activities that may have been committed but not expended, can be carried forward to the budget of the following year, in compliance with the prescribed rules of the law-decree concerning the budget execution of the year. Conversely, for the legislation just repealed (Law-decree 97/2007), the new rule represents a step backwards in the process of autonomy for dependent organisations as all revenues obtained are transferred to the Department of Museums, Conservation and Accreditation, which spends and distributes them according to its own criteria among the dependent entities.

Few words are mentioned in the law about expenses. Article 7° states that expenses are “all those that stem from charges assumed in the pursuit of the Department of Museums, Conservation and Accreditation ascribed tasks”. Nothing in the Law-decree is said about budgets and how they should be produced, or what criteria apply for financing dependent units, etc.

Like the Department of Museums, Conservation and Accreditation, ROCs are entities with administrative autonomy and each one is managed by a director, who is selected after a public recruitment process. Although they were founded in 1989, they have never been responsible for museums and seem to lack human resources trained in museology. This

may be the reason why most departments of the Department of Museums, Conservation and Accreditation (with the exception of the Department of Planning Management and Control), are in charge of providing coordination and technical support to ROCs whose principal activity is in their field of expertise. Each ROC in its constituency is responsible for working with the Department of Museums, Conservation and Accreditation on different issues, such as to render technical support to those museums over which they have responsibility.

As can be seen in Figure 5.2 all ROCs are under the tutelage of the Secretary of State for Culture and follow a hierarchical model. As occurs with the Department of Museums, Conservation and Accreditation, their budgets are composed of financial transfers from the budget of the State and of fees for services locally obtained, such as those received by their dependent museums. Revenues of these kinds allow ROCs to carry them forward to the budget of the following year, similar to the Department of Museums, Conservation and Accreditation's budget execution of the year (Law-decree).

In relation to budgets, the Law overlooks the information about revenues and the disclosure of financial or other relevant non-financial information of ROCs' dependent entities, such as museums.

Finally, it is important to stress that under the tutelage of the Secretary of State for Culture there is the existence of an internal auditing entity: the General Inspection of Cultural Activities. The General Inspection of Cultural Activities is in charge of auditing the performance of all those entities that are under the tutelage of the Secretary of State for Culture. In Article 23 of the Law-decree 126-A/2011 of 29 December 2011, this entity has the responsibility for performing technical, financial and management auditing. However, when analysing the activity of the General Inspection of Cultural Activities from a managerial perspective, the main goal seems to be the monitoring of public procurement contracts for the acquisition of goods and services. Unfortunately, the website of the General Inspection of Cultural Activities does not disclose any reports concerning audits conducted on any dependent entities of the Secretary of State for Culture.

However, a guide is available on its website to describe the issuing of public procurement contracts for the acquisition of goods and services by all dependent entities. The information available on the website of the National Public Purchasing Agency

suggests that the implementation of new management techniques in cultural governmental entities is critical. It also seems that the general inspection of cultural activities is mainly concerned with legal conformity and does not dedicate any particular attention to the monitoring of management and financial auditing of dependent entities, as is presented in the section about services and areas of practices on its website.

## **5.5 SUMMARY**

In order to provide a better understanding of the Portuguese museum sector and its systems of accountability, this chapter highlighted the evolution of accountability and outlined the process of adoption of NPM which occurred in the public sector in the last decades of the twentieth century.

It seems evident that the lack of accountability in the public sector over time was a result not of the absence of legislation, but rather due to it being disregarded by public entities and public servants. Another conclusion that can be reached from this chapter is that the reform of the Portuguese public sector is far from complete. Indeed, it seems that the NPM reform has been implemented only by the introduction of isolated measures which have mainly been enforced by decree, resulting in a reduced impact on public organisations.

In relation to public museums, the situation is not much different from the one observed in the public sector in general. Indeed, concerning management, the legislation produced over time illustrates recurrent advances and retreats and in some situations it does not conform to the general law. Finally, the permanent changes of tutelage that the sector has been subjected to since 1974, in order to comply with the political orientation of successive governments, seems to contribute to a permanent situation of instability, and consequently to the fragility of the systems of accountability.

## 6 RESEARCH FINDINGS: QUESTIONNAIRE

Suppose one judged the *value* of a piece of music according to how much of it could be counted, calculated, and expressed in formulas – how absurd such a ‘scientific’ evaluation of music would be! What would one have comprehended, understood, recognized? Nothing, really nothing of what is ‘music’ in it!

(Nietzsche, 2001: 239)

### 6.1 INTRODUCTION

This chapter sheds light onto research questions 1 and 3: “What systems of accountability presently apply to Portugal’s public museums?”; “Relative to the objectives and missions of the museums, what deficiencies are evident in the systems of accountability and how might these be redressed?”. The chapter is divided into six sections and describes the results of the questionnaire that was sent to all Portuguese public museums. As was explained in Chapter four, the questionnaire was prepared in a way that would enable the perceptions of respondents to be collected on a number of issues. Therefore, after presenting the museums’ profiles in section two, section three is a presentation of the results concerning aspects of general management in museums. Sections four and five respectively cover aspects related to the management of museums’ collections and financial management, and finally, a brief summary of this chapter is presented in section six.

### 6.2 SAMPLE PROFILE

#### 6.2.1 MUSEUM PROFILE: FACILITIES, SERVICES AND COMMUNICATION

##### PLATFORMS

There is a diverse range of collections in Portuguese public museums. In the sample, the most frequent category is ethnography collections (held by 47.4% of museums), followed by archaeology (39.8%), art (37.9%) and history (29.9%) (Table 6.1). The non-specialised nature of most museums can be seen as a weakness because it may create

difficulties in achieving the museums' objectives and in the enhancement of a museum's research into its collection. Thus, bearing in mind that a museum's collections can be classified into several categories, the great diversity of a museum's collections across various categories can be seen as an obstacle to their presentation, as strong institutions differentiate themselves from others which are similar. Therefore, to present them as solid institutions of society it is important that museums explore other forms of intervening in the community in order to make them credible organisations and important and required assets of society.

**Table 6.1: Museums holding collections in the categories indicated**

	Responses	
	n	%
<b>Number of sample museums holding collections in the categories indicated (n=211)</b>		
Archaeology	84	39.8
Art	80	37.9
Ethnography	100	47.4
Geology	12	5.7
History	63	29.9
Industrial	32	15.2
Military	16	7.6
Natural History	19	9.0
Photography	51	24.2
Sacred Art	49	23.2
Science and Technology	30	14.2
Books and Old Documents	7	3.3
Live Specimens	6	2.8
Literature	3	1.4
Numismatic	4	1.9
Art and Military Science	1	0.5
Costumes and Society	5	2.4
Applicable Arts and Handcraft	2	1.0
Architecture	1	0.5
Anthropology and Ethnology	1	0.5

As a result of the development of contemporary society, we live “in an epoch of simultaneity; we are in the epoch of juxtaposition, the epoch of the near and the far, of the side-by-side, of the dispersed (Foucault, 2008b: 14). Therefore, although museums are

heterotopies in which the past is piled up, by improving their facilities museums have been increasing their presence in the leisure sector, demonstrating that they are committed to understanding the lifestyles of present-day citizens and to the development of marketing strategies that are intended to attract new visitors (Slater, 2007).

When considering the complementary services and facilities available in museums (Table 6.2), the most common facility provided is a gift store (at 76.2% of museums), followed by a website (66%) and a library (57.6%). Such values suggest that more needs to be done in the case of Portuguese public museums, as the high percentage of museums that do not have an auditorium or a cafeteria/restaurant can be seen as a deficiencies in their public relations scheme. Indeed, as Slater (2007) emphasises, museums need to combine different kinds of requests, ranging from people who are searching for relaxation to others who are looking for an opportunity to do something worthwhile during their leisure time. These venues within museums, among others which can be created, enable citizens to relax, and help to promote the image of museums among people, while adding value to their artefact collections and building a dynamic environment which helps to increase not only the number of visitors but also museums' revenues.

**Table 6.2: Facilities available in the museum**

	<b>Yes</b>	<b>%</b>	<b>No</b>	<b>%</b>	<b>n</b>	<b>%</b>
Auditorium	92	44.9	113	55.1	205	100
Cafeteria/restaurant	61	30.2	141	69.8	202	100
Gift store	157	76.2	49	23.8	206	100
Library	118	57.6	87	42.4	205	100
Website	136	66.0	70	34.0	206	100

Regarding the geographical location of the museums in the sample, the distribution was described according to the Nomenclature of Territorial Units for Statistics. Table 6.3, shows that the northern and central regions have the highest concentration of museums (51.7%). Over 50% of public museums are under local government supervision. However, when considering those museums managed by central government (i.e., museums controlled by the IMC and other central administrative bodies), the highest number is located in Lisbon. Moreover, on the mainland there are two regions, Alentejo and Algarve, where the presence of museums managed by the central government is (almost) non-existent.

**Table 6.3: Museum location**

Regions	IMC	Other CGO	LG	RG	Total	%	Population	Museums per 100 000 inhabitants
North	8	14	76	n.a.	98	26.1	3 745 439	2.6
Centre	10	8	78	n.a.	96	25.6	2 383 284	4.0
Lisbon	14	22	42	n.a.	78	20.8	2 819 433	2.8
Alentejo	1	3	47	n.a.	51	13.6	757 069	6.7
Algarve	0	1	17	n.a.	18	4.8	430 084	4.2
Region of Azores	n.a.	1	7	9	17	4.5	244 780	6.9
Region of Madeira	n.a.	1	6	10	17	4.5	247 161	6.9
Total	33	50	273	19	375	≈100	10 627 250	3.5

IMC-Institute of Museums and Conservation; Other CGO-Other central government organisation; LG-Local government; RG-Regional government.

Different factors contribute to explaining the relatively high number of museums regulated by the central government in the north and centre of Portugal. For example, the closing of many convents and the nationalisation of their properties and artworks after the Liberal revolution between 1834 and 1836 and after the Republican Revolution in 1910 were strong drivers in concentrating the museums in those regions. Other reasons include the fact that Porto (located in the north of Portugal) is the second largest city in the country, and that the north and centre of Portugal have always been the most populous regions.

Concerning the governing bodies of the museums in the sample, the majority are managed by local government (70.3%) (e.g. municipalities and civil parishes), followed by central government – IMC (12.7%), and other central government organisations (11.3%) (Table 6.4). Portugal has 308 municipalities, a high proportion of which have a museum, which is primarily due to the cultural and educational democratisation that occurred with the Carnation Revolution in 1974. Such education spread continuously throughout the 1980s. Thus, new needs and pressures emerged within society associated with the deregulation of the economy and the decentralisation of the responsibilities of the municipalities. In parallel, the availability of European Structural Funds<sup>15</sup> fuelled the foundation of new museums and contributed to the legitimisation of local government. However, museums managed by local government could be stronger and more important institutions if they could merge and achieve economies of scale and other efficiencies.

<sup>15</sup> Structural Funds are co-financing instruments that, along with public or private national resources, are intended to promote economic convergence, mainly of poor regions, inside the European Union (Dellmuth & Stoffel, 2012).

**Table 6.4: Governing entity**

	<b>n</b>	<b>%</b>
Central government – IMC	27	12.7
Other central government organisations	24	11.3
Local government	149	70.3
Regional government	12	5.7
Total	212	100

In relation to the foundation of the museums in the sample, figures in Table 6.5 indicate that most museums were created between 1986 and 2008. Two factors can be pointed out as reasons for the growing number of museums during this period. On one hand, the Carnation Revolution in 1974 changed the political system from a centralised dictatorial regime to a democratic and more decentralised political system, and so increased the flexibility of local government to provide additional services. On the other hand, after becoming a member of the European Union in 1986, Portugal has been a beneficiary of European funds for the construction of infrastructure, such as museums. In fact, relative to the range and number of Portuguese heritage artefacts in the world, it can be said that the country has a small number of museums. For more than 70 years, little attention was given to this sector. Authorities were not accountable for either the preservation or the cultural and economic impact of the Portuguese historic legacy.

**Table 6.5: Periods of the museums' foundations and periods of each museum's closure**

	<b>n</b>	<b>%</b>
<b>Periods of each museum's foundation (n=209)</b>		
≤ 1910	13	6.2
1911-1974	51	24.4
1975-1985	32	15.3
1986-2008	113	54.1
Total	209	100
<b>Periods of each museum's closure (n=145)</b>		
Never closed	83	57.2
< 1 year	8	5.5
1 to 5 years	32	22.1
> 5 years	22	15.2
Total	145	100

It seems that museums were sometimes founded by decree and without facilities sufficiently adequate to be opened to the community. Table 6.5 shows that 57.2% of museums have never ceased operations since their establishment. However, the number of units that were closed over a period between one and five years (22.1%) and above five years (15.2%) is relevant. If museums are not open to the community, they cannot display the richness of their collections, which is fundamental to the understanding of humankind and our culture.

## 6.2.2 RESPONDENT PROFILE

The majority of respondents in the sample are senior staff (35.5%), supervisory staff (26.5%) or middle-level staff (30.5%) (Table 6.6). Leading staff refers to directors and subdirectors of museums and chairs of national or municipal companies. The majority of respondents in this position are associated with those museums which are managed by institutions under the supervision of the central government, such as the IMC, and by institutions supervised by the regional governments of Azores and the Madeira Islands. Supervisory staff comprise heads of departments, divisions, sectors and units, while middle-level staff comprise senior technicians, professional technicians and administrative personnel. In this study, respondents from these categories are mainly staff of local governments. Finally, both categories of lower-level staff and political staff comprise workers or assistant workers, and councillors or members of the city mayor's cabinet.

**Table 6.6: Respondents' job positions**

	<b>n</b>	<b>%</b>
Senior staff	71	35.5
Supervisory staff	53	26.5
Middle-level staff	61	30.5
Lower-level staff	4	2.0
Political staff	11	5.5
Total	200	100

Almost all respondents (92.5%) were directly or indirectly engaged in museum management. However, a relatively low proportion of respondents were in a leading position, suggesting that most of Portugal's public museums are run by people who may

have insufficient authority to make important decisions about the organisations they are responsible for. In some instances it would seem that ultimate authority is exercised by persons who are remote from the museum. As mentioned above, some people in supervisory and middle-level management work in local government. Within this setting, museums are seen as another facility to be managed. This situation could tend to turn public museums into underperforming institutions, where the existing staff are not motivated to engage with the community or undertake initiatives in the best interest of the museum.

In terms of academic qualifications, Table 6.7 shows that almost all of the respondents have an academic qualification (95.7%). A significant number of respondents have a degree in museology (38.1%), with history and archaeology (28.2%) the next most frequent field. This means that the management of Portuguese public museums is mostly in the hands of people whose educational background is in museology, history or archaeology. However, while there is a broad range of qualifications among the respondents, in a period marked by heightened importance of management, stimulated by an ongoing financial deficit in the sector and an increased reliance on non-public subsidies, only 7.2% of the respondents reported having a qualification in an area related to management. Thus, it seems likely that Portuguese public museums may not be emphasising business-like management practices but are instead focused on their educational and aesthetic missions.

**Table 6.7: Respondents' academic qualifications**

	<b>n</b>	<b>%</b>
<b>Report of academic qualifications (n=211)</b>		
Yes	202	95.7
No	9	4.3
Total	211	100
<b>Specification of academic qualifications (n=181)</b>		
Museology	69	38.1
Biological sciences	7	3.9
Commerce, management, tourism and services	13	7.2
Studies in human society	10	5.5
Studies in creative arts and writing	17	9.4
History and archaeology	51	28.2
Other	14	7.7
Total	181	100

## 6.3 GENERAL MANAGEMENT

In general terms, the main managerial priorities for the museums in the sample (Table 6.8), are on the conservation of their collections, enhancement of the research of the museum's collections and the strengthening of the museum's visibility. These results can suggest that the museums' budgets are not reliable documents after they are prepared because none of these priorities were selected by the respondents as priorities to be observed when the museum elaborates the annual budget (see sub-section 6.5.2). In addition, a museum cannot strengthen its visibility if it is not open to the community or does not make an effort to capture the visitors' opinions. All in all, it seems that Portuguese public museums are still centred on what has been their traditional core activities, namely collecting, preserving, interpreting, educating and researching, instead of viewing museums as community centres (Gurian, 2010). Hence, it is important to address the facets of general management related to aspects such as enacting legislation<sup>16</sup> and objectives, as well as external aspects, such as, networks and market analysis.

**Table 6.8: Main priorities for the museum**

	Priority 1		Priority 2		Priority 3		Priority 4		Priority 5	
	n	%	n	%	n	%	n	%	n	%
Raising Funds	1	0.5	6	2.9	8	4.0	13	6.6	14	7.3
Increase the museum's collection	12	5.8	10	4.9	21	10.4	20	10.2	11	5.8
Conservation of the museum's collection	102	49.5	47	23.0	17	8.5	13	6.6	9	4.7
Training of museum staff	18	8.7	19	9.3	34	16.9	30	15.2	27	14.1
Strengthen the museum's visibility	26	12.6	37	18.1	21	10.4	33	16.8	35	18.3
Enhance research of the museum's collection	23	11.2	41	20.1	42	20.9	30	15.2	21	11
Enhance the museum's security	2	1.0	17	8.3	12	6.0	16	8.1	10	5.2
Ensuring job satisfaction of employees	3	1.5	5	2.5	11	5.5	12	6.1	31	16.2
Planning Exhibitions	11	5.3	19	9.3	35	17.4	29	14.7	30	15.7
Other	8	3.9	3	1.5	-	-	1	0.5	3	1.6
Total	206	100	204	≈100*	201	100	197	100	191	≈100*

\*Rounded.

<sup>16</sup> In this thesis, enacting legislation refers to a statute that specifies the basic parameters of a particular museum's operations. Such legislation typically includes a museum's mission; objectives; rules related to the access to the museum; the structure of the museum; what policy of incorporation has been followed, inventories; who and how someone is allowed to go to the museum's storerooms; the policy of renting museum spaces, who are the museum collaborators. Such enacting legislation needs to be approved by the tutelage entity and published in the Republic Gazette.

### **6.3.1 ENACTING LEGISLATION, OBJECTIVES AND THE MANAGERIAL APPROACH**

Museums as non-profit organisations are intended to exist to produce changes in people's lives and in society (Drucker, 1992). Therefore, it is important that their enacting legislation is prepared in response to society's expectations instead of being just a set of good intentions. Enacting legislation is more than a set of rules emphasising the collection, exhibition and preservation of artefacts and artworks. It is not just an internal document but a fundamental statement that explains to its staff and the community, among others, how and why the museum does what it does. Without enacting legislation it is more difficult for museums to provide meaningful service to the community as the citizens and institutions, private or public, are unlikely to be effectively mobilised around an organisation that does not understand its appointed responsibilities. Table 6.9 shows that 34.9% of the museums in the sample do not have enacting legislation. This is an issue of concern considering that a piece of enacting legislation is a blueprint or a "road map" for each museum which comprises, amongst other things, its mission, goals and values. It seems that public museums are often relatively static institutions, without a clearly specified direction and only responding to the community if any requests are made. In addition, it seems that 16.3% of those that have enacting legislation have only just recently had it elaborated and are still waiting for approval from the governing entity.

In the enacting legislation concerning museums, the most common sections are the "aims and objectives" and the "mission statement" (Table 6.9). The aims and objectives and mission statements are probably considered to be overlapping notions. Despite the fact that there is a requirement to have a development plan as a general overview on the ways the museums intend to achieve their different aims and goals, only 32.4% included it in their enacting legislation. It will be quite difficult for potential partners to work with any museum or for their staff members to contribute to the enrichment of their institutions if they do not know the right path to follow.

**Table 6.9: Enacting Legislation**

	<b>n</b>	<b>%</b>
<b>Existence of enacting legislation (n=209)</b>		
Yes	102	48.8
Not yet approved	34	16.3
No	73	34.9
<b>Sections of the Enacting Legislation (n=136)</b>		
Aims and objectives	129	94.9
Mission statement	73	53.7
Development plan	44	32.4
Other legislation sections	12	8.8
<b>Contributors to the development of museum legislation (n=136)</b>		
Benefactors	5	3.7
Community leaders	17	12.5
Friends of the Museum	17	12.5
Governing entity	22	16.2
Museum partners	1	0.7
Museum staff	106	77.9
Portuguese Museum Network	10	7.4
Researchers	40	29.4
Teachers	20	14.7
Visitors	25	18.4
<b>Reasons for the absence of enacting legislation (n=56)</b>		
Not important	6	10.7
It was not defined yet	2	3.6
Under elaboration	3	5.4
Under revision	16	28.6
Government entity rejected the proposal	1	1.8
It is a museological site	2	3.6
Responsibility of the partnership institution	1	1.8
It has no autonomy	16	28.6
Reopened in 2007	1	1.8
To be submitted in 2010	1	1.8
Lack of a mission statement	1	1.8
Museum under restructure	1	1.8
There is just a small set of rules	5	8.9

In terms of the preparation of legislation, respondents also indicated that museum staff (77.9%) and researchers (29.4%) are the main contributors to their development (Table 6.9). The low results in the other categories, such as community leaders, friends of the museum, teachers or visitors, suggest that Portuguese public museums are not community oriented institutions. It might be possible that museums which have more community participation as one of the key aspects of their legislation will become more mindful of their

community obligations, as greater community participation will add quality to their discussions and strengthen their *raison d'être* within society. Otherwise, they will be unsustainable organisations and, thus, put at risk their role in the community.

Concerning the reasons for the absence of enacting legislation (Table 6.9), these are mainly related to a lack of institutional autonomy. Nonetheless, 28.6% of the museums declared that the document is under revision and 28.6% stated that the museum has insufficient autonomy. As stated previously, it seems that there is a lack of autonomy in these kinds of public institutions and that the decision making process is far from being decentralised. The lack of autonomy is a feature of a rigid corporate hierarchy and is synonymous with non-recognition, by those who are in a high position, of the capacity and responsibility of those who are in charge or work in museums to make decisions in the best interest of their organisations. Therefore, museums are not giving their staff sufficient scope to be proactive, but only enough, instead, to be complacent and passive with what is determined by the hierarchy.

Museums, like any other organisation, need to define objectives for accomplishing their mission. In such a case a wide level of participation is fundamental, not just on the part of the staff but also by the community in order to give museums a source of meaning to the society. Thus, museums must be intermingled with society's needs and keep pace with its evolution and development. There is now a great level of scrutiny by governments and citizens over public institutions, and museums are no exception. Hence, the definition of annual objectives is a fundamental ingredient of NPM. Without annual objectives, it will be impossible to hold anyone accountable or to undertake any performance evaluation.

Table 6.10 shows that the most common annual objectives defined in Portuguese museums focus on exhibitions (75%) and on the number of visitors (52.8%). While 49.1% stated they have annual objectives for budget execution, only 14.6% have annual fundraising objectives. It appears that financial targets are far removed from the prime foci of Portuguese public museums and their governing entities. Concerning the reasons for not having defined annual objectives, only 12 respondents specified the motives; five of the 12 museums stated that this is because the governing body has never defined them.

**Table 6.10: Annual objectives**

	n	%
<b>Annual objectives (n=212)</b>		
Budget Execution	104	49.1
Number of Visitors	112	52.8
Fundraising	31	14.6
Exhibitions	159	75.0
<b>Reasons for not defining the annual objectives (n=12)</b>		
The governing entity has never defined them	5	41.7
The museum does not have a budget	2	16.7
The museum is a small entity	1	8.3
Other	4	33.3
Total	12	100

Concerning the views of the respondents about the definition of objectives for museological institutions (Table 6.11), a considerable percentage of respondents (35.5%) disagreed with or did not have a viewpoint on the statement that the museums' objectives should be oriented to serve the needs of the public. Further, a high percentage (94.8%) of respondents agreed with the need for individual goals to be conveyed in conformity with the museum's goals. However, 37.8% of respondents did not agree or had no opinion on the statement about the need to review the objectives of the museums. Thus, it appears that they do not think they need to deal with the changes that occur in society. It seems that for this group of public museums and their staff, museums should just exist for displaying collections and preserving them. Likewise, 28.7% of museum respondents agreed or did not have a viewpoint on the statement that a museum's objectives should be defined exclusively by the director. Moreover, almost all respondents agreed with the importance of all staff knowing and understanding the museum's objectives (99%). Finally, it should be noted that a high percentage of respondents had no opinion on the different statements presented.

According to these results, it is obvious that Portuguese public museums do not share a common view on the importance of these objectives. It is probable that the lack of a national government policy on NPM, combined with a deficiency in explaining why museums should be financed by public funds, can be seen as the main reason for this. Ambiguity in the objectives of museums will turn them into frail institutions with no room for strategic planning or performance management. With objectives that are not the result of the involvement of all constituencies, are not oriented to public needs, and are not known or understood by all staff members, nobody can be held accountable because nobody understands what museums intend to accomplish.

**Table 6.11: Views on the objectives of public museums**

	Strongly disagree		Disagree		Neither disagree nor agree		Agree		Strongly agree		Total	
	n	%	n	%	n	%	n	%	n	%	n	%
The objectives of museums are primarily established in order to assist in ensuring the satisfaction of the public.	2	1.0	37	17.5	36	17.1	110	52.1	26	12.3	211	100
The individual goals of staff members are specified in accordance with the objectives of the museum.	2	1.0	3	1.4	6	2.8	100	47.4	100	47.4	211	100
It is important to frequently review and revise the objectives of museums.	1	0.5	44	21.0	34	16.3	102	48.8	28	13.4	209	100
The Museum Director should be <i>solely</i> responsible for specifying museum objectives because he/she best knows the museum's needs and challenges.	15	7.2	134	64.1	29	13.9	26	12.4	5	2.4	209	100
It is fundamental to the museum for all staff to know and understand the aims and objectives of the museum.	0	0.0	0	0.0	2	1.0	28	13.2	181	85.8	211	100

\*Rounded.

The increasing demand for new services along with the scarcity of financial resources led to the introduction in the public sector of practices from the private sector. Despite the adoption of NPM philosophies in the Portuguese public sector, these new values do not appear to have permeated through the domain of public museums. Many management techniques applicable in the business world can be presented as the flavour-of-the-month solutions for all the challenges that museums are facing. However, if their staff do not feel empowered to take action and if there is no financial autonomy, the impact of any techniques will be inconsequential and museums will still continue to be just administered and not managed. Nevertheless, before the adoption of any technique, the specific nature of the museum sector and its non-profit orientation are two aspects to be considered.

Table 6.12 shows there is a concern with the lack of focus on autonomy and the increase in responsibility associated with museum management. Besides the lack of autonomy in Portuguese public museums, 86.1% of respondents considered that professionals should be concerned with museum management. According to the results, Portuguese public museums consider the existence of an increase in responsibility that is not accompanied by a growth of autonomy as pointless. Nevertheless, 11.5% of them disagreed or did not have any opinion on the issue.

Although public museums seem not to have implemented NPM policies, 50.2% of respondents agreed with the need to adopt practices used in the private sector. However, 17% of respondents disagreed on the issue and 32.7% did not have any opinion. These results presented a contradiction with those pertaining to the importance of professionals needing to be concerned with management. There also seems to be an aversion to all management techniques that have been imported from the private sector or a disagreement with the increasing need to provide value for money to citizens and governments. Furthermore, 91.3% of respondents acknowledged difficulties with their exhibition program due to the delay by governing bodies in confirming the museum's budgets. These results show the great dependency of museums on public endowments, which can be seen as a hindrance to the development of the museum sector and to the implementation of proactive strategies.

**Table 6.12: Views relating to the management of Portuguese public museums**

	Strongly disagree		Disagree		Neither disagree nor agree		Agree		Strongly agree		Total	
	n	%	n	%	n	%	n	%	n	%	n	%
Museum professionals do not need to be concerned with the management of museums because the governing entity has the last word and has the key decision making power.	45	21.5	135	64.6	16	7.7	13	6.2	0	0.0	209	100
Museum management would be much more effective if increased responsibility was also accompanied by increased autonomy.	0	0.0	3	1.4	21	10.1	153	73.6	31	14.9	208	100
Museums need to adopt practices used by businesses in the private sector in response to increased scrutiny from citizens and governing entities.	5	2.4	30	14.6	67	32.7	96	46.8	7	3.4	205	≈100*
It is difficult to manage a museum's exhibition program (which must be prepared at least two years in advance) when the museum's budget has not been confirmed by the governing entity.	0	0.0	8	3.9	10	4.8	102	49.0	88	42.3	208	100
The museum sector is struggling to maintain its viability because of a lack of employees and a scarcity of funds.	0	0.0	8	3.8	22	10.6	95	45.7	83	39.9	208	100
In museum management the Director spends more time in attending to compliance and monitoring than in developing and providing strategic direction.	3	1.5	41	19.9	49	23.8	91	44.1	22	10.7	206	100

\*Rounded.

According to the results presented in Table 6.12, 85.6% of the respondents saw the lack of employees and the scarcity of funds as two hurdles which have to be overcome. However, it seems that only a more intervening attitude towards the community and an exhibition program that is founded on social interests and value for money can make local donors and government bodies more engaged and view museums as social entities that must be preserved for the well-being of our society. A small percentage of the respondents (14.4%) disagreed or did not have any opinion on the statement, suggesting some passivity and lack of interest on important issues such as those under analysis. Finally, 54.8% of the respondents agreed that museum directors spend too much time on bureaucratic and administrative tasks rather than defining a strategic direction for the museums. It is worth noting that 23.8% of the respondents did not have any opinion, i.e. almost a quarter of respondents in the Portuguese public museums did not know what kind of jobs museum directors are performing, if they perform any tasks.

The challenges that museums are facing are derived from the complex and ongoing changes that have been occurring in our society for many years. Along with these changes, there is a significant demand to keep pace with the advances in technologies, to deal with different social requests, to use collections for educational purposes and to contribute to the economic development of communities by maximising the benefits that can be derived from museum collections. Thus, all these complexities impose on museum directors a new set of attitudes that go far beyond those of the traditional director, who is the curator at the same time. The findings suggest that respondents do not have a common opinion on the importance of the museum being managed by a professional manager (Table 6.13). Almost half of the respondents (49.7%) did not see a professional manager as someone who could liberate a curator from administrative duties. Nonetheless, they saw a professional manager as someone who could add value to a museum if the institution has sufficient financial autonomy (62%). Only 30.1% of respondents agreed that a professional manager will increase the tendency to transform the museum into a commercial entity. Further, the percentage of those who disagreed or did not have a viewpoint (73.9%) on the fourth statement can be interpreted as implying that they consider profit to be the main objective of museums, which a professional manager can help to increase. However, for 63.9% of the respondents a professional manager is just as important even if they do not make any decisions on collection issues.

**Table 6.13: Views on the importance of the museum being managed by a professional manager**

	Strongly disagree		Disagree		Neither disagree nor agree		Agree		Strongly agree		Total	
	n	%	n	%	n	%	n	%	n	%	n	%
A professional manager releases the curator or the conservator from routine administrative tasks.	10	4.8	39	18.8	54	26.1	94	45.4	10	4.8	207	≈100*
A professional manager cannot add value to the museum if there is not sufficient financial autonomy.	0	0.0	47	22.9	31	15.1	99	48.3	28	13.7	205	100
A professional manager is unsuitable for the museum environment because there will arise a tendency to transform the museum into a commercial entity.	7	3.4	92	44.7	45	21.8	55	26.7	7	3.4	206	100
Professional managers should not be employed in a museum because profit is not the main objective of these institutions.	11	5.3	87	42.0	55	26.6	39	18.8	15	7.3	207	100
A professional manager for museums would be acceptable if he/she does not make any key decisions on collection issues.	1	0.5	34	16.6	39	19.0	97	47.3	34	16.6	205	100

\*Rounded.

It seems that a professional manager is only useful if the institution in question has financial autonomy and cannot make decisions on collection issues. However, the lack of financial autonomy is just one of the problems that professionals face in running public museums. Never in the past were the leadership skills of museum directors under scrutiny as they are nowadays. Beyond the skills of the traditional curator, directors of museums need to cope with the complexity of their society and understand the changes that are forever occurring in order to gain the best advantage for their museums. They must find the best way to convey the mission of museums and the purpose of the collections to the community in order to receive their support. They need to select the best set of financial and non-financial information indicators, which are intended to discharge their accountability and portray the vitality and viability of their museums. Finally, they need to encourage new views among their staff. This is one of the most difficult tasks that a director needs to accomplish. However, it is probably one of the most important tasks because a motivated team is fundamental for changing static museums into proactive organisations. All of these objectives can be achieved if museums are looked at, and can be managed, as a whole. Finally, an average of 22% of the respondents stated that they did not have any opinion about any of the issues presented in each statement. This ambivalence in their opinions is evidence that museum staff feel as though they are mere passive recipients of governing body decisions.

### **6.3.2 NETWORKS AND MARKETS**

A network is a long-established form of social organisation (Castells, 2005). However, in contrast to the past, when networks were confined to the realm of private life and were not available to manage resources, we are now living in what Castells (2010) has called a network society or a society of networks (Raab & Kenis, 2009). According to Proven and Lemaire (2012), an order or directive from a superior authority for certain entities to be engaged in a network, usually through the control of financial resources, is a good motive for organisations to make an effort to work together. The foundation of the Portuguese Museums Network, at least in the beginning, was based on this top-down type of network that Provan & Lemaire (2012) talk about. However, the years of adherence to the Portuguese Museums Network have followed either a coercive or mimetic form of

institutional isomorphism, as such membership is seen as an open door to public funds and to the social legitimisation that museums and their staff are permanently searching for.

According to Table 6.14, only 35.4% of Portuguese public museums in the sample are members of the Portuguese Museums Network. Considering that the Portuguese Museums Network was founded in 2000 and that all museums governed by the IMC became members without meeting all the criteria set by the government at the time, it seems that few other public museums subsequently joined the network. Moreover, the conditions of membership imply that museums should fulfil all museological functions enunciated in the Framework Law on Portuguese Museums. Through this, and by attending to the potential benefits for the museums to be members of the Portuguese Museums Network, their non-membership can mean that museums do not fulfil the necessary requirements, and thus public institutions have neither been accountable, nor have made adequate investments to increase the quality of their public collections.

**Table 6.14: Membership of the Portuguese Museum Network and reasons leading to affiliation**

	n	%
<b>Members of the PMN (n=212)</b>		
Yes	75	35.4
No	137	64.6
Total	212	100
<b>Reasons which led to membership (n=57)</b>		
Governing entity decision	24	42.1
Access to information, partnership, training and financial support	23	40.4
Other	10	17.5
Total	57	100

In what concerns the motivations that led the museum to make the decision to join the Portuguese Museums Network, 42.1% (24 out of 57) of the respondents disclosed that they did not know the reasons that led to such a decision. It seems that in those institutions the staff are not participating as they should in the decision making process and there is a lack of understanding of the context in which their museum operates. Despite the increasing use of NPM language, it seems that there is a gap between rhetoric and practice in the Portuguese public sector. Conversely, in relation to those philosophies, the decision making processes are still mainly pyramidal. The figures also reveal that 40.4% of

museums had joined the Portuguese Museums Network as a way to gain access to more training, financial support, information and partnerships with other congener institutions. Besides the law stressing the voluntary character of membership, public museums face institutional pressures to be members of the Portuguese Museums Network. This is because it not only provides financial support from the central government and eligibility to access European Union funds, but also offers them a certificate of quality assurance which is a sign to the community of their quality, efficiency and effectiveness.

Despite the fact that museums do not fully control their own assets, they can make a difference by focusing on their existing and potential visitors, i.e. being more centred in their communities. In a similar way to Stephens' analysis (1967) of school activities, in which he compares the activity of schooling to agriculture, whereby a farmer needs to consider the environment before sowing, a museum which wants to survive cannot be looked at as a still-life painting, but as an entity that can add value to those who visit it (Rounds, 2012). The study of audiences is a key rule for capturing visitors. For example, conducting regular surveys of attendance is a way to empower the public and keep pace with community habits, interests and visitors' opinions about the work the museum is doing. Conversely, by not conducting surveys it may appear that those who are managing museums still accept the outdated and fatalistic vision of Bourdieu (1990), for whom it was highly unlikely that those without any knowledge on culture and art would go to visit museums. According to Table 6.15, 51.4% of museums do not conduct any surveys of their visitors. Thus, museum staff cannot know what visitors think about the museum, what they think should be improved, or what kind of temporary exhibitions should be displayed.

**Table 6.15: Surveys of visitors**

	<b>n</b>	<b>%</b>
Yes	102	48.1
No	109	51.4
Don't know	1	0.5
Total	212	100

Table 6.16 shows the views of museum respondents on the importance of surveying their visitors. Contrary to other questions for which a high percentage of respondents had no opinion on the statement presented, for statements related to the importance of surveying visitors, respondents seem to know what visitor surveys are about. According to the results presented, surveys are considered to be very important in understanding and clarifying

visitors' opinions about issues such as planning exhibitions and on the improvement of the quality of their services. However, this pattern is not verified when the importance of conducting visitors' surveys is combined with the capacity to implement visitor suggestions.

