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The rules are no game

From instrumental rationality to administrative evil

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Abstract

Purpose – Seeks to argue that administrative evil is inherent in the administrative hierarchies currently governing work organizations, and to explore the means by which instrumentally rational processes morph into administrative evil.

Design/methodology/approach – A critical theory methodology for identifying and describing administrative evil is outlined.

Findings – Administrative evil refers to the use of technology, professionals, and hierarchical organizational structures in ways that divorce collective actions from their moral context. The role of technical accounting expertise, manifested as various devices, facilitates “ordinary” human beings’ “rational” participation in “administrative evil” through a series of technically competent and instrumentally rational decisions, facilitated by information technology.

Research limitations/implications – Divorcing actions from their moral context removes a sense of personal responsibility and accountability on the part of the organizational participants and renders public interest considerations captive to prevailing ideology and social structures.

Practical implications – By better understanding the facilitating processes of administrative evil, possibly one can begin to develop alternative criteria that empower individuals to circumvent the negative consequences of instrumental rationality and enable them to act more responsibly in the public interest.

Originality/value – Critical theory is used in better understanding administrative evil and in developing strategies for change.

Keywords Business ethics, Work organization, Accounting, Management accountability

Paper type Research paper

Cruelty and compassion come with the chromosomes;
All men are merciful and all are murderers.

...

Only in the knowledge of his own Essence
Has any man ceased to be many monkeys.

(Aldous Huxley)

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Introduction

Evil is not a word used frequently among accounting academics. As with most social scientists[1], we shy away from such metaphysical and emotionally charged terminology. The rules of the game are rational discourse, reasoned exploration, and instrumentally legitimized actions. These rules aim to divorce sentiment and emotion from intellect and to substitute impartial evidence for nuanced moral codes and spiritual values. However, if we conceive of evil as that which deprives innocent people of their humanity and if we believe such behavior to be inherent in the human condition, then evil constitutes an elemental force of social systems (Hilberg, 1980; Katz, 1993; Adams and Balfour, 1998; Billstein *et al.*, 2000) that can be ignored only at our peril. Yet, it is the instrumentally rational and legitimized roles and behaviors shrouded in hierarchical structures, technology, and expertise that enable us to distance ourselves from our emotions and mask the presence and potential of evil.

In the subsequent discussion, we explore how evil materializes within work organizations. Following Adams and Balfour (1998), we characterize such manifestations as administrative evil. Administrative evil emerges from the "rational" practices of modernity, practices that comprise the focus of much contemporary accounting/accounting information systems research and practice. Administrative evil occurs when ordinary people, properly carrying out their organizational responsibilities, engage in acts that deprive innocent human beings of their humanity[2]. Organizational structures and roles prescribe, legitimize, and motivate the actions taken by organizational actors. Control hierarchies predicated on, and legitimized by, appeals to instrumental rationality provide the context for action that sustains the deployment of administrative evil. The "rational" practices of modernity predominately follow the logic of instrumental rationality (e.g. Weber, 1958, 1979; Habermas, 1984, 1987) as conventionally conceptualized. Instrumental rationality refers to the legitimation of action by appealing to the efficacy of the means employed in achieving the specified end without the need to appraise the legitimacy of the end (Jary and Jary, 1991)[3]. The conventional interpretation of rationality implies a neutral orientation possessing both constructive and destructive potential. The realization of this potential depends on parameters (i.e. individual morality or ideological zeal) distinct from, and independent of, the application of rational processes. Further, the realization of this potential cannot be separated from the social roles and institutional structures: roles and structures constituted, and legitimated, by the logic of modernity. These institutional roles and structures obviate individual responsibility (Kelman and Hamilton, 1989), and equate the efficient achievement of organizationally specified goals with the public interest (Bauman, 1989).

Machines, professionals, and administrative hierarchies represent the physical, intellectual, and organizational manifestations of instrumental rationality. These manifestations define and construct the organizational context and over time overwhelm individual morality:

One is rarely confronted with a clear, "up or down" decision on an ethical issue; rather a series of small, usually ambiguous choices are made, and the weight of commitment and of habit drives out morality. The skids are further greased if the situation is defined or presented as technical, or calling for expert judgment, or is legitimized by organizational authority. It becomes an even easier choice if the immoral choice has itself been redefined, through a moral inversion, as the "good" or "right" thing to do (Adams and Balfour, 1998, p. 25).