Surveys of visitors and their analysis lead those in charge of making decisions in museums to better determine priorities and define a strategy for managing their organization. Furthermore, it alerts one to the need to be aware of the illusion that an understanding of the past "feeds the further illusion that one can predict and control the future" (Kahneman, 2011: 205). While a lack of autonomy has been presented as the main reason for not acting on issues efficiently, only 17.5% of the museums agreed that it was difficult to implement visitors' suggestions due to a reputed lack of visitor feedback. The difficulty in accepting it may be related to the need to legitimise their work. Otherwise, it is difficult to understand why the lack of autonomy is presented now and again as the main hindrance for the improvement of museum services and their management, and at the same time they do not agree with the statement.

**Table 6.16: Views concerned with the importance of surveying of visitors**

	Strongly disagree		Disagree		Neither disagree nor agree		Agree		Strongly agree		Total	
	n	%	n	%	n	%	n	%	n	%	n	%
Surveys of visitors are only important in large museums.	43	20.9	144	69.9	12	5.8	7	3.4	0	0.0	206	100
Surveys of visitors should be conducted mainly in those museums which have many external exhibitions.	24	11.7	155	75.6	14	6.8	11	5.4	1	0.5	205	100
Surveys of visitors should be conducted frequently in any kind of museum because they help to capture opinions on present exhibitions and collect feedback for the future planning of exhibitions.	0	0.0	6	2.9	6	2.9	109	52.9	85	41.3	206	100
Surveys of visitors help the museum to improve the quality of services.	0	0.0	1	0.5	3	1.4	109	52.7	94	45.4	207	100
Surveys of visitors have little impact on museum management because the museum is not an entity with sufficient autonomy to implement the visitors' suggestions.	17	8.3	117	57.1	35	17.1	34	16.5	2	1.0	205	100

## 6.4 COLLECTION MANAGEMENT

Despite the growing importance that communities may have in turning museums into viable and vital organisations, it is also acknowledged that there is a cultural and financial return that they add to society (Carnegie & Wolnizer, 1996). At the same time that the importance of the environment and its culture is stressed, which is supposed to contribute to giving meaning to the collections of museums, the importance of museums to disclose their contribution to their communities is also emphasised. As a result, there is a high risk that activities, such as the conservation, preservation and the maintenance of the records of items in museums' collections, will be neglected. As Table 6.17 shows, 34.8% of the Portuguese public museums in the sample have more than five thousand items.

**Table 6.17: Number of items in the museum's collections**

	n	%
1 – 999	57	32.0
1000 – 5000	59	33.2
>5000	62	34.8
Total	178	≈100*

\*Rounded.

There are signs of a lack of accountability in the sample that may be putting the museums' collections at risk. Indeed, there seems to be a lack of strategic planning in a large number of museums in the sample (Table 6.18). This finding suggests that there is no plan for decision making and actions to be taken for the future in order to guarantee the vitality and efficacy of museums. Such an aspect is a weakness in an era marked by the scarcity of public resources, the increased scrutiny of citizens and the overt demand for results. A high percentage of museums do not have a safety/disaster plan (41%), an evacuation plan for the collections (73.5%), a program of pest control (56.4%), a program of humidity and temperature control (38.9%), nor insurance for their collections (59.2%). It is possible that the lack of accountability in the museum sector can be explained in part by the lack of staff and financial resources.

It is also fundamental that a museum has a written policy on collection acquisitions and on deaccessioning and disposal of items. According to the results, 31.2% of the museums do not have a written policy on acquisitions and 51.0% do not have a written

policy on deaccessioning items. With regard to the former, a museum cannot survive by just relying on items derived from archaeological excavations or on artefacts donated at the bequest of private parties. Museums should have the opportunity to buy artefacts and artworks that can enrich understanding and add value to their collections, not to mention contribute to the improvement of their mission. Regarding the latter, many museums have thousands of artefacts stored in their archives that have never been on display, and some of them are irrelevant to their mandate. In the situation of some of those Portuguese public museums managed by the IMC, many of their artefacts and artworks are displayed in public institutions and in Portuguese embassies or consulates around the world (Ferreira, 2013). Meanwhile, governments tend to avoid the issue of museums deaccessioning their artefacts. Selling selected artworks could be seen not just as a good strategy to be followed in order to realize a sufficient income for taking care of the museums' collections, but also as a sign of good collection management. However, this kind of decision should always be undertaken by the professionals in the area and not by politicians or governments. Only the curators and other museum staff have the appropriate knowledge for making such decisions and only they should hold the ultimate responsibility for running the museums and achieving their goals.

**Table 6.18: Written policies concerning the activities of museums and protection of museum collections**

	Yes	%	No	%	Total	%
Strategic plan	102	52.6	92	47.4	194	100
Security guards	167	78.8	45	21.2	212	100
Safety and disaster plan	118	59.0	82	41.0	200	100
Evacuation plan for collections	54	26.5	150	73.5	204	100
Program of pest control	89	43.6	115	56.4	204	100
Program of humidity and temperature	127	61.1	81	38.9	208	100
Electronic security system	156	74.3	54	25.7	210	100
Written policy on collection acquisitions	141	68.8	64	31.2	205	100
Written policy on deaccessioning items	98	49.0	102	51.0	200	100
Insurance for its collections	80	40.8	116	59.2	196	100

A great percentage of the museums in the sample (64.6%) have an inventory of their collections, while 35.4% of them do not have an inventory of their collections, or if they do

have one, it is incomplete (Table 6.19). Museums without complete inventory records are unlikely to be able to identify the loss of artefacts and artworks by theft or other means, revealing a lack of accountability in safeguarding the heritage resources entrusted to them. Concerning the reasons for not having an inventory, only four out of nine of the respondents (i.e. 44.4%), answered this question and the main reasons presented were that the museums do not own the collections (e.g., the collections are not museum property but custodial). The nature of the museum is such that it does not feature a “collection”. If one recalls the inauguration in November 2014 of the Museo Carlos de Amberes in Madrid, which owns a beautiful building and one painting by Rubens, while operating on long-term loan exhibitions (Munoz-Alonso, 2014), it is possible that the financial crisis in some European countries is creating new modalities of museums in order to overcome their financial struggles. Except in those situations where the museum does not own a collection, an inventory of a collection is a fundamental device for enabling control of museums’ artefacts and artworks. Indeed, no museum can account for their collections if they do not know what they have been entrusted with. In the same way, when considering the importance of new technologies that we have in our society, it is difficult to imagine museums without computers or museums with computers that are not used as a strategic device to communicate with their communities and potential visitors.

**Table 6.19: Inventory of a museum's collections**

	n	%
<b>Existence of a descriptive list of the items in its collection (n=212)</b>		
Yes	137	64.6
No	9	4.3
Yes, but it is incomplete	66	31.1
Total	212	≈100*
<b>Reasons for not having an inventory (n=4)</b>		
It is in preparation	1	25.0
The museum does not have collections	2	50.0
Collections are part of the local government inventory	1	25.0
Total	4	100

\*Rounded.

Furthermore, according to Table 6.20, only 54.9% of respondents stated that their museums have a manual and a computerised system of inventory. However, 10.4% of respondents claimed that their museums only have a manual system. As shown, 45.4% of

those respondents who declared that their museums do not have a computerised inventory system posited as well that such a system was under study. The process of counting, verifying and updating a museum's collections is very important. A manual record is often more reliable than a computerised one. Only 27.5% of the public museums count, verify and update their inventory continuously and only 30.9% do it every year. Moreover, only in 23% of museums is this task performed when it is possible or is never done. This means that public museums do not know exactly how many items they have on their shelves although an inventory record may exist. They do not have adequate control over their collections, which means that their items have a very high risk of being stolen by anyone, including staff. It also means that computers are not being used in public museums to increase their efficiency and effectiveness.

**Table 6.20: A Supporting system of inventory**

	<b>n</b>	<b>%</b>
<b>A supporting system of inventory (n=202)</b>		
Computerised	70	34.7
Manual	21	10.4
Computerised and Manual	111	54.9
Total	202	≈100*
<b>Reasons for not having a computerised supporting system (n=11)</b>		
A registration book is enough	2	18.2
The museum does not have computer resources	1	9.1
Under study	5	45.4
There is not any financial support to computerise the museum	2	18.2
The software had not been installed yet	1	9.1
Total	11	≈100*
<b>Frequency of when items are counted, verified and updated (n=204)</b>		
Continuously	56	27.5
Every month	11	5.4
Every six months	16	7.8
Every year	63	30.9
Never	27	13.2
In progress	5	2.5
When it is possible or necessary	20	9.8
Other	6	2.9
Total	204	100

\*Rounded.

Concerning the auditing of collections, only 6.9% of respondents stated that their collections are subjected to regular audit, which is carried out once a year for insurance purposes (33.4%), quality certification (22.2%) or internal audit reasons (22.2%) (Table

6.21). These results show that no one can give assurance that all collections, artworks and artefacts that have been entrusted to the museum are still under the surveillance of the museums and are in good condition, which is evidence of a lack of accountability. The main reason suggested for not conducting audits of the collections of public museums is that it is the responsibility of the governing body (28.2%).

**Table 6.21: Audit of museum collections**

	<b>n</b>	<b>%</b>
<b>Regular audit of collection (n=202)</b>		
Yes	14	6.9
No	148	73.3
Don't know	40	19.8
Total	202	100
<b>The last time it was audited (n=14)</b>		
Last year	9	64.3
Non answer	5	35.7
<b>Reasons for the last audit (n=9)</b>		
Quality certification	2	22.2
Insurance policy	3	33.4
Museum's reorganization	1	11.1
Safety and health work	1	11.1
Internal audit	2	22.2
Total	9	≈100*
<b>Reasons for the museum not being subjected to audit (n=64)</b>		
Responsibility of the governing entity	18	28.2
Collections don't have financial value; if it exists it is very low or its dimension is small	8	12.5
Lack of technical capacity	8	12.5
Never was thought about	9	14.0
Don't know	9	14.0
Other	12	18.8
Total	64	100

\*Rounded.

Finally, in relation to temporary exhibitions, financial resources (33.2%) followed by staff suggestions (21.8%) and community suggestions (21.4%) are the main factors that influence museums' temporary exhibitions (Table 6.22). Given that a large number of museums presented just one priority, financial resources are the most important factor. In an era where the relationship between museums and communities has been redefined, visitors are being considered as consumers who take on a strategic role in making decisions.

That is, where members of the public are empowered, it seems that Portuguese public museums do not consider factors such as school or visitor suggestions. Instead, public museums may be characterised as insular institutions that are not open to society. Furthermore, the level of dependency they have on financial resources is a result of being heavily dependent on taxpayers, e.g. budget dependency.

**Table 6.22: Main factors that influence the selection of temporary exhibitions**

	Priority 1		Priority 2		Priority 3	
	n	%	n	%	n	%
Community suggestion	35	17.6	30	17.2	34	21.4
School's suggestion	6	3.0	18	10.3	15	9.4
Financial resources	66	33.2	37	21.3	17	10.7
Suggestions by friends of the museum	2	1.0	7	4.0	7	4.4
Staff's suggestions	33	16.6	38	21.8	22	13.8
Visitor's suggestions	5	2.5	12	6.9	29	18.3
Director decision	7	3.5	5	2.9	1	0.6
Museum's collections	12	6.0	4	2.3	2	1.3
No temporary exhibitions	11	5.6	10	5.8	10	6.3
Governing entity	14	7	4	2.3	5	3.1
Artists' suggestions	3	1.5	1	0.6	6	3.8
Research projects	3	1.5	5	2.9	1	0.6
Museum conditions	1	0.5	0	0.0	6	3.8
Important festivals and events	1	0.5	3	1.7	4	2.5
Total	199	100.0	174	≈100*	159	≈100*

\*Rounded.

## 6.5 ACCOUNTING AND FINANCIAL MANAGEMENT

This section is intended to show the importance of the financial aspect of museums management. However it is important to bear in mind that the analysis of the museum sector requires the development of a different perspective due to the educational and social role museums play in society and because of the heritage and aesthetic type of services and products they render to society (Lindqvist, 2012; Zan, 2006). Despite the reforms conducted in the public sector for making it more efficient, little is known about how such NPM theories have been translated into practice for attaining efficiency and effectiveness

in the field, where reaction instead of proaction is the rule (DeVereaux, 2006), and what the impact of such philosophies has been on the systems of accountability.

### 6.5.1 NEW PUBLIC MANAGEMENT, AUTONOMY AND ACCOUNTABILITY

There is no common viewpoint on what is meant by NPM. NPM has been mainly associated, by priority, with accountability, efficiency and effectiveness, responsibility and transparency. It is worth noting that none of the terms addressing NPM issues received more than 26% of the preferences (Table 6.23). In general, it seems that the respondents do not have a clear or common picture of what NPM means, because terms such as accrual accounting, autonomy, cost management and performance measurement received very low percentage responses.

**Table 6.23: Priorities in the meaning of New Public Management**

Meaning of NPM	Priority 1		Priority 2		Priority 3		Priority 4		Priority 5	
	n	%	n	%	n	%	n	%	n	%
Accountability	47	26.4	12	6.8	14	7.9	8	4.6	11	6.4
Autonomy	17	9.6	15	8.5	18	10.2	20	11.5	18	10.4
Accrual accounting	0	0.0	2	1.1	0	0.0	3	1.7	0	0.0
Cost management	11	6.2	9	5.0	4	2.3	12	6.9	12	6.9
Downsizing	0	0.0	2	1.1	0	0.0	1	0.6	4	2.3
Efficiency and effectiveness	33	18.5	23	13.0	47	26.6	26	14.9	20	11.6
Entrepreneurship	15	8.4	20	11.3	16	9.0	23	13.2	15	8.7
Reactive management	2	1.1	3	1.7	5	2.8	5	2.9	3	1.7
Inspection	0	0.0	3	1.7	2	1.1	0	0.0	4	2.3
Performance measurement	6	3.4	15	8.5	24	13.6	13	7.5	22	12.7
Responsibility	16	9.0	37	20.9	19	10.7	21	12.0	19	11
Consumer-oriented services	19	10.7	18	10.2	13	7.3	17	9.8	17	9.8
Transparency	12	6.7	18	10.2	15	8.5	25	14.4	28	16.2
Total	178	100	177	100	177	100	174	100	173	100

When only considering the other priorities of those respondents who chose accountability as the first priority (Table 6.24), NPM is mainly associated with autonomy, efficiency and effectiveness and transparency. Contrary to the general results, these

respondents do not associate NPM with responsibility. Finally, the low percentages reported for accrual accounting, cost accounting, performance management, consumer-oriented services and entrepreneurship – which are usually presented in the literature as fundamental concepts of a new management approach in the public sector and from which emerge more efficiency and effectiveness and transparency in public services – suggest that respondents do not have a clear-cut idea of what NPM is about.

**Table 6.24: Priorities of those museums which have chosen accountability as first priority**

Meaning of NPM	Priority 2		Priority 3		Priority 4		Priority 5	
	n	%	n	%	n	%	n	%
Accrual accounting	0	0	0	0.0	1	2.1	0	0.0
Autonomy	9	19.1	4	8.5	4	8.5	1	2.1
Cost management	5	10.6	2	4.2	3	6.4	2	4.2
Downsizing	1	2.1	0	0.0	0	0	0	0
Efficiency and effectiveness	4	8.5	14	29.8	10	21.3	11	23.4
Entrepreneurship	5	10.6	7	14.9	7	14.9	3	6.4
Reactive management	0	0.0	1	2.1	0	0.0	1	2.1
Inspection	0	0.0	1	2.1	0	0.0	3	6.4
Performance measurement	5	10.6	6	12.8	4	8.5	6	12.8
Responsibility	8	17	6	12.8	5	10.6	2	4.2
Consumer-oriented services	5	10.6	2	4.2	4	8.5	7	14.9
Transparency	5	10.6	4	8.5	9	19.1	11	23.4
Total	47	≈100*	47	≈100*	47	≈100*	47	≈100*

\*Rounded.

Autonomy is a distinctive attribute for the well-being of any organisation. Without autonomy, there is neither responsibility nor authority and as a result there is no accountability. For example, the ability to operate a bank account is an indication of a museum's autonomy. According to Table 6.25, only 20.3% of the museums have a bank account. The main reason presented by museums for not operating their own bank account (Table 6.25) is because they do not have autonomy. Without a bank account, a museum cannot manage its revenue or be confident that the money derived from fundraising will be spent in the museum.

**Table 6.25: Bank account**

	n	%
<b>Existence of a bank account (n=197)</b>		
Yes	40	20.3
No	157	79.7
Total	197	100
<b>Reasons for the museum not operating its own bank account (n=123)</b>		
The museum does not need	4	3.2
The museum does not have autonomy	107	87.0
The museum uses the governing entity's account	12	9.8
Total	123	100

Table 6.26 shows that only 19.1% of museums stated that they have autonomy to manage the money derived from fundraising. The main reason presented for not having this autonomy is that the governing entity is in charge (82.2%). The simple way the reasons were presented, without any criticism, seems to indicate that the centralism of the governing entity is seen as normal and well accepted by these museums.

**Table 6.26: Autonomy in Fundraising**

	n	%
<b>Autonomy for managing fundraising(n=204)</b>		
Yes	39	19.1
No	165	80.9
Total	204	100
<b>Reasons for no autonomy (n=152)</b>		
Governing entity is in charge	125	82.2
The museum does not have revenue or does fundraising	20	13.2
Other	7	4.6
Total	152	100

Control over revenue is crucial for museum staff to feel empowered and be held accountable for the way money has been spent. In addition, it is also good practice to engage the museum staff in fundraising and other activities in order to raise the museum's revenue for financing later activities and other ordinary costs. Table 6.27 shows that a considerable number of public museums (24.3%) do not have any revenue sources and that around 52% have an annual revenue of less than €25,000. Considering that 70.3% of the museums are managed by local governments, it is important to state that the Plan of

Accounts for Local Governments (Decree 54-A/99) dictates that all expenditures should be justified by economy, efficiency and effectiveness. Although a local government might wish to provide a cultural service to the community at the lowest cost or even provide it for free, this does not mean that the museum should not try to find ways to obtain revenue from such practices, such as by selling replicas of the artefacts or promoting fundraising, i.e. trying to find external endowments to support at least their operational expenses. Furthermore, the lack of revenue and the high percentage of museums with low resources (less than 10,001 Euros) can be seen as a sign of the disregard for financial objectives. Museums that are just a set of display cases are not living institutions.

Table 6.27 shows that most of the Portuguese public museums in the sample (68.1%) do not have any control over revenue generated during their normal activity. Once again, the reason presented for not having any control over revenue is the lack of autonomy. Results also show that 76.6% of museums do not derive any revenue from fundraising. This reveals that they do not have a proactive attitude in trying to find other sources of revenue and are dependent on the annual budget or other extraordinary endowments from the governing body. As stated before, the lack of commitment and engagement in financial management, i.e., in finding external sources to subsidise museum activities, and lack of control over the allocation of money can be highlighted as the main reasons for this lack of fund-raising activity. Moreover, as was seen in Table 6.10, only 14.6% of the museums with annual objectives stated that they have defined fundraising objectives. Perhaps the use of fundraising targets for performance evaluation could help to expand the external sources of museums' revenue.

**Table 6.27: Museum revenue and control**

	<b>n</b>	<b>%</b>
<b>Total annual revenue of the museum from the prior year (n=152)</b>		
No revenue	37	24.3
< € 1,000	14	9.2
€ 1,000 to 5,000	24	15.8
€ 5,001 to 10,000	16	10.5
€ 10,001 to 25,000	25	16.4
€ 25,001 to 100,000	16	10.5
€ 100,001 to 500,000	12	7.9
> € 500,000	8	5.3
Total	152	≈100*
<b>Control over revenue (n=204)</b>		
Yes	57	27.9
No	139	68.1
Sometimes	8	3.9
Total	204	≈100*
<b>Reasons for no control over revenue (n=74)</b>		
The museum has not autonomy	67	90.5
The museum does not have revenue	4	5.4
The museum does not have a budget	2	2.7
Administrative expenses	1	1.4
Total	74	100
<b>Proportion of revenue from fundraising (n=124)</b>		
0%	95	76.6
1% - 5%	11	8.9
>5%	18	14.5
Total	124	100

\*Rounded.

## 6.5.2 ACCOUNTING SYSTEMS, BUDGETING AND AUDITING

Knowledge of accounting systems is important because it provides the museum director with the information necessary to make the best choices concerning the implementation of the museum's budget. In opposition to a cash accounting system where managers focus only on the budget and legal compliance, the NPM reforms that have been adopted around the world since the 1980s have focussed heavily on accrual accounting systems where managers concentrate on the efficiency and effectiveness of resource

management. However, Table 6.28 shows that 64.7% of respondents do not know what system of accounting is in use in the museum.

**Table 6.28: System of accounting and policies on the valuation of assets**

	n	%
<b>System of Accounting (n=190)</b>		
Accrual accounting	16	8.4
Accrual accounting modified	1	0.6
Cash accounting	50	26.3
Don't know	123	64.7
Total	190	≈100*
<b>Knowledge of the Chart of Accounts (n=206)</b>		
Yes	87	42.2
No	119	57.8
Total	206	100
<b>Knowledge of the key differences between accrual vs cash accounting systems (n=201)</b>		
Yes	40	19.9
No	161	80.1
Total	201	100
<b>Support monetary valuation of museum collections (n=194)</b>		
Yes	145	74.7
No	49	25.3
Total	194	100
<b>Reasons for not agreeing (n=37)</b>		
It is not applicable/important for museums	3	8.1
Museum's collections cannot be traded	7	18.9
Historical and cultural heritage cannot be assigned any financial value	18	48.7
It will distort museums' reality	4	10.8
It will attract the attention of burglars	1	2.7
It doesn't add value to the museum's collections	1	2.7
It should be just admissible for insurance purposes	3	8.1
Total	37	≈100*
<b>Knowledge of the IFAC document named "Accounting for Heritage Assets Under the Accrual Basis of Accounting" (n=208)</b>		
Yes	20	9.6
No	188	90.4
Total	208	100

\*Rounded

In addition, it is difficult to see how the museums can manage their resources if they do not know what system of accounting is in use. Furthermore, although the chart of accounts for public accounting was approved in September 1997 and made the use of accrual accounting in the public sector compulsory, 26.3% of respondents declared that they were still using the cash accounting system. Moreover, Table 6.28 also shows that only 42.2% of the respondents know that a chart of accounts for public accounting exists. This implies that public museums are not using an accrual accounting system as prescribed in the law, nor have they adopted NPM doctrines because the implementation of accrual accounting seems to be a vital indicator of the incorporation of those philosophies.

Of those who stated they knew of the chart of accounts for public accounting, only 19.9% stated they understood the differences between cash accounting and accrual accounting (Table 6.28). These results reveal that accounting information has not been used wisely or effectively in museums, which means that these institutions are managed solely on the experience of those in charge.

According to table 6.28, 74.7% of the respondents agree with placing monetary values on a museum's collection. Maybe respondents see this kind of valuation as a way to keep pace with NPM policies or they see the valuation of museums' collections as a way to highlight their importance in order to increase the public funds that they receive. The reasons presented for not agreeing with placing values on museums' collections are varied. However, 48.7% considered that historical and cultural heritage cannot be assigned a financial value and 18.9% disagreed with the practice because the museum's collection cannot be traded. Contrary to the high percentage of museums which agree with the valuation of museum's collections presented before, only 9.6% of the respondents claimed to be aware of the IFAC document about monetary valuation of a museum's collection for financial reporting purposes.

According to Table 6.29, only 7.4% of respondents posit that a museum's budget is prepared according to accrual basis accounting. However, 70.9% of respondents denied knowledge of which accounting basis is used for budget preparation. These results are evidence that museum staff are far from being involved in the preparation of the budget. In fact, 44.6% of respondents do not regard the budget as an accurate representation of planned income and expenditure. It is quite difficult to understand whether 55.4% of museums see the annual budget as a reliable document when it is prepared, because of the deficiencies in

the use of accrual accounting, the lack of autonomy they are facing and the lack of consultation by the museums' directors on basic issues, such as admission fees. In addition, the non-involvement of museum staff, who are the best prepared people to interpret the museum's aims and their objectives, and the arbitrary reductions in the budget made every year by the governing body (Table 6.29), suggest that the budgeting process may not be accurate and reliable. The budget is not considered as a feasible and reliable document because it is not correctly planned (33.3%) and because the budget is part of the governing entity's budget (20.3%).

**Table 6.29: Annual budget**

	<b>n</b>	<b>%</b>
<b>Budget prepared on an accrual basis (n=189)</b>		
Yes	14	7.4
No	41	21.7
Don't know	134	70.9
Total	189	100
<b>Annual budget as an accurate representation of the planned income and expenses (186)</b>		
Yes	103	55.4
No	83	44.6
Total	186	100
<b>Reasons for the budget not being feasible and reliable (n=69)</b>		
There is no budget	9	13.1
It is defined by the governing entity	11	15.9
It is part of a governing entity's budget	14	20.3
The budget is not correctly planned	23	33.3
Other	12	17.4
Total	69	≈100*

\*Rounded

The existence of a system that provides information about costs is essential in any organisation because it renders the information necessary to the process of decision making in order to achieve the organizational objectives. In relation to the Portuguese public museums, the answers concerning cost accounting (Table 6.30) show that more than 50% of museums do not have any system or respondents posit they do not know if it exists. However, 27.7% of those who answered did not consider that a system of accounting is important and useful and 23.4% stated that it could help to acknowledge the global costs of the organisation.

**Table 6.30: Cost accounting**

	n	%
<b>A system that provides information about costs (n=197)</b>		
Yes	94	47.7
No	73	37.1
Don't know	30	15.2
Total	197	100
<b>Relative importance or not of a system of cost accounting (n=47)</b>		
Important and useful	13	27.7
It is not important	4	8.5
It helps to better plan and manage the institution	6	12.8
It helps to know the real and global costs of the institution	11	23.4
It's important if adapted for-non-profit organisations	1	2.1
Important because the accounting system is centralised at the governing entity	9	19.1
It helps to understand how the museum works	3	6.4
Total	47	100

Activity-Based Costing and Activity-Based Management are important tools for any organisation because they help to identify the cost drivers of activities and implement a form of management based on activities and management, respectively. According to Table 6.31, 61.2% of respondents never used Activity-Based Costing or Activity-Based Management in the allocation process of costs in the museums and 34.2% stated that they do not know if it has ever been used. Considering the opinions summarised in Table 6.36 about the importance of financial information, these results corroborate the vision that museum professionals may want to give more importance to financial information for management reasons or just for increasing their legitimacy. Only 25.6% of respondents declared having used Activity-Based Budgeting in museum management. Considering that Activity-Based Costing, Activity-Based Budgeting and Activity-Based Management are fundamental techniques in management, it is obvious that NPM was never implemented in the museum sector.

**Table 6.31: Use of Activity-Based Costing, Activity-Based Management or Activity-Based Budgeting in the museum**

	ABC/ABM (n=196)		ABB (n=199)	
	n	%	n	%
Yes	9	4.6	51	25.6
No	120	61.2	98	49.2
Don't know	67	34.2	50	25.1
Total	196	100	199	100

The periodic auditing of museums' accounts by a *Revisor Oficial de Contas* (CPA) is not just an assurance that financial statements comply with all laws, but also that the decisions taken by museums concerning the way the money was spent contributed to the improvement of the economy, and the efficiency and effectiveness of the public service. According to Table 6.32, 67.2% of respondents stated that museums' accounts are not subjected to periodic audit. This means that there is little assurance that public museums are subject to independent scrutiny with regard to their financial dealings. However, the accounts of all public institutions are subjected to the control and certification of The National Audit Office. Moreover, in the case of municipalities, since the Local Finance Law (Law 2/2007) was approved, their accounts also need to be audited and certified by public auditors. Hence, ignorance about this issue seems to be due to the absence of autonomy and non-participation in financial processes on the part of certain individuals.

**Table 6.32: Museum's accounts subject to periodic audit**

	n	%
Yes	57	32.8
No	117	67.2
Total	174	100

Internal control refers to the range of practices in use in any organisation in order to safeguard its assets. In this study, 51% of museums do not have internal control or if it exists it is unknown by the respondents (Table 6.33). The main reason posited for not having it was the dependence on the governing body, e.g. the lack of autonomy for its implementation. This means that public museums may often have a lack of security over their assets. The lack of internal control puts at risk the reliability of any information disclosed.

**Table 6.33: Internal control over the methods and procedures to control cash, accounts payable and receivable, stocks and fixed assets**

	<b>n</b>	<b>%</b>
<b>Internal control over methods and procedures(n=200)</b>		
Yes	98	49.0
No	78	39.0
Don't know	24	12.0
Total	200	100
<b>Reasons for not having internal control (n=47)</b>		
It's not important	2	4.3
It hasn't been implemented yet or it's not applicable	5	10.6
The museum depends on a governing entity	26	55.3
Cash movements are low	9	19.1
The internal control is done by the governing entity	5	10.7
Total	47	≈100*

\*Rounded.

### **6.5.3 PERFORMANCE AND FINANCIAL INDICATORS**

Performance measures are essential for providing high quality public services. In a sector that is always facing resource reductions from governing bodies, performance information helps museums to better manage their financial and non-financial resources. Through measures of performance, museums will be able to make decisions based on reliable organisational information and to display the value for money of their activity. In addition, governments can enable them to have more autonomy without losing control, and still be able to hold the museum managers accountable at any time.

In general, Portuguese public museums do not use performance indicators. Nonetheless, 91.2% of the respondents consider them very important in helping museum directors to allocate and manage resources and 94.6% do not see them as simple routine devices which can be used to comply with external demands (Table 6.34). However, 59.6% disagreed or did not have any opinion on the proposition that indicators allow the comparison of performance among museums. Moreover, only 9.4% of them see performance indicators as a source of inefficiencies, only 5.5% consider them as not being appropriate instruments for museums and 13% posit that performance indicators do not help museum directors in the process of discharging their duties relating to accountability.

Owing to the fact that information is a cornerstone for the reform of any public sector, without performance indicators it cannot be assured that Portuguese public museums are being held accountable for all the resources that have been entrusted to them. To affirm that NPM procedures have been implemented in museums without measures of performance is pure rhetoric. Although it seems that there is a great desire by museum staff to use performance information, it appears that tutelage entities are not paying attention to the opinions of those working in museums, which can be interpreted as a result of the lack of autonomy.

**Table 6.34: Selection and use of performance indicators**

	Strongly disagree		Disagree		Neither disagree nor agree		Agree		Strongly agree		Total	
	n	%	n	%	n	%	n	%	n	%	n	%
Performance indicators can help a museum Director to better allocate and manage resources.	0	0.0	3	1.5	15	7.3	152	74.5	34	16.7	204	100
Performance indicators are a simple, routine device to demonstrate compliance with external demands and do not contribute to improving the management of museums and the quality of the museum experience.	18	8.9	147	72.4	27	13.3	10	4.9	1	0.5	203	100
Performance indicators are important because they allow a comparison of the museum's performance with that of other museums.	1	0.5	42	20.7	78	38.4	77	37.9	5	2.5	203	100
Far from improving efficiency, the introduction of performance indicators in museums creates misunderstanding and causes inefficiencies in resource allocation.	9	4.5	136	67.3	38	18.8	14	6.9	5	2.5	202	100
Performance indicators cannot be used in museums because their assets and activities are not amenable to such measures.	14	6.9	139	68.8	38	18.8	10	5.0	1	0.5	202	100
Quantitative and qualitative performance indicators will help Directors to better manage the museums' resources and will satisfy external information requirements made by citizens, financing agencies and others who are concerned with the accountability of museum management.	0	0.0	3	1.5	23	11.5	135	67.5	39	19.5	200	100

Museums are struggling to obtain financial resources and their staff do not feel comfortable in having to deal with this situation, to understand how such resources are obtained, to be involved in the budget allocation process or even in controlling expenditures. However, for museums to succeed in preparing and understanding financial statements does not add a lot if museum staff are not involved. Indeed, museum staff are the best informed people to perform this task because no one knows better the museum's mission and its goals. Further, through this involvement they are able make the best decisions in order to spend the financial resources wisely, and are qualified to discuss their options with the governing body and the community in order to request more support from them.

According to Table 6.35, the budget is the financial document most often disclosed by museums (48.8%), followed by the management report (30.6%) and the cash flow statement (21.5%). Conversely, traditional documents used to discharge accountability, such as the balance sheet (18.7%) and the income statement (19.1%), were the least often selected. Considering that the budget is an upstream document and not a document for discharging accountability, none of the listed documents were nominated by more than 50% of respondents. This is evidence that new public financial management has not yet been implemented in the museum sector. In addition, it seems that there are many museums that do not prepare any financial documents, which means that they are neither accountable organisations nor are they proactive institutions, therefore their future may be in danger.

**Table 6.35 : Documents disclosed to the governing entity**

	n	%
<b>Documents disclosed (n=209)</b>		
Balance sheet	39	18.7
Budgetary control statements	40	19.1
Income statement	30	14.4
Cash flow statement	45	21.5
Management report	64	30.6
Budget	102	48.8
Notes to the financial statements	9	4.3
Statement of annual execution of multiannual investment plan	25	12.0

Nonetheless, respondents consider financial information as an important element in the decision making process (Table 6.36). However, a high percentage of respondents posited that they had no opinion on the range of statements. Besides, 88.7% disagreed with, or had no opinion on the second statement that considers it to be just as important to know

the availability, or unavailability of money, and 33.1% thought that financial information is just as important when exhibitions are prepared. Further, when questioned on the importance of not overestimating fundraising revenue, 34.7% of the museum staff disagreed or had no opinion on the statement. Contrary to what happens in many countries, 68.3% of respondents agreed with the need to value their collections. Due to the permanent decrease of support from the government and other public entities it may be possible that museum staff see the valuation of the museums' collections as the only way to capture the attention of governing bodies and the community, for the purpose of enshrining the richness in museums and for increasing their level of financial support. Furthermore, while they consider that the budget should be carefully prepared, 48% agree that the normal procedure is simply to modify last year's budget. In addition, 49% of the museum staff disagreed or did not have an opinion on the statement that budget allocation should be done according to the potential future outcomes for the museums. Finally, as was seen in Table 6.29, they consider the budget to be an accurate document. However, 56.2% of the respondents agreed that the budget proposed is always subjected to cuts by the governing body, which makes it an unreliable document.

**Table 6.36: The role of financial information in management decisions**

	Strongly disagree		Disagree		Neither disagree nor agree		Agree		Strongly agree		Total	
	n	%	n	%	n	%	n	%	n	%	n	%
Financial information is <i>only</i> important when exhibitions are prepared. The amount allocated in the budget for exhibition expenses needs to be carefully managed.	13	6.4	97	48.0	25	12.4	56	27.7	11	5.4	202	≈100*
A museum is a small entity that does not require financial information. The important matter is whether or not money is available to be spent on a specific activity.	34	16.7	137	67.1	10	4.9	20	9.8	3	1.5	204	100
In the preparation of a museum budget, special care should be taken not to overestimate fundraising revenue, so that sudden cuts in expenditure can be avoided.	1	0.5	14	7.1	54	27.1	115	57.8	15	7.5	199	100
Financial information is not important because the budget is always similar to that of previous years. The Director just needs to know whether there is an increase or not in the budget and then proceed accordingly to budget allocations.	24	11.8	126	62.0	31	15.3	19	9.4	3	1.5	203	100
Financial information is not important because it is the governing entity that is responsible for the review and approval of the annual budget. If any of the budget items are not accurately estimated this can be corrected through a budget revision that occurs during the year.	19	9.3	111	54.4	36	17.6	33	16.2	5	2.5	204	100
Financial information that provides a defensible representation of the museum's financial position, including the monetary valuation of its collections, would be helpful.	1	0.5	22	10.9	41	20.3	114	56.4	24	11.9	202	100
Budgeting is a very complex process in spite of the fact that in practice you often merely take the last year's budget and add a little here and there.	6	2.9	62	30.4	38	18.6	90	44.1	8	3.9	204	≈100*
The budget allocation to the museum's activities is done in accordance with the potential future outcomes for the museum.	0	0.0	40	19.8	59	29.2	94	46.5	9	4.5	202	100
The budget proposed is always subject to cuts by the governing entity.	2	1.0	34	16.9	52	25.9	85	42.3	28	13.9	201	100

\*Rounded

Table 6.37 shows that 57.1% of respondents in public museums do not know if fixed assets are recorded, evaluated and depreciated in accordance with the rules in use in the Portuguese public sector, while 36.4% of respondents declared that the registration of assigned values is the responsibility of the governing entity. However, 27.3% stated that the fixed assets are registered according to the straight-line method of depreciation and 13.6% declared that they just register the cost of the assets, e.g. no assigned value after depreciation is determined. In addition, 50.2% of museums register the assigned value every year. The reason presented by some respondents for not recording, evaluating and depreciating fixed assets is that the governing entity is responsible for doing it.

**Table 6.37: Accounting record policies on fixed assets**

	<b>n</b>	<b>%</b>
<b>Record, evaluation and depreciation of fixed assets (n=191)</b>		
Yes	56	29.3
No	26	13.6
Don't know	109	57.1
Total	191	100
<b>How an assigned value is registered (n=22)</b>		
Straight-line method	6	27.3
Cost of the asset	3	13.6
There is no need to calculate the depreciation charge	1	4.5
Responsibility of governing entity	8	36.4
Don't know	4	18.2
Total	22	100
<b>When an assigned values is registered (n=18)</b>		
Every year	9	50.2
Responsibility of the governing entity	3	16.6
Year of acquisition	3	16.6
Don't know	3	16.6
Total	18	≈100*
<b>Reasons for not recording, evaluating and depreciating fixed assets (n=18)</b>		
There are no depreciable assets	3	16.7
Responsibility of the governing entity	5	27.7
Lack of technical capacity	3	16.7
They are just registered	4	22.2
Other	3	16.7
Total	18	≈100*

\*Rounded.

In general, it seems that public museums are trying to present an image that in practice does not exist because they do not use financial information for decision making. Similar to what Zan (1998) observed in his study conducted in the Imola Piana Academy in Italy, financial issues are not present in the lives of Portuguese public museums, except when a museum needs to prepare a budget or a benefactor makes a contribution once or twice a year.

#### 6.5.4 MUSEUM REVENUE AND EXPENDITURE

A considerable number of respondents stated that they were aware of only one or two main sources of revenue (Table 6.38). Nonetheless, the main sources nominated, in order of significance, were admission fees (51.2%), and sales from the museum shop (58.6%). Rental of facilities was presented as either third, fourth or fifth priority. It is worth noting that fundraising did not receive a significant score in any of the five priorities. These results support what was stated before about the lack of accountability in Portuguese public museums. Indeed, Portuguese public museums seem to be static institutions because they are not using their collections and other museum resources in an effective way to generate a positive impact in the community.

**Table 6.38: Most significant sources of revenue**

	1 <sup>st</sup> source		2 <sup>nd</sup> source		3 <sup>rd</sup> source		4 <sup>th</sup> source		5 <sup>th</sup> source	
	n	%	n	%	n	%	n	%	n	%
No other than government funding	1	0.6	1	0.9	1	1.89	1	3.1	1	5.9
Admission fees	88	51.2	19	16.4	10	17.9	1	3.1	1	5.9
Cafeteria/Restaurant	2	1.2	11	9.5	8	14.3	8	25.0	4	23.5
Fundraising	19	11.0	9	7.8	12	21.4	10	31.3	4	23.5
Rental of facilities	9	5.2	8	6.9	14	25.0	11	34.4	7	41.2
Sales from Museum shop	53	30.8	68	58.6	11	19.6	1	3.1	-	-
Total	172	100	116	100	56	100	32	100	17	100

Due to the difficulty of public museums being sponsored by the state, it seems difficult for a museum manager to give up potential revenues such as entrance fees. However, the charging of fees for admission to museums has pros and cons. On one hand it can be viewed as a way to preserve collections from those who are not interested in their

value and at the same time as an accountable contribution from each visitor for supporting the operational costs of a public good that belongs to all present citizens and future generations. However, on the other hand, an entrance fee can be regarded as a factor that turns museums into elitist institutions because it restricts visits from people with low incomes. Furthermore, considering the scarcity of literature published on the issue of museums in Portugal, it can be asserted from what has been happening in other countries that there is no unanimous opinion about it. Indeed, even if the argument for reducing or eliminating entrance fees is a low performance economy, as Lindqvist (2012) states, practice shows that economy does not positively or negatively affect the attendance figures of those museums that charge their visitors.

With regard to the present study, Table 6.39 shows that 40.8% of the public museums in the sample do not charge their visitors an admission fee. Of those museums which charge an admission fee, most of the respondents do not know how the admission fee is determined because it is the governing body which is responsible for its establishment. It is worth noting that 14% reported that the determination of fees is done according to the fees in other national/regional museums. It is also shown that of the 40.8% of museums which do not charge visitors, 35.6% of the respondents from those museums stated that it is because the imposition of such fees prevents the museum from accomplishing its mission. In addition, 31.1% of respondents did not know the reasons why visitors are not charged because it is a decision of the governing entity. The lack of autonomy also affects setting the level of entrance fees in Portuguese public museums. According to the results, among those museums that charge visitors, 53.5% of respondents stated that they did not know how the fee had been determined. Further, among respondents from those museums that do not charge an entrance fee, 31.1% affirmed that the decision for not levying a charge on visitors was a decision made by the governing body.

A considerable percentage (41.7%) of governing entities do not take any advice from the museum director when they decide to set an admission fee and 8.3% sometimes take advice (Table 6.39). According to NPM philosophies, institutional autonomy is a basic principle for holding accountable any public servant who makes decisions. Furthermore, the decision for charging or not charging entrance fees in museums should be made by those working in the museums, not just because they do the work and have a better understanding of the complexities of the sector but also because they are the ones who are

held accountable for achieving the various objectives of the museums. If there is no discussion with museum directors about basic issues, such as fee determination, it means there is neither any autonomy nor any strategy. Further, considering the role of entrance fees as part of a marketing strategy, the exclusion of museum staff from the discussion of such an important issue is unsatisfactory. It suggests that governing bodies are still working under hierarchical surveillance, with museum directors still being looked upon as administrators and custodians of museum collections.

**Table 6.39: Admission fee**

	<b>n</b>	<b>%</b>
<b>Charging an admission fee (n=211)</b>		
Yes	125	59.2
No	86	40.8
Total	211	100
<b>Reasons for not charging an admission fee (n=45)</b>		
Governing entity decision	14	31.1
Admission fees prevent the museum from accomplishing its mission	16	35.6
Other	15	33.3
Total	45	100
<b>How an admission fee is determined (n=86)</b>		
Unknown – Governing entity decision	46	53.5
Symbolic value	17	19.8
Analysis of admission fees charged by NM and RM	12	13.9
Other	11	12.8
Total	86	≈100*
<b>Advice when deciding on setting the admission fee (n=156)</b>		
Yes	78	50.0
No	65	41.7
Sometimes	13	8.3
Total	156	100
<b>Reasons for not taking any advice (n=15)</b>		
There is no director	4	26.7
Governing entity is responsible for setting the fee	11	73.3
Total	15	100

\*Rounded.

Only 15 respondents suggested reasons for the governing body not taking any advice on setting an admission fee. Among these respondents, 73.3% stated that the governing

body is responsible for the determination of any such fee. The evidence obtained, without any criticisms of the practices of any governing body, may be interpreted as a lack of interest and indifference in exercising more autonomy. Actually, if they are not responsible for daily decisions they cannot be held accountable for consequences in the future.

The results show that there is no consensus about the importance of setting an admission fee. According to the figures in Table 6.40, most respondents disagreed with or did not have a viewpoint on the statement that admission fees should generate sufficient revenue to make the museum into a viable institution (75.5%). This may suggest that they do not agree that they should have a more proactive attitude and a strategic vision in order to increase the number of visitors. In addition, 87.4% did not agree with or had no opinion on the notion that entrance fees should be charged by public museums to distinguish visitors who are interested in their collections from those who are not. However, 74.9% did not see the admission fees as a hindrance for the achievement of the different museum's objectives. Hence, it is recognised that entrance fees are not always seen as an obstacle to increasing visitor numbers.

Respondents believe that museums do not receive sufficient financial support from their communities. According to 65.3% of respondents, admission fees are a signal for communities to support museums. However, communities support museums when they perceive them to be important institutions that need to be preserved because they are there for the public good. In addition, these results can also be seen as a sign that these institutions want to maintain budget dependency and therefore avoid having to find ways to finance their activities, such as undertaking fundraising. Furthermore, public museums are generally against or do not have any opinion (86.9%) on the proposition that only temporary exhibitions should attract charges and 77.7% of respondents disagree or do not have any opinion on the statement that visitors should not be charged in those cases where the collections do not have special significance and/or the museum staff are not properly qualified. This indicates that the museum sector still does not see the public and visitors as customers, nor are they necessarily looking to improve the quality of their services. Finally, it is worth pointing out the high number of those who expressed no opinion on some of these issues. Not having any opinion can mean that the staff are not involved in the management of museums or that there is an air of indifference caused by the lack of autonomy and empowerment.

**Table 6.40: Views on the importance of the museum's admission fee**

	Strongly disagree		Disagree		Neither disagree nor agree		Agree		Strongly agree		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Admission fees should generate sufficient revenue to enable the museum's objectives to be achieved.	23	11.1	97	46.6	37	17.8	48	23.1	3	1.4	208	100
Admission fees are charged to screen the public in terms of those who are truly interested in culture from those who are not and whose behaviour may be harmful to the museum's collections.	59	28.5	98	47.3	24	11.6	21	10.1	5	2.4	207	100
Museums should not charge any admission fees, as such fees discourage visitors and do not permit attainment of the museum's objectives.	31	15.0	124	59.9	30	14.5	18	8.7	4	1.9	207	100
Admission fees provide a signal that museums, in particular, and culture, in general, need to be supported in financial terms by the community.	2	1.0	34	16.3	36	17.3	112	53.9	24	11.5	208	≈100*
Admission fees should be charged only in respect to temporary exhibitions, while the viewing of the permanent exhibitions should be without charge.	9	4.3	138	66.7	33	15.9	19	9.2	8	3.9	207	100
Admission fees should not be charged if the permanent collection lacks any special significance and/or the museum staff are not appropriately qualified.	16	7.8	95	46.1	49	23.8	39	18.9	7	3.4	206	100

\*Rounded.

Table 6.41 shows the opinions of respondents concerning the expenses which receive most attention when the budget is prepared. The most relevant expenses are staff costs (41.7%) and building maintenance (33.7%). Collection care and exhibition preparation appear as third and fourth priorities with 22.5% and 16.1%, respectively. Expenses associated with fundraising, research, marketing and restoration seem not to be a priority, suggesting a diminished concern with ensuring public satisfaction and with the investigation and conservation of their collections. In addition, public museums seem not to be promoting their collections and finding other ways to finance their expenditure. It seems that museum directors exercise limited initiative because they merely see themselves as the custodians of their museum's collections. However, it might be possible that this lack of attention to these expenses is a result of a system of rigid top-down authority and control, and a lack of autonomy to make decisions.

**Table 6.41: Expenses which are given the most attention**

	Priority 1		Priority 2		Priority 3		Priority 4		Priority 5	
	n	%	n	%	n	%	n	%	n	%
Fundraising	3	1.7	-	-	2	1.2	3	1.9	6	4
Collections care	33	18.9	27	15.4	38	22.5	19	11.8	22	14.6
Staff costs	73	41.7	22	12.6	15	8.9	8	5	3	2
Administrative expenses	3	1.7	12	6.9	10	5.9	16	9.9	12	7.9
Building maintenance	21	12	59	33.7	34	20.1	18	11.2	14	9.3
Research	2	1.1	14	8	18	10.7	16	9.9	15	9.9
Marketing	1	0.6	-	-	2	1.2	9	5.6	11	7.3
Stationery	-	-	-	-	5	3	6	3.7	7	4.6
Exhibition preparation	35	20	29	16.6	25	14.8	26	16.1	18	11.9
Advertising	1	0.6	-	-	7	4.1	16	9.9	26	17.2
Restoration	3	1.7	12	6.9	13	7.7	24	14.9	17	11.3
Total	175	100	175	100	169	100	161	100	151	100

The findings also show inconsistencies between the recognition of expenditure and revenues (Table 6.42). On one hand it is not known how expenditure and revenue are registered and, on the other hand, considerable uncertainty has been revealed concerning the differences between cash accounting and accrual accounting systems.

**Table 6.42: Recognition of expenditure and revenue**

	Expenditure (n=191)		Revenue (n=187)	
	n	%	n	%
Recognised when incurred/received	96	50.3	66	35.3
Recognised when paid/received	38	19.9	66	35.3
Don't know	57	29.8	55	29.4
Total	191	100	187	100

### 6.5.5 MAIN INSIGHTS DERIVED FROM THE PRELIMINARY FIELD WORK

The results exhibited throughout this chapter allowed capturing some views on issues concerning the management and the systems of accountability used presently in museums by those in charge of running these cultural organisations. The results also enabled problems that Portuguese public museums face and that may affect their systems of accountability to be pinpointed. Therefore, and as was explained in the methodology, the insights provided in this chapter contributed to the preparation of the five areas of inquiry in the Interview Protocol to be used during the interviews, as presented in Chapter 7.

## 6.6 SUMMARY

This chapter has reported the results obtained from the questionnaire survey of Portuguese public museums. Signs of a lack of accountability identified mainly related to the mission and objectives of museums and of a lack of autonomy for those in charge of public museums to manage according to the criteria of economy, efficiency and effectiveness. In addition, some forms of evidence, such as the absence of a complete inventory record, are signals of a lack of accountability in the way museums are safeguarding the heritage resources entrusted to them. Furthermore, the lack of a system of accounting along with the absence of the disclosure of financial and non-financial information in order to discharge managerial and financial accountability are evidence of deficiencies in the implementation of NPM philosophies in the Portuguese public sector, and in public museums in particular. In accordance with what was stated in the previous section, these results, as part of the case study, along with the interviews presented in the next chapter, will contribute to answering the first and the third research questions as outlined in Chapter 4, which is concerned with the theoretical perspectives and research methods.

## **7 RESEARCH FINDINGS: INTERVIEWS**

Since communication is based on the same conceptual system that we use in thinking and acting, language is an important source of evidence for what that system is like.

(Lakoff & Johnson, 2003: 3)

### **7.1 INTRODUCTION**

Chapter 7 also contributes to addressing research questions 1 and 3: “What systems of accountability presently apply to Portugal’s public museums?”; “Relative to the objectives and missions of the museums, what deficiencies are evident in the systems of accountability and how might these be redressed?”. The chapter presents the results from thirty-two interviews related to the case study. These case interviews were undertaken to obtain further information on accountability practices, policies, attitudes and methods within the museums (complementing the results presented in Chapter 6).

The chapter has nine sections. The second section contains a presentation of the general profile of the case study organisations. The third section reports on the context of the sector according to the vision portrayed by representatives of governmental and professional bodies. Thereafter, the fourth section exhibits the findings of the interviews related to the structural problems in museums, mainly concerning their management, level of autonomy, relationship with their communities and security of their collections. The fifth section presents the results related to the museum staff. The sixth section reports on the results referred to in the legislation and the role it plays in daily museum management. The seventh section reveals the opinions of interviewees about the influence of history and culture on national public administration in museum management. The eighth section portrays their views on financial information and its use in making decisions, and the final section gives a summary of the chapter.

## **7.2 PROFILE OF THE MUSEUMS IN THE PORTUGUESE MUSEUMS NETWORK SAMPLE**

Of the nine museums selected, seven are run under the auspices of the IMC. During the study, there were discussions about the transference of the tutelage of some of the museums in the study to Regional Offices of Culture. Regarding the other two museums, one is controlled by the Ministry of National Defence, and the other museum is run by a municipality.

### **7.2.1 MUSEUMS RUN BY THE INSTITUTE OF MUSEUMS AND CONSERVATION**

The selection of the museums run by the IMC was made according to their size and, in the absence of any official criteria, the following classification based on staff size was adopted:

- small: fewer than 15 permanent staff members;
- medium: 15 to 30 permanent staff members;
- large: more than 30 permanent staff members.

Two large museums, three medium museums and two small museums were selected. Six of these are located far away from the centre of governmental decision making and one is located in a remote area.

Concerning the profile of the interviewees, all directors and curators were qualified in the field with a degree, such as museology, history or art history. Only one of the administrative employees interviewed was a qualified accountant and another one was studying accounting. The others had only a high school diploma.

### **7.2.2 MUSEUM RUN BY A LOCAL GOVERNMENT**

As already stated, there is great diversity in the museums managed by local governments. The criterion adopted for selecting the museum for this study was that it had to be a member of the Portuguese Museums Network. The museum selected has a governing board consisting of three people. Because all financial work is performed in the municipal chambers and no one in the financial department was available to participate in the study, financial issues were further analysed with a member of the governing board interviewed, who is also the person responsible for ensuring communication between the museum and the city hall concerning financial issues.

### **7.2.3 MUSEUM RULED BY THE MINISTRY OF DEFENCE**

The criterion adopted for the selection of a museum ruled by other central government organisations was that it has been admitted as a member of the Portuguese Museums Network. Given the strong hierarchical structure of military organisations, all details concerning the interviews were first communicated and later discussed with the general in charge of the Directorate of History and Military Culture who is responsible for all museums, archives and libraries of the Portuguese army, which is located in Lisbon. The museum was contacted to schedule a day and time for conducting interviews with the director and the curator of one of the army museums after authorisation to undertake the work had been received. Since financial services are centralised at the governing entity and no specific person in the museum was responsible for financial issues, an interview with the person responsible for this department in Lisbon was arranged through the governing entity.

### 7.3 CONTEXT OF THE MUSEUM SECTOR

According to the representatives of government and professional bodies interviewed, the Portuguese museum sector had been facing numerous problems for a long time and these had grown worse over the years. A lack of staff and reductions in public funds were highlighted as the main structural problems public museums are facing. Nevertheless, those interviewed were unanimous in their belief that these problems were a consequence of a biased cultural perception about museums which does not see them as playing an important role in the economy. In addition, the government and professional body interviewees advocated a change in the role museums play in society, which implies altering the notions that political and social organisations ascribe to museums. Furthermore, they also suggest a modification in the way museums and their teams work in order to turn them into institutions that matter to the community and add richness to the country.

Indeed, it is quite difficult to identify a coherent policy line developed by the Ministry of Culture. This seems to be due not only to the fact that national governments at different times have had different cultural policies for museums, but also because every time the Minister of Culture changes, the policy for the sector is modified. As was pointed out by interviewee R3a<sup>17</sup>, a governmental representative:

It was not so long ago that the Minister of Culture was changed three times in the same government and with the same Prime Minister. Each minister developed his own strategy for the sector which means that there is no policy for the Ministry of Culture ... Each minister has new ideas and normally the first thing he does is to undo what was done by the former one.

In addition, Portuguese public museums are organisations that do not appear to have a pattern of action. Throughout the years, museum professionals have been reluctant to adopt new management practices, due to the specific characteristics of the sector. This seems to be the main reason why public museums until now have not been permeated with the culture of management from the private sector that has infiltrated other public organisations during the last twenty years. A failure to adapt in this way is seen by some government museum representatives as a handicap to the development of their institutions:

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<sup>17</sup> See Table 4.1 in Chapter 4.

There are immense advantages in looking at other organisations whose results have demonstrated a good impact on citizens' lives. There is a problem of attitude in Portuguese public museums which is cultural. It is necessary to think of the museums as public services, as organisations that need to be evaluated and controlled in the same way as other similar organisations that offer a public service. (interviewee R4)

A lack of autonomy was indicated by some of the interviewees as an impediment to the good development of public museums. Representatives of government bodies spoke of the difficulty of changing the system, not just because they are part of a hierarchical structure, but also because of a lack of will to make the changes needed. Nonetheless, the representatives of professional bodies considered museum claims for more autonomy to be more related to the capacity to promote research and exhibition programs than to increase financial and administrative autonomy. According to them, museums cannot be completely autonomous because they do not have sufficient financial resources. However, representative bodies agree on the excessive centralisation of governing entities:

There is no motivated team when people realise that the results of their efforts are conducted for an abstract entity which gives them almost zero return on their investment. It does not matter if you work hard or not because at the end the return is low or even zero. (interviewee R1)

Moreover, there is a widespread tendency for Portuguese public museums to be uncertain about their real goals and missions. While they generally have a formally stated mission and goals, these have tended to be defined by decree rather than a careful and thorough consideration of the needs and roles of each organisation. Goals and missions have tended to be imposed by governing entities because it is a condition for the accreditation of museums, and necessary to be accepted as a member of the Portuguese Museums Network, and for applying for financial funds. In addition, goals are often deeply defused and concerned with the traditional functions of museums, such as acquisition, conservation, research and diffusion of knowledge and not attending to the real needs of communities and the demands of the "market". A representative of a government body provided an interesting illustration:

Theoretically, they are compelled to have a mission, vision and values. Theoretically, they are defined. However, they need to actually be clarified and put into practice. It needs to be better orchestrated because it is one thing for the museums' director to write down and to disclose the mission, values and vision of the museum, but it is another thing for all the people involved in the organisation to acknowledge them and share its mission. The main issue is that very often museums, mainly those under state supervision, are extremely hierarchical, which reflects the hierarchical structure of society itself. (interviewee R4)

Moreover, this situation tends to be intensified in local governments where often museums are created because the mayor desires to build one in the municipality. In these situations, an edifice is built without any notion about which collections are intended to be displayed. The building is an end in itself and not the beginning of a long process, as stated by one of the interviewees:

Museums are often built for vanity and electoral reasons. Often, the municipal councillor responsible for it does not even understand why those artefacts are significant, nor do they have time for the museum's issues, and they do not contribute any money to its activities. After all, his (sic) preference goes towards the local football association and its team. (interviewee R1)

Although a governmental document on the strategy for museums was presented in January 2010, called "Museums for the 21st Century", a representative of a governmental body was the only one to acknowledge the existence of a government strategy for the sector. Interviewee R2, while commenting on the document, posited with irony:

I think there is nothing strategic about it. Hence, there is not any strategic vision for museums. There is not a strategy for the next ten years, let alone the 21st century concerning a national policy for museums. In my opinion it is true to say that no policy for museums exists.

It seems that there is a lack of attention to the definition of strategies and strategic management and an overuse of "buzz words". According to interviewee R1, this is not just a problem in the museum sector but in all Portuguese public administration. Almost all interviewees posited that public museums are not managed strategically and identified the scarcity of financial resources and the lack of public servants as the main reason for that. However, governing entities are not giving enough attention and stimulating strategic thinking and directors and staff have insufficient knowledge of the field.

As interviewee R4 asserted:

In every place we hear people talking about strategic planning and sustainability but people are not paying attention anymore. Probably we need to invent new words in order to wake people up. ... There is a lack of training and ... quality. ... We need training and this decision must be made by the top level of political decision makers. If a commitment to quality does not exist within these new forms of management, it will be very difficult to integrate these new systems. Therefore, we need to sit down in a collective way and make people and different groups work out the role of museums – what the procedures will be, what the processes will be, what their missions are – and learn how to better systematise the time and the work in these organisations. And we are not talking about money. It seems obvious that people will immediately try to say that there is neither money nor resources. In fact, nowadays resources are scarce and pitiful. However, this is also an excellent opportunity for thinking and working in a different way. Unfortunately, the biggest deficit is not money but training.

The lack of a strategy in museums is obviously seen in the fact that none of them have a development plan. Indeed, for interviewee R4:

All of this is a matter of vision. You are as unlikely to find them in museums as you are to find them in governing entities. This issue is much more complicated. But once more it is mainly related to culture, vision, education, training, because they have activity plans, exhibition plans, storage plans, conservation plans. ... there exists a sum of plans and not an integrated strategic plan. ... It is like if a car was divided into pieces, some of which work very well, with a permanent investment in each part, but with nobody inquiring if it works or not as a whole, and what its purpose is and to where it can go. It may be a wonderful car but it is locked in a garage bin.

The annual plan of activities and the annual report are important documents for any organisation. It is critical that all staff participate in the preparation of the former as it describes all activities that will happen in a museum. Given its influence on the annual budget, it is also important that it is prepared from a realistic perspective. Regarding the budget, it is crucial to disclose in it the main events and figures of the period, and also to discuss all the achievements and failures along the way with the staff in order to create a sense of identity and to implement a mind-set of efficiency and effectiveness. However, it appears that a plan of activities is often prepared only to satisfy a legal requirement and that museums are appraised on the basis of their imagination and not their capacity for achieving particular outcomes. According to one of the interviewees:

the directors want to incorporate plans that are often unrealistic in their activities, either because they do not have [sufficient] staff or because they do not have [sufficient] money. Moreover, they do not feel motivated and consequently they just prepare their plans to conform with the law. In the end, the governing entity will evaluate the museum's management according to the projects it has planned for the following years. In the end, they know that they do not have the resources to proceed. (interviewee R1)

In the same way, museums' reports are more of an assemblage of information to fulfil the legal requirements and are far from being a reflective document on the way a museum was managed during the year. As interviewee R3b asserted her view:

I speak for myself, and since I have been here, the annual report is done in two or three nights. It is a kind of urgent thing that we need to do in order to fulfil the requirements of the law, at the same time we need to do all the other work.

The Portuguese Museums Network is recognised by governmental and professional representatives as playing an important role in the process of museum certification, in standardising the museums' world and in diminishing the differences between museums managed by central and local governments, public and private museums, old and new

museums, and museums located in remote areas and big cities. In line with this, interviewee R4 considered that:

the main role of the Portuguese Museums Network ... has been ... to reduce the austere feature in which the state puts itself, which sometimes is haughty, even for relatively small decisions. After so many years after the Carnation Revolution, this is a sign of a lack of democracy. Unfortunately, this haughtiness persists even in the smallest things, such as a distinction between the public servants and the others. (interviewee R4)

Besides the efforts recognised by all interviewees, the Portuguese Museums Network has also been criticised for being used by governments to control the other museums and for applying low levels of standards to museums supervised by the IMC that are different from those applied to other museums. As interviewee R1 said,

Frequently, the good practices they try to standardise and to disseminate begin to fail in the museums governed by the Ministry of Culture ... often those things we think to be good for others, are not good for us.

According to the same professional, the different form of treatment is not something new and recalls the foundation of the Portuguese Museums Network, when the museums that were managed by the Ministry of Culture were admitted without fulfilling the admission criteria. Reflecting on this, interviewee R3a affirmed:

The array of museums that are not public is so large that it is a contradiction to require those museums that are going to enter the Portuguese Museums Network to meet all the criteria and at the same time the same rigorousness is not applied to those museums ruled by the Ministry of Culture. All in all, the exigency is not working at home!

However, even if museums want to be members of the Portuguese Museums Network, they can still apply for government subsidies. Given that the admission of museums regulated by IMC was imposed by the framework law on Portuguese museums, they consider themselves to be special members with different rights and duties from the others. What is more, this feeling, which is still persisting after almost fifteen years, is an obstacle to the work of the Portuguese Museums Network and seems to have a historical and social background: In supporting this view, interviewee R4 considered:

I think this is a political matter. The foremost museums that do not fulfil the admission criteria are those supervised by the Institute of Museums and Conservation. They are the first museums that have a deficit at that level. This does not mean that the classical functions such as exhibitions, storage, documentation offices are not guaranteed. However, specific aspects that are essential such as evaluation of results for the client citizen do not exist, they are not stimulated by them nor do they want them. ... This is related to the current mentality, it is a matter much more profound, and that is structural. Each of these museums is like a fort inside another fort. It is like they were a fortified territory. We should

not forget that museums are powerful ... sometimes people do not realise this, but it is true, they are institutions of power and hence they enforce their power in a certain way so they protect their territory ... and, we need to say it, occasionally with haughty confidence. ... Indeed, because they were admitted by decree ... they do not feel so compelled as the others to fulfil their mandate and to improve. ... they assume they are members of the family and the most noble.

For the IMC this is an embarrassing situation. However, instead of demanding more from those members of the Portuguese Museums Network that do not meet the criteria of membership, which according to the framework law on Portuguese museums implies exclusion from the Portuguese Museums Network, a governmental representative suggested the need for more flexibility for the new admissions to the Portuguese Museums Network because the set of those museums managed by other institutions is bigger than before, as follows:

The Portuguese Museums Network is very sensitive and strict when they analyse new candidates. ... because the set of non-public museums is larger than before, it is a contradiction to be so demanding and sensitive to ... big holy houses of mercy, foundations, associations and companies and not to apply the same criteria to those museums governed by the Secretary of State for Culture, which were automatically made members of the Portuguese Museums Network. Summing up, they are setting a very poor example. (interviewee R3a)

It was admitted that it is not easy to change the way museums operate. However the lack of financial resources that museums are facing and the interaction with other public organisations might contribute to altering the way museums behave and look at their visitors and citizens in general. As interviewee R4 stated:

I believe that only through contact with other organisations that work in a similar way to each other, and gaining awareness of other public services like hospitals, citizen shops and banks, will make them change. ... Now that all of them are bankrupt and have less money than those museums managed by local governments and foundations, I do not know how it will turn out. However, I think we need to sit down and talk with each other at any rate. (interviewee R4)

The Portuguese public museums are mainly subsidised by public funds, sourced from either the central government or from regional or local governments. Despite the increase in the number of museums run by municipalities, the amount of sponsorship has been declining year after year. This fact is more evident when examining museums managed by the central government and especially those museums under the supervision of the IMC.

It must be noted that museums regulated by the IMC do not have any control over admission fees or over revenue earned in the museums' shops. All this revenue is banked

in a treasury account and the latter are allocated to museums for differing reasons, such as to compensate for a lesser capacity to generate revenue due to being located in a remote area. Concerning the criteria for distribution of financial resources, as was posited by the representatives of professional bodies, there is no discussion with the directors of museums on this issue. According to interviewee R2, due to the scarcity of financial resources and the financial crisis in which the country has only recently emerged from, only in 2010 did the governing board of the IMC disclose in a meeting with the directors the budget information of all museums.

As it was stated by interviewee R2:

It [the distribution of financial resources] should be more transparent. A clear cut set of rules should exist, if this were so we would know what we could expect. I think all this secrecy is very bad everywhere, no one really knows what the criteria are for allocating their own revenue.

All representatives of governing and professional bodies suggested the need to change the way museums are financed, i.e. the heavy dependence on public funds. However, recourse to strategies such as fundraising or the marketisation of museums are not seen as the full remedy for the paucity of financial resources. On one hand they are seen as being unlikely to be effective, under the argument that the society is not prepared and the market is in recession. On the other hand, it is argued by some directors that such changes imply a different level of autonomy, i.e., financial autonomy.

A commonly shared idea is that before proceeding with the determination of any performance indicators in public museums, the central government should first ensure that all museums have a common basis of departure for the development of their activities to guarantee all the museums' functions, which in the opinion of some directors would avoid what some call the "mercantilization of museums". In order to corroborate this view and demand a different attitude in the way governments intervene in the sector, interviewee R2 said:

The museum of Leiden which [I visited] is now simply leeching off the revenue earned from its fantastic collections. .... There was, in the museum's shop, too much paraphernalia, too much junk, and the examples of botched work you cannot imagine could be sold, and the messages were too superficial, always living off the collection's earnings without creating new knowledge. A museum is mainly a factory of new knowledge. Thus, it is very difficult to be managed by just the number of visitors. I agree with models that give more autonomy and responsibility to museums and also a greater capability to attain more revenue. However, the indicators that the state should apply must be elaborated on further, more rigorously and must consider the broader social function of museums. (interviewee R2)

Other interviewees stated that the way museums are funded reflected an inactive culture that had developed over many years. It seems that for museum directors, financial issues are not at stake and they do not see themselves as being responsible for the safeguard of national treasures and other collections entrusted to the state by society, which they work on the behalf of. For interviewee R4:

Museums are in a restricted situation. [However] I see them looking at the governing entity as a kind of a wall that must give them answers. I cannot clearly see the mind-set of these museums thinking about solutions for getting away from this blocked situation. Even with the social responsibility and liberty they are entrusted with, I do not see them thinking strategically. ... The kind of lethargy in which they live makes me distressed.

Another reason presented for museums being so dependent on public funding was the inflexibility of the law. Legislation requires too many explanations from public organisations when they receive any external funding, which makes does not motivate them to raise external financial funds, as highlighted by interviewee R1:

In legal terms it is difficult within the structure of the state to justify the receipt of money from the private sector. Again, the State makes laws that do not help museums to promote fundraising. Everything is very difficult and complex. ... the State is very flexible in some areas but in others it is centralised too much; instead of helping by oiling the cogs they are putting sand into them. (interviewee R1)

The difficulties museums are facing in obtaining financial support from private benefactors and companies is also ascribed to an incorrect approach that has been applied by the staff of museums. Some interviewees called for a different *modus operandi* when it comes to soliciting financial support. To overcome the problem, training is required as well as the adoption of a new perspective.

As interviewee R1 notes:

In addition to institutions of our society paying taxes, they are also pressed to support museums. This is almost blackmail. This is not the way. They cannot be compelled. We need to impress the person that is in front of us, who as a citizen has the power and not the duty of helping museums. As long as people feel this is a duty we will not get anywhere. We must be realistic! That is a new mental structure that we must request as a sector.

The process of getting external financial support cannot be dissociated from the relationship museums maintain with the community. With the exception of a government representative, interviewees identified the existence of problems in the relationship between museums and communities. For interviewee R2, there is a silent revolution happening in museums and the divorce between museums and society arises not from them

being too closed in on themselves, but because the Portuguese people are not concerned with visiting museums. According to this representative of a professional body, the community is not oriented towards museums, and museums are not oriented towards the community. In his opinion these problems have historical roots which are attributed to the illiteracy of the population.

Museums are not as deficient as all of Portuguese society, things have not been getting worse for our sector alone. It is the great problem of the lagging behind – Portuguese society has always been uneducated, ignorant and had little enthusiasm of spirit, thought and culture – but what has worsened the problem considerably, in relation to what was already bad, was the transition from the first Republic to the military dictatorship regime. (interviewee R2)

However, interviewee R1 considers that museums are mainly orientated to their staff and that many exhibitions they promote are intended to please just a small group of people and not the society as a whole. For him, this is not just a problem of public museums but of the public sector and of the Portuguese State:

Our state looks after itself and not the community. The great problem of the State is to assume that it is Portugal its people that must support the State and not the State to work for the community. ... If the Institute of Museums and Conservation and the museums ruled by the State understood this, they would easily know that one day the umbrella of the state will be closed and they will have to find new means of sustainability, alternative ways of generating financial resources.

Furthermore, for interviewee R4, museums are not oriented to any of their stakeholders due to a lack of assessment of community needs. As he emphasised:

Therefore, if there is a deficiency in the identification of community necessities and of the different outcomes resulting from the approach that has been followed, museums are neither orientated to communities nor are they orientated to their staff.

However, according to this government representative this does not mean that communities are not cooperating with museums and he gave as an example the number of friends of museums associations that have been created in the last few years in order to help museums solve their financial difficulties and other problems.

Concerning how museums verify and update their inventories, it was stated by the interviewees that this issue depends on the museum. Further, it is worth noting that an inventory of a museum is something that is never finished, which means that anything that happens to an artefact, when it is being displayed in an external exhibit needs to be noted in the museum's documentation. Although the circumstances vary, it is recognised as being

never ending work and it seems to be assumed by some representatives of government and professional bodies that museums do not keep a registration list of all artefacts entrusted to museums. According to interviewee R1 this is happening because governing entities do not compel museums staff to do their work properly.

Governing entities do not respect the inventory process and consequently the heritage of artefacts. The inventory when well managed shows an attitude of respect for collections which are entrusted to museums. For example, in the case of theft, the information on the inventory is crucial. But if the governing entity does not know nor want to know what they have, why is the inventory necessary? (interviewee R1)

The idea that this is a problem which is getting worse and that it is not just a feature of those museums managed by the IMC, but also of those ruled by local governments, was also put forward by interviewee R4, who argues that it is due to the lack of employees. Therefore, considering this problem, associated with the lack of investment and the reduced budgets which they are operating with, it puts the museum collections at risk and, according to interviewee R4, makes directors feel stressed because the law requires them to be responsible for what happens to the artefacts.

The security of museums' collections is at stake and situations such as the inability to pay telephone bills which cuts communication between the central security device and both the police and the fire brigade is an example that was presented by representatives of professional bodies. However:

The most dangerous [problem] is not having employees to take care of collections with a strategic viewpoint for the long-term and with accountability. (interviewee R2)

Although interviewee R3a posited that collections are not at risk, he also stated that the safety plans have not been revised every five years as they should have been. Moreover, he has also admitted that during the summer of 2010 a fire simulation was performed that showed several deficiencies of the system mainly concerning the police and the fire brigade.

Nevertheless, the problem of the security of the museums' collections seems not to be just a matter of financial struggle and lack of employees. For interviewee R1 it is also an issue of attitude because only now are some museums preparing their safety plans and while some others have already written them, it is not clear they have ever been tested.

As he underlined:

I believe that they have security plans. The point is, how many of them have already tested their plans and, if they have been doing it, with what frequency do they perform those tests? I think it is like the activity plans. They may exist and they may be enough for the governing entity, but how worthy are they if they are not implemented? (interviewee R1)

Concerning the need for museum directors to give an account of their work, all those interviewed recognised it is a very important issue. However, whereas professional representatives discussed accountability from the perspective of giving an account to the community, government representatives considered just the legal accountability, i.e., the fulfilment of legal requirements and being accountable to the governing entity. Furthermore, a lack of tradition in being accountable to the community was recognised, which is seen more as an Anglo-Saxon ritual than a practice of southern Europe. What is more, according to interviewee R1, public museums have no interest in being accountable to the community because they look to the state or the society more as cash cows than as shareholders. In his own words:

Who told you that public museums are worried about society? They are just worried about how to draw money from society. ... Being accountable? That is another mentality that unfortunately we do not have. ... if they were prepared to be accountable to the community, one of the first things that they would do, beyond museographic studies, would be to develop studies on their collections and so forth, studies of the economic viability of museums for five to ten years. It is necessary to define a set of strategies in advance in order to identify the financial resources needed. (interviewee R1)

This lack of accountability to the community, according to interviewee R2, seems to be connected with the excesses of centralism, and related to the lack of autonomy museum directors have, and to the continuous shortage of financial resources and employees, which makes directors not feel accountable but just responsible for what is happening in museums. As it was stated by interviewee R2:

All these limitations lead directors to be discrete and lifeless people, persons little known in the community and mere museum employees.