Organizational violence[4] refers to physical or emotional harm done to individuals as a result of actions carried out on behalf of the organization and is the expression of administrative evil. We argue that the large scale forms of organizational violence – such as the “normalization” of nuclear war through budgetary practices or the facilitation of the Holocaust through the use of “counting machines” – differ only in magnitude from the daily acts of organizational violence, legitimized by rational economic analysis. These acts of violence inflict significant damage upon members of society. The manufacture and distribution of munitions and tobacco, the destruction of eco-systems, and the loss of jobs and retirement security, represent practices we see as contrary to acting in the public interest.

Our purpose is to initiate a dialogue, currently absent in accounting, that recognizes the potential of instrumental rationality in initiating and perpetuating administrative evil within accountability hierarchies and that considers how this potential affects and is affected by accounting, accountants, and accounting information systems. Further, we propose that such insights provide a basis for evaluating if, and how, accounting contributes to, or detracts from, the public interest and for understanding and developing strategies for change. We address our objective by bringing together ideas from several diverse literatures (public administration, social theory, accounting) to better articulate and understand what motivates work organizations to act in ways that are contrary to the public interest. Specifically, we recognize instrumental rationality as the dominant legitimating logic, indicate how the application of this logic results in administrative evil[5], and propose a critical theory framework as a possible strategy for change.

The specification of the public interest is not unproblematic. Here, we propose that acting in the public interest entails acting in a way consistent with the general well being of the ongoing community and its members. With respect to a work organization, the public interest includes stakeholder groups affected such as stockholders, managers, workers, customers, regulators, the community, and the natural environment. We consider the detriments of not grounding the public interest conversation in accounting in a richer social context than the instrumental rationality of neoclassical economic theory. The community interests and those of its members are not homogenous. Whose interests are privileged and which interests are most important cannot be prespecified but must be determined and continually reevaluated as part of the ongoing dialogue. We present the following discussion as a stimulant to initiate and engage in this dialogue as well as a facilitating framework[6].

The discussion is organized as follows. First, we discuss how administrative evil is masked by hierarchical (bureaucratic) accountability structures and develop the linkage between instrumental rationality, abdication of responsibility, and organizational violence. Next, we propose critical theory as a framework for unmasking administrative evil. Here, we take the three primary tenets of critical theory as articulated by Laughlin (1987) – enquiry, enlightenment, and strategies for change – and discuss how each provides an integral part of specifying and possibly responding to administrative evil. The discussion concludes with a brief summary of the arguments presented, an articulation of the potential and limitations of our ideas as well as proposed applications for future development and applications.

Instrumental rationality and organizational action

Modernity has deified instrumental rationality as an enabling logic. The application of this logic narrows the conception of ethics, professionalism, and politics and is operationalized through machines, experts/professionals, and administrative hierarchies: Machines are the physical manifestations; professions are the intellectual manifestations; and administrative hierarchies are the organizational manifestations[7]. "When linked to bureaucracy and organization, the result is an unintentional tendency toward dehumanization and the elevation of technical progress and processes over human values and dignity" (Adams and Balfour, 1998, p. xxv). Within the context of authoritative hierarchies, one can be a consummate worker, professional, or administrator and at the same time perpetuate organizational violence. The actor acts responsibly toward the administrative hierarchy by fulfilling task requirements while abdicating any personal or social responsibility, or accountability, for the effects of the resulting actions. The socialized actor internalizes organizational values and respects the requirements of legitimate authority. Within these hierarchies, the personal conscience, which is seen as subjective and private, is always subordinated to the structures of authority, which are seen as objective and public (Adams and Balfour, 1998, p. 166).

Following Adams and Balfour, we take a fairly pronounced structuralist perspective; however, we entertain possibilities for change through human agency as organizational roles and social structures are constructed and reconstructed in action. Given that the socialization process associated with organizational roles is extensive and complex, an adequate treatment is beyond the scope of our discussion. Suffice it to say that organizational roles and individual socialization are complementary, requisite processes within organizational hierarchies for specifying desired processes and imposing discipline[8].

Hierarchical accountability and control structures predicated on, and supportive of, instrumental rationality dehumanize the objects of action, allowing them to be expressed in purely technical, ostensibly ethically neutral terms. Actions affecting human beings are preconditioned to be viewed with moral indifference. The capacity for ethical evaluation is lost as quantitative and financial terms come to dominate the representational space, significantly reducing the link between the actor, the act, and the outcome. Anita Roddick, founder and CEO of The Body Shop, observes that "the language of business is not the language of the soul or the language of humanity. It's a language of indifference; it's a language of separation, of secrecy, of hierarchy." (quoted in Bakan, 2004, p. 55).