Given all these difficulties it is fair to question whether the museum directors independently manage their institutions or just administer them according to the decisions that have been made by central government. In general, all of them stated that they feel invested with a mission of a manager, which as interviewee D5 said:

emerges from all the competence inherent in the job of a director and in the commitment that I promised to honour.

However, all government and professional representatives expressed the opinion that the museum directors do not manage their institutions because, as interviewee A8 emphasised, “without budgets there is no management in museums”. In addition to the scarcity of resources, the weaknesses mentioned before were also present, such as the lack of a strategy for the sector, the excess of centralism and the reduced number of public servants. Nevertheless, and in relation to the paucity of financial resources, interviewees emphasised the timeliness of information on the subject, the reduced information available and the frequent cuts which their budgets are subjected to. In general, the interviewees posited that the museums’ management is made up of sundry measures, which mirrors what is happening in Portuguese public administration and in the government. For interviewee R2, museums are managed on impulse without any attempt at foresight and their management is always “technocratic, futile and empty”. According to interviewee R1, the excessive centralisation is responsible for undermining the motivation of the museums’ staff. For him, and contrarily to what happens in the private sector, directors of public museums live in an illusory world, where they think they can manage. However, as he points out, managing an institution like private museums cannot be confused with counting and spending money. He went further and posited that:

Many times public museums are unfortunately managed by personal vanity. And this fits with the mentality of the Portuguese public servant, consequently we are very feudal, and our little corner is the only thing that is worthy of note. ... In many museums of the private sector, the plan of activities shows strategies for winning the public, strategies for fundraising, plans for the museums’ collections, plans of communication with the public, plans for exhibitions. How many public museums do this?” (interviewee R1)

In the same way, the interviewees representing governmental bodies complained about the quotidian constraints museums need to deal with. The view that directors do not have the conditions to plan their activities and that public museums have no strategies for their organisations is shared by interviewees R3a and R4. Given that museums have no autonomy and almost all financial decisions are made by governing entities, people within the governing entity spend their time in analysing and deciding on things of minor importance such as examining contracts for lift maintenance or dealing with rain leaking into museums. Furthermore they have made it clear that it is impossible to say that museum directors are managers because they do not have control over a budget. It appears that the lack of autonomy along with the financial struggles make the relationship between the IMC and the museum directors a permanent process of bargaining for money, as follows:

...with the resources we have it is not possible. This is not management. Management is having strategies, making choices and having a plan. (interviewee R3a)

Obviously to be a manager you need a budget. ...What incentive do we have? Yes, what incentive? After all, there is a kind of resistance. On one side you have the museums' directors and the cultural programmers who are always trying to draw – in a good sense – as much money as they can for their projects. Their projects! On the other side, there are the “others”, who say no. (interviewee R4)

In addition, the fact of a lack of satisfaction amongst museum staff is also recognised by all interviewees. Staff performance is now evaluated every year, but no rewards or bonuses are given because there has been no increase in the salary scale, nor have staff been promoted. Only recently has there been an increase in the amount and variety of staff development. Nevertheless, this has been acknowledged as not being enough. Furthermore, with the exception of security and front desk jobs, no new staff members have been employed at these museums, which is seen as an enormous problem because in the last few decades many people have retired. Therefore, it means that the experience and knowledge accumulated throughout the years has been lost, which creates risk for the museums' collections.

When asked about the different roles that legislation plays in the daily life of museums, all interviewees believed that there was too much legislation to be complied with. This complaint seems to be related to the excessive number of requirements prescribed by law and the reduced number of staff to perform those tasks. However, some interviewees admitted that often there is a tendency for not observing the law or to observe it not because it is important and useful, but only because it is compulsory. In fact, according to interviewee R4:

There is too much talk and not enough action. We meet the requirements of the law because it is required. And the more organisations that are involved, sometimes with law-making institutions, the fewer laws and regulations they comply with. (interviewee R4)

For interviewee R1, the legislation has no significance in museums because they do not observe it. For him, this situation mirrors what is happening in public administration where legal requirements are only fulfilled when it is convenient or when something goes wrong. According to R1, the inobservance of the framework law on Portuguese museums is an example of a law that is praised by all as being advanced, but is not observed due to constant excuses about difficulties related to its implementation. In this regard he stated:

For example, the framework law makes me recall Chamberlain on the 29<sup>th</sup> of September 1938 holding a paper signed by Hitler and saying 'peace for our time' and the occupation of Poland began on the following day. The framework law on Portuguese museums reminds me of that piece of paper. A document that means almost nil. It is extremely important in itself, but its true purpose is not. (interviewee R1)

The importance of financial information in the management of museums seems to be very low. In fact, the budget of museums is limited to the allocation of funding for salaries and operational expenses such as utilities. Hence, although museums' directors have little knowledge of financial issues, there is also little motivation to learn more about this matter. In addition, the yearly budgets are based on the budget from the previous year. Such practice compromises the estimation of expenditure and over the last decade funding allocation has always been insufficient (that is below the needs). Often, the revenue estimation does not cover the annual salaries figures. Due to this under-estimation, the execution of a budget is done with recourse to reallocations and the request for additional funds. In line with this, interviewee R3b stated:

Thus, during the year we need to perform to a certain standard and have a flexible management system between them [museums], instead of trying to take from one side to put into another. We perform literally thousands of budget reallocations. (interviewee R3b)

In 2011, the situation was so serious that the museums' budget only aimed to cover staff salaries. In what relates to the IMC, part of the budget intended for salaries and wages was accounted for by forecasts for locally-generated revenue (e.g. services provided to the community, sales from merchandising). Such budgetary practices have serious limitations since there are no guarantees that the anticipated revenues will be attained. In contrast, despite the low funding levels allocated to public museums governed by the IMC, the Ministry of Culture provided tens of millions of Euros of funding to private foundations such as the Casa da Música (House of Music) during 2010. For interviewee R1, museums are facing these difficulties because they have always ignored the importance of management and financial information and he presents an example of the lack of a cost benefit analysis on implementing admission fees in museums. Moreover, two interviewees reported that museum staff dislike financial information, presenting the tradition and culture of these professions as the main reason for that, which they extend to the entire cultural sector. As interviewee R4 considered:

Once more, this [dislike of financial information] is a matter of cultural attitude. I do not know why financial information is so insignificant that professionals of culture and art think that it is a minor matter. It is like the devil works with money and we, the gods and the

deities, cope with other subjects. Money is something we do not like to turn in our hands to. It is a matter of attitude and it needs to be changed because we have put ourselves upon this pedestal which has been detrimental to our culture. I think this [financial information] is not a panacea for everything. However, investing in a different attitude, another kind of training through tools such as quality management and strategic planning in order to obtain more transparency in the way financial resources and citizens taxes are expended is the minimum requirement of credibility that we can give to a democratic society. (interviewee R4)

Accounting seems not to be very important in this cultural subsector. Public museums that are members of the Portuguese Museums Network are part of the “integrated services” of the state. Therefore they have not implemented accrual accounting and are still using a cash accounting system. The particularities of the cultural sector, such as its inventories, are presented as the main reason why the CAPA has not yet been implemented. Further, interviewee R3a called for a specific chart of accounts for the cultural sector in a similar way to what has happened in the health sector, in local government, in the education sector and in social security. What is more, he endorsed the need to transfer budget execution from the Budget General Directorate under the supervision of the Ministry of Finance and Public Administration to the Ministry of Culture. This is because the Budget General Directorate is considered to be a weighty structure and responsible for many delays, such as balances carried forward from the preceding year not being available until the middle of the second semester of the fiscal year, thus hindering the work of museums. Regarding the museum managed by a local government, all financial issues are handled by the municipal financial department and are located outside the museum.

## **7.4 THE MANAGEMENT OF MUSEUMS**

This section analyses the interviews carried out with the directors, curators and administrative staff in nine public museums and focuses as much as possible on the aspects to be examined in the two questions concerning the structural problems, which are outlined in the first part of the pre-defined guidelines of the interviewees (see Appendix B).

#### 7.4.1 STRUCTURAL PROBLEMS

The main structural problems highlighted by museum directors, conservators and administrative staff were almost the same. However, the way they prioritised them shows some differences in their principal concerns. Although the directors pointed to financial restrictions and building and equipment constraints as the main structural problems, conservators nominated financial restrictions and the lack of staff. Finally, the administrative staff nominated the lack of financial resources and the lack of autonomy as the principal problems of public museums. All interviewees talked about financial difficulties and complained about the reduced budgets of their museums. According to interviewee A8:

Although a budget proposal for the next year is planned and sent to the governing entity every August by the museums, they have never been approved by the governing entity without great cuts which does not leave them with funding for management. The truth is that in January there is always an under estimation of all the budget items either for building maintenance and payments for all different services, and even for staff salaries. (interviewee A8)

Although all museums are confronted with financial difficulties, such adversities vary according to their importance and size. Therefore, small museums which are not included in the group of museums that are traditionally classified as “national museums”, and have not been entrusted with national treasures, tend to encounter a complete lack of investment.

The paucity of financial resources is perceived more strongly in other central government museums, such as military museums, because the preservation of heritage is not the main aim of their governing entities. In a similar way, museums controlled by local governments also face those constraints. However, nothing compares with what was exposed before because local governments do not depend on the General Budget of the State and have plenty of autonomy to define their activities. Notwithstanding this, they are always subjected to political interests and the fickle will of the mayor.

Another structural problem nominated was the deficiencies of the buildings, which are often connected with both the lack of investment and the scarcity of resources for their maintenance. Museums controlled by the IMC were temporarily lodged in old convents and palaces which were not built to be museums. However, as time passed, what began as a temporary solution became a permanent decision. Thus, these buildings have humidity

and rain infiltration problems that are not easy to solve. Furthermore, it is very difficult to adapt their spaces for exhibitions and storage purposes or to adjust them in order to be friendlier structures for disabled people. Such difficulties are intensified when these buildings are designated as heritage buildings. In support to this situation, interviewee C7a stated:

A building for starting an enterprise, no matter what it may be, needs to be adjusted to suit its function. A power plant is not built with the same structure as a saw-mill. (interviewee C7a)

With the support of European funds, some of these buildings have been modernised in the last few years. However, in some situations the solutions adopted were either not correct or not the most suitable, such as changes made in building architecture without considering the weather of the region. Many of these museums were modernised with air conditioning and central heating. Nonetheless, due to the lack of financial resources for paying bills, they cannot afford to turn these utilities on. Interviewee D6 stated that during the winter it is so cold inside the museum that they need to take personal heaters to their offices. In addition, museums have a lot of difficulties ensuring regular maintenance of equipment, because maintenance is very expensive. What is more, sometimes museums do not have maintenance contracts at all. On other occasions the contracts exist, but because the governing entity does not pay or has been paying irregularly, the companies responsible for the conservation refuse to carry out the maintenance. However, in some circumstances, even if a museum's staff member is able to perform required maintenance work, the law forbids it, because the contract states that the work must be performed by a certified company. According to interviewee D2:

Although we can turn the air conditioning on, sometimes it is broken and we spend time repairing and wasting lots of money. ... this year we have been constantly repairing equipment, because there is always something that does not work, such as an electric motor or the filters are obstructed. Then, the law is bizarre because it stipulates that the maintenance of filters must be carried out by a certified company. This is Portuguese legislation! Even if our staff members know how to change the filters they cannot do it. The law forbids us. Believe me, this is crazy! It is not worth trying to understand! Or better, the only explanation I can find is the strong influence companies have in public administration and through which the payment is assured. It is commercial, it is the only explanation I can find for it. (interviewee D2)

Moreover, this limitation is of great concern to directors and conservators because it puts at risk the museums' collections and the health of the staff. Two directors considered that the way museums have been acclimatised is exaggerated because it makes the

collections depend on relative humidity and temperatures controlled by equipment that museums cannot maintain due to a lack of money. As interviewee D1 submitted:

We are changing the environmental conditions of museums' collections and it is likely that in five or ten years we might come to renounce all the paraphernalia because we have not sufficient financial resources to meet our costs... I believe that in the long-term it might be a problem for collections and it might represent a depreciation of the heritage entrusted to us. (interviewee D1)

The Internet was identified by the museums' staff as a fundamental tool for their daily work. However, the interviewees from different categories explained how the quality of their work and their communication with the community are at risk. Among other things, they complained of running computer hardware systems that, in some situations, are more than ten years old, and which do not allow them to update their web pages or process a word document quickly. In addition, it was also reported that the intranet network is vulnerable to spam and virus attacks because the antivirus software has not been updated for a long time. Furthermore, it was reported that the email system is not reliable because they have received many complaints from visitors who have tried unsuccessfully to contact the museums. In order to solve these and other problems the interviewees declared that they have started to take their own laptop computers to their work places, to create alternative email accounts on the internet and to work from home to carry out tasks such as updating the museums' web pages. As an example of these difficulties interviewee D2 declared:

When our desk top computers begin running they make sounds like cats. It is something indescribable, with some of them needing to be punched in order for them to work. (interviewee D2)

Concerning those museums controlled by other central government organisations, financial difficulties and problems with their buildings tend to be worse than those of museums controlled by the IMC. In municipal museums the problems seem to be the result of different causes. Problems with buildings often stem from the lack of perspective and knowledge of political power. The edifice is more a result of the will of the mayor's chambers than a desire of the community and many times it is constructed without any supervision from a museum expert. Indeed, the museum is seen as something static where the make-up of its structure is an end in itself.

What happened was that the storage space designed was very scanty, that is to say, at that time it was not thought that the museum collection could increase, as it has been happening

because throughout the years we have been receiving donations from many people, and important donations at that. (interviewee D3)

The lack of staff was also presented by interviewees as a structural hindrance to the development of museums. As was stated before, nobody has been hired to replace curators and specialised staff that have retired. The last vacancies were filled in order to ameliorate the security conditions of museums and when compared with previous recruitment for the same category, they are well-qualified staff, sometimes in the same areas as the curators and doing master's degrees in museology. On one hand, and given their knowledge, they are of benefit to the museums. On the other hand and in the long-term it may represent a risk to the quality of the museums' services because their salaries are not compatible with their qualifications and there is little or no prospect of career progression.

Concerning those museums run by other central government organisations, the situation is worse because they usually do not have a payroll and the people in charge of these museums are not sufficiently qualified in the field and are near retirement. The situation in military museums is that the directors are always someone already in the reserve army and the security service is provided by soldiers who are always changing. In those museums ruled by local governments the situation is similar. There are museums that do not have a payroll and a municipal employee, not always the same person, is responsible for opening and closing the museums and looking after the place during the opening hours. In addition, some museums have a payroll but not enough to pay for staff to perform all the museums' activities. Furthermore, as was stated by the interviewees from the municipal museum; their services can be requested for any other cultural facility, which means that first and foremost they are public servants of the municipality. In general, these museums are members of the Portuguese Museums Network.

#### **7.4.2 MUSEUMS' MISSION AND GOALS**

When queried on the mission and goals of museums, opinions differ according to the interviewees' categories. Whereas directors cite the existence of a well-defined mission and a set of goals for each museum, curators tend to refer to their museum's mission as something standardised but vague. The process of defining the museums' mission and their

goals is seen by curators and administrative staff as a task to be performed by the tutelage entity along with the directors. Furthermore, the definition of the mission and objectives of museums seem to be something that must exist because it is compulsory for all museums that are members of the Portuguese Museum Network. However, although all museums managed by the IMC have been members of the Portuguese Museums Network since its foundation, only recently have the majority of them defined a mission and goals for their organisations. In addition, many curators reported that they do not identify with the mission of their museum and others posited that they do not to know what they are. As interviewee C1 remarked:

I have read the mission and the goals of the museum many times. However, I cannot retain them because I think it is completely absurd and does not say anything. They are political clichés and I confess that I have some difficulties in basing my work on those clichés. They are a kind of high end fashion buzzwords that in fact, after they have been squeezed, are almost against the nature of these buildings because they deny all that a museums should be. (interviewee C1)

Of the museums regulated by other central government organisations, few have already composed a mission and goals for their museums and it seems that this process is fuelled by their candidature for membership of the Portuguese Museums Network. Likewise, the majority of municipal museums do not have their mission and goals defined yet, but even if they have, the main reason is that they want to become members of the Network.

### **7.4.3 STRATEGIC MANAGEMENT AND DEVELOPMENT PLAN**

Although the Ministry of Culture and the IMC issued a strategic document for their museums in January 2010, it seems that they still are not managed strategically nor do they have a development plan. Some directors referred to the government document as a basis for the refinement of local strategic documents. However, none of them stated that they had already done it. For other directors the document is nothing more than an obligation that needs to be performed. Indeed, as interviewee D2 refers, it is nothing but “a list of good intentions like those made by housewives in the morning before going shopping” (interviewee D2).

For interviewee D2, the lack of strategy is obvious in the discourse of the governing entity, which stresses the importance of research and the quality of museums' collections, but in practice it emphasises the need to attract more visitors due to the problems with the shortage of financial resources.

Some museum directors seem to be conscious of what it means not to have a development plan and/or not being able to manage their institutions strategically. Among other justifications for this absence they have presented the overlapping of other priority tasks; the scarcity of financial resources and the impossibility to budget and to program for a time lag of more than one year. Other directors declared that their museums are managed strategically, but they have said that there are no formally defined strategies within the museums, only the personal strategies of the directors. At the same time they put forward statements in which they admitted they had not written any development plans for their museums. This is also the opinion of almost all curators who generally stated that museums do not have any development plan and the only strategy that exists in museums is the personal strategy of the director. As one interviewee stated "Yes, there is a strategy for the museum. It is in my head. Mainly in my head." Along the same line of thought, interviewee C6 stated:

We answer to demands which vary according to priorities that we do not know. Sometimes we feel like fire fighters putting out blazes here and there. Suddenly, what was thought of as a priority in which everybody was engaged is not important anymore and is left behind. (interviewee C6)

The situation of museums ruled by other central government organisations or by municipalities is little different from that described above. The only difference pointed out by interviewees from the municipal museum was that the strategy that has been followed is the strategy of the mayor, who intends to make the museum a reflection of the municipality and of his options for cultural policies. Therefore, the museum is a media instrument for political power. For interviewee C3:

There is no doubt that the museum is at the influence of the policies and will of the municipality chamber. In my opinion, and that is a very personal opinion, I think this may be a legacy of the New State regime. The culture was always the right hand of the political power and it was always an instrument for something. (interviewee C3)

Several directors observed that local governments lack coherent policies and do not invest in human resources or in cultural projects for their museums. They also accused

local politicians of using museums as instruments for their own aims and self-promotion and by doing that they are putting the museum collections at risk. For interviewee D7, the main problem of museums managed by local governments is that when holders of political power talk about culture they are not truly thinking about that, but about recreational and cultural associations and their folk dance groups, bands and so on, which can be useful in procuring the people's gratitude for the real or potential investments and encouraging them to vote for the incumbents. In interviewee D3's opinion, municipal museums are:

A flag of the mayors and local managers who built them. In general they are not quite the sitting room, but are the reception rooms of municipalities. (interviewee D3)

Therefore, the certification of museums by the Portuguese Museums Network is seen as a solution for these and other political interferences because the Network imposes on municipalities the development of a set of policies that need to be followed and which are common to all its members.

#### **7.4.4 CENTRALISATION VERSUS AUTONOMY**

All interviewees thought that public museums had too little autonomy for developing their activities. Although conservators and administrative staff expressed the need for more autonomy, directors stated that more autonomy and financial autonomy are welcome only if the central government continues to give financial support to museums. In addition, directors such as interviewee D2 and interviewee D7 suggested that before giving museums a turn at being more autonomous, it would be useful for entities to give them a little taste of autonomy for a short time because "experience is the teacher of all things" (interviewee D7).

The excess of centralization seems to be a problem not just for public museums but for all Portuguese public administration. Some experienced administrative staff interviewed declared that this problem has always existed and tends to vary through time according to the government and the financial situation of the country. The administrative autonomy is so tightly controlled that a director does not have permission to authorise any external activity in a museum without permission of the IMC. However, as stated by some directors, since the Law-decree 97/2007 on the new structure of the IMC was passed, they

feel that they have more autonomy. With this new Law-decree museums are allowed to retain and manage all revenue resulting from their education services, temporarily rent out museum spaces and conduct fundraising activities. Nevertheless, some directors also reported that given that museums are entities with only administrative autonomy, they are not permitted to spend the revenue as they wish because they always need to get authorisation from the governing entity if they want to assume liabilities for an amount over 5,000 Euros. Furthermore, it was also reported by some directors that in the last couple of years there have been signs that the tutelage entity wants to have a tighter control over these revenues. Directors and curators have also posited that to overcome this limitation they are using the associations of friends of museums, because they are not subjected to the whims of any public entity but just to their members. Hence, through these associations museums can develop unlimited activities and can spend their money according to their wishes. Some directors also suggested that in some circumstances an excessive level of centralisation appears because there is a need to justify the work of some departments under the tutelage entity.

Interviewees reported the many difficulties museums are confronted with when they want to purchase goods and services. Since 2009, the government decided to centralise the purchase of laptop and desktop computers, stationery and other consumable office supplies. Museums are only authorised to buy directly from a local supplier if the ministerial purchasing unit cannot find a company interested in furnishing the goods or the services requested. However, the process takes too long and often it appears that the material provided is not what had been requested. In order to get around this kind of problem, whenever possible, museums develop an extended list of small quantities of different products in order to ensure that no other company will be interested in providing the service.

The problem of the excesses of centralisation was also highlighted when political bodies decide to build new facilities and do not seek the opinion of professionals nor of anyone from those professional entities. As was posited by interviewees C7a and C7b, the history of museums is full of stories about political decisions made without any advice from those who work there, decisions which often have a negative effect on museums.

The problem of too much centralisation and the lack of autonomy in the museums supervised by local governments or other central government organisations seems not to be different from those museums run by the IMC. In the situation of the military museum,

everything is completely centralised. Interviewee D8, an IMC director who worked in the past for a municipal museum, stated that this is a false problem and it is an illusion that municipal museums have more autonomy, because they “are in fact macro-democracies but ruled by micro-monarchies”. Such a statement reinforces what was mentioned before in terms of the influence and control that local politicians exert on museums and of their use of museums for political purposes.

#### **7.4.5 COMMUNICATION PROCESS**

The communication process inside museums varies according to the character of the director. In general, all directors described the structure of museums as being hierarchical, but that the process of communication inside museums is horizontal and quite informal. At the same time as describing the process as informal, they also stated that they did not disclaim the hierarchical process. For curators there is a lack of communication inside museums, which some administrative staff suggested prevents them from providing a good service to their visitors because much of the time they do not know what is happening in the museum. Nevertheless, they declared that when there is any communication, the process is mainly hierarchical. It was also verified that the process tends to be more hierarchical in museums that have a higher number of employees and in those with older staff, who have been described as being very attached to their privileges. Even so, the hierarchical process seems to be preferred by all staff members and nothing has been done to level the playing field.

As it was posited by interviewee C4:

I think that there must be a place for everything and everything in its place. Sometimes it is necessary to limit the power. Otherwise, it will be a mess and even so, only God knows!  
(interviewee C4)

The process of communication between museums and the board of the IMC was reported by directors as being very good. However, disagreements were disclosed, especially due to the lack of communication and participation in the decision making process, such as the transfer of some museums from the IMC to local governments or to any Regional Office of Culture (ROC), which appears to affect the daily activity and the

motivation of staff of those museums involved. Interviewee D6 used this issue to exemplify the system of communication that exists between governing entities and museums, which she qualified as casual, without any sense or strategy and as the result of a process where people without any knowledge or practice of management within the heritage sector have access to decision making spaces:

Sometimes the relationship is easier because I have known them for a long time. If someone does not know them the situation can become convoluted. ... Because I know them and I have been here for many years, I can also realise when someone should shoot to the corner and leave it at that or when things should be taken more seriously. (interviewee D6)

The process of communication between museums and the IMC departments looks very difficult. The excess of centralisation and insufficient numbers of staff were pointed out as being the main reasons for the difficulty in the process of communication. Interviewee D4 reported that this lack of communication was so high that it can be harmful for public finances. As an example, the interviewee reported the number of phone calls and emails that had been sent to the IMC, claiming the urgent need to present expense documents related to a proposal that the museum had been developing with the local government and which was 65 per cent financed by European funds. According to the interviewee, the deadline for submitting the documents was near and it could have represented the potential loss of 50,000 to 60,000 Euros to the state. For interviewee D2, the process of communication with different IMC services depends on the service one is trying to contact. Although with some services communication seems to be easier, with others it is presented as very difficult and dependent on the mood of the person one is trying to contact. Interviewee D1 compared IMC services to:

an overstuffed handbag, where everything takes too long to find and sometimes things get lost altogether because there is no discernible system of organization. (Interviewee D1)

Some directors and administrative staff confessed that to overcome these communication problems and solve the museums' issues they used a network of informal contacts at the IMC, built up over the years. Following the same line of thought interviewee C8 stated:

If one day I would have the possibility to be in charge of the Institute of Museums and Conservation and if I could make it work, at least I would take a small team to work parallel with me. What would be considered traditional would follow a traditional way and all other aspects that I would like to implement with speed would be carried out by my team. This is the only way for starting a revolution in our country and to manage it with some modern thinking. (interviewee C8)

In museums regulated by other public central government organisations and by local governments, the process of communication within museums was also presented by their directors as hierarchical and informal at the same time. However, the same problems of communication identified in museums responsible to the IMC have been reported by curators from these museums. The process of communication between museums and their governing entities is also hierarchical, which for military museums is the only acceptable alternative because it is seen as the natural process of communication within a military organisation. Concerning the municipal museum, the interviewees' comments on communication were positive. However, when urged to comment on why it can be good if the political power interferes in the museum, interviewee C3, a curator, said that it is because nobody wants to question any decision made by the political power and added:

We live in a time in which one hand washes the other and together they wash the face (laughs). The relationship ends up being good because it is based on this premise. (interviewee C3)

#### **7.4.6 MUSEUMS AND COMMUNITIES**

In general, most interviewees considered public museums to be oriented towards their communities. However, some interviewees stated that they are only oriented towards their professionals and a couple of them declared that they are not oriented to either of these groups. In addition, interviewees' general vision of what they mean by community seems to be limited because it is restricted to those who live near the museum or just the population of the municipality where the museum is located. Furthermore, when asked why members of communities are not visiting museums the directors presented a range of explanations, such as the lack of cultural pride within the population; museums lacking public visibility; the absence of government investment to turn museums into more contemporary institutions; and the fact that people still see them as elite institutions due to the fact that they are located in magnificent old buildings. Some conservators and administrative staff added to these reasons the poor level of communication and museums' lack of public promotion policies.

Meanwhile, with the lack of financial resources and staff, museums are making a big effort to become more community focused through the development of partnerships with other institutions and by inviting local artists to display their work in the museums. It seems

that this kind of short-term management is very common, referred to by interviewee A8 as “navigating by the stars”. However, sometimes the need to present museums as dynamic institutions encourages directors to give support to activities that are not in accordance with the mission of this breed of institution.

It seems that Portuguese public museums do not feel accountable to their communities. When compelled to explain how they give an account of their museums’ work to their communities, the common answer provided was that there is no need to do it or that they are automatically being accountable when they open the museum, hold exhibitions, buy new artefacts and artworks, restore the museums’ collections and when they disclose the number of museum visitors. When queried as to whom they feel accountable to, administrative staff and curators declared that they feel accountable only to the museum director. The same happens with the directors, who in general declared themselves to be accountable only to the governing board of the IMC. As interviewee D5 said:

Above all I give account to my tutelage entity, that is, to the Institute of Museums and Conservation. Every year I write an annual report and I am subjected to an assessment performance. Therefore, within the hierarchy, as when I took up my post, I assumed that these are the rules and it is to my hierarchical superiors, who in this case is the Director of the Institute of Museums and Conservation, that I am accountable. In what concerns public accounts, political accountability and other stuff, it is up to them. In my situation I give an account to them. This is the bedrock of the renewal of my periodical appointment to this position.

In addition, one director and one curator declared a need to be accountable to their communities first, positing that “first of all I need to give an account to myself and to my conscience. After that, to my director, and finally to those in Lisbon, the governing entity” (interviewee C5). Another director stated that he / she was accountable to the museum’s sponsors, a third one added the need to also give an account to the museum’s team of staff and one curator voted for the importance of giving an account to the community. In two museums the respective directors explained that there is no need to account to communities due to the ignorance and the lack of culture and knowledge within the population. Interviewee D4 was very surprised with the inquiry and declared:

Give an account to the community? Why is that, if our society has always been illiterate? Our society has no knowledge and it is characterised by a big lack of culture. (interviewee D4)

Although recognising the importance of accountability, interviewee R2 considered the difficulty of museums to be accountable is the result of the lack of tradition. In his words:

Well, accountability seems to be very important. However, we do not have that tradition in Portugal. Nevertheless, I think this is related to our organisational culture and, whether we like it or not, we carry with us the history of our organisation and in what concerns museums' traditions, it has nothing to do with accountability. It is all related to elitism, privileges, and orientated to specific sections of the population.

The way directors use hierarchical accountability is through an annual report they send to the governing entity in which they describe the activities that have been undertaken during the year. Although it is required by law, some directors and curators could not present a reason for its preparation. Furthermore, the annual report is prepared during February or March according to a scheme devised by the IMC and it is usually developed by the director or a curator nominated to lead the work. After questioning each curator on the activities that had been developed, number of visitors, equipment that had been bought and alterations to the staff payroll throughout the year, the information is finally compiled. Administrative staff participate only if there is a need to supply information about the payroll or their help is requested for performing tasks such as formatting the document. According to directors and curators, no financial information is divulged in the annual report nor is any explanation given for the decisions and steps that have been taken. What is more, all staff interviewees stated that they had never met together to discuss the information reported. Finally, only one director stated that financial information was being made available on the museum's website.

The situation in museums managed by other central government organisations and local governments was very similar. However, it seems that the distance between museums and the community tends to be greater in those museums that come under local governments, which may reflect political tensions. Concerning accountability, the process is similar to the one explained above for the IMC's museums when they are members of the Portuguese Museums Network.

#### 7.4.7 STAFF INVOLVEMENT IN MANAGEMENT

The involvement of the museums' staff depends on the character of the director and the category of each member. As was posited by one director, there is an upper level of management which comprises the director, the group of conservators and other senior staff and the operational management which is more concerned with museum security staff and other operational staff. In any case, management is something that is undertaken almost exclusively by directors. Moreover, when museum staff members express feeling about the management it appears they think that the director is informing them of what has been decided or that a museum director is requesting their opinion. Further, rarely do any museum directors and other staff meet each other around a table to discuss a museum's strategies. Directors see this attitude as normal and better for carrying out the museum's daily activities. Nevertheless, this one-person-show behaviour is described by administrative staff and curators as a problem not just for museums but for the whole Portuguese public sector, where directors or anyone else in charge control and manage their institution alone. Interviewee C6's words are a good example of how unusual it is for staff to participate in the management of museums:

Participation in museums' management? Are you kidding me? The museums are managed by the director. That's him who proposes and disposes according to his will. If he needs something he calls us and asks. We never acknowledge the aim of the request or even if it is or is not achieved.

Many curators and administrative staff seek to achieve their wish to be more involved in the process of decision-making in order to contribute their alternative vision to the organisation and in making their teams more motivated. As was stated by interviewee A2:

Unfortunately, our participation is limited to the implementation of orders and guidelines that we receive. It would be more helpful in regard to the management of the museums if we could give our individual contribution, as each of us has their own experience with a different level of insight of the entity. A different insight that it may help a lot. (interviewee A2)

In some museums the absence of meetings was justified by the existence of conflicts among public servants or between employees and directors. In other museums the lack of meetings was justified by the disagreements between directors and other staff members concerning performance appraisals. Some directors identified a more participatory process

in decision-making as something integral to Anglo-Saxon institutions but that is very difficult to be implemented in Portuguese public museums, and which:

may be a little bit related to the history of the organisation. What I mean is that public servants get used to seeing the director as the helmsman i.e. it is him who decides, it is him who is responsible and it is him who takes the responsibility. He is responsible for what is good and for what goes wrong. (interviewee C1)

The situation found in museums that are managed by local governments and other central government organisations is similar to that found in museums that come under the IMC. However, in those museums governed by local governments the level of participation in management is also influenced by the will of the mayor, whose presence is ubiquitous in all decisions made.

#### **7.4.8 SOURCES OF REVENUE**

In the case of those museums supervised by central government entities, the IMC or other central government organisations, the sources of revenue are mainly the General Budget of the State, with municipal museums financed by local government budgets. All interviewees stated that the scarcity of budget revenue is a hindrance in planning activities and developing their museum's mission.

Since the new law on the structure of the IMC was passed, as has been already stated, those museums under its jurisdiction are allowed to keep and manage revenue resulting from activities such as educational services or from the rental of the museum's spaces. There are also other sources of revenue such as entrance fees, sales at the museum shops, renting out the restaurant or cafeteria space, and from the rendering of museum services. However, with the exception of the latter point, all revenue is deposited in the treasury account, which according to directors is used to subsidise museums according to need, and mainly those museums lacking sufficient capacity to attract visitors. This dependence on the IMC removes pressure from directors because they know that at the end of the month if there is not enough money to pay their bills, the tutelage entity will do it. However, not all directors share such a vision. According to interviewee D6, "the problem is that with all these restrictions, museums will be eternally dependent on a central power".

In addition, museums are now allowed to engage in fundraising and to manage the money they obtain. However, the funds derived from fundraising still represent a very low percentage of the museums' income. Other reasons identified by interviewees for not promoting fundraising are the lack of motivation and the professional orientation of museum directors and curators. Many interviewees admitted not having a background and vocation for it and some others showed dislike for working with money, such as interviewee C7a who posited that "My career is as a conservator. We have no vocation for that".

They claimed that there is a need to hire professionals with expertise in the financial area. At least one director declared that he had already tried to draw up an outsourcing contract for raising funds. Nevertheless, it seems that there are many legal obstacles which block the development of this new form of financing. Other justifications were presented, such as society not being well educated and therefore not being interested in supporting museums, and the absence of a strong fundraising law that can fuel the interest of private companies in financing museums and cultural events. It is important to note that the inquiries made in order to understand the type of companies that usually sponsor museums' activities showed that they are mainly banks and companies within the sphere of state control.

For interviewee C1, the way museums are "promoting fundraising is not unlike shooting themselves in the foot" because the work has not been done with professionalism. As interviewee D3 posited, for entities to participate and give financial support to the activities of museums they need to feel that institutions are asking for social and cultural cooperation, "which goes far beyond just more commercial trade".

As was already stated, to overcome the financial problems public museums are creating and using associations of friends of the museums. Because they are governed by private law, the money they earn does not need to be subjected to the procedures required when accounting for public money. In addition, and through these associations, museums can sell books and other products without the need to transfer the revenue to the tutelage entity.

Museums managed by local governments depend exclusively on the budgets of municipalities. All the additional money they can earn, such as from entrance fees, is deposited in the local government bank account and treated like any other revenue that the

municipality has obtained. Unlike those museums regulated by the IMC, local government museums do not keep and manage any money. What is more, according to the professionals interviewed in museums managed by a local government, they would like to promote fundraising. However, the mayor does not typically allow that because it is seen as a loss of independence in the way the museums are managed. As interviewees D3 and C3 stated:

Unfortunately, the political managers we have now do not favour the adoption of a fundraising policy... In fact, this attitude is based on the belief that it is better to avoid receiving financial support because of the need to be accountable to the sponsors. It may be possible that there are also some concerns with being held hostage by external organisations... If this had not happened then we could have already taken a different leap towards the internationalisation of the museum. (interviewee D3)

In my view, the museum does not have a fundraising policy because the mayor does not want any interference from any company or any other organisation. He wants to manage the museum according to his will and centralised exclusively on himself. (interviewee C3)

In the same way, museums under other central government organisations cannot keep and manage revenue generated and are completely dependent on small transfers of money from the national budget of the state. Therefore, the associations of friends of the museum appear to be the best solution for solving the lack of money, and revenue from fundraising can be directed to the association rather than the governing entity. These associations can better promote those activities that the governing entity does not allow the museums to undertake, due to the shortage of financial resources.

#### **7.4.9 SECURITY OF COLLECTIONS**

The collections entrusted to Portuguese public museums seem to be at risk. The list of deficiencies mentioned by interviewees is diverse, such as weaknesses in building structure, conservation measures and safety plans. During the interviews, contrary to views of the conservators, the museums directors always presented a more optimistic picture of the situation of museums' collections.

As already mentioned, many buildings in which museums are situated were not built for that purpose. Often, those buildings are considered part of the national heritage, with many having been constructed between 200 and 500 years ago. As was declared by some directors, some building conditions are not as good as would be desired. However, when

there are insufficient financial resources to provide for their maintenance, collections can be subjected to humid conditions and other environmental threats, such as an excess of moisture and high temperatures during the summer, which do not allow anyone to guarantee their protection. Directors from those museums that have not already been provided with air conditioning and central heating claimed to want it, which contrasted with the those whose views were reported before, and all pointed out the harm collections are subjected to, given the drastic changes in temperatures, due to the shortage of financial sources necessary to pay electricity bills.

In addition, different directors, conservators and administrative staff focused their attention on the lack of maintenance of their security systems, such as alarms against theft and fire. The reasons presented for this deficiency was always the refusal of companies to perform maintenance work due to the delay of payment from the IMC. In addition, even if the job is accomplished, in certain museums the IMC delays payments of telephone bills. After two months of delay in payment, Portugal Telecom cuts off landline telephones and consequently the connection with the fire-brigade and the police is lost.

Furthermore, concerning the possibility of the disappearance of artefacts and artworks from museums, only two directors were certain that it was impossible for a staff member to be able to remove an artefact from the museum. Only in one museum was the existence of a strong security system for access to the storage area verified. Generally, regulation of control to this area seems to exist but it is not strict. However, despite some directors declaring that they had implemented a restriction of access to storage areas, conservators and administrative staff contradicted that. Moreover, this problem tends to grow worse due to the shortage of public servants, because museums employ temporarily-unemployed people who receive wage subsidies for the loss of their jobs. While there are many museums resorting to this temporary employment scheme, it was verified at least in one museum that there are certain periods in the year when the number of these temporary staff is higher than those on the payroll. In another case the director reported that the recourse to the trainees is the only way to assure a service with a minimum standard of quality:

We have very experienced permanent staff ... and we also have casual staff, which is a little bit of a dangerous reality ... because we never know who is getting in. We cannot guess by the face of people if they are conscientious, if they are responsible or if they are honest or not. (interviewee D1)

In municipal museums and in those managed by other central government organisations the situation is similar. However, during the interview the curator of municipal museum reported that there have already been thefts of artefacts and, given the non-existence of an inventory, the situation was tending to get worse.

One of the conditions of admission to the Portuguese Museums Network is to follow a safety plan provided by the IMC. According to the directors, the tutelage entity contracted an engineer who “supervised from a distance” the composition of 33 safety plans. Confronted with the difficulty of following the preparation of such an important document from a distance, interviewee D6 stated that in his museum the work had been done by a trainee and the engineer merely provided guidance. Furthermore, due to the confidentiality of safety plans, few staff members were aware of their contents. However, some curators and other staff declared that they had no knowledge of them. Only in one museum did all the interviewees declare that they were aware of the safety plan, but only about those parts related to their jobs. Moreover, it seems that museums have never tested their safety plans nor have their staff ever received training in simple tasks such as how to use a fire extinguisher. Only one director claimed to have carried out a safety test within the last ten years.

A circumstance described by several museum directors and conservators, that demonstrates how museums’ collections are at risk, relates to the numerous artefacts and artworks that over the years have been requested for decorative purposes from public museums by governmental entities to be sent to such places as ministries, Portuguese embassies around the world, Republic Presidency, courts and other central government facilities. For interviewee C7a:

Well, we are talking about big entities that have artworks outside, I mean, summoned and many times you can imagine a museum that has artwork deposited since the nineteenth century, inside and outside of Portugal (laughs).

None of the directors seemed to know which legislation permitted those entities to request the museums’ artefacts and artworks. Furthermore, although the investment that was made to digitalise inventories in order to bring museums’ collections online, most inventories remain incomplete. In light of some statements made by directors and conservators, the situation can be described as serious.

[sigh] the inventory is not totally up-to-date. We still have collections that are not registered. There are pieces in this museum that would not be traceable if they disappeared. (interviewee D1)

On the subject of how inventories are verified and updated, the situation is not very different from that one described before. The first thing directors and curators emphasise when they talk about inventory updates is that an inventory is always an open process because they consider an inventory file to be part of any event, such as participating in an exhibition. Verification was presented as something almost impossible to do. Therefore, if it is difficult to check the inventory of a museum, those artworks and artefacts that were requested by governmental institutions, of which some of them are located outside of the country, are seen as being very difficult to verify.

Well, this is sort of done in good faith. But actually we have so little time for other things that we could go crazy if we were always verifying the inventory. (Interviewee D6)

The situation in museums which are managed by local governments and other central government organisations tends to be worse than those museums linked to the IMC. Rarely do they have safety plans unless they are members of the Portuguese Museums Network. However, there are museums that do not have an inventory, such as the museums managed by the municipality where interviews were carried out. According to one of the professionals, culture is often utilised by municipality chambers for political purposes. Hence, according to that professional, the priority for the governing entity was to buy expensive software to carry out the inventory and present it to the community on International Museum Day; however, since then it has not been used. The same can be said for the security of museums' collections and in the circumstance of the museum under the control of the army; the existence of a strong security system described by the director was not confirmed by other interviewees.

The next section presents the views of directors, curators and administrative staff relating to their contribution to the enrichment of museums, in particular the difficulties they are facing due to the lack of expert staff in some areas; the absence of a policy concerning staff training; the lack of motivation in their daily activities and the level of involvement with financial information.

## 7.5 EXPERTISE OF MUSEUMS STAFF

Each interviewee was asked about the number of people working in the museum. However, only one director was able to give the actual the number after counting the employees one by one; none of the conservators were able to say exactly and only a few administrative staff members could do so without checking.

As was already noted, it has been a long time since Portuguese public museums have advertised to fill position vacancies for conservators and highly-ranked employees, which has resulted in the permanent loss of knowledge every time someone retires. Until recently, the situation reached a stage where some museums needed to close their doors at lunch time due to a lack of staff. In the last few years new public servants have been admitted which gave a new lease of life to these organisations and placated other staff in the sector a little. This can be seen by the calling off strikes during the Easter season, when many Spaniards and other tourists go to Portugal for their holidays. However, the recruitment was just for security and front-desk jobs. The situation seems to have become imbalanced with some museums having too many guards on their payroll when compared with the number of curators or other highly-ranked professionals. In addition, some directors remarked on the large number of curators with a similar academic background. Due to the continuing reduction of staff and the absence of research careers in museums, curators stated that they no longer had enough time for researching the history of their museums' collections.

Some museum directors and curators also claimed it was necessary to hire new professionals for other areas, including some positions new to museums, such as IT engineers. This is because computers and the Internet have become more important for a museum to perform its work and to implement wide-reaching programs and activities for all potential visitors, the press and multimedia and so on. As explained by interviewee D2, whenever a PC stops working well, they need to send it to the IMC because individual museums neither have anyone with expertise in that field, nor are they allowed to take it to a computer shop for repairs. Furthermore, museums also enlist professionals with expertise in marketing, promotion and fundraising, as well as experts in publicity and media officers. In addition, they request more curators and draw attention to the permanent loss of the quality of their services every time someone retires.

In general, the training available to museum employees is oriented towards security and front-desk staff. However, since 2010, when a new governing board of the IMC was nominated, training has become more varied and also available to other professional categories. A point that was emphasised by some directors and many curators, and all administrative staff, was their concern over the centralisation of all training in Lisbon. They requested the decentralisation of training, along with a higher level of financial support to cover travel expenses and the excess of museum work they had to do. These were the main reasons for staff not wishing to participate as often as they would prefer.

Some colleagues went to Lisbon at 5.15 a.m. and arrived back at 11.00 p.m. The next morning two of them were saying that it was not worth going there. ...There is not any advantage in going to Lisbon for three or four hours, and to then return asking ourselves why had we gone there? I have already gone to Lisbon for a 30 minute training session. This is incomprehensible. (interviewee A4)

Perceptions of job satisfaction amongst museum employees vary according to the category of employees. Directors believe employees are very satisfied because they have not received any complaints. Only one director emphasised the dissatisfaction of employees due to the system of performance appraisal. On the other side, curators and administrative staff also highlighted the satisfaction of working in museums. Several of them stressed the privilege of working in museums. However, they have brought to light their discontentment with the fact that for the last ten years they have been in the same professional category and receiving the same salary. Furthermore, they claim they work overtime and do not receive payment or any other kind of compensation that is usual in the private sector.

People want to give their best but in the end they are not compensated as happens in the private sector where someone who works overtime is paid with dignity. This does not happen here.” (interviewee A2)

Moreover, they blame the performance evaluation system for being responsible for the degeneration of organised environments, because of conflict between directors and employees and for the high level of competition among public servants.

The environment between colleagues is not good due to the performance evaluation system which increases and changes the competition. ... that is what we call looking to see who you can screw over in order to advance yourself. (interviewee A6)

Access to training is not easy for staff in museums managed by other central government organisations. The curator of the military museum complained of the difficulty

they have in participating in training programs because the government entity does not have the financial resources to sponsor them. According to interviewee C9, often there is more participation because staff from all military museums show great solidarity to their colleagues. Hence, if the governing entity sends an employee from a certain museum for training and funds the travel and the hotel costs, all employees from other military museums who are interested to go as well share the cost. The situation in municipal museums is similar to that in museums regulated by the IMC if they are members of the Portuguese Museums Network, because the majority of training is promoted by this entity. Training for leading and supervisory staff is encouraged by the museum board and subject to the authorisation of the mayor who sometimes does not give permission due to financial constraints. Training for administrative and operational staff is always proposed by the governing entity. Furthermore, it was admitted by two of the three interviewees at the local museum that the IMC museums and the Portuguese Museums Network have a strong influence over the way they work because some of them had undergone their training in those museums and because of the way the Portuguese Museums Network promotes its training, which is orientated towards creating homogeneity in all the undertakings of its members.

Concerning job satisfaction, the situation found in municipal museums is similar to that revealed in museums under the IMC. However, the situation within military museums seems to be less motivating, given all the difficulties outlined above.

Financial information does not appear to be an arena which the museums' staff like to deal with. Only a few directors and administrative staff reported feeling comfortable with financial information. However, they referred to simple budget operations such as available provisions, designated amounts and commitments. Some directors highlighted their difficulty in coping with financial information due to their lack of background in the field and others, such as interviewee D4, showed ambivalence towards the preparation of financial information stating:

I do not understand it, nor do I want to know anything about it, but I do not hate those who do know about it.

Along the same line of thought, curators also acknowledge their difficulty with any tasks involving financial information. Although they recognised an increase in the need

for financial information in their daily work, they stressed a lack of expertise and displayed a lack of interest in educating themselves any further on financial issues.

We need to know more and more all the time. Moreover, it is not our field and we do not want it, because we were not trained for that and we have not got a trainer for it anyway. We do not want to know nor do we have any interest in knowing anything about it. It is enough of a problem for me to lodge my tax return every year. (interviewee C7a)

This position shows how the staff members are still following a traditional perspective that has prevailed for many years in Portuguese administration. Bearing in mind the weight of the legal system, which allows public servants to perform only those activities for which they have been engaged, the next section presents how the legislation defines museum management and what its role is in the achievement of the museums' objectives.

## **7.6 ROLE OF LEGISLATION**

The influence of legislation on the management of museums seems to be similar to what happens in other “integrated services” (state sub-sector). A range of complaints were made about the daily weight of legislation on the management of public museums by directors and administrative staff. The two groups criticised the tight and permanent changes that occur with legislation, especially regarding acquisitions, wages / salaries and careers. Many criticisms from administrative staff seem to be due to their lack of expertise and to the absence of government support in helping them clarify the meaning of the laws and how to act appropriately to fulfil the specified requirements. Nonetheless, sometimes the laws are so strict that they create many difficulties,

For example, if the director needs to go to Lisbon. There are two alternatives, they can go by car or by plane. The law favours the option to go by car, but does not allow the paying of an airline ticket. However, I can assure you that travelling by car is three times more expensive than going by plane. (interviewee A8)

These situations cost the state money and the public servants commit offences because public servants end up having to travel by plane and receive the kind of compensation they would have got if they had gone by car. Other difficulties faced relate to the code of public contracts, which states the appropriate rules and the different steps to

be followed in the implementation of contracts for acquisition of goods, services, work or concessions. Museum managers pointed out this law as the biggest hindrance to the development of the museums' activities because all acquisitions are now centralised. It takes too long to contract anything and contrary to what is announced by the central government, according to the directors, it does not help to save money. They also criticised the fact that in the process of acquisition they do not have access to information from the Ministry Procurement Unit. Law-decree 97/2007 on the structure of the IMC was the only example presented as a contribution to the museums' autonomy. For the curators legislation does not have much influence on their activity because it is guided by the framework law on Portuguese museums which they considered to be a favourable piece of legislation, like other rules and enacting legislation but that are never put into effect.

The problem of passing laws and rules that are followed only partially or not at all, and the absence of any governmental control over their applicability was pointed out by many interviewees. However, this fact was also stressed as a structural problem of Portuguese society. The framework law on Portuguese museums and the role of the Portuguese Museums Network were the examples most often cited by museum staff. The framework law on Portuguese museums is seen by directors and conservators as a very good law, but not one that is applicable in practice. One example that was given by many professionals refers to the acceptance onto the museums' staff of unemployed people for guarding the museums' collections; however, the law formally requires staff to be appropriately qualified. As interviewee D5 stressed:

I give you the example of the framework law, which is an impractical piece of legislation. However, we also need to look at it as a guide for practices. If we were simply to verify which museums meet all requirements set out in the law, probably it would be a problem. How can we have qualified employees at the front desk, as the law states, when the people who are doing this job are selected from a job centre among those candidates available for signing an Employment-Insertion contract?

Another example recalled by an interviewee was the lack of sustainable budgets as is imposed by the framework law on Portuguese museums. According to their view, this is happening because no one verifies whether the law has been applied. In addition, they stated that many aspects of the framework law have not been carried out because they are in conflict with the requirements for membership with the Portuguese Museums Network, which means that this entity does not seem to be performing its work properly. Interviewee R4's view:

All in all it is a political option. My opinion is well known. Honestly I hope that all the sustainability criteria to be accepted by the Portuguese Museums Network will not change. Indeed, it cannot change from how it is stated in the law. However, those museums regulated by the Institute of Museums and Conservation are on the top of those that do not meet the admission criteria. (interviewee R4)

Only in the last decade have public museums under the IMC submitted drafts of enacting legislation to the governing entity for approval. However, it seems that this emphasis is not a result of necessity felt by museums but a consequence of a legal imposition. Some directors stated that the submission of those proposals occurred not because they were needed, but due to the legal imposition on all members of the Portuguese Museums Network. Other directors stated that the enacting legislation in those museums managed by the IMC is very similar because they followed the scheme suggested by the tutelage entity. For interviewee D1, they are nothing but a synthesis of the current praxis, given that they do not have any influence over the management of museums. For interviewee D6, enacting legislation is something that was put aside because “it has a bureaucratic and administrative character”. It is worthy of note that when asked if the enacting legislation has been adhered to, directors retorted that it is generally observed, which appears to mean that the legislation is not fully observed or it is observed only when it is convenient. Many administrative staff and curators declared not knowing the document and some curators made jokes about it, “Is there an enacting legislation for this museum?” (interviewee C1). Another one, when asked about whether or not he knew about the document, laughed and said:

Your question is like asking to a Portuguese man if he knows the Portuguese law. Obviously, he has the duty to know the law. But does everybody know it? No. (interviewee C7a)

In museums governed by other central government organisations and local governments there is much more centralisation and all decisions are made by governing entities. Hence, the weight of legislation and the limitations that are imposed by law are not perceptible. What was reported before about the framework law on Portuguese museums managed by the IMC is applicable to museums regulated by other central government organisations. The situation tends to be worse in those museums run by local governments that are not members of the Portuguese Museums Network because the National Association of Municipalities does not accept that municipalities need to submit a proposal for the foundation of new museums to the judgement of the Ministry of Culture as is prescribed by the law. Similar to museums managed by the IMC, the enactment of

legislation by these museums resulted from a legal imposition. In reference to the military museum where interviews were performed, staff made contradictory statements about the existence or non-existence of enacting legislation within the museum, which indicates that the existence of the document is not known to all members of staff.

Despite the weight of the law in Portuguese public administration, the next section tries to identify other factors, like history, that interviewees identified as influencing the way museums are managed and how museum staff behave.

## **7.7 CULTURAL/PUBLIC ADMINISTRATION**

During the interviews, museum directors, curators and administrative staff talked about a culture in public museums that is associated with traditional Portuguese public administration. Although none of them fully defined what this culture is about, the main characteristics emphasised by the interviewees were the respect for hierarchy; the confinement of each action to those with the respective expertise; the lack of a public mission mentality; arriving late to work and leaving early; the opinion that staff are paid for little more than taking care of the museum's artefacts; and the delay of the decision making process until the deadline. These matters are more associated with older and less qualified staff such as administrative staff and security staff. According to some curators, this behaviour is very difficult to change because:

everything has its history and they also carry on their shoulders the history of their lives and all their lives' experiences. (interviewee C8)

More than the result of the political vision implemented in the country are those behaviours which also tend to be derived from cultural values which do not stress innovation. What is more, this is presented as the reason why all attempts to reform the public administration in the past have failed or have not had the impact on the public sector that they were supposed to have.

In general, museum directors view their staff as proactive and efficient. Nonetheless, at least two directors described them as counteractive and inefficient and attributed this attitude to a lack of motivation and to a passive attitude amongst those who manage

museums. Another one posited that they are efficient for what is asked of them. This opinion also seems to be shared by curators and administrative staff who also noted the lack of a proactive attitude and efficient work, which they attributed to low salaries and the excess of centralisation, which does not give museums any opportunity for showing any initiative.

I adapted the tasks to them. It is like this, I cannot make lemonade without lemons. So, if I just have one lemon I need to find the others. Therefore what I do is to optimize my colleagues. (interviewee D5)

In relation to the directors' attitude, they said that they behave more as managers in their daily work. However, for interviewee D8 it is high praise to call what directors do 'management'. In addition, although they stated they were open to the opinions of the museums' staff, some directors considered the claim for a more participative and democratic system still unattainable because the system was not yet ready for it.

Decisions are mine and I accept them always. Here there is not any democracy implemented. I try to hear as much as I can, I take advice, I promote the discussion but I decide. (interviewee D1)

Curators and administrative staff regarded the directors' attitudes as tending more towards administration due to the lack of autonomy and the shortage of financial resources museums have for promoting good programs and other museum activities. In the same way, two curators compared the work of directors to that developed by a foreman, and an administrative employee compared the way museum directors conduct their work to that done by a housekeeper. Furthermore, others criticised the directors' attitude of centralising everything, and making decisions alone; of not sharing information and, like interviewee D4 admitted, of "poking their nose in everything".

Although almost all interviewees said that they observe the law during their daily work, different practices of decoupling and practical drift were identified. In some situations the practice of decoupling was justified by the need to be more proactive and efficient. As interviewee D4 posited, sometimes the law is a hindrance to the accomplishment of museum activities. Thus, not completely fulfilling the formal requirements of the law is seen as something very natural. In other circumstances museums are skirting around the law to overcome budget constraints and they use the associations of friends of the museums to keep money that otherwise would have to be given to the

governing entity. At other times and with the help of the governing entity's expertise, they have found loopholes in the law that helped museums to have up to three articles on consignment in museums' shops, something that would not usually be permitted. In addition, one director suggested that the lack of time to fulfil all bureaucratic steps that need to be complied with before specific expenditure can be completed is one of the reasons for decoupling. For example, a director needed to appeal to the understanding of the governing board of the IMC because the governing entity was preparing to freeze all non-mandatory spending despite the director having already approved an expense commitment. Moreover, another director admitted to having made an agreement with the governing body of the IMC to not bank the money for all restoration work undertaken in the museum laboratory. According to the law, the money should be banked in a treasury account. However, according to interviewee D6, given that the laboratory was being financed by its own revenue, if the money were to be deposited in a treasury account technicians would not be able to buy raw materials and proceed with restoration works due to the time delay and all the bureaucratic procedures which needed to be fulfilled in order to get the money refunded.

There is a tacit agreement with the governing entity and they close their eyes to that revenue because if the normal administrative system is followed we can never restore anything. (interviewee D6)

Decoupling seems not just to be a privilege of the director in public museums. Some administrative staff admitted not to reading the budget memo that the Budget General Directorate issues every year and which includes some procedures to be observed during the budget upload. As interviewee A4 posited, "there is too much paper to read". Therefore the budget is uploaded and when mistakes are made the correction of them is done by casting doubt on the competence of administrative staff in other public museums.

In the end we don't do anything that is illegal. The law is not observed by what is written but by the experience that we have acquired over time. (interviewee A4)

The hierarchical and legal systems seem to call for more participation in the museums' management by their staff. This is the situation even though the public sector organisational cultural view leaves no space for making important and structural changes in museums. Such conditions do not allow for the increased empowerment of staff members. Moreover, although museum staff declared their desire to be more involved in the process of decision making, the present situation is not so suitable for this because they do not feel responsible, nor do they feel accountable for anything bad that might occur in the museum.

The next section presents the interviewees' perspectives on the preparation of financial information and its use in the process of decision making: how accounting and particularly double entry bookkeeping is known as an information system; what kind of financial information is used and what role it plays in shaping museums' activities.

## **7.8 ACCOUNTING/ACCOUNTABILITY TECHNIQUE**

During the interviews only one administrative staff member, who held a bachelor's degree in accounting, showed reasonable knowledge of the financial process in museums. None of the others seemed to have any knowledge of financial issues. Concerning the participation in the budget allocation process, museums develop a budget proposal that is sent to the governing entity every August. As was declared by interviewee D4, the guidelines that museums receive from the IMC always request a less expensive budget proposal than that one submitted the year before. According to some museum directors, there is no discussion between them and the governing board of the IMC concerning the museums' budgets. Some directors stated that the submission of a budget proposal appears to be mainly to meet a legal requirement because every year the final document approved by the governing entity is completely different from the one submitted. When asked about the criteria used by the governing entity to approve the museums' budgets, some directors stated ignorance of it, and others posited that it appeared to have been based on the activity plan. Anyway, the lack of a clear definition and debate with directors on such an important issue can lead the governing entity to use arbitrary rules which can be changed or reversed at any time.

This process tended to be worse when directors referred to museums governed by other central government organisations and by local governments. Military institutions are not oriented towards the preservation of heritage assets, and museum services do not have any relevance in military budgets. Concerning museums run by local governments, all the financial processes are developed outside the museum and the budget is diluted into the municipal budget. In the body of this case study, it was reported that the mayor discusses the museum's annual plan with a member of the museum's board and, after the new fiscal

year, staff just request money in accordance with what has been approved in order to fund activities.

The most important financial statement in museums is the annual budget. The preparation of this important document does not conform to any planning and the budget for the present year is always prepared based on the previous year's budget. Some directors, when they were explaining how the budget is prepared, posited the idea that museums have three budgets. It seems that this idea is associated with their importance and the capacity directors have for controlling the money. Therefore, one budget refers to the money transferred from the national budget of the state and is concerned with operational expenses such as utilities and mandatory expenses such as salaries. Given the simplicity of this expenditure, the allocation process of the annual budget was presented by some directors as something that is done by administrative staff. According to interviewee A8 there is no issue concerning the allocation process of these amounts because:

the only activity I need to carry out in the museum is to record the code and the amount due for making the transfer of money. (interviewee A8)

Another budget relates to the money derived from fundraising which museums can spend as they wish as long as the limit imposed by law for entities with administrative autonomy is respected. Finally, there is the investment budget and it has to do with the money that is allocated to each museum for their activities, but remains under the control of the IMC.

We know that we have [the money] in the coffers of the Institute of Museums and Conservation and during the year we make use of the budget, promoting the activities that have been approved in our plan. (interviewee D1)

Some directors stated that they followed the process of budget execution. However, few administrative staff members said that they prepared budget information for the directors. In addition, although the directors stated that they used financial information in the process of decision making, administrative staff stated that the only thing curators and directors were interested in is to know if there is enough money to spend when they want to develop an activity. In addition, while directors and curators declared that they gave priority to financial information, the only financial work that is undertaken is to request financial information for potential suppliers in order to ascertain a rounded cost for each activity in the activity plan. Thus, there are sufficient financial resources to promote activities, so museums develop them without making any cost-benefit analysis.

All interviewees were queried on the system of accounting used by museums and about the kind of information they were able to print out. Directors and curators indicated that their administrative staff were the most suitable people for answering such questions. Some directors were able to identify the simple-entry bookkeeping in use in museums regulated by the IMC, but none of them could identify any financial statements in use.

Clearly our accounting system is cash accounting. It is like, 'how much money do we have, what has been paid, what has not?' and so on, even in relation to our revenue it is more like a grocer's idea of accounting. (interviewee D2)

I do not know what [financial statements] are exactly. Here we use a cash payment journal and a cash receipt journal. My account books are like a grocer's. (interviewee D4)

Some administrative staff admitted to being able to print off balances and income statements and others said that museums already used double-entry bookkeeping. Only one administrative staff member was able to identify correctly the cash accounting system in use in museums managed by the IMC. Additionally, interviewees were also questioned about internal control procedures in use in the museums and if at any time museums had been subjected to an audit. However, only the administrative employee with knowledge of accounting was able to give information about the non-existence of any procedures. All the others showed ignorance of the issue.

Although the framework law on Portuguese museums states the need for the IMC to calculate every year's performance indicators from museums associated with the Portuguese Museums Network, in order to demonstrate the level of their quality and efficiency, none of the museums managed by the IMC seems to have financial indicators. Indeed, when this issue was raised respondents declared surprise and ignorance about what is written in the law. In general, directors and other staff just nominated the numbers of visitors as the unique indicator in use. However, one director added that the museum was also evaluated by the indicator of revenue generated by entrance fees and the museum shop.

What is more, Portuguese public museums do not undertake analysis in order to judge if value for money has been achieved. According to what was stated by the directors, the money in the museums' possession is insufficient, and by that they meant that it is always spent effectively. No studies have been done in order to ascertain whether museums are getting the best value for their money, services and goods that have been acquired and provided.

Some directors stated that they would like to have more control over revenue from the museums' shops and entrance fees. However, they also recognised that all museums can benefit from centralisation because the IMC uses that revenue to pay the expenses of all museums.

The situation in museums run by other central government organisations and local governments is similar. The only difference that exists is that local governments are already using double-entry bookkeeping. However, none of the interviewees at the municipal museum seemed to know that.

## **7.9 SUMMARY**

This chapter has reported on the analysis of the interviews concerned with the Portuguese Museums Network case study. In some situations the interviews complemented the information already disclosed in the survey and added a deeper level of insight to the issues of accountability under study, such as with what occurred in the study of structural problems in museums. However, in other cases what emerged from the interviews seems to suggest contradictions with the survey's results and even disclosed practices of decoupling and practical drift among museum staff. This included, for example, the use of financial information for decision making, the constant postponement of the implementation of the CAPA in public museums, and the lack of observance of what is dictated in museums' legislation. In addition, the perspective presented by professional and government representatives disclosed what seems to be an absence of dialogue between professional bodies and the government in defining a common path for the museum sector. Furthermore, it also showed how government representatives and museum staff in general tend to be captives of a legal system that favours precedence over more efficient and effective practices.

The next chapter presents a discussion about all the data collected during archival research, the results obtained in the survey and those that emerged from the interviews in the case study for answering the three research questions that were presented in Chapter 1.

# **8 MALAISE IN THE SYSTEMS OF ACCOUNTABILITY WITHIN THE PORTUGUESE PUBLIC MUSEUM SECTOR: A DISCUSSION**

We are only going to set you straight on the track, if your carriage stands on the rails crookedly; driving is something we shall leave you to do by yourself.

(Wittgenstein, 1984: 39e)

## **8.1 INTRODUCTION**

Chapter 8 is divided into five sections and discusses the results that emerged from the case study of the Portuguese Museums Network, including the findings derived from the various data sources: archival data, questionnaire and interviews. Overall the study addresses the systems of accountability in the Portuguese Museums Network. The results discussed in the present chapter refer to the three research questions of this thesis:

Research Question 1

- What systems of accountability presently apply to Portugal's public museums?

Research Question 2

- What are the historical determinants of these systems and what has been the role of NPM?

Research Question 3

- Relative to the objectives and missions of the museums, what deficiencies are evident in the systems of accountability and how might these be redressed?

Sections two to four answer each research question. In the fourth section, a set of recommendations for correcting the diverse deficiencies that were diagnosed during the research is presented. Finally, a summary of the chapter is provided in the last section.

## **8.2 THE SYSTEMS OF ACCOUNTABILITY IN THE PORTUGUESE PUBLIC MUSEUMS**

An analysis of the systems of accountability in the Portuguese public museums cannot be undertaken in isolation from the particularities of the cultural sector, in which one's subjectivity and those experiences "I agree to attend to" (James, 1890: 402) contribute to and influence its value and the public realm itself. Indeed, the complexity of the public sector, the omnipresence of accountability in our lives (Hopwood, 1994), along with the malleability of the concept according to time, culture and field, makes accountability very difficult to identify and describe as a characteristic present in organisations and in the behaviour of their members (Sinclair, 1995). Accountability is in a permanent process of change, as it is related to mechanisms created by society for the government of citizens, who are either people embedded in more formal or informal situations.

Considering the complexity of the public sector with all its particularities (Meyer, 1983), the range of services public organisations provide to society occur at a level turbulence that is higher than what is experienced in the private sector. Therefore, an examination of the systems of accountability in public museums implies conducting it from the perspective of the Portuguese public sector in order to obtain a holistic view. In addition to the technical matters that are inherent in the museum sector and the economic environment, those who are held accountable need also to consider the historical background as well as other aspects, such as political, social and ethical objectives (English, Guthrie & Parker, 2005).

The world of public museums in Portugal is varied and complex. Such variety and complexity is derived not just from the broad concept of a museum, but also because of the diversity of their collections they hold and the broad array of entities that govern them. Different reasons can be offered for the boost in the number of museums around the country (Camacho & Neves, 2010). However, foremost among these is the Operation Program for Culture, which was a European Union funding measure that aided the modernisation of those museums already in place and also fostered the creation of new ones between 2000 and 2006.

## 8.2.1 MUSEUMS AS SOCIAL CONSTRUCTIONS: HISTORY AND LEGITIMISATION

Like accounting and accountability, museums and their artefacts are social constructions with a symbolic universe that leads to their legitimisation (Berger & Luckmann, 1967). To understand the systems of accountability of Portuguese public museums it is important to recall the process of their foundation and understand their history. On one side, there are those museums that emerged a long time ago for the delight of an elite – such as the Museum of Ancient Art in Lisbon – and those museums that emerged shortly after revolutionary processes, such as the Liberal Revolution in the 19<sup>th</sup> century and the 20<sup>th</sup> century. On the other side, there are museums managed by local governments, which in many situations result from an attempt to construct a cultural identity based on the characteristics of local communities and are used by politicians as technologies of governmentality.

Each local government has its own organisational complexity and level of centralisation, meaning that is difficult to prescribe a single system of accountability for all local governments. Suddenly, with the end of 40 years of dictatorship and the devolution to local governments (and other entities) of the social responsibility for promoting culture (Veiga & Pinho, 2007), a unique opportunity arose for politicians to emerge as the patrons and promoters of the cultural sector (Anico & Peralta, 2007), and to exploit its heritage discourse. Museums are central to this discourse, being part of what Bennet (2007) labelled “civil machineries”, and which can be seen as technologies of the self and technologies of domination, respectively, contributing to politicians being able to implement their intended policies as a result of a slow-motion process of shaping others’ thoughts, behaviours and decisions (Miller & Rose, 2008). However, many museums were founded around the country and every municipality decided to have one (Anico & Peralta, 2009), which has frequently led to what Miller & Rose (1990: 10) called a “congenitally failing operation”. Indeed, when the foundation of a museum does not stem from the desire of preserving an identity that is well-accepted and shared by all the community, but is a result of mimetic isomorphism (DiMaggio & Powell, 1991) embedded in a political agenda, it may result in future organisational instability and structural problems. Indeed, the municipal elections held every four years introduce into the political scenario new actors and new agendas.

### **8.2.1.1 THE MONARCHY PERIOD – (1755-1910)**

Analysis of the history of Portuguese public museums reveals that until recently they have been almost unnoticed organisations. Although the oldest European legislation on the protection of heritage seems to have been issued in Portugal (Maia, 1997), it was done for the delight of the ruling class and the education of the royalty. In fact, as Brigola (2003) describes, it seems it had been a practice of the King to dispose of the artefacts of various museums' collections as gifts to members of other European royal families. Such practices, which suited and assisted the interests of those ruling the country (Westphal & Zajac, 2001), show how intentions in preserving heritage and the actions of the royal family diverged (Weick, 1974).

Museums were used in selective ways for educational purposes, first, for the royalty and later the Liberal Revolution for the people. However, as described in a report by Holstein (1875), there was a complete lack of accountability within the new regime. Once again, there was a difference between the intentions, the discourses of those in charge and the rules they approved, and the actions taken to preserve artworks.

### **8.2.1.2 FIRST REPUBLIC – (1910-1926)**

Just after the fall of the monarchy, many museums were founded around the country. A variety of forms of legislation were promulgated which showed how culture, education and training were being transformed into a cornerstone of the republican regime. Museums emerged as centres of power due to their instrumental character in the new political apparatus. They also became “centres of calculation” (Latour, 1987; Miller & Rose, 2008) as they gathered their collections and participated in the construction of new discourses of truth, helping the republican governments in the exercise of the “conduct of conducts” (Foucault, 1997a: 341).

Throughout the country, museums' collections were organised in a certain order (Foucault, 2002a), all similar to that prescribed by the republicans for producing a new governmentality. Consequently, through learning, which Foucault nominated among the

technologies that contribute to the government of the self (Foucault, 1981a), the regime's discourse was founded on freedom of thinking and behaving. In this way, museums were used as technologies of government (Miller & Rose, 2008) for the spread of republican perspectives and values. However, as Foucault (1997b: 172) also recalled, "things never happen as we expect from a political program", and the absence of financial resources for conserving collections and repairing museum buildings did not prevent a lack of accountability. Therefore, the determination of politicians was not enough to prevent their legislative actions from being transformed into "a congenitally failing operation" (Miller & Rose, 1990: 10).

### **8.2.1.3 THE NEW STATE PERIOD – (1926-1974)**

During the New State, the management of all museums was centralised and even the few museums that were still managed by local governments were transferred to the control of the central government. As instruments of governmentality, museums and their collections were used as part of the ideological machinery of fascism. Therefore, the admission to the International Council of Museums during the 1960s exposed the sector to new challenges, such as the preparation of senior officials and the training of conservators.

The new legislation that was approved tried to open museums to society. However, it did not meet any of the requirements for discharging accountability to the public. In addition, the actual practices continued to be far from what were prescribed by law. The reasons for such resistance to change can be diverse, such as culture (Harrison & Carroll, 1991) or the institutional and technical structure of the environment in which organisations were embedded (DiMaggio & Powell, 1983; Scott, 1987).

During this period, the process of accountability in museums was rigid and hierarchical. Museums were used to generate docile bodies (Foucault, 1995) and making them part of "systems of efficiency and economy controls" (Foucault, 1981: 139). Otherwise, they could be promoters of thinking and criticism, which can generate new ideas and can unbalance regimes. However, this does not mean that tests could not be carried out in order to keep proving over and over again the loyalty of individuals to the regime.

In cases of deviant behaviour, museums would also be used as a laboratory for performing potential training and correcting individuals (Foucault, 1995).

Therefore, during this period museums were panopticon machines and at the same time conveyer belts of state policies. They were intended to homogenise the effects of the exercise of authoritarian regime power (Foucault, 1995). Directors were not selected and nominated because of their competence, but according to political decisions. They needed to be attentive to all public servants working in the museum who were under the director's orders, and who were expected to inform the director of any abnormal event or behaviour by any of the museum's visitors. In their role, directors did not have any form of autonomy. In fact, they needed to request permission to develop any activity. In relation to financial accountability, any spending was always conditional on prior authorisation, which was carefully scrutinised; in the case of budget deviation, the director would need to present a rigorous explanation for such an event.

In contrast with what happened before, where there had already been the possibility of citizens scrutinising the spending of governments, financial information became orientated to the interests of the state. All spending was under the supervision of the Ministry of Finance and the General Budget was at the centre of governmental accounting (Jorge, 2003). The accounting policies which followed were based on the need to spend all financial resources properly in order to emphasise the contrast with the previous political periods and the inertia with which government finance had been controlled and which led to defaults. This was also part of the political discourse for justifying the regime and enhancing the glory and sacrifice of the dictator.