Organizational violence is perpetrated as the human beings within the administrative structures lose the capacity for ethical evaluation. Accounting and accounting systems are central in formulating quantitative and financial representations as well as rational decision models and, therefore, in fostering administrative evil. The instrumentally rational hierarchical accounting and control systems are no less prevalent and controlling in the public and the not-for-profit sectors (Adams and Balfour, 1998; Broadbent *et al.*, 1991; Dillard, 2002; Dillard and Tinker, 1996; also see *Critical Perspectives on Accounting* 2004 issue 15 (4-5) (May-July).)

Conditions associated with the abdication of moral responsibility

The question arises as to what conditions must exist for the abdication of moral responsibility within work organizations and how accounting is complicit in the process[9]. Kelman (1973) specifies three conditions associated with the abdication of moral responsibility within modern organizational settings: the violence is authorized and sustained by organizational primacy and discipline; action is routinized through role specification and rule governed practices; and the victim is dehumanized through abstraction and quantification[10]. We consider the implications of each.

Moral responsibility is associated with being held accountable for one's decisions and actions and giving reasons that attest to their legitimacy. The evaluation criteria are key. Within the current organizational context, the legitimacy of decision rationale is determined by the prevailing organizational norms and values. Legitimizing criteria are synonymous with instrumentally rational decision making. Moral responsibility is narrowly defined as applying instrumentally rational logic in arriving at, and carrying out, a course of action. Kelman's three conditions illustrate how instrumental rationality manifested in hierarchical accounting and control structures facilitates the abdication of moral responsibility[11].

Authorized violence. Violence is authorized by virtue of the action(s) furthering the ultimate goal(s) of the organization[12]. First, the wellbeing of the organization must be accepted as synonymous with the wellbeing of the individual. Scott and Hart (1989) refer to this as the organizational imperative and point to its near universal acceptance in the USA. Indeed, the legal structure of corporations requires that corporate managers act to maximize stockholder interests, even at the expense of environmental and social goals. Milton Friedman, considered by many as the quintessential spokes person for the neoclassical economic perspective, succinctly captures this position: "If [Sir John Browne, head of British Petroleum] pursues those environmental interests in such a way as to run the corporation less effectively for its stockholders, then I think he's being immoral. He's an employee of the stockholders, however elevated his position may appear to be. As such, he has a very strong moral responsibility to them." (quoted in Bakan, 2004, p. 41).

Second, there must be disciplinary forces to motivate the actors to act in accordance with the ultimate goals of the organization. The organizational hierarchy controls the distribution of resources. Within the administrative hierarchy, instrumentally rational decision processes are privileged as legitimizing criteria and, thus, provide the means by which discipline is imposed on individual actors.

For example, the implementation of an advanced management information system may result in the displacement of a significant number of current employees. Those responsible for making the decision are evaluated based on the system's efficacy in enhancing the economic efficiency and effectiveness of the organization, ultimately measured as changes in shareholder value. Thus, the legitimating calculus of economic cost-benefit analysis authorizes the violence. Discipline is imposed via the quantitative, financial based performance evaluation system, which is an integral part of the control hierarchy. Other examples include: the outsourcing of a major support function; requiring the elimination of the staff department; manufacture and distribution of munitions and tobacco; and the destruction of eco-systems.

An instrumental perspective blurs, and ultimately obscures, the moral issues[13] associated with the actions undertaken to satisfy the organization's needs, and the

public interest implications are excluded from the decision space. Adams and Balfour (1998) argue that at some point within such a context moral inversion may occur, whereby immoral actions are reframed as positive actions taken in the name of the public interest. For example, Chwastiak (2001, p. 512) suggests: "PPB [planning, programming, budgeting] made humans appear to be superfluous to the weapons acquisition process by fetishizing policy objectives (e.g. mutually assured destruction), making it seem as if weapon systems were chosen by national goals, not interested human beings." The hierarchy authorizes the actions; the professionals insure that technically rational knowledge is appropriately applied; and the technology facilitates the efficient and effective disposition of one's duties. All three provide the legitimizing basis for actions and evaluation, and all three mask administrative evil and the potential for organizational violence.