#### **8.2.1.4 THE DEMOCRACY PERIOD (1974 – NOW)**

The Carnation Revolution of 1974 did not bring any changes to museums. Museums, like any other institution or organisation, are influenced by their daily practices (Quattrone & Hopper, 2001) and the Revolution did not change their routines and habits. Their purposes, the counting and displaying of their collections, continued to be conducted in a similar way as had been the case prior to the revolution. The same applied to public sector accounting, which was shielded from the winds of the revolution and continued to be based

on cash accounting. This lack of change, or barely perceptible change, aligns Power's (1991: 197) observation that "things that are institutionalized tend to be relatively inert". According to Seidman, (1980), reorganisation and reforms in the public sector usually create a pure mirage of progress. In fact, changes in museums have been occurring at a very slow pace due to museums being "carriers of history" (David, 1994: 205). As they are public organisations and dependent on political power, changes and reforms tend to be more difficult to carry out or, in some situations, even impossible to implement (Brunsson, 2002).

Along with the foundation of new museums, new legislation was passed in an attempt to ameliorate the strains within the museum sector. However, the legislation did not necessarily improve the systems of accountability in museums. The Portuguese public museums have never been under a single jurisdiction. In contrast to the period of the New State, during which museums were under the jurisdiction of the Ministry of National Education, the period from 1974 until today has been marked by a continuous change of governance. As museums are part of the cultural sector, the political choices of successive national governments has meant that this sector has sometimes been governed by a Secretary of State for Culture, and at other times by a Ministry of Education and Culture or even by a Ministry of Culture.

The constant changes in the public sector that have been occurring since 2008 as a result of external restructuring pressures have also had an impact on museums. Never before have Portuguese public museums and staff been as threatened as they have been in the last six years. The majority of the pressures for change in the public sector have been imposed by external forces in the pursuit of public legitimacy (Meyer & Rowan, 1977) but these forces do not provide a sufficient remedy for public museums to survive. In addition, the permanent processes of change that have been occurring may lead their staff to a state of stress due their difficulty in adapting to change (Douglas, 1986). In addition, the majority of organizational reforms are never carried through to completion and their consequences tend not to be analysed properly. A lack of autonomy, compounded by a scarcity of financial resources, also means that staff are unable to "adequately prepare for, or deal with, the unknown" (Paulsen, Callan, Grice, Rooney, Gallois, Jones, Jimmieson & Bordia, 2005: 466-467).

## 8.2.2 DIVERSITY IN SYSTEMS OF ACCOUNTABILITY

As stated earlier in this chapter, museums under the management of local government have diverse systems of accountability and are shaped by several factors. The group of museums managed by local government includes those under the jurisdiction of parishes, meaning that some of these museums are very small and depend directly on the president of the Parish Authority. However, depending on the parish size and the number of facilities in the parish to be managed, this does not mean that the responsibility for managing the museum is not attributed to another member of the Parish Authority. In the situation of museums governed by municipalities, the system of accountability depends on the importance each city council gives to the legacies of our predecessors and how they are viewed in terms of political power. In some cases, museums can become pawns in a political game as politicians try to gain political advantage over their opponents or to impress citizens in general and their constituents in particular, as they focus on their future re-election. Therefore, sometimes museums depend upon a councillor for cultural affairs, at other times they are dependent on a cultural department. In addition, some of these museums are run at a distance, which means that all senior staff are employed by the city council and those in the museum are just there to guard the collections, to give information and to perform other elementary tasks.

In the situation of the museum managed by a local government, where interviews were conducted, the museum depends directly on the mayor and it has full-time staff. However, the existence of a kind of “bicephalous management” was described by one of the interviewees. While the museum has a full-time director in the museum, there was another person, with better scientific qualifications, who was responsible for bridging the intentions, aspirations and cultural desires of the mayor and the museum staff.

The daily life of public museums in Portugal, as for other public entities, is largely determined by what is written in laws and decrees. This legalistic approach reflects a background rooted in Roman and Napoleonic traditions that view the law as “an instrument of the state for intervening in society” (Knill, 2001: 65). Therefore, and following Painter and Peters (2010b), whether for a director or just a public servant with a lower-level job, all professional activities are restricted and are affected by this legalistic tradition. Indeed, the excessive amount of legislation, rules and decrees to observe was one of the most

frequent complaints made by the interviewees. However, some curators declared that they did not feel much legal constraint as they merely need to observe the framework law on Portuguese museums. Others, including administrative staff also revealed that many legal requirements were not a problem as there is a tendency for decoupling (Weick, 1976); i.e., there is a trend to not follow the law.

It seems that museums follow the law not due to its importance for the development of their activity, but due to its obligatory nature. Such a perspective led interviewee R1 to express an opinion that resonates with the application of the practical drift concept (Snook, 2000) within Portuguese public museums and which may be extended to all forms of public administration.

As explained earlier, rules concerning inventories, security plans and financial sustainability are still not being applied. In addition, despite the framework law not stating any rules concerning the management of museums, it requests that the IMC prepare an annual evaluation report that includes sections on the performance, quality and efficiency of all members of the Portuguese Museums Network. However, such a report has never been prepared. During the interviews conducted in the museums, some of the interviewees acknowledged that they were aware that these requirements were written in the law. Nonetheless, the majority of them were not even aware of the requirements, with some of them saying that they had already forgotten what was written in the law, while others admitted to never having read it.

Enacting legislation is also an important document for museums to discharge their accountability. The analysis of the enacting legislation of those museums where interviews were conducted showed that they are similar in their objectives and that their missions are more like a list of good intentions. In addition, they seem to be documents that were prepared for those who work in a museum and are not orientated to the citizens and visitors.

Unfortunately, the document was transformed into little more than another legislative requirement. Therefore, the elaboration of museums' legislation results from a superior imposition, following the pro-forma example provided by the IMC which is also the organisation that supervises the Portuguese Museums Network. As a result of such coercive isomorphism, museum staff ignore the legislation, which instead of it being seen as a "road map" looked more like something that "has a bureaucratic and administrative

character”, as interviewee D6 declared. All in all, it was a lost opportunity for making museums more accountable.

The existence of a small number of museum staff promotes “the possibility of face-to-face interaction” (Roberts, 1991: 365) leading to “socializing forms of accountability” (Roberts, 2001: 1547). Indeed, during the interviews, some interviewees declared their use of informal forms of communication to discharge accountability due to the process of communication inside museums being horizontal. Nevertheless, the process of discharging accountability in Portuguese public museums according to law has always been hierarchical, as in any public sector institution. According to the framework law on Portuguese museums, the entity responsible for the Portuguese Museums Network is in charge of publishing an annual evaluation report on the members of the Network. However, none of the information requested in the law has ever been disclosed. During the interviews, the government representatives declared non-compliance with the law as normal because “there is not enough time for performing all tasks” (interviewee R3b).

In terms of the annual report, the tutelage entity collects information from all museums concerning their activities performed during the previous year and, as stated by R3b interviewee, the report is done “in two or three nights”. In addition, the interviews revealed that some museums never send any information, some do not always send all the information required and even those that do, often send incomplete information. Therefore, this means that the document disclosed may provide information that does not match what is required by law. The analysis performed on the annual reports prepared by the IMC also exposed a decoupling between the legal requirements and the practices of the IMC. In contrast to what is stated by law, the annual report of the IMC had been presented with reference to only those museums under its jurisdiction and not to all museum members of the Portuguese Museums Network. In addition, the IMC annual reports are impressive documents as they are very colourful and contain many pictures related to exhibitions and other activities that were developed throughout the year in the museums. However, they do not provide any reasons for the decisions that have been made, which does not seem to add any contribution to the process of how museums’ senior staff discharge their accountability.

As part of the archival research, museums were also requested to provide their annual plan of activities. Once more, plans are prepared because the law requires their elaboration.

This was also discovered during the interviews as plans were reported as being unrealistic and, as a consequence, the museums are evaluated according to their level of creativity and their imagination, and not on the activities they developed during the year. Indeed, they know in advance that they will not have the financial resources to conduct all planned activities. Furthermore, it seems that the IMC also knows in advance that the plans of activities that museums present for the next year are out of kilter with what museums will develop in reality. As the value of a museum is a result of its achievements (Weil, 2002), it was a surprise to hear an interviewee responsible for the development of governmental policies for the sector posit that only 20% of the plans of activities presented in 2010 for the following year would be achievable. It seems normal and acceptable that decoupling occurs, as the plan of activities for the following year is designed without any consideration of the available budget.

One important aspect in the process of discharging accountability in museums relates to how they can assure their communities and their tutelage entities that the museums' collections and items are safe and that there is only a remote possibility that they could be put at risk, such as in the case of a natural catastrophe or war. The results that emerged from the questionnaire and interview analysis allow one to conclude that the collections of museums are not safe. With regard to the conservation of collections, and given the number of museums that answered the question which referred to the description of the museums as presented in Table 6.18 of Chapter 6, it should be noted that a high percentage of museums do not have a safety and disaster plan, an evacuation plan for their collections, a program of pest control, a program for humidity and temperature control, an electronic security system, or collection insurance. When the interviews were carried out, it was verified that the risks for collections was much higher than anticipated, considering that all museums are members of the Portuguese Museums Network, which requires documents addressing such risks as a prerequisite for admission. In relation to the safety and disaster plan, only in one museum did some of the interviewees declare to have ever tested it, and it had been a long time ago. In other museums, interviewees posited that they had never received any training concerning the safety of museum collections and that it was not known whether museum security plans were tested.

It was also found that museums do not have their inventories updated and do not conduct a regular monitoring of their collections. Financial constraints have been putting

museums' collections at risk. In some situations, directors stated quite clearly that the museums' collections were secure, while conservators affirmed the opposite or just remained silent and smiled. Contradictions were also acknowledged among staff members concerning access to the storage areas of museums. In some museums, nobody could give assurance of the total security of the collection, or that it would be difficult for a staff member or anyone working for any company that provides services to museums, such as cleaning services, to remove a collection item from a museum. It was also verified that the scarcity of financial resources puts museums at risk because many museums declared that they could not always afford to pay their telephone and the electricity bills, which leads to the suspension of those services. As a consequence, the electronic security system that is connected to the police and fire brigades is interrupted. Considering that these aspects are not publicly known, and museum staff are aware of the risks involved, this practical drift may continue until the system collapses. In relation to those two museums where interviews were performed, the first museum represented those run by local governments and the second represented those run by other central government organisations; contradictions were also detected in the information given by staff members concerning how the museums' collection inventories and security plans are updated and the frequency of testing the security plans.

Finally, it is important to emphasise that all documents related to safety and risk were requested for the study. However, it was not possible to acknowledge their existence, as access was denied for security reasons. According to the information provided by the IMC, only a few people in the museums, including the director, and external entities, such as the police and fire brigades, have access to such documents. Indeed, some curators and administrative staff stated that they had never read it and some others declared to know only those parts of the security plan that concerned their activities. The secrecy is so extreme that the interviewees from the museum run by the local government declared (with mirth), that when they tried to prepare one for their museum, they needed to look up documents from international museums, as no security plan was available for museums run by the central government. Some of the cases provided earlier illustrate decoupling and practical drift, which are well known by staff working in Portugal's museums.

Regarding the discharge of financial accountability, museums do not disclose any information concerning the public money they spend during the year. According to their

own enacting legislation, museums are only required to prepare the budget for the forthcoming year, which must specify the expenses for all activities presented in the plan of activities. However, as reported during the interviews, budgets tend to be prepared based on information from the previous year. In addition, since recent financial crises engulfed the country, budgets have been reduced and underestimated one year after another. This leads to a situation in which there is a need for “literally thousands of budget reallocations” during the year, as was said by interviewee R3b, a governmental interviewee. Although museums submit a budget to the tutelage entity that tends to be in line with their annual plan of activities, the actual approved budget, which is the one that museums are required to upload to the central budget IT system, oversees expenditure only on salaries and current expenses, such as electricity. Nevertheless, these budgetary lines need to be updated and increased every year. Therefore, as there is no comprehensive budget for the plan of activities submitted, and because museums do not get involved in fund raising campaigns, the entities get into a breakdown situation and become dependent on external offers for temporary exhibitions and on the goodwill and discretion of those governing the tutelage entity. Consequently, at any time the tutelage entity may promote an important exhibition in the museum or may even decide to free up budget funds for the museum to organise an event.

The continuous scarcity of financial resources for museums to develop their activities may be among the reasons why museum staff have no interest in financial issues. Indeed, in line with the statement of interviewee D4, who compared museum account books to those of a grocer, when financial resources are available it seems that museum staff need a minimal level of knowledge on financial matters.

### **8.2.3 THE LACK OF AUTONOMY IN MUSEUM MANAGEMENT**

The level of autonomy a government gives to entities seems to be a pivotal aspect in the process of making them more proactive in their activities and in turning the public sector into a more efficient realm. As was exposed in Chapter 5, the majority of Portuguese public entities have what is called “administrative autonomy”. This concept is so well integrated in the norms of the Portuguese public sector and in the mentality of public servants that it

is well accepted by all as a canonical assumption. Therefore, the thoughts and images of those who have been ruling the country all these years turned this concept into reality (Miller, 1990). Furthermore, considering all the legislation that has been issued over the years, which is quite descriptive in terms of explaining in detail what to do and how to behave; along with selected words from within a language which give relevance to what those in power want to be noticed. Similarly, they dismiss what is believed not to be relevant (Ferraro, Pfeffer & Sutton, 2005) which has been contributing to the acceptance of administrative autonomy as a type of management for public entities.

For achieving the goals of administrative autonomy, the parliament and governments have been passing legislation assigning required levels of competency to museums and palaces, and in the case of the cultural sector, embellishing their importance as organisations through the association with concepts such as economy, efficiency, effectiveness and NPM and using words such as downsizing, globalization, restructuring and value for money and so on. However, “words may come and go” (Eccles, Nhria & Berkley, 2003: 1) and these entities do not have de facto autonomy for making decisions, managing financial resources, if any, or even independence to decide how to promote their collections and artefacts.

Administrative autonomy seems to be nothing but a metaphor that governments have been using to create the impression of the decentralization of power, thus displaying an image of the modernization of the state machine. As was stated in Chapter 3, the public sector is profoundly dependent on politics. As such, “the word is [an] ideological phenomenon par excellence” (Volosinov, 1973: 13), and what has been happening in museums and in general to all dependent governmental public services is the use of words by discourse and written pieces of legislation in the maintenance of a panopticon state that has no right or left. Although politicians emphatically reject the dictatorship regime legacy, the reality is that the lack of autonomy of public entities may be seen as a signal that politicians follow a path dependency that doubts public servants instead of trusting them.

The Portuguese public museums which are dependent on the central government have a level of autonomy like the majority of any other decentralized public service. In relation to those museums run by local governments, the level of autonomy tends to be less as they are considered to provide only one service among the many that local governments make available to citizens.

However, independent of the level of government, no director can be accountable for the performance of an organisation if he or she does not have autonomy to manage it, which implies freedom for both developing a program of activities and managing a budget. Such autonomy may also mean the capacity for entities to improve their performance and go beyond and maybe against what their mission states. Nonetheless, it seems that public museums in Portugal want more autonomy as long as the level of government they depend on provides them with the financial resources they need. Indeed, interviewee D3 stated that they would not know what to do if the government was to give the museum more autonomy, as the museum does not generate enough revenue to pay all wages and salaries. Therefore, neither interviewee seemed to show any sign of excitement or contentment, which is in line with the opinion that interviewee R1 presented, saying that directors do not want museums to be autonomous entities, because there would consequently be the need to promote activities that can generate enough revenue to keep the museums running.

#### **8.2.3.1 LEVELS OF BUDGETARY AUTONOMY**

Museums' collections are signs of a past, and as in a company, it cannot always be assumed that the assets are in good order. When local museums emerge as fruits of local convictions and are rooted in the will and ambition of the inhabitants, it will be natural that every time a new budget is prepared the local government will be looking for ways to potentiate the cultural facility and its collections. In contrast, once a new mayor is elected, the priority will be to look at the fixed costs of the museum and to find a strategy to decrease them instead of boosting potential revenues. This seems to have been happening in Portugal. In the case of the local government museum selected to be interviewed, all activities seem to emerge from the will of the mayor, who decides what to do and what decisions to take with regard to the museums' collections more than the curators and conservators. This interference of political power is assumed to be normal by museum staff, as nobody wants to question any political decision made.

In relation to museums that are under central government management, they seem to be stuck in the middle of nowhere. They generally lack money, and even when funds are held they are not free to spend them. This could be presented as a reason for museums not getting involved in raising funds. However, when inquiring about the reasons, the

arguments presented by interviewees seem to be frail, as excuses were always based on the lack of tradition in those practices or the insufficient interest of the public and enterprises to support public museums. During the interviews, the directors and conservators expressed a range of opinions and the majority of them, like interviewee D5, rejected such additional duties. Nonetheless, others, such as interviewee C7, are already reconciled to the idea that there is not only a need to raise funds, but there is also a need to improve museum managers' knowledge of financial issues to better develop their job, such as in planning and developing exhibitions.

The main hindrance to fund-raising seems to be the government's budget policies, which causes demoralization and destabilization among the staff of the museums. Indeed, no matter how much a museum is involved in crowd funding or how much it raises from entrance fees, the money will always be channelled to their tutelage entities, which dispose of that money according to undisclosed criteria. Rarely will it be invested in the museum where it was obtained. In the case of a financial envelope allocated to a museum, as they are entities that only have administrative autonomy the law imposes the need for written authorization for each sum spent differently from what was approved in the annual budget. Otherwise, among other sanctions, the director can be dismissed from the post, or he or she may be taken to court and ultimately expelled from working in the public sector.

A relevant aspect that is leading museums to adopt practical drift procedures, relates to how the friends of museums associations have been used to circumvent the lack of financial autonomy. Those associations, with the knowledge of all, including those who are responsible for defining the policies for the sector, have been receiving money that has been donated to public museums but is channelled to those associations and is categorised as "slush funds". As a result, directors can spend that money without delays and the interference of any public accounting rules.

### **8.2.3.2 MANAGING STRUCTURAL AND MAINTENANCE ISSUES**

Museums also have structural and maintenance building problems that cannot be ignored as they can diminish the capacity of the organisation to provide good services to their communities. In addition, these are likely to impede those who work there in

improving their own levels of accountability and that of the organisation as a whole. Museums governed by Central Government are the oldest museums operating in Portugal and many of them were created by decree and installed in buildings confiscated from religious orders. Despite meeting the needs of the time, they were not the most adequate facilities to house artworks. Today, these buildings are part of what is known as national architectural heritage, so any refurbishment of the buildings is a very bureaucratic and lengthy process. Despite all the delays, European Union grants have provided an excellent opportunity for museums to modernise their buildings and adjust them to their needs. Unfortunately, the absence of a well-defined strategy for the renovation of buildings furnished with modern equipment, resulted in unwanted effects, as the museums do not have the financial resources to support the costs that the use of those resources imply. In other circumstances, new buildings were designed and built without the supervision of museum professionals, leading local governments to forget to include in their construction facilities such things as appropriate areas for the storage of the museum's collections. This occurred in the museum governed by the local government where interviews were conducted.

All autonomy and financial constraints that museum directors face in their daily activities leads one to question their views on their activities. The questionnaire results allow one to conclude that there is a profound gap between directors' perceptions and the daily reality in museums. During the interviews, the directors identified themselves more with the profile of a manager than with the role of an administrator of a public entity. However, when they were questioned about what they were managing, if they do not have a budget to manage, the answers were always that of stonewalling with body movements such as a shrug of the shoulders or a lowering of the head.

### **8.2.3.3 STAFF MANAGEMENT**

The findings suggested that autonomy related to staff management also seems to be problematic. Managers are only allowed to allocate staff to tasks. In museums managed by local governments, the situation is even more complex because the budget concerning their activities is integrated within the local government's budget. In respect to their staff, the

situation is also much more perplexing due to the lack of qualified public servants, particularly given that employee turnover is very high.

Indeed, the lack of qualified staff to develop the different functions the museums perform in society is a deficiency that Portuguese public museums have been facing for a long time. In the situation of public museums governed by local governments, the results of the questionnaires showed that few museums have a payroll. Consequently, as various interviewees stated, such a policy puts museums' collections at risk because those citizens are not qualified and are unknown to the museum staff. This is another example of practical drift as the law forbids appointment, even temporarily, of anyone without a qualification. The lack of payrolls and the appointment of unqualified workers are big setbacks in the achievement of museums' functions and in the construction of their discourses. Indeed, this turns them into places more like piles of artefacts and artworks collected together, as happened in museums in the seventeenth century during which they were "the expression of an individual choice" (Foucault, 2008b: 20).

Without a discourse, it is difficult to make museums places of education, locales of social and cultural identity. In line with this, but for different reasons, museums under the management of the central government have seen a reduction in their payrolls year after year. Museum staff have been retiring and no new professionals have been appointed. In these situations, the knowledge and expertise that have been accumulated for decades tends to be "dispersed, wasted or completely lost ... and organizational memories dwindle" (Pollitt, 2008: 170, 183). The lack of staff makes it impossible to perform operations such as the updating of a museum's inventory. The questionnaires showed that 95% of museums that answered the questionnaire declared that the museum had an inventory recording system. However, the interviews disclosed an intriguing situation where some museums had not performed a comprehensive update of the inventory of their collections due to the lack of staff to perform the job. Therefore, as interviewee D6 said, checking and updating inventories "is sort of done in good faith" because there is not enough time to develop research on the museum's collections.

## 8.2.4 TOWARDS HYBRID MANAGERIAL MODELS OF PUBLIC MUSEUMS

More than two decades ago, Abbott (1988) warned about the need to take seriously the importance of the accounting profession. At that time, he considered it more important than medicine. Indeed, Abbott's perspective was valid, as Kurunmäki (2004) and Miller, Kurunmäki and O'Leary (2008, 2010) have shown. It is a challenge pressured by NPM reforms, which different fields of knowledge, including those concerned with the museum sector, must take up. For Abbott (1995: 878) the power of accounting is a result of its "structure of long tenuous boundaries anchored to a few more or less secure heartlands". Therefore, this intertwining of accounting with other arenas of knowledge leads to what has been known as professional hybridization (Kurunmäki & Miller, 2011). In the case of public museums, such hybridisations are more varied as they are deeply regulated and influenced by the public policies implemented in each country and in line with the options presented by the local professional bodies. In the situation of museums managed by Portuguese local governments, the majority of them are just cogs in the wheel of local governments, and the results that emerged from the analysis of the questionnaires and the interviews led to the conclusion that no management accounting instruments have been used and, in those situations where a payroll exists, there has been no interest in training museum staff in such accounting techniques. The same has been happening to those museums under central government management. Despite some curators and conservators expressing concern about their lack of knowledge of financial issues, pause for thought should be given to the lack of specialised staff in areas such as in finance and marketing, where absence may weaken any activity that a museum wants to develop. At the same time, governments are increasingly more involved in checking the returns on the investments done and asking for reasons on decisions made.

Indeed, Portuguese public museums, like any entity that is dependent on the central government, are still using cash accounting. Management accounting information is rarely used in this sector, which makes it difficult to analyse their performance by numbers. Despite double entry bookkeeping being officially adopted in all public administration in 1997, the chart of accounts for public accounting has never been implemented by the majority of central government entities. In fact, it has been postponed year after year and according to the National Audit Office, 59.7% of all central administration services were

still using budget accounting in 2010 (Tribunal de Contas, 2010). This means that the budget is at the centre of the process of decision-making. In addition, all financial processes are centralised in the Budget General Directorate, which still emphasises budget execution instead of taking up the challenge of the OECD (2008: 10) and giving special attention to “global oversight and analytical review of the overall budget”.

Although all budget processes have already been computerised and any budget movement is recorded by an official computerised tracking system, a simple increase in the budget of expenses that implies that transfers between budget headings still need to be done on paper. This process is responsible for hampering political power to drive public services to the core of their missions and is keeping public servants away from what is intellectually challenging and rewarding.

In a new timeframe published by the Budget General Directorate (2011), the Chart of Accounts was expected to be fully implemented in museums by the end of 2012. However, this did not occur and it is not likely to happen as the government is preparing for the implementation of IPSAS in the Portuguese public sector. Nevertheless, the questionnaire results and what emerged from the interviews allow one to affirm that few of those working in museums have any idea what double entry bookkeeping is about. Furthermore, the questionnaire results also disclosed the ignorance of the public museums’ staff concerning the discussion that has always been happening around the world related to the capitalization of museum collections. All this lack of information is a sign that these important issues are not in the curricula of higher education institutions offering courses in museology or accounting. Unfortunately, with regard to the financial and management accounting of cultural organisations, such as public museums, Portugal is also running behind. It is expected that a new system of accounting for the public sector will be published very soon which will establish a norm for the accounting treatment of historical items. However, it looks like the Portuguese Accounting Standards Board has not yet taken into account the advice of Mautz (1988) for the need to spend more time with organisations like museums in order to understand how they assess their success, what information they are using to sustain such evaluations and how and what information is used as the basis for their future activities. Instead of that, there has been no promotion of discussions and it is not even known whether entities which are representing the professionals of museology or even if the directors of museums have been contacted for their experience and opinions, and

whether it has been taken into account for the drafting of useful and suitable legislation that can meet the needs of such a specific sector.

The process of discharging accountability within public museums cannot be the same as in a corporate business entity with the main goal of increasing annual revenue and profits. Museums have been entrusted by society with the responsibility of protecting, preserving and conserving artefacts and collections that are a part of the legacy of our ancestors. These tasks can never be properly appraised just by using financial accounting information. Indeed, it may be an important section in an appraisal process. However, it can never be the only one or the main one to be looked at in an appraisal process in terms of their performance. Therefore, narratives are extremely important as they are the expression in spoken and written words of what has been felt and comprehended by a person. The annual report seems to be an important instrument in the process of discharging accountability. However, the way these reports are produced should be of interest to those who they are supposed to address. In the case of Portuguese public museums the different annual reports analysed led to the conclusion that they are mainly prepared for internal consumption and are designed to follow a request that is prescribed by law. As such, the value of such reports is questionable for those who are outside the museums' walls and who require useful information to enable them to appraise museums' annual activities. A formal request to the IMC was needed to access the annual reports of the museums, and, even after having obtained such permission, some museums did not immediately provide the information asked for and in one situation information was supplied only after a formal complaint had been submitted to the director of the IMC. In this instance, the information was released by the IMC, not the museum in question.

The increase in the importance that governments have been giving to the cultural sector in the creation of value to the wealth of nations, and in which museums are included, has legitimised the importance of this sector in society. At the same time, such importance has imposed on the sector a great responsibility, as it has drawn the attention of society and public organisations to their activities and to the amounts of public funds they spend every year. Therefore, it is not acceptable that 51.4% of museums that answered the questionnaire do not conduct regular surveys of their visitors. During the interviews, interviewees D4 and R2 stated that museums do not need to be orientated to society, nor do they need to give account to the community, due to the Portuguese people being illiterate, ignorant and

lacking cultural spirit. Therefore, it may be for this reason that a high percentage of museums do not conduct visitor surveys, which leads one to conclude that some staff in Portuguese public museums may subscribe to Bourdieu's outdated perspective that the lack of a cultural background seems to be the reason why people do not visit museums (Bourdieu, 1990; DiMaggio, 1998).

Considering the financial crisis into which countries such as Portugal have been plunged, it is fundamental that museums are more proactive and find new ways to captivate visitors and new audiences. For many years, the decrease in the number of visitors to museums was attributed to their incapacity to deal with marketing (Kotler & Scheff, 1996). However, marketing is no longer an unfamiliar field for the museum sector. Therefore, museums need to adopt a new perspective that implies not just an attempt to capture the visitors' opinions but also to stimulate them through the development of different activities related to their traditional "core business" in order to call them to participate. However, as Kotler and Kotler (2000) stated, this implies encouraging visitors to be more than simple watchers and the visits to be more than ordinary.

### **8.3 HISTORICAL DETERMINANTS OF THE SYSTEMS OF ACCOUNTABILITY AND THE ROLE OF NPM**

The history of Portugal is rich and diverse and reflects diverse influences, including the creation of a trading empire that allowed the country to exchange not just products but also culture and new experiences that were brought to the "nerve centre" (Boxer, 1969: 52) and enriched Portuguese society. Throughout the centuries, there have been many events that can be identified as determinants for the path dependency of the Portuguese public sector and its systems of accountability. However, it is important to bear in mind that individuals are always behind such events, who as agents of society, along with the intricate grids of relations they deal with every day, create and recreate reality, influencing and constraining the activities of organisations.

### 8.3.1 THE DISORGANISED STATE

For the present study, the Lisbon earthquake of 1755 was taken as the first “critical juncture” (Collier & Collier, 1991: 29), because it was from this stage that public organisations were modernised. Before that, as Boxer (1969) noted, all people from the top to the base of the social pyramid were under the control of clerics, who were responsible for looking after the flock, and each sheep needed to be completely subjugated to the will of the shepherd (Foucault, 2007a). Instead of governmentality there was pastoral power, which was imbued in religion and all facets of people's lives and where accounting techniques seem to have also played a major role (Bigoni & Funnell, 2014). Therefore, it may be possible that tax collectors would be more accountable to the shepherd, i.e. to the Catholic Church's priests, than to the Crown. However, such a conclusion could only be confirmed after further archival research.

The Lisbon earthquake in 1755 was an opportunity to build everything from scratch, including a new public administration with all the state apparatus oriented to the centralisation of power. Central to all these changes in the administration of the Portuguese state is the Marquis of Pombal, who was responsible for replacing the pastoral power with a system of governmentality where double entry bookkeeping played a central role in the reform of the Royal finances, clamping down on corruption and controlling the empire at a distance. However, there was no process of accountability to society but only to the Chief Minister of the King, who was formally accountable only to the King, who in turn was accountable to God. After Pombal was dismissed from office, double entry bookkeeping continued to be used. It may be possible that decoupling became so common that double entry bookkeeping was gradually forgotten at the Royal Treasury and old practices were again reintroduced, including chaos in the administration apparatus of the Portuguese colonial empire.

The nineteenth century was one of the most turbulent centuries in the country's history. At the dawn of the century, the Royal Family and all administration fled from Napoleon's troops to Brazil. Soon after the Royal family returned from Brazil, the country was shattered by a civil war between the Absolutists and Liberals, and before the end of the century the country faced serious financial difficulties. The Liberal Revolution led to the elimination of the Royal Treasury and the foundation of a new organisation – the National

Public Treasury. Among the several reasons presented for suppressing the organisation, it seems to have been the fact that there was not a “regular bookkeeping of the Treasury books” (Borges, 1831: 168), which prevented successive governments from obtaining accurate information concerning annual expenses and revenues.

The new organisation did not bring any improvements to public sector accounting, and the new technologies, which were supposed to replace those that had not been applied, turned public financial accounting into an incredible mess (Borges, 1831). Nevertheless, and probably also influenced by Necker’s report and the French Revolution, the law to replace the Royal Treasury with the National Public Treasury was the first piece of legislation that required the presentation of an account of the national public finances to the citizens.

However, while all the rules of internal control, and the Court of the Public Treasury were invested with the authority to conduct inspections and auditing functions in order to correct abuses conducted by the public administration, it did not advocate any method of bookkeeping. Double entry bookkeeping would be recommended later in 1840 in a new piece of legislation. Nevertheless, there is evidence of practical drift, as double entry bookkeeping was not followed as prescribed by legislation because it was considered to be too complex a method to be used. It was for this reason that in 1859 a report to the King included a request to “make the accounting methods as uniform and simple as possible” (Report in the Decree of 19 August 1859). Only in 1863, when the government was influenced by French and Belgian legislation, did it collate all dispersed legislation related to public accounting into a single document. Such institutional isomorphism was not just a result of a mimetic process: the country was under financial difficulties and needed legitimacy for obtaining financial support. Indeed, there was also a coercive process derived from the public’s opinion.

### **8.3.2 THE EMERGENCE OF ACCOUNTING FIGURES**

When accounting figures appeared for the first time in the Portuguese legislation, it was as a cornerstone for controlling political authorities, as happened in other countries ruled by political representative systems (Rose & Miller, 1992). Accounting numbers

emerged as a technology that gave legitimacy to those in government. As Portuguese citizens became conscious of their rights and interests and who were already recognised at this time as “the strength upon which the power relies” (Decree of 12 December 1863), accounting numbers, along with the Commerce Code, turned into important instruments of governmentality and of discharging accountability.

Despite all efforts of Mouzinho da Silveira to improve budgetary legislation, the advances went almost unnoticed. During the entire nineteenth century, the Portuguese public finances were consistently in deficit (Esteves, 2003) and the state finances were in default six times (Rodrigues, 2012). This seems to be one of the reasons why so many decrees and rules of public accounting were passed throughout the century. Indeed, public sector accounting was seen as a fundamental technology for discharging accountability, as raising taxes was the only solution available for solving the absence of financial resources. Nevertheless, double entry bookkeeping was not followed, because it was considered to be a very complex method, a fact demonstrated by the lack of people with knowledge of the field, even though the Portuguese government was a pioneer in the world in sponsoring a school for teaching, and training people in commerce, including the subject of accounting (Rodrigues, Gomes & Craig, 2004). This can be interpreted as a deinstitutionalization practice as a result of a political response to a change in power distribution (Oliver, 1992), which intended to dissociate public policies from the “Pombalism period”, which was associated with the conception of the state known as Absolutism (Black, 1990; Maxwell, 1995).

### **8.3.3 FROM THE CONTROL OF PUBLIC FINANCES TO THE CONTROL OF PEOPLE**

In the period between waning liberalism and rising liberalism and the overthrow of Constitutional Monarchy and the beginning of the Corporatist Dictatorship in 1926, there were no big improvements in the systems of accountability. After the republicans overthrew the Constitutional Monarchy, there were changes as the state became formally less secretive. There was an attempt to improve the levels of accountability with the issuing

of new legislation on financial accounting for the public sector. However, it was not enough and except for 1912 and 1914, Portugal faced successive deficits in its public accounts.

The state of ongoing default in the public accounts paved the way for building a bureaucratic-authoritarian state (Graham, 1983). In the New State apparatus the balance of public accounts, which had given the dictator a providential character, was at the centre. The system of accountability was profoundly administrative, centralised, hierarchical, involving red tape and pervaded by fear, which led to the lower-level bureaucrats never making decisions or taking action until they received authorisation or approval from above. The weight of such a legacy has been so strong that it is still found in entities governed by all levels of government, including museums. In this state apparatus, all information needed to be reported to the centre where the dictator and his nominated bureaucrats would decide how to keep the regime on track.

After the dawn of the dictatorship regime, it took around 10 years to gain control over financial reporting, which occurred in 1936. Until then, despite state accounts being published, nobody was paying any attention to what was being disclosed, because the information was not reliable. Rules differed from one ministry to another and errors were committed very often. Therefore, state accounts were normally manipulated and in this situation it was not strange that people no longer had any knowledge of bookkeeping, thus leading to the creation of a chaotic situation in terms of the process of accountability. During the dictatorship, administrative procedures simplified all the processes of financial accountability. Accounting was transformed into an instrument of governmentality not for decision making, but just to allow public bureaucrats to maintain control, to ensure that expenses were simply incurred according to the designated amount of funding.

#### **8.3.4 THE POLITICAL BREAKDOWN AND THE CONTINUITY IN ACCOUNTABILITY PRACTICES**

The Carnation Revolution in 1974 brought to the fore a burst of changes that did not produce any changes to the administrative level. For many years, the reforms and reorganisations tended to occur one after another without creating any institutional changes. Indeed, when changes occur, they happen routinely and without dramatic events. That is

what happened after the end of the New State regime. The governmentality of the New State was grounded in an administrative apparatus intended to control citizens in all their realms, as well as the activities of public entities and their public servants, while supporting the dictator. The path dependency influenced all legislation passed in the parliament, which intended to restructure and make profound changes in the public sector. However, with the exception of discourses, it did not bring about the many changes to the bureaucratic edifice that were planned by those who conducted the Revolution (Attewell & Gerstein, 1979).

The Portuguese public sector took a new turn when the country became a member of the European Economic Community. There was a need to improve accountability in the public sector as there were pressures from European institutions. During the 1990s, new legislation was enacted for the modernisation of the public sector and for aligning it with those of other European Economic Community countries. This period is regarded by several authors (Carvalho *et al.*, 1999; Fernandes, 2009; Jorge, 2003) as the dawn of reforms in the Portuguese public sector in relation to the NPM philosophies. Despite Portugal being rebuked many times for its delay in the implementation of NPM reforms, such a perspective needs to be framed in the revolutionary process which occurred in 1974. When many countries were discussing the reduction of their public sectors, Portugal was building a welfare state. Therefore, only during the 1990s was legislation passed which called for better management of public resources and more efficiency in the delivery of public services.

Such attempts to implement NPM were, nonetheless, clashing with a path dependency rooted in a legalist tradition, in which the law exerts more influence than it does in Anglo-Saxon countries, and with an administrative apparatus built during the New State regime, which has never been properly resolved since the Revolution. Attempts to implement financial management reforms have always been postponed, which led researchers such as Pollitt & Bouckaert (2004) to declare that the Portuguese were among the nationalities that did not feel great excitement in accepting and implementing NPM reforms.

Despite the financial crisis that Portugal has been facing for more than five years, NPM and concepts such as economy, efficiency, effectiveness, downsizing and others normally associated with the modernisation of the public sector are still popular. One could say, like Latour (1993: 116) that “these words are good nouns, but they make lousy

adjectives and terrible adverbs”. Indeed, often they have become associated with outcomes that have never occurred, as a result of repetitive political discourses that seem to blur the minds of citizens in a certain way, leading them to confuse such messages with reality (James, 1890). Furthermore, at other times they are associated with things that had never been considered and they never reflect “the causes of these same effects” (Latour, 1993: 116). In the end, the changes in institutions and practices are almost imperceptible and blurred.

What can be acknowledged is that organisations and the people who represent them are nurturing a different way of speaking, instead of being worried about arguing well. Changes perceived in citizens are a result of modifications in social practices (Rorty, 1989). The questionnaire results show that Portuguese public museums have an idea of what NPM is about as they associated it with accountability, responsibility, efficiency and effectiveness. However, a more detailed analysis shows that concepts such as autonomy, transparency, downsizing and entrepreneurship, accrual accounting, cost management and performance management were not considered as relevant. During the interviews it was possible to realise that the low rates of selection those concepts obtained in the questionnaire may be mainly related to the lack of autonomy of public museums and of an almost total absence of the use of any financial measures in museums’ daily activities. The level of ignorance about financial issues tends to be exacerbated in museums under local government jurisdiction, as all financial issues are addressed and handled in the city hall. According to the staff interviewed in the museum run by the local government, the museum is only required to give an idea of the budget needed for the development of their activities because all financial decisions will be made by the city council.

### **8.3.5 FAILURE AND CHANGE IN REFORMS**

The financial reforms that have been implemented in the Portuguese public sector have always overlapped with the existing system. This seems quite obvious when an analysis is performed on the implementation of double entry bookkeeping in the public sector, where cash accounting has never been eliminated from those entities with administrative autonomy. What is more, those entities with administrative and financial autonomy, which were required to apply a commitment accounting system, began to

implement replicas of the chart of accounts that is in use in the private sector, thus diminishing public confidence and the comparability and uniformity of their financial information.

Considering all that was mentioned before, it was an unavoidable process of decoupling as the uniformity of public accounts foreseen in the new regime of financial management could not be achieved, hindering the process of the consolidation of public accounts. In addition, implementation of the cost accounting system that was promised for all public services has remained incomplete, meaning that the accounting system does not provide reliable information on the costs of activities, services and products. In response to all these difficulties, practical drift became institutionalised. Despite financial information being regularly prepared, the budgetary process was seen again as more important by managers in terms of its political power. The main users of financial information continued to be the National Audit Office and the Budget General Directorate, which were mainly concerned with the verification of legal conformity, financial regularity and budget control.

The path dependency enshrining centralisation of the decision making process in the capital of Portugal, which has been a common standard of all governments irrespective of their political tendency for centuries, along with the great influence of the legal system, has always influenced the system of accountability. As such, the public sector accounting system is deeply interlaced with a codified law, meaning that it is anchored in uniformity and legal commandments.

The failure of previous measures to implement a system of accounting capable of providing information that could help managers to calculate the cost of services, products and other activities in each public organisation compromises the ability of stakeholders to assess if resources have been used according the criteria of economy, efficiency and effectiveness. As a result, the Portuguese government felt the urgent need to promote new reforms. Therefore, in a process of mimetic isomorphism, it decided to adopt double entry bookkeeping. Following a path dependency in which approved legislation is not put into effect, the Portuguese government introduced a CAPA. However, it was so incomplete, unsuitable and disproportionate to the reality of particular entities in the public sector that has never been fully implemented in those entities dependent on the central government.

The recent financial crisis was the trigger that exposed the practical drift in the central government concerning its system of accounting and led the government to admit that cash accounting was still in use. In doing so, the government indirectly recognised that public sector accounting information was not reliable. As a consequence of the coercive forces from the European Union, the European Central Bank and the International Monetary Fund, the government decided to initiate a study into the implementation of IPSAS in the public sector. However, despite the fact that it was announced that this was going to be concluded by the end of 2014, nothing has been implemented until now.

Summing up, history shows the existence of the effects of a path dependency on the results of reforms and reorganisations that throughout the years have been conducted mainly in the systems of public sector accounting. While some of them were developed for a state apparatus thirsting for information in order to control people and entities and to keep regimes in power, others were performed for governments to obtain legitimacy from citizens and international governmental bodies. In general, the initiatives have been unsuccessful, with many of them never being implemented.

## **8.4 ACCOUNTABILITY IN MUSEUMS' MISSIONS AND OBJECTIVES: REFLECTIONS AND AVENUES**

The success of a museum, like any non-profit organisation, depends on how well its mission and objectives are defined. In addition, once defined, it is expected that they will serve the museum over time and, when necessary, they can be adjusted to changes occurring in society and even in the sector. Unfortunately, as is shown below, the missions of Portuguese public museums still focus on “what they do”, instead of focusing on “how they do it”. In addition, their own enacting legislation was merely transformed into another piece of legislation that is barely different from one museum to the next.

#### **8.4.1 THE ROLE OF LEGISLATION IN DEFINING MUSEUMS' OBJECTIVES AND MISSION**

The enacting legislation is a compulsory document for any museum that is a member or intends to apply for membership of the Portuguese Museums Network. The entity specifies the reasons for its existence in the enacting legislation. It is the document in which the mission and goals are defined, and they are intended to be disclosed and be perceptible to those who work in the organisation, and also to all its other stakeholders and to the community. A mission is a “clarion call” that is intended “to rally, engage, and enroll workers, volunteers, and donors” (Minkoff & Powell, 2006: 591). In relation to these issues, two important conclusions can be drawn from the present study. The first is that just 48.8% of the museums in the sample have an enacting legislation. Considering that the majority of these museums are under local government jurisdiction, it may be a sign that public service is not yet central to their activity, making them more like “a cemetery of bric-a-brac” (Weil, 2002: 81); houses without souls, where artefacts are suspended in time and space and disclosed without any coherence among them.

The questionnaire results also showed that those museums that have enacting legislation give more importance to the definition of the aims and objectives of museums than to the definition contained in a mission statement. For a long time, researchers in organisational studies, such as Barnard (1968: 146), observed that a mission statement was “the most powerful and most neglected” of documents. Indeed, during the interviews undertaken in the museums, it was apparent that many of the administrative staff interviewed were not at all familiar with their institution’s enacting legislation. Others, such as interviewee C1, emphasised their difficulty in understanding the meaning of the mission of the museum where they work, even after reading it several times. Contrary to the vision that considers the definition of the mission statement of an organisation as an important asset of public entities (Wright & Pandey, 2011), the Portuguese public museums that completed the questionnaire preferred to emphasise the definition of goals and objectives as the most important section of enacting legislation. In fact, the interviews suggested that the museum staff are not familiar with the important role that enacting legislation can play in an organisation like a museum. According to interviewee C6, priorities in museums are always changing according to the convenience of the moment.

When describing the everyday work in museums, she compared it to that performed by firefighters when putting out fires. Among different reasons that can be presented for the lack of importance given to the preparation of enacting legislation and to a true definition of the mission, aims and objectives of museums was the coercive isomorphism coming from the requests of the IMC and of the Portuguese Museums Network for museums to prepare enacting legislation. Indeed, one important condition for admission to the Network and having access to financial support is the development of enacting legislation.

In addition, and perhaps to accelerate the work process, the IMC provided all the museums under its jurisdiction with a model to be followed. Given that those museums are longstanding organisations and were admitted as members of the Portuguese Museums Network by decree, i.e., they did not need to meet all the Portuguese Museums Network requirements, they tend to be looked at as examples to be followed by other museums, such as the museums that are managed by local and regional governments. As a result of mimetic isomorphism, the other museums tend to adopt the same structure and the same language in their enacting legislation as the museums that are already members of the Portuguese Museums Network, which may provide them with a greater level of certainty that their own legislation will be accepted. In both cases, the problem public museums face with their enacting legislation and the definition of their missions lies in the fact that they have never resulted from a common view shared by all stakeholders, but from an ongoing struggle for survival, as the membership grants them access to financial resources from both the national government and the European Union.

Indeed, as Osborne and Gaebler (1992: 131) once declared, a well-defined mission statement can “drive an entire organization from top to bottom”. Therefore, a mission statement, aims and objectives and plans of action for organisations, such as museums, are discourses that cannot be detached from their members. Together, they are responsible for ensuring that such a definition is not just in writing, but also in words that are in turn associated with rituals. All in all, enacting legislation is a way of calling everyone together for the purposes of creating a unique institutional culture and to promote a baseline for the evaluation of public servants. That is, at the same time that enacting legislation works as a unifying element in an organisation, the legislation also functions as a mechanism for discipline (Foucault, 1995), as it assigns each public servant to a workplace, thus allowing the assessment of the individual and collective performances of all staff. However, analysis

of the enacting legislation of the Portuguese public museums included in the case study showed a different reality. Instead of museums disclosing in their enacting legislation their mission, i.e., how they develop their activity for those they should be assisting, they merely describe what museums do. All museums seem to share the same mission, which leads one to accept that such may have been imposed by internal or external forces for museums to be considered and accepted by both sides as modern organisations (Meyer & Rowan, 1977; Meyer & Scott, 1983). Nevertheless, instead of making them pillars of “learning and arguing” (Micklethwait, 2013) it turns them into irrelevant and unattractive organisations in Portuguese society.

In relation to the objectives of Portuguese public museums, the questionnaire revealed that they are institutions that seem to be far from possessing a common view of their importance. Ambiguous objectives turn museums into frail institutions, where nobody can be held accountable, as no one can understand what the museum intends to accomplish. The questionnaire results reveal that 14.8% of the respondents to the questionnaire agree or strongly agree and 13.9% of the respondents do not have any opinion on the statement concerning the full responsibility of the directors in defining the museum’s objectives. This, along with the high percentage of museums that did not posit any opinion on the different statements presented, may be a sign of the absence of targets to be achieved, the lack of importance that it is given to aims and objectives, or even of their ambiguity, if they have ever been defined. Among the reasons that may be presented for the difficulty of expressing an opinion can be the fact that the elaboration of enacting legislation has not resulted from a common vision, but is the result of coercive isomorphism, where myth and ceremony took over the structures of the museums in order to modernize them and bring them closer to those of the business realm. In addition, it may also be the result of path dependency due to the legacies of the dictatorship regime, and where respondents still do not have confidence in expressing a point of view and are afraid of positing perspectives that can clash with those of their superiors.

#### **8.4.2 TOWARDS A STANDARD MODEL OF ENACTING LEGISLATION: SOLUTION OR TRAP?**

The provision of a standard model of enacting legislation for the museums and palaces managed by the IMC was a lost opportunity as it could have been seen as a positive moment for the development in each museum of an excellent instrument for promoting organizational vitality, with a definition of a mission and goals; the preparation of a strategic and development plan, with the involvement of all those that every single day work and contribute to making museums viable institutions (Wright, 2007; Wright & Pandey, 2011). It could also have been an extraordinary occasion for making the community more participative and enabling them to contribute to moulding the institutions' practices, processes and ideas.

All in all, the preparation of enacting legislation was transformed into another element of a complex web of path dependency in a legalistic paradigm (Capano, 2003). This has been very popular in southern European countries, leading public organisations to be managed by decree (Panozzo, 2000), rather than following the public management reforms that successive governments announced as their policy.

### **8.5 SUMMARY**

This chapter presented the discussion on the study of the systems of accountability in Portuguese public museums, based on archival research, a questionnaire and interviews. The outcomes have furnished the answers to the research questions that were presented in the introduction of this chapter. First, the results show that the systems of accountability in Portuguese public museums are hierarchical, frail and far removed from providing the reliable and useful information citizens require in order to assess their activity. On one hand, this is a reflection of the Portuguese public sector, where information is mainly prepared for those in the hierarchy rather than for the general public. On the other hand, it is also a result of the permanent changes in the legislation and in the tutelage entities responsible for museums. Second, the results also suggest that the systems of accountability have been influenced by historical path dependency, in which museums have

also been used as instruments of governmentality for controlling citizens, the society and public organisations. It was found that efforts in implementing NPM and double entry bookkeeping in the Portuguese public sector and in the museums in particular, where it has been persistently delayed, has been a result of institutional isomorphism, which has led to a process of double talking and to practical drift situations. Finally, various deficiencies that are directly or indirectly related to the missions and objectives of museums were identified.

## 9 CONCLUSION

... What we do when we read, however ‘natural’ it seems, presupposes a whole theoretical discourse, even if unspoken, about language and about meaning, about the relationships between meaning and the world, meaning and people, and finally about people themselves and their place in the world.

(Belsey, 1980: 3-4)

### 9.1 INTRODUCTION

This final chapter presents the main conclusions of the study of accountability within the Portuguese public museum sector. The following section refers to the systems of accountability in those museums, considering the influences that the historical background of the country and the adoption of NPM philosophies have had. In addition, an overview is presented on how the several deficiencies that have been identified may be overcome. The third section discusses the limitations of the study, while the fourth and final section concludes the thesis by providing a discussion on the directions for future research in this field.

### 9.2 THE SYSTEMS OF ACCOUNTABILITY IN PORTUGUESE PUBLIC MUSEUMS

In November of 1784, just a few years before the French Revolution, Emmanuel Kant (1724-1804) wrote a booklet answering a question concerning the definition of enlightenment. In his writing, Kant defined it as “man’s release from his self-incurred tutelage”, which referred to man’s incapacity for using one’s reasoning and also for dealing with anything under the guidance of another (Kant, 2007: 29). Kant’s opinion is recalled here to remind the reader about how the Portuguese public sector and public servants have become almost encapsulated in an iron cage, where centralism is allied to a management vision by decree, which is intermingled with a vision where the market is the dominant

institution of a society (Bellah, Madsen, Sullivan, Swidler & Tipton, 1991). In this setting control is “by forms of cost-benefit analysis that involve grotesque calculations, putting dollar assessments on human lives” (Taylor, 1991: 6).

In analysing the systems of accountability in Portuguese public museums this study viewed those institutions as heterotopias (Foucault, 2008b) that have been used for different purposes throughout time. More recently Portugal’s public museums have been struggling for survival, mainly due to the long tradition of their activities being almost exclusively sponsored by public funds and also because of a lack of public visitors. Therefore, as museums are vital organisations in our society, it is important to improve and to strengthen their systems of accountability in order to overcome those hindrances and turn them into viable public sector organisations that add value to national and international communities. The main deficiencies identified in the systems of accountability and the solutions suggested for overcoming them are summarised in the following discussion.

### **9.2.1 LACK OF AUTONOMY**

The managers of Portuguese public museums do not have full autonomy for managing their entities. This means that they are always dependent on a tutelage entity, which is responsible for approving their annual plan of activities and their annual budget. Regardless of what has been approved, they always need written authorisation for conducting any new activity or for spending money in different ways to those previously approved, even if the matter is urgent. As in other southern European countries, the Portuguese public sector is made up of “sedimentary layers” (Deleuze: 1988: 40) where the Napoleonic law tradition still has a strong legacy. Indeed, the legal system and the diversity of law in managing the public sector are serious and difficult hindrances to overcome. Despite the strong effort that governments have been making in the implementation of new techniques that can contribute to more transparency, promote accountability, create value for money and increase the external legitimacy of public organisations to pursue their operations, the public sector is still managed by decree (Panozzo, 2000). This makes the conformity to the law more important than the efficiency and effectiveness of any reforms promoted or measures taken in order to advance those values. However, such strata are

also a result of “things and words, of seeing and speaking, of the visible and the sayable, of zones of visibility and fields of legibility, of contents and of expressions” (Deleuze, 1988: 40) that constrain the modernisation of the public sector. All in all, this is also a signal of the important role that culture, values, beliefs and attitudes play in moulding the lives of public organisations (Brunetto, 2001). Therefore, it is fundamental that public museums and other public services have enough autonomy to make decisions based on the criteria of efficiency and effectiveness, and not just on the accomplishment of legal requirements imposed by those who are controlling at a distance, under the cloak of governing on behalf and for the sake of the people. Furthermore, it is important that such an increase in autonomy is accompanied by ways of assessing one’s actions and the activities of public services. This is not intended to be an additional request for more accountability, but just a call for the definition of the right measures that will allow correct evaluation of services.

### **9.2.2 ACCOUNTABILITY PROCESS**

A common idea that flows throughout this thesis is that accountability is an evolving concept that is subjected to perpetual change and is influenced by diverse factors including culture, time and space. As shown in this work, the advances in science, such as in psychology and neurobiology, along with the complexities of governmental structures and the ever complex set of relations among governmental organisations and between them and the private world, have been making the process of discharging accountability very difficult for those responsible for making decisions. In addition, such complexity has been making it increasingly more difficult to identify with clarity what one is accountable for and to whom one is accountable. Furthermore, and in order to overcome such difficulties, lateral accountability – i.e. informal accountability – tends to be more common. At the same time, the continuous financial crisis that some countries are still experiencing has also led to a call for more transparency in relation to the spending of public monies and the need to disclose more detailed information to society. Indeed, people have become aware of their citizenship and their legitimacy in scrutinising the activities and spending of public entities. Never before have states and governments been looked at with such a level of suspicion by society, as the lack of accountability of those in power can put at risk the wellbeing of the living and also future generations. Therefore, accountability is ranging “more freely over

space and time” (Hoskin, 1996: 265), and society has become more conscious of the fact that “what is presently accounted for fades into the past and yet affects the future” (Schweiker, 1993: 243). Indeed, those in government have been subjected to a “tyranny of light” (Tsoukas, 1997), in which the increasing demands for reasons to be provided are not just related to the past and the present but also include the future, as decisions made will have an impact on generations to come (Jonas, 1984).

In turn, governments which are stressed by having to answer these requests always attempt to increase the measures of accountability, which Power (1997) has demonstrated is not always a synonym of more transparency. However, the insistence on providing accurate evidence about all fields of human life is so great that society is completely “tied up with figures” (Boyle, 2001: xii). Therefore, bearing in mind that language is fundamental for distinguishing between what is real and what is not (Winch, 1964), the pretend objectivity of quantitative measures becomes the privileged language and the more acceptable one for the discharge of accountability in all realms of public life, including governmental organisations. Numbers and accounting, particularly management accounting, are subjected to “a Standard of Taste; a rule, by which the various sentiments of men may be reconciled” (Hume, 1870: 135-136). With the evolution of the markets and the introduction of private ideologies in the public sector, new concepts, such as NPM and value for money have appeared and emerged as part of a “new rationality of government” (Rose & Miller, 1992: 197).

During a person’s early years, as Harari & Bell (1982) explain in the introduction to a book by the French philosopher Michel Serres, people are taught how to separate those who work with letters and texts from those who use numbers. However, as Serres (1982) demonstrates, such a separation is contrived and as Latour (1993: 115) explains, that error was because we “moderns confused products with processes”. From the perspective of Serres, mathematics is interpreted differently by each person. For this reason, what is important is the internal apparatus, which corresponds to the perception that each subject has of the signals received and how one interprets them. Therefore, narratives are extremely important, as they are the expression in spoken and written words of what has been felt and comprehended by the subject.

As was exposed during this research, accountability in the cultural field, of which the museum sector is part, can be expressed in numbers. Museums should be financially

accountable for the money they have spent and give reasons for the decisions that have been made, although in practice these are often not provided. However, accountability involves more than that (Roberts, 1991), and to reduce such a complex process just to numbers is to exclude from the process aspects like opinions, decisions and judgments that are internal to each subject, and although they cannot be objectified they can be shown to be true (Lyas, 1984). This problem tends to turn into a more complex issue when the cultural field is at stake. Museums, like libraries, are heterotopias of time as they pile up in one space that which is intended to perpetuate different kinds of time (Foucault, 2008b). Such intricate liaisons and juxtapositions of time and space lead to different tastes and feelings as a result of different interpretations of what is seen and unseen.

For many years, Portuguese public museums have been ignored and their activities were not questioned by anyone in society. Such a state was not a synonym for inactivity, as apparatus, like the Panopticon described by Foucault (1995) in *Discipline and Punish*, allow the observer to see without being seen (Deleuze, 1988). But museums have always been instruments of governmentality in a state apparatus, “spaces of emulation” (Bennett, 1995: 24) intended to alter, train or mould people’s behaviour (Foucault, 1995). At the same time, they try to turn members of society into collaborators in the exercise of power through a soft discourse (Bennett, 1995). The present study emphasises that the Portuguese public museum sector has been permanently marked by instability and a lack of strategy. In the case of the museums under the supervision of the central government, the process of accountability has been essentially hierarchical, normative and subjected to constant changes to the structures of the state according to the political options of governments. More recently, such changes have resulted in the transference of museums that had been run directly by the central government for more than one hundred years to regional entities, which do not have any experience or qualified staff in the museum sector. As these museums are still indirectly under the supervision of the Secretary of State for Culture, the changes that have been implemented seem to be more a matter of organizational re-engineering than an attempt at significantly lessening the financial burden of those entities on the State General Budget. However, as has been occurring in recent years in areas such as in health and education, governments have been decentralising and transferring to local governments responsibilities traditionally under central governmental surveillance. This is possibly a first step, and in the future the same may happen to public museums.

An immediate consequence of the transference of museums seems to be the decrease in the quality of services provided, due to the lack of tradition within the new tutelage entities and a lack of staff who are well qualified in assisting museums to develop their aims and objectives. For those museums under the supervision of other ministries, if they are members of the Portuguese Museums Network, their situation will be similar to those museums managed by the Secretary of State for Culture. If not, they tend to be more like cabinets of curiosities, whose impact on their community is dependent on the availability of funds and also on the sensibility of those who are in charge of their tutelage entities, whose main interest is rarely in culture, but often in politics. The same situation seems to occur in local governments, where the establishment of museums has often been due to the will of the mayor or of a government that has just four years in office. Frequently, the foundation of these museums is connected to political facts and not to a specific strategy. The world of the museums under the management of local governments is diverse as priorities and policies vary from one to another. Therefore, sometimes museums that are managed by local governments are subjected to political whim, or according to the current fashion, and once the institutional vein of a museum has been explored enough, it occupies an alternative position. Such diversity also occurs when one looks at their processes of accountability. It can also be more or less complex according to the size of the local government, due to the importance given to the cultural sector or to the pressure imposed by citizens on local governments for providing reasons for decisions made.

### **9.2.3 FINANCIAL AND PERFORMANCE ACCOUNTABILITY**

As cogs in a complex cultural apparatus, until recently Portuguese public museums have not been very active. They were once well accepted as being responsible primarily for storing and safeguarding the legacies of our ancestors and for delineating the “intersection of time with space” (Foucault, 2008b: 14) for the present and future generations. However, the financial crisis that hit the country has led citizens to scrutinise every area of public life in which government has been spending money. All of a sudden, museums are no longer “place[s] of tranquillised sleep” (Foucault, 2002a: 16). Despite the differences in their collections, Portuguese public museums have taken for granted their indispensable role in the educational apparatus of the state, as “instruments of government”

(Foucault, 1991: 95). However, throughout the years, the financial budgets of museums have been reduced year after year and the crisis of sovereign public debt in the Euro Zone in 2011 led governments to prioritise their investments. This brought new investment in museums and the sponsoring of their activities almost to a standstill, as they are still deeply dependent on public funds. Today, public museums are living with a permanent financial agony; their budgets do not even contain enough money for the payment of utility bills, such as water and electricity. This imposes the need for a new vision, a new paradigm in the way Portuguese public museums are managed. Indeed, there is an urgent demand for them to go beyond the daily opening of their doors and the display of their artefacts and collections. As Cuno (2008) shows, heritage can be manipulated, decontextualized and wrongly used for political purposes. However, museums can also be centres of discussion, promoters of new ideas, generators of new perspectives of life and regenerators of cities. Jacobs (1965) affirmed that the success of cities depends mainly on the assets they are able to generate. As entities of cities and as privileged centres for the generation of knowledge, museums need to be prepared and able to meet the inhabitant's interests in the meantime.

The idea that citizens are the most important asset is not new, if one considers that Aristotle stated in his *Politics*, that “a city is excellent, at any rate, through its citizens” (Aristotle, 2013: 210). Given that, it is important to acknowledge that museums need facilities such as auditoriums, cafeterias, restaurants and libraries for citizens to gather. In addition, it is also important to acknowledge how fundamental the Internet is in the present world for the rapid spread of information between museums and citizens, and to acknowledge the role educational services and associations of friends of museums can play in the development of such assets. However, the low percentage of museums that responded in the questionnaire that they provide these facilities, allows one to understand that the reality of Portuguese public museums is far from an ideal situation. One example of how museums are far removed from society may be identified in the low percentage of museums that have an association of friends of the museum. During the interviews, it was verified that they are quite common in museums managed by the Secretary of State for Culture, as they are used for overcoming budgetary constraints. Considering that this kind of association is regulated by private law, if a company decides to sponsor a museum and the financial support is directed through one of these associations, the money is not subjected to any of those strict rules imposed by the budgetary legislation. Therefore, the money can be spent according to the will of the association, which normally works in line

with the museum director, who is often its leader. As was stated by the interviewee representatives of the IMC, these procedures are well known by everybody, but are ignored as if they had never been performed. In the case of the museums managed by local governments, the situation is more complex. As has already been posited, each municipality has its own rules and procedures. Therefore, it cannot be said that there is a standard. In the particular situation of the museum ruled by a municipality, the existence of tensions between the museum and the association of friends of the museum was perceived, which was mainly due to the latter looking for a more prominent role in the process of decision-making concerning the activities to be developed by the museum throughout the year.

The process of information reporting, financial or otherwise, is mainly internal, which means the citizens are not involved at any stage nor are they addressees or users of such information. Despite the fact that cash accounting was banished from the public sector in 1997, it is still in use by dependent entities of the central government. In the case of museums, the adoption of double entry bookkeeping has always been marked by practical drift, which led to it being postponed year after year. In an auditing report released in 2007 concerning the Administration Account of the PIM, The National Audit Office urged the organisation to adopt the CAPA (Tribunal de Contas, 2007). Unfortunately, it has never been adopted. Therefore, it can be said that Portuguese public museums do not have a mandatory financial reporting system. Accounting records are kept on a very simple basis and a budget is prepared before the beginning of the year just to meet the legal requirements. In general, accounting is out of the picture at all other times of the year and only receives spasmodic attention when there is a need to allocate or reallocate financial resources, receive a financial bequest, or when a subsidy or other financial resources are generated from fund raising. This delay for almost two decades should give those in charge of seeking to reform accounting in the public sector pause for thought. However, with the acknowledgment that public sector accounting standards are disconnected and contradictory (CNC, 2013), a new accounting system is expected very soon. Nevertheless, it is not known whether there have been discussions between the standard setters and those working in museums. In addition, care must be taken not to make the same mistakes that have been made in other countries, such as the United States, Australia or New Zealand, concerning organisations such as museums and libraries, where insufficient attention paid

to the necessary differences in the accounting treatment of assets in the public and the private sectors.

One of the most problematic issues concerns the pressure that has been put on those who manage cultural entities like museums in terms of the disclosure of financial information of their entities for assessment purposes. However, as already expressed, financial accountability by itself cannot capture the true performance of entities in the cultural sector in the same way that it might in the private business sector, where the pursuit of profit is the main goal of every organization. As Gstraunthaler & Piber (2007) state, accounting figures are believed to mirror the quality of management provided by museum managers. However, such a vision creates an illusion of control and tends to lead museum directors to work towards the improvement of the accounting figures instead of focusing on the amelioration of the quality of services that their institutions provide to society. Consequently, rather than creating a new system of accounting for the Portuguese public sector, it is more important to create a system which aims to capture the true essence of the public sector, which is intended to serve society and the wellbeing of its members.

In addition, it is necessary to define performance indicators and strategic objectives appropriated for public organisations. However, such measures of assessment in the case of museums need to be carefully defined. Atkinson, Waterhouse and Wells (1997: 26), in relation to those performance measurement systems implemented by the governments of England, New Zealand and the United States, state that they “have measured too many things and the wrong things”. Indeed, it is fundamental to acknowledge what has been already stated by Carnegie and Wolnizer (1996), for whom museum managers are accountable for aspects that do not lie in the market. Some of them correspond to financial and others to non-financial responsibilities. However, all of them are related to the museums’ missions, aims and objectives, which museums should search for on a daily basis. In the case of Portuguese public museums, the need to prepare performance information concerning the quality and efficiency of their activities is urgent. This has been required by the framework law on Portuguese museums since 2004, but has never been elaborated on. Nevertheless, such a request should be extended to all public museums. Considering that the failure of calculative infrastructure is becoming ubiquitous in both the private and public sectors (Kurunmäki & Miller, 2013) – as a result of the inadequacies of the traditional measuring rods for assessing the full performance of organisations – it has been

advocated throughout this thesis that there is a need to explore other ways of discharging accountability, such as through recourse to narratives. This does not mean the elimination of ratios and financial reports, but just the need to supplement and frame them with words, which is a more apt approach for cultural organisations, such as museums. Therefore, words are required to fill the gap of what has always been neglected by traditional models of management (Nørreklit, 2011).

#### 9.2.4 OTHER ACCOUNTABILITY ISSUES

Additional problems which were identified in this study, and which contribute to increasing the deficiencies in the systems of accountability in Portuguese public museums, include the state of their buildings, reduction in staff numbers and the lack inventories and adequate security and protection for museum's collections.

In relation to their buildings, many of them are not appropriate for housing collections because they were not intended for that purpose. In other situations, despite some of them being constructed to shelter collections, museum professionals did not participate in the process and they were not designed in an appropriate way. Today, they have structural deficiencies that are difficult to overcome and they are no longer able to meet the needs of museums.

For a long time governments around the world, in the name of NPM philosophies, have been reducing the number of those working in the public sector. Consequently, museums have also been subjected to drastic restructuring processes, which have been contributing to favouring “an ‘instant’ culture” (Pollitt, 2000: 13) and the progressive loss of memory within public entities. However, this institutional amnesia puts at risk the collection of museums as the staff members who retire do not transmit the knowledge they acquired throughout their time, leading to it being irrecoverably lost. In addition, the reduction of staff does not guarantee that collections have been properly preserved.

What is more, problems such as the lack of updated inventories and deficiencies with the security plans were among those that were most difficult to detect on site, as the interviewees did not cooperate in disclosing them. Under the guise of security, the disclosure of documents was always denied. At other times, it was due to the contradictions

in the information given during the interviews about such matters as the existence of updated inventories, that it was possible to detect the deficiencies with the museums, and to realise the full extent of the fragility of their systems of accountability.

Finally, the case study conducted on the Portuguese Museums Network revealed that all those problems enunciated before are to be readily found in museums that are members of the Network. Indeed, for a long time the legal imposition on its members for museum budgets to be sustainable has not been observed and as interviewee R4 revealed, nothing has been done by the Network, and no measure has been implemented to encourage museums to abide by the law. Consequently, maximum stringency and transparency is required to ensure that the law is observed and to assure that the Portuguese Museums Network can turn into an independent private entity, and be out of the control of any public organisation.

### 9.3 MANAGERIAL IMPLICATIONS

To overcome the deficiencies in the systems of accountability in Portuguese public museums, several measures can be recommended. Some proposals are orientated to the public sector as a whole, while other measures that are suggested may be more suitable only for some museums. Furthermore, the specificity of some museums may also need to be taken into account, as some of the recommendations may not be compatible with their collections.

- The lack of autonomy within general public services is not an issue for only one sub-sector in the public realm, but it is one that cuts across all divisions of the administrative public sector. It seems to be a waste of resources when the government nominates highly skilled people for management positions in entities that only have administrative autonomy, which does not correspond to any freedom to define a strategy and have a budget to manage an organisation. Therefore, it is important that the government firstly promotes a public discussion concerning the kind of services that society wants to be fulfilled by the state, i.e. what society wants from the public sector. Afterwards, it is important to define the kind of organisational structure society wants for public services and, consequently, if it is proposed that they are to

be autonomous services or not. Considering that there is no accountability without autonomy, museums need to be autonomous entities, which means to be free to define their mission and objectives, and manage their services according to a plan previously defined and being responsible and accountable to their tutelage entities and accountable to society for their achievements and for what they should have done.

- Museums need to define their missions and goals in order to make their staff accountable. Simultaneously, there is also the need to organise a plan of activities and budgets that are reliable and match their missions and goals.
- As the majority of museums are more oriented to local communities, it is important that museums promote a dialogue with local agents. Therefore, important documents such as the plan of activities should be prepared following consultation with the community and its organisations in order to encourage and enable all of them to be more supportive of museums and to contribute to making museums agents of change.
- One of the problems of Portuguese public museums concerns their financial difficulties. Given the reduction of public funding in museums' budgets, it is important to find other sources that can ensure their financial sustainability. It is recommended that the incentive for staff members to get involved in raising funds and these funds to be spent on their museum's activities. In doing so, this would probably encourage donors and other benefactors to continue offering support to museums because they can easily monitor and assess how funds are spent. Another possible way is to call upon individuals to contribute to museums without impacting on their household budgets (e.g. the legislation allows taxpayers to donate 0.5% of the amount of tax paid to an independent listed charitable organisation). It is important to raise government awareness to include museums and other cultural entities that play an important role in society on the list.
- To transfer financial authority that is centralised in the Budget General Directorate of the Ministry of Finance and that delay extraordinarily the process of making public funds available to the ministries of the different public entities. This would reduce the use of illicit strategies, such the use of the friends of museum associations for redirecting money that is public, to private entities and which is not subjected to public sector control.

- The scarcity of financial resources has put at risk the preservation of collections as they are subjected to temperature changes. Museums do not have money to pay for both the bills and the maintenance, also leading to an early deterioration of the equipment. Therefore, tutelage entities need to call for the formation of a task force composed of specialists from different fields in order to prepare a strengths-weaknesses-opportunities-threats (SWOT) analysis, among other studies, for deriving a global solution to be followed to address the problem.
- Since it was founded, the Portuguese Museums Network has been giving preferential treatment to those museums under the direct supervision of the Secretary of State for Culture. In order to turn it into an independent organisation to assure that museums are stringently assessed, it is recommended that the Portuguese Museums Network be removed from the remit of the state, i.e., not to be controlled by any public organisation, but by an independent private entity.
- It is imperative that museums give a solid assurance to their communities that their ancestors' legacies are kept safe and secure by the museums. Therefore, in the situation of those museums that are under the supervision of any entity supervised by the Secretary of State for Culture, their collections should be subjected to periodic audits, which could be conducted by the Inspection of Cultural Activities. Furthermore, the same entity should be in charge of verifying if museums have all the rules and documents concerning the maintenance and safety of the collections and if they have been following them. In those museums managed by other public central government entities or by local governments, respective tutelage entities should assign such authority and powers to the staff in those departments who are sufficiently knowledgeable to lead them.
- There is an urgent need to prepare legislation to prevent those who are in charge of state organisations, such as the parliament, governmental ministries and embassies, from requesting artefacts, paintings and other museum artworks for the decoration of their offices. In addition, these organisations should be requested to return to the museums all artworks spread around the country and throughout the world.
- Visitors are an extremely important component of museums' vitality. Consequently, while the collection of museums and the way they are displayed are important,

Portuguese public museums cannot continue to ignore the opinions of the visitors, as if they were not part of the whole environment that needs to be considered for the success of these cultural organisations.

- Museums, while being not-for-profit organisations, need to get involved in activities that can make them better known and promote their products and services in order to attract more visitors and generate more revenue. New technologies offer a new world to museums and they have already been fruitful in many countries. Besides its characteristics of efficiency and speediness in the wide dissemination of information, which has made it an important instrument in the public sector in discharging accountability, the use of IT in Portuguese public museums is still in its infancy. Museums also need to make investments in attractive and appealing websites and in different languages, in order to promote them and their collections. In addition, IT can help museum staff in preparing their exhibitions, assisting visitors to interact with collections, through such means as audio devices and touch screens, or by giving potential visitors at a distance the opportunity to conduct a virtual visit to the museum. Furthermore, museums also need electronic stores on their websites from which people all over the world can buy on-line museum products, such as replicas of artefacts.
- The preparation of new accounting rules for the public sector should engage accountants and the professionals of museums in a fruitful and meaningful dialogue in order to produce norms that can suit the specificities of the culture sector, including museums. Considering that the process of discharging accountability by those responsible for managing museums is located outside the market (Carnegie & Wolnizer, 1996), it seems that it is important that whoever is responsible for the preparation of such pieces of legislation does not give in to the temptation to follow a business-like perspective. Unfortunately, following a business-like perspective will lead to giving priority to financial accounting, which will fall necessarily into a discussion of the technical aspects of the financial valuation of the museums' collections. Instead of that, the suggestion is to give importance to management accounting, which has never been discussed in Portuguese public museums. When engaging in effective dialogue with practitioners it is possible to obtain a deeper insight into the aspects of the daily life of a specific kind of organisation, such as

museums. What is more, great importance should be given to the discharging of accountability as it is seen as important for bridging the gap between financial and management accounting.