Routinization. Kleman's second condition facilitating the abdication of moral responsibility routinizes the action through role specification and rule governed procedures. Role specification and rules embodied within bureaucratic hierarchies shield the participants from having to confront moral consequences of administrative actions other than from a theoretical, abstract perspective. At some point, the discipline of narrowly focusing on the details of one's work creates a "taken for granted" quality that reduces the capability to question the underlying principles or consequences of one's actions (Baumeister, 1997). The dissociation follows from the functional division of labor, thereby creating distance between the actor, the action, and the outcome. Parsing the actions into a series of well-specified tasks leads to the substitution of technical responsibility for moral responsibility.

Technical responsibility considers only whether the activity has been carried out according to the best available technological knowledge in a cost-effective manner. The means to accomplish the thing or act becomes an end unto itself, and the intermediate steps to the ultimate outcome are not recognized. An intermediary implements the practices that are derived from the rules, separating role, rule, and sanctioned practice. The ethical dilemmas associated with the ultimate outcome are not confronted, only the daily ones demanding more effective and efficient processing. For example, the development of technically rational tools, such as PPB, shifted (limited) the discussion of military strategies and responses to those that fit into the economic cost-benefit calculus (the best technical knowledge) embodied in the rules (Chwastiak, 2001). In addition, Funnell (1998) and Dillard (2003) illustrate how accounting, accountants, and other information professionals implicated in the Holocaust were removed from having to confront the organizationally sanctioned violence facilitated by their daily routine and professional actions.

Dehumanization of the victim. The third dimension that facilitates the abdication of moral responsibility is the dehumanization of the victim. As noted earlier, legitimation is predicated on instrumental rationality, which attempts to eliminate any subjective affiliation with the objects of concern. Phenomena are translated into quantitative representations. This translation initiates the process of dehumanizing innocent human beings. "Dehumanizing starts at the point when . . . the objects . . . can and are, reduced to a set of quantitative measures" (Bauman, 1989, p. 102). Given that those who work within bureaucratic structures are primarily measured on, and therefore interested in, the financial impact of their actions, the predominant quantitative measure is ultimately economic value and is generally denominated in monetary

terms[14]. Thus, dehumanization is commonplace with, and within, organizations, which are predicated on instrumentally rational manifestations such as bureaucratic hierarchies. "If you can get human beings to become tools . . . , it's more efficient by some measure of efficiency . . . a measure which is based on dehumanization. You have to dehumanize it. That's part of the system." (Noam Chomsky, cited in Bakan, 2004, p. 69).

Within the bureaucratic setting of the Department of Administration and Economy, a division of the Nazi SS responsible for the "Jewish problem," human beings lost their distinctiveness as they were presented as value-free measurements (Bauman, 1989, p. 103). In pursuing military policy, the death and destruction of civilians is recast as collateral damage. In articulating public policy, certain groups become "surplus populations." The worker dismissed because of a plant closing is reified as a production input, evaluated in terms of an economic efficiency ratio, and classified as excess capacity.

The masking of administrative evil

"Administrative evil is not easily identified as such because its appearance is masked; moreover, in our ordinary roles with our taken for granted assumptions about the modern world, *we wear the mask*" (Adams and Balfour, 1998, p. xxii, emphasis in original). The mask is assumed as participants are subjected to demands for organizational discipline, the specification and routinization of roles and practices, and the quantification of human beings. Modern society gives the appearance of being nonviolent because the violence is hidden from view by technique; however, Bauman (1989) argues that this benign rendering is, at bottom, a legitimizing myth. Organizational violence has merely been taken out of sight, buried within, and legitimated by, bureaucratic hierarchies, professional expertise, and technology, but not eradicated. For example within prevailing work organizations, administrative evil is hidden by techniques that emphasize efficiency and cost effectiveness. These techniques become insidious even deadly, when the means are subjected to, and are in conformity with, instrumentally rational criteria that effectively dissociate the ends from the moral evaluation.

In the late 1960s and early 1970s, a number of General Motors vehicles suffered from rear end collisions in which fuel tanks exploded and caused fuel-fed fatalities. Bakan (2004) reports that a GM engineer produced a written report that analyzed the cost of legal damages to GM for each fatality (\$2.40) compared to the cost of redesigning the automobiles to avoid fires (\$8.59). The engineer acknowledged in his report that "it is really impossible to put a value on human life," his report contained such a value derived "in an objective manner" (set at \$200,000 loss to GM for each fatality).

Further, once the dehumanization has occurred, the appeal to technical expertise can further legitimate instrumental rationality. In GM's appeal of the award in one of these fatality suits, the California Chamber of Commerce filed a brief supporting GM, stating that jurors are "not well positioned to make accurate risk-utility assessments in cases involving complex engineering issues." Note that the Chamber focuses on the complex engineering issues and the risk-utility assessment rather than on the impossibility of setting a quantitative value on human life "in an objective manner."

The question is how to unmask administrative evil? And, once unmasked, how should we respond in an attempt to eliminate organizational violence? In the next section, we propose a critical theory based process as one possible means for unmasking administrative evil within administrative hierarchies and responding to organizational violence - violence in which accounting as a technology of instrumental rationality is a central component. Specifically we propose using Laughlin's (1987) Habermasian-based framework for understanding the practice of accounting and the means for initiating change as a preliminary, albeit incomplete, framework for responding to administrative evil and refocusing efforts and resources toward furthering the public interest.

Critical theory as a framework for unmasking administrative evil

Drawing from critical theory[15], Laughlin (1987) proposes three stages for understanding and changing accounting and accounting systems in an organizational context: enquiry[16], enlightenment, and strategies for change[17]. These stages are useful in identifying the roots of administrative evil, in addressing the abdication of individual responsibility, and in developing a framework for analyzing the implications for accounting, accounting systems, and organizational structures, especially as they enhance accountability[18]. Thus, facilitating our primary objective of making accounting systems and their context transparent and comprehensible.

Stage one exposes the ideology underlying the logic of accounting, revealing the "taken for granted" precepts hidden within the technology, professional expertise, and organizational structures. Stage two makes visible the processes that follow from the instrumentally rational logic, and that effectively mask administrative evil. The primary concern here is to make the subject(s) aware of the need for change as well as providing knowledge necessary for responding constructively. In addition, part of the activity at this stage involves continually reassessing the validity of the perceived understanding in light of new information and new insights concerning the logical and social underpinnings of the technical systems. Stage three involves identifying new mechanisms and methods for implementing technology, professional standards, and organizational structures that will mitigate the processes facilitating administrative evil.

With respect to accounting and accountability systems, change is predicated on developing and sensitizing participants to new ways of describing and developing administrative systems that are not solely grounded in instrumental rationality. Laughlin (1987) characterizes this process as one of iterative discovery that lends insights not only into the technical dimensions of accounting and accountability systems but also into the social, political, and cultural contexts wherein meaning is derived and actions are motivated. We propose the methodology as a means for unmasking administrative evil by recognizing the instrumental nature of the hierarchical structures, of which accounting is part, that provide for social integration within work organizations.

Enquiry: understanding administrative evil

Gaining understanding begins by observing the context within which technical and administrative systems function, which include accounting and accounting systems. Observation leads to identifying the associated legitimating explanations. These

explanations are critically evaluated in terms of their correspondence with attributes of the physical world, their originating or sustaining dimensions within the cultural sphere, and the motivation behind their articulation. This penetrating questioning and critical evaluation is an ongoing, iterative process wherein technical and administrative systems and their associated instrumentally rational vocabularies are assessed in light of the underlying legitimizing arguments. Accordingly, the critique grounds the analysis within the social and cultural context and thus reveals the assumptions underlying the technical and administrative systems.

The legitimating criteria are central in the devolution of instrumentally rational logic into administrative evil. Here, we consider the role of neoclassical economics, and the associated myths, in facilitating administrative evil in organizational contexts by reducing complex moral dilemmas to a single objective: maximization of shareholder wealth. These sustaining myths, which have acquired the force of law (Kelly, 2001), provide legitimacy to otherwise indefensible social arrangements that are ultimately detrimental to the public interest. Accounting and accounting systems reflect and sustain these social arrangements.

Kelly (2001) proposes six principles useful in illustrating the biased perspectives underlying the legitimating myths of capitalism. These principles provide legitimating grounds for particular organizational forms and the design criteria for the accompanying accounting systems. The general objective aims to pay employees as little as possible and the shareholders as much as possible. The stockholders claim wealth that they did little to create. The corporation is viewed as property to be bought, owned, and sold by the propertied class, and these entities are governed via aristocratic governance structures wherein only the propertied class has a voice. Liberties accrue as a consequence of property holdings. Corporate sovereignty is predicated on individual property rights and self-regulation through free market forces.

Kelly's principles can be used to identify and better understand