- As is required by Law, an annually-produced report that includes a set of indicators concerning the performance, quality and efficiency of museums that are members of the Portuguese Museums Network should be presented. However, as explained previously, such a report has never been prepared. Therefore, it is urgent that such a set of measures of assessment for museums be prepared, one that can provide a holistic perspective of the reality of museums as cultural organisations. In addition, the request for presenting such measures of assessment should be extended to all public museums and they should be flexible enough to be adaptable to different kinds, independent of their size or public tutelage entity. Furthermore, it is important that in their preparation, the various stakeholders be at the centre in order to enable museum staff to utilize them as instruments for discharging accountability.
- To overcome the lack of knowledge among museum staff on accounting and financial issues, it is important for those staff to receive training on such subjects adapted to non-for-profit organisations. It is also crucial that universities integrate financial and marketing topics in the subjects of studies in museology programs in order to prepare highly qualified professionals who are able to promote innovation and the strategic management of museums. In the same way, it is imperative to incorporate in accounting studies the study of cultural assets and to give more attention to the particularities of the cultural sector.
- The annual report is an important document for the discharging of accountability in any organisation, including museums. However, in the situation of cultural entities the traditional reporting of business-like organisations by numbers seems not to be enough for demonstrating, representing and measuring their performance. Portuguese public museums therefore need to put more effort into preparing good annual reports for discharging accountability and making their work known, reliable and worthy of support from their communities and governments. Museums should also study and develop a set of concepts and technical vocabulary that can add value and frame quantitative information in order to assess their performance.

## 9.4 RESEARCH LIMITATIONS

As with all social sciences studie, this project, has several limitations that should be noted. As a predominantly qualitative study it is not free of criticism (Vaivio, 2008) because, among other reasons, universal generalisations in statistical terms are not possible (Kakkuri-Knuuttila, 2008; MacIntyre, 2007; Vaivio, 2008). Therefore, a clear-cut picture of accountability in the public sector and, in the particular case of museums, cannot be given. However, qualitative research is profoundly rich and can offer a great contribution to accounting at “a highly contextualized and situationally specific level” (Parker, 2012: 67). Moreover, the recourse to data triangulation made it possible to mitigate some of the usual concerns associated with qualitative data, such as small sample size and method bias. Hence, this study combined an exploratory questionnaire, interviews and archival research in order to reduce the impact of this caveat.

As accountability is deeply influenced by culture and other factors concerning the context, a case study was seen as the appropriate method for acknowledging the unique contexts of the sector under study. Yet, the sample of museums selected for conducting the case study is not necessarily fully representative of public museums, as the majority of public museums in Portugal are not members of the Portuguese Museums Network. Even if a case study restricts the capacity to make generalisations, a single case study has merit. Indeed, as Dyer and Wilkins (1991) show, a single case study has always made a great contribution to management. In addition, the Portuguese Museums Network is the only network of museums that exists in Portugal and is also the entity responsible for the certification of museums. Nonetheless, they are a valid reference for an initial assessment of the museum sector and of the situation of accountability in the public sector. Within the museums considered in the sample, the data collected addressed the experiences and perceptions of the museum managers, curators and administrative staff about their activity. It should be noted that despite having had the opportunity to wander around the museum and to strike up informal conversation with some staff, the researcher did not have full access to the museum staff, in terms of their daily activities, for the purpose of observing staff working and inferring from their actions the level of accountability required of them. Yet, by capturing various experiences, it allowed a wider understanding to be gained of accountability in museums.

There was also a potential bias that could have emerged from the semi-structured interviews used in the study. Although an analytical protocol was used, it is important to take into account the fact that the answers obtained are the interviewee's utterances concerning their experiences, which correspond to the reality captured and processed by themselves. Indeed, after being proffered, words are alive. Such narratives allow reflecting and capturing a deeper facet of accountability that goes beyond the financial dimensions. Given that the stories of accountability in museums have been provided in the form of narratives, they help to reveal a more comprehensive meaning of the concept of accountability in the public sector. Nonetheless, it is important to take into account that interviewees tend to be selective and bring to light those situations which they consider are more favourable to their work and hide those ones they do not want to be revealed. Therefore, in order to reduce social desirability bias, interviews were conducted with a range of people inside each museum from different categories.

Accounting and accountability are not phenomena that can be captured in a static analysis. Conversely, they are part of a reality that is socially constructed and subjective. Thus, accounting and accountability need to be interpreted by the researcher, who is thereby not an independent observer and whose tendency is to try to discover the organizational pitfalls framed within a theoretical perspective. This raises questions regarding the researcher's subjectivity. This is an aspect that has to be considered when developing qualitative research, particularly when using interviews and when working with archival sources.

A final limitation concerns the use of historical sources. On one hand, historical documents are scarce and on the other hand any interpretation will always be conducted through the lens of the present. In addition, government policies about archives, the way they are organised and the constraints on public access are also seen as limitations that are difficult to avoid.

## 9.5 FUTURE RESEARCH

The results presented in the previous chapters and the limitations posed in the previous section of this chapter set the stage for future research on accountability in the public sector.

This research is limited to public museums and few documents were analysed because of the scarcity of information prepared by the museums, and such information generally not being publically available. Future research may consider museums managed by private sector entities in order to compare the discharge of accountability by entities from both sectors in order to improve the information provided to the public. In addition, it would be also interesting to extend the study to museum stakeholders, such as visitors and financial sponsors.

In addition, the current study may be extended to entail a comparison between Portuguese public museums and public museums of other European countries. This would allow, for example, studying the extent to which the legal system in countries with a Napoleonic tradition constrains the systems of accountability. An analysis of the differences could be conducted, which could help all to ameliorate the deficiencies in the content of information disclosed, thus improving the levels of accountability and foster the adopting of the best practices found.

Another avenue for further research concerns the improvement of the system of accountability of other public organisations. For example, theatres and orchestras may provide relevant insights due to their unique nature. Such research could also contribute to improving the regulations of the accounting of cultural organisations.

A future avenue for extending this research would be to explore other areas in the public sector, such as employment programs and social security, as such research would allow the opportunity to gain a deeper understanding of systems of accountability dealing with those areas. These areas spend millions of euros with little or no information being provided to the public. This may help to gain a deeper understanding of the levels of reporting by entities in the Portuguese public sector. For example, in-depth interviews

could be conducted with local managers and other public servants in different ranked positions.

Last but not least, the system of accountability in the public sector warrants a comprehensive study of relevant performance indicators. However, financial information and quantitative indicators alone are not sufficient, therefore a further extension of this research could be the development of a mix of quantitative and qualitative indicators through the analysis of kindred areas not just in Portugal, but also in other European countries. In line with what was exposed in Chapter 8, it is proposed that, in association with professionals in the field, future research should focus on the development of a set of concepts and technical vocabulary to properly capture and reflect the figures that allow gauging the performance of cultural public organisations.

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## **APPENDICES**

## **APPENDIX A - COVER LETTER AND QUESTIONNAIRE**

\_\_\_/\_\_\_/2009

**Project Title:** The Accountability of Public Museums in Portugal  
**PhD student:** Carlos Alberto da Silva Menezes  
**Principal supervisor:** Professor Brian West  
**Associate supervisor:** Professor Garry Carnegie

School of Business, University of Ballarat

**Attention:** Director of the Museum

Dear Sir/Madam,

I am a staff member of the School of Economics at the University of Minho, currently on leave to undertake PhD studies at the University of Ballarat, Australia.

I am writing to request your participation in a research study investigating the Accountability of Public Museums in Portugal. Specifically, the objective of this study is to examine the historical development of accountability practices in public museums in Portugal and to explore the present state of accountability in those museums under the New Public Management philosophies of public sector management. Your museum was selected for inclusion in the study from a list provided by the Observatory of Cultural Activities, based on the definition of museum used by Statistics Portugal in its surveys.

The enclosed questionnaire is designed to analyse views on perspectives, policies and methods in respect to the management of museums that are supervised by Central Government, Regional Governments and Local Governments. It is envisaged that the findings of this research will benefit the museum sector in general and the management of museums in particular, by identifying potential avenues for the improvement of accountability in public museums so that a framework for strengthening accountability relationships can be proposed.

If you agree to participate in this research, please complete the enclosed survey (double-sided) which should take approximately 15 minutes. Completing the survey presents minimal risk to you and your employing organisation. The survey is anonymous; you are just required to disclose some simple personal details and details of your employing organisation. Your participation in this project is voluntary and you may be assured of complete confidentiality. (Please note: The reply paid envelope provided is coded to allow the researcher to track non-respondents, however questionnaires will be removed and immediately separated from the envelopes upon receipt. The questionnaires and the envelopes will then not be able to be linked in any way. The return of the survey will be recorded on a database using the coded envelope only (this will have no link to the questionnaire) and the envelopes will then be shredded immediately so as to assure complete confidentiality.)

While the findings of this project will be presented in a PhD thesis, and may be further published in conference proceedings and/or journals, please be assured that individual responses will not be released and the data generated from this questionnaire will be used in summary and statistical form only. The data collected from

the questionnaire will be securely stored by the principal supervisor, and will be disposed of after a minimum period of five years in accordance with the University's guidelines.

It would be appreciated if you could complete the survey in ink and return it in the reply-paid envelope as soon as possible.

If you have any inquiries regarding this project, feel free to contact the PhD student, Carlos Menezes, of the School of Business, by email: [c.menezes@ballarat.edu.au](mailto:c.menezes@ballarat.edu.au) or the principal supervisor, Prof. Brian West, by email: [b.west@ballarat.edu.au](mailto:b.west@ballarat.edu.au)

If you have any concerns or queries about the conduct of this research that the PhD student or principal supervisor are unable to answer to your satisfaction, please contact the Executive Officer, Human Research Ethics Committee, Research & Graduates Studies Office, University of Ballarat, PO Box 663, Mt Helen, VIC 3353, Australia, telephone: 00 61 3 5327 9765, or by email: [ub.ethics@ballarat.edu.au](mailto:ub.ethics@ballarat.edu.au)

Your cooperation and participation in this study is greatly appreciated and may I add my personal thanks and appreciation for your involvement in this study.

Sincerely

Carlos Alberto Menezes

School of Business

**Encl:** Questionnaire

# The Accountability of Public Museums in Portugal Questionnaire

In this questionnaire the term accountability refers to the duty of those held accountable to take actions and to account for those actions. This term does not necessarily only reflect financial accountability, it also incorporates other activities such as the activity of establishing the goals to be achieved by an organisation.

Throughout this questionnaire, space is provided for recording comments, as requested. Should insufficient space be provided in responding to any question, please record your comments in the box at the end of the document.

## Section 1: General Information

1. Position title of questionnaire respondent \_\_\_\_\_

2. Do you have an academic qualification? (If "Yes", please specify the type.)

Yes

No

Museology

Other, please state: \_\_\_\_\_

3. Museum Location (please tick ✓ the appropriate box):

### North

Coastal North

Inland North

### Centre

Coastal Centre

Inland Centre

### Lisbon

Lisbon

### Alentejo

Coastal Alentejo

Inland Alentejo

### Algarve

Algarve

### Autonomous Region of Azores

Autonomous Region of Azores

### Autonomous Region of Madeira

Autonomous Region of Madeira

4. What is the Museum's governing entity? (please tick ✓ the appropriate box):

Central Government

IMC<sup>18</sup>

Local Government

Regional Government

Other, please specify

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<sup>18</sup> Institute for Museums and Conservation.

**5. What are the categories of the Museum's collections?** (please tick ✓ the appropriate boxes):

<input type="checkbox"/> Archaeology	<input type="checkbox"/> Art	<input type="checkbox"/> Ethnography	<input type="checkbox"/> Geology
<input type="checkbox"/> History	<input type="checkbox"/> Industrial	<input type="checkbox"/> Military	<input type="checkbox"/> Natural
<input type="checkbox"/> Photography	<input type="checkbox"/> Sacred Art	<input type="checkbox"/> Science and Technology	
<input type="checkbox"/> Other, please specify			

**6. In order to characterise the Museum, please answer the following questions.**

**Does the museum have:**

	Yes	No	Don't know
An auditorium?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A cafeteria/restaurant?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A gift store?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A library?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A web site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Its own payroll?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Educational services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A community association, such as "Friends of the Museum"?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A strategic plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Security guards?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A safety and disaster plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
An evacuation plan for its collections?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A program of pest control?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A program of humidity and temperature control for collections?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
An electronic security system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A written policy on collection acquisitions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A written policy on deaccessioning items?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insurance on its collections?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**7. State the year when the Museum was founded:** \_\_\_\_\_

**8. State any period(s) when the Museum did not operate:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**9. What was the total revenue of the museum from all sources for the prior year? (Estimate if necessary.)**

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**10. Is the Museum a member of the Portuguese Museums Network? If "Yes", please provide details of the reasons which led to membership.**

Yes

No

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**11. Does the Museum have its own enacting legislation?**

Yes (please indicate the year of its approval or last update) \_\_\_\_\_

Yes, but the legislation is not yet approved (please indicate when it was sent to the governing entity) \_\_\_\_\_

No, please provide reasons

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**12. Does the legislation of the Museum have any sections relating to any of the following?** (please tick ✓ the appropriate boxes):

Aims and objectives

Development plan

Mission statement

Other key planning documents, please specify

**13. Which of the following entities contributed to the development of any or all of the documents identified as existing in legislation in question 12?** (please tick ✓ the appropriate boxes):

Benefactors

Community leaders

Friends of the museum

Museum staff

Researchers

Teachers

Visitors

Other, please specify

**14. Indicate your views relating to the objectives of public museums:**

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neither disagree nor agree</b>	<b>Agree</b>	<b>Strongly agree</b>
The objectives of museums are primarily established in order to assist in ensuring the satisfaction of the public.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The individual goals of staff members are specified in accordance with the objectives of the museum.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It is important to frequently review and revise the objectives of museums.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Museum Director should be <i>solely</i> responsible for specifying museum objectives because he/she best knows the museum's needs and challenges.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It is fundamental to the museum for all staff to know and understand the aims and objectives of the museum.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**15. Does the Museum charge visitors an admission fee? If yes, briefly state how the fee is determined. If "No", provide reasons for not charging an admission fee.**

Yes                       No

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**16. Does the governing entity of the Museum take any advice from the Museum's Director when deciding on setting the admission fee? If not "Yes", please explain why.**

Yes                       No                       Sometimes

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**17. Indicate your views on the importance of the following in setting a Museum admission fee:**

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neither disagree nor agree</b>	<b>Agree</b>	<b>Strongly agree</b>
Admission fees should generate sufficient revenue to enable the museum's objectives to be achieved.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Admission fees are charged to screen the public who are truly interested in culture from those who are not and whose behaviour may be harmful to the museum's collections.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Museums should not charge any admission fees, as such fees discourage visitors and do not permit attainment of the museum's objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Admission fees provide a signal that museums, in particular, and culture, in general, need to be supported in financial terms by the community.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Admission fees should be charged only in respect to temporary exhibitions, while the viewing of the permanent exhibitions should be without charge.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Admission fees should not be charged if the permanent collection lacks any special significance and/or the museum staff are not appropriately qualified.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Section 2: General Management

18. Indicate your views on the importance of the Museum being managed by a professional manager:

	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
A professional manager releases the curator or the conservator from routine administrative tasks.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A professional manager cannot add value to the museum if there is not sufficient financial autonomy.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A professional manager is unsuitable for the museum environment because there will arise a tendency to transform the museum into a commercial entity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Professional managers should not be employed in a museum because profit is not the main objective of these institutions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A professional manager for museums would be acceptable if he/she does not take any key decisions on collections issues.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

19. Does the Museum have annual objectives for any of the following? (Please tick ✓ the appropriate boxes). If not in any instance, state why is this so.

Budget execution

Number of visitors

Fundraising

Exhibitions

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**20. Indicate your views relating to the management of Portuguese public Museums:**

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neither disagree nor agree</b>	<b>Agree</b>	<b>Strongly agree</b>
Museum professionals do not need to be concerned with the management of museums because the governing entity has the last word and has the key decision making power.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Museum management would be much more effective if increased responsibility was also accompanied by increased autonomy.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Museums need to adopt practices used by businesses in the private sector in response to increased scrutiny from citizens and governing entities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It is difficult to manage a museum's exhibition program (which must be prepared at least two years in advance) when the museum's budget has not been confirmed by the governing entity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The museum sector is struggling to maintain its viability because of a lack of employees and a scarcity of funds.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
In museum management the Director spends more time in attending to compliance and monitoring than in developing and providing strategic direction.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Section 3: Collection Management

21. Does the Museum have an inventory (i.e. a descriptive list of the items in its collection)? If the answer is not "Yes", please give reasons for the selection made.

- Yes                       Yes, but it is incomplete                       No

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22. Please, indicate the approximate number of items in the Museum's collections that are included in the inventory.

23. Which supporting system of inventory is used by the Museum? If the answer is not "Computerised", please give reasons for the selection made.

- Computerised and Manual                       Manual                       Computerised

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24. How often are all the items in the Museum's collection counted, verified and updated? (Please tick ✓ the appropriate box):

- Continuously                       Every month                       Every six months                       Every year

- Never                       Other, please specify

25. What are the three main factors that influence the selection of temporary exhibitions?

Please select from the following and prioritise and number them from 1 to 3 (1 = highest priority to 3 = lowest priority).

- Community suggestions                       Financial resources                       Schools' suggestions

- Staff's suggestions                       Suggestions by friends of the museum

- Visitors' suggestions

- Other, please specify

## Section 4: Financial Management

**26. What do you understand by the term “New Public Management” (NPM)?** Please select no more than five of the following and prioritise (by numbering them from 1 to 5) in terms of their importance to NPM (1 = highest priority to 5 = lowest priority).

- |                                                       |                                              |                                         |
|-------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| <input type="checkbox"/> Accountability               | <input type="checkbox"/> Accrual Accounting  | <input type="checkbox"/> Autonomy       |
| <input type="checkbox"/> Consumer-oriented services   | <input type="checkbox"/> Cost management     | <input type="checkbox"/> Downsizing     |
| <input type="checkbox"/> Efficiency and effectiveness | <input type="checkbox"/> Entrepreneurship    | <input type="checkbox"/> Inspection     |
| <input type="checkbox"/> Performance measurement      | <input type="checkbox"/> Reactive management | <input type="checkbox"/> Responsibility |
| <input type="checkbox"/> Transparency                 |                                              |                                         |

**27. Other than government funding (i.e. Central, Regional or Local) which of the following sources of revenue are the most significant in your Museum?** Please prioritise those that are applicable to your museum and number them (1 = most significant, 2 = next most significant, and so on).

- |                                               |                                                 |                                      |
|-----------------------------------------------|-------------------------------------------------|--------------------------------------|
| <input type="checkbox"/> Admission fees       | <input type="checkbox"/> Cafeteria/Restaurant   | <input type="checkbox"/> Fundraising |
| <input type="checkbox"/> Rental of facilities | <input type="checkbox"/> Sales from Museum shop |                                      |

**28. Does the Museum have autonomy to manage the money derived from fund-raising?**

- Yes                       No, please give reasons

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**29. When the annual budget is prepared for the Museum, which of the following expenses are given the most attention?** Please select no more than five of the following and prioritise (by numbering them from 1 to 5: 1 = highest priority to 5 = lowest priority).

- |                                                  |                                                  |                                               |
|--------------------------------------------------|--------------------------------------------------|-----------------------------------------------|
| <input type="checkbox"/> Administrative expenses | <input type="checkbox"/> Advertising             | <input type="checkbox"/> Building maintenance |
| <input type="checkbox"/> Collections care        | <input type="checkbox"/> Exhibitions preparation | <input type="checkbox"/> Fundraising          |
| <input type="checkbox"/> Marketing               | <input type="checkbox"/> Research                | <input type="checkbox"/> Restoration          |
| <input type="checkbox"/> Staff costs             | <input type="checkbox"/> Stationery              |                                               |

**30. How important is financial information in making key Museum management decisions?**

	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
Financial information is <i>only</i> important when exhibitions are prepared. The amount allocated in the budget for exhibition expenses needs to be carefully managed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A museum is a small entity that does not require financial information. The important matter is whether or not money is available to spend on a specific activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
In the preparation of a museum budget, special care should be taken not to overestimate fundraising revenue, so that sudden cuts in expenditure can be avoided.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial information is not important because the budget is always similar to that of previous years. The Director just needs to know whether there is an increase or not in the budget and then proceed accordingly with budget allocations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial information is not important because it is the governing entity that is responsible for the review and approval of the annual budget. If any of the budget items are not accurately estimated this can be corrected through a budget revision that occurs during the year.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial information that provides a defensible representation of the museum's financial position, including the monetary valuation of its collections, would be helpful.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Budgeting is a very complex process in spite of the fact that in practice you often merely take the last year's budget and add a little here and there.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The budget allocation to museum activities is done in accordance with the potential future outcomes for the museum.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The budget proposed is always subject to cuts by the governing entity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**31. Does the Museum have control over revenues that are obtained from its activities? If the answer is not "Yes", please give reasons for the selection made.**

- Yes                       No                       Sometimes

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**32. What proportion of the total revenue of the Museum is derived from its fund-raising activities? (Based on the 2008 revenues – estimate where necessary.)**

	%
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**33. Indicate your views relating to the selection and use of a set of Performance Indicators for public Museums.**

	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
Performance indicators can help a museum Director to better allocate and manage resources.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Performance indicators are a simple, routine device to demonstrate compliance with external demands and do not contribute to improving the management of museums and the quality of the museum experience.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Performance indicators are important because they allow the comparison of the museum's performance with that of other museums.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Far from improving efficiency, the introduction of performance indicators in museums creates misunderstanding and causes inefficiencies in resource allocation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Performance indicators cannot be used in museums because their assets and activities are not amenable to such measures.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quantitative and qualitative performance indicators will help Directors to better manage the museums' resources and will satisfy external information requirements made by citizens, financing agencies and others who are concerned with the accountability of museum management.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**34. Were you previously aware that the International Federation of Accountants, on which Portugal is represented by the *Ordem dos Revisores Oficiais de Contas*, issued in September 2006 a Consultation Paper named "Accounting for Heritage Assets Under the Accrual Basis of Accounting" and that this document proposed the monetary valuation of museum collections for financial reporting purposes?**

- Yes                       No

**35. Which of the following systems of accounting does the museum use?**

- Accrual accounting     Accrual accounting modified     Cash accounting
- Don't know

**36. Do you agree with the notion of placing monetary values on the collections of public museums for financial reporting purposes? If no, please give reasons for this view.**

- Yes                       No

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**37. Do you have knowledge of the Chart of Accounts for Public Organisations?**

- Yes  No

**38. Do you know the key differences between an accrual accounting system and a cash accounting system?**

- Yes  No

**39. Is the Museum's budget prepared on the accrual basis of accounting?**

- Yes  No  Don't know

**40. When the annual budget of the Museum is prepared do you consider the budget to be an accurate representation of the planned income and expenses? If the answer is "no", explain why the annual budget is not feasible and reliable.**

- Yes  No

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**41. From the following list of financial reports, tick the relevant boxes to identify the documents that the Museum must disclose to the governing entity:**

- |                                                            |                                                                                       |
|------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <input type="checkbox"/> Balance Sheet                     | <input type="checkbox"/> Expenditure Budgetary Control Statements                     |
| <input type="checkbox"/> Income Statement                  | <input type="checkbox"/> Cash Flow Statement                                          |
| <input type="checkbox"/> Management Report                 | <input type="checkbox"/> Notes to Budgetary Statements                                |
| <input type="checkbox"/> Notes to the Financial Statements | <input type="checkbox"/> Revenue Budgetary Control Statements                         |
|                                                            | <input type="checkbox"/> Statement of Annual Execution of Multiannual Investment Plan |

Other, please specify

**42. Are the Museum's accounts subject to periodic audit by a CPA or a government auditor?**

- Yes  No

**43. Does the Museum operate its own bank account?**

- Yes  No, please give reasons

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**44. Are fixed assets recorded, evaluated and depreciated according to the Assessment and Inventory of Public Property Rule? If "Yes", state how and when you register the assigned values that are allocated to the accounting periods during which the assets provide service.**

Yes

No, please give reasons

Don't know

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**45. Is the Museum collection subject to regular audit? If "Yes", when was the last time that the Museum was audited and for which reasons? If "No", in your opinion why is the museum not subjected to audit?**

Yes

No

Don't know

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**46. From the following options, tick that one that corresponds to the way the Museum recognises expenses and revenues:**

**Expenses**

are recognised when incurred

are recognised when are paid

Don't know

**Revenues**

are recognised when earned

are recognised when are received

Don't know

**47. Have you ever used Activity Based Costing (ABC) or Activity Based Management (ABM) in the allocation of costs in the Museum?**

Yes

No

Don't know

**48. Have you ever used Activity Based Budgeting in the management of the Museum?**

Yes

No

Don't know

**49. Does the museum have any system that provides information about all of its costs? If "No", please give your opinion about the relative importance or not of the system of cost accounting.**

Yes

No

Don't know

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**50. Does the Museum have Internal Control over the methods and procedures to control cash, accounts payable and receivable, stocks and fixed assets? If "No", provide reasons as appropriate.**

Yes

No

Don't know

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## Section 5: Other

### 51. Does the Museum conduct regular surveys of visitors?

Yes

No

Don't know

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### 52. Indicate your views on the importance of surveying visitors to the Museum:

	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
Surveys of visitors are only important in large museums.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Surveys of visitors should be conducted mainly in those museums which have many external exhibitions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Surveys of visitors should be conducted frequently in any kind of museum because they help to capture opinions on present exhibitions and collect feedback for the future planning of exhibitions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Surveys of visitors help the museum to improve the quality of services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Surveys of visitors have little impact on museum management because the museum is not an entity with sufficient autonomy to implement the visitors' suggestions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### 53. In your opinion what are the main priorities of your Museum? Please select no more than five of the following and prioritise (by numbering them from 1 to 5: 1 = highest priority to 5 = lowest priority).

- |                                                                   |                                                                                                         |
|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Conservation of the museum's collections | <input type="checkbox"/> Enhance research of the museum's collections                                   |
| <input type="checkbox"/> Enhance the museum's security            | <input type="checkbox"/> Ensuring job satisfaction of employees                                         |
| <input type="checkbox"/> Increase the museum's collection         | <input type="checkbox"/> Planning exhibitions                                                           |
| <input type="checkbox"/> Raising funds                            | <input type="checkbox"/> Strengthen museum's visibility                                                 |
| <input type="checkbox"/> Training of museum staff                 | <input type="checkbox"/> Other, please specify <input style="width: 150px; height: 20px;" type="text"/> |



## **APPENDIX B - INTERVIEW PROTOCOL**

## **INTERVIEWERS' INSTRUMENT**

### **Main Purpose of the Research**

Considering the long history of Portugal, the role museums have in society and that the importance of museums resides in their capacity to produce a positive impact on the community, this research will study the accountability practices that are adopted in Portuguese public museums. It also examines the accountability of these institutions under NPM guidelines. This will include exploring the present practices of key Portuguese public museums and studying their benefits and limitations, as well as examining the historical determinants of present museums' practices of accountability. Therefore, the study will identify potential avenues for the improvement of accountability in public museums so that a framework for strengthening accountability relationships can be proposed.

### **Research Objectives**

The express objective of this study is to examine the historical development of accountability practices in public museums in Portugal and to explore the present state of accountability in those museums under NPM philosophies for public sector management.

### **Interviewees**

- Managers who are responsible for running public museums;
- Curators who are responsible for acquiring new items for collections, organising museums' inventories, organising exhibitions, and overseeing the study and conduct of research on museums' collections;
- Accountants who are responsible for the recording of all expenses and revenues and other financial records.

### **Methodology**

The interviews will be used as a means to verify how interviewees' actions are indeed moulded by organisational structure, culture or by-laws, or if there is a "practical drift". The information collected through interviews will be guided by the findings of the structured questionnaire and by the archival research already undertaken.

## **Location**

All interviews will be carried out in museum's offices, unless interviewees suggest conducting them in any other place where they can feel more comfortable.

## **Questions to ask during the interviews**

### **Presentation and Explanation**

- a) Presentation of the study, including its aims and main goals to be achieved.
- b) Explanation about the way data will be preserved and interviewees' anonymity will be guaranteed in order to obtain interviewee's agreement to participate and permission to record the interviews.
- c) Reinforcement of the voluntary nature of being involved in the project and restate the right of the interviewees to withdraw their consent at any time prior to or during the interview and to withdraw any unprocessed data that they have previously released.
- d) Brief description about the recording process and the equipment that will be used.

## **I. Structural problems**

*Purpose: To identify structural potential problems that can be seen as hindrances to the accomplishment of museums' objectives.*

1. What are the main structural problems you face in your daily management?

### **Probe:**

- Mission and goals of the museum;
- Strategic management;
- Development plan;
- Centralisation versus autonomy;
- Communication process inside the museum and between the museum and their governing body;
- Relationship between the museums and the community;
- Involvement of museum staff in museum management;
- Main sources of revenues;
- Security of museum collections.

2. How these problems impede daily management from accomplishing the museum's goals and what is being done to solve them?

### **Probe:**

- How exhibitions are planned and funded;

- How inventories are updated and how frequently;
- How museum is funded;
- Dependence on public funding;
- What the museum has been doing to promote fundraising;
- What has been done to make the museum more community focused;
- How the museum is accountable to the community;
- What has been done to adopt flat organisational structures;
- Frequency of meetings between museum director and staff.

## **II. Museum staff**

*Purpose: to obtain information on the profile/background/experience of museum staff.*

I would like to know more about how the museum staff are contributing to the enrichment of the museum.

Is there sufficient, suitably qualified staff for the tasks they undertake?

### **Probe:**

- Number of staff members;
- Balance between knowledge needed and staff expertise;
- Capacity of staff to perform research on museum collections;
- How the governing body is contributing for improving museum staff expertise ;
- What kind of training has been promoted to museum staff;
- Job satisfaction of museum employees;
- How museum staff feel comfortable relating to financial information;

## **III Legislation**

*Purpose: To provide details about the way museums use legislation and other regulation in museum management and how it contributes to the achievement of museum objectives or is viewed as a hindrance to the museum development.*

Now, I would like you to tell me what the role of legislation in daily museum management is?

### **Probe:**

- Importance of legislation to museum management;
- Management by decree;
- Importance of enacting legislation;

- Proactive versus simple law-abiding attitudes in solving museum management problems;
- Burden of legislation on museum activity;
- Legislation as a factor of promotion versus limitation of museum activity.

#### **IV. Cultural/Public administration**

*Purpose: To provide details about the influence of history and culture of Portuguese public administration on the way a museum is managed and on the way museum staff behaves.*

Now, can you tell me about the influence of the history and culture of Portuguese public administration on the way the museums are run and how this tradition is influencing museum staff?

##### **Probe:**

- Decoupling in museum management;
- Proactive versus reactive attitude of museum staff;
- Efficiency of museum staff;
- Management versus administration attitude of the museum director;
- Museum orientation: to museum professionals or to the community;
- Empowerment given to museum staff.

#### **V. Accounting/Accountability technique**

*Purpose: To provide insights about the preparation of financial information and its use in making decisions.*

1. Now, can you tell me how financial information is prepared?

##### **Probe:**

- Knowledge of financial issues;
- Participation or non-participation in the budget allocation process.

2. How financial information is utilised in decision making?

##### **Probe:**

- Importance given to financial information;
- Most important financial statements in the decision making process;
- Frequency with which financial information is used;

- Importance of financial information in preparing exhibitions;
- Importance of performance indicators;
- Value for money;
- Budget allocation process;
- Museum control over revenues.

## **APPENDIX C - APPROVAL OF HUMAN RESEARCH ETHICS COMMITTEE**

## APPROVAL

<b>Principal Researcher:</b>	Brian West
<b>Associate/Student Researcher/s:</b>	Carlos Alberto da Silva Menezes
<b>School/Section:</b>	Business
<b>Project Number:</b>	B09-148
<b>Project Title:</b>	The accountability of public museums in Portugal
<b>For the period:</b>	16/10/2009 to 31/3/2011

**Please note:**

- The Committee was of the opinion that completion of the survey would take longer than 15 minutes (PLIS).
- PLIS – please use the correct template. This can be found on the HREC website.

*Please quote the Project No. in all correspondence regarding this application.*

**REPORTS TO HREC:**

An annual report for this project must be submitted to the Ethics Officer on:

**16 October 2010**

[www.ballarat.edu.au/ard/ubresearch/hdrs/ethics/humanethics/docs/final\\_report.doc](http://www.ballarat.edu.au/ard/ubresearch/hdrs/ethics/humanethics/docs/final_report.doc)

A final report for this project must be submitted to the Ethics Officer on: **30 April 2011**

[www.ballarat.edu.au/ard/ubresearch/hdrs/ethics/humanethics/docs/final\\_report.doc](http://www.ballarat.edu.au/ard/ubresearch/hdrs/ethics/humanethics/docs/final_report.doc)



**Ethics Officer**

**16 October 2009**

**If any changes are to be made to this project, a 'Request for Amendments' form must be completed and forwarded to the Ethics Officer for approval.**

## APPROVAL

<b>Principal Researcher:</b>	Prof. Brian West
<b>Student/Other Researcher/s:</b>	Mr Carlos Alberto da Silva Menezes
<b>School/Section:</b>	School of Business
<b>Project Number:</b>	B10-112
<b>Project Title:</b>	The Accountability of Public Museums in Portugal
<b>For the period:</b>	15/10/2010 <b>to</b> 31/3/2011

**Comments:**

- Please confirm any previous permission from the museums to interview staff
- p8, paragraphs 1 and 2 – please remove the Ethics Officer as a contact for queries regarding the project

*Please quote the Project No. in all correspondence regarding this application.*

**REPORTS TO HREC:**

A final report for this project must be submitted to the Ethics Officer on:

**31 April 2011**

[www.ballarat.edu.au/ard/ubresearch/hdrs/ethics/humanethics/docs/final\\_report.doc](http://www.ballarat.edu.au/ard/ubresearch/hdrs/ethics/humanethics/docs/final_report.doc)

Mrs. Deborah DeBuhr  
on behalf of



**Ethics Officer**

**15 October 2010**

**If any changes are to be made to this project, a 'Request for Amendments' form must be completed and forwarded to the Ethics Officer for approval.**

# HREC FINAL REPORT

## Final Project Report

Human Research Ethics Committee

University of Ballarat  
Learn to succeed



### 1) Project Details:

<b>Project No:</b>	B10-112
<b>Project Name:</b>	The Accountability of Public Museums in Portugal

### 2) Principal Researcher Details:

<b>Full Name:</b>	Prof. Brian West
<b>School/Section:</b>	The Business School
<b>Phone:</b>	EXT: 9406
<b>Fax:</b>	9405
<b>Email:</b>	b.west@ballarat.edu.au

### 3) Project Status:

<b>Please indicate the current status of the project:</b>	
<input checked="" type="checkbox"/> Data collection complete	<input type="checkbox"/> Abandoned
<b>Completion date:</b> 31/03/2011	<b>Please give reason:</b>

### 4) Special Conditions:

<b>If this project was approved subject to conditions, were these met?</b>		
<input checked="" type="checkbox"/> N/A	<input type="checkbox"/> Yes	<input type="checkbox"/> No * NB: If 'no', please provide an explanation:

### 5) Changes to project:

<b>Were any amendments made to the originally approved project?</b>	
<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes * NB: Please provide details:

# Final Project Report

Human Research Ethics Committee

University of Ballarat  
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## 6) Storage of Data:

Please indicate where the data collected during the course of this project is stored:

Data is kept in a locked filing cabinet in The Business School.

## 7) Research Participants:

Were there any events that had an adverse effect on the research participants?

No  Yes \* NB: Please provide details:

## 8) Summary of Results:

8.1. Please provide a short summary of the results of the project (no attachments please):

The results of the questionnaires and interviews have been incorporated in draft chapters of a PhD thesis that will be submitted in the future.

8.2. Were the aims of the project (as stated in the application for approval) achieved?  
Please provide details.

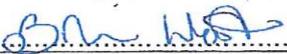
The aims of the project have been achieved. After the submission of the PhD articles will be prepared for publication in conference proceedings and peer reviewed journals.

## 9) Feedback:

The HREC welcomes any feedback on:

- difficulties experienced with carrying out the research project; or
- appropriate suggestions which might lead to improvements in ethical clearance and monitoring of research.

## 10) Signature/s:

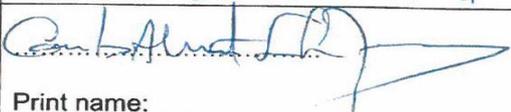
Principal		Date:	18/9/12
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# Final Project Report

Human Research Ethics Committee

University of Ballarat  
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<b>Researcher:</b>	Print name: Brian West		
<b>Other/Student Researchers:</b>	 Print name:	<b>Date:</b> 18/09/12	
	CARLOS ALBERTO SILVA MENEZES Print name:	<b>Date:</b> 18/09/2012	

*Please return to the Ethics Officer, Mt. Helen campus, as soon as possible.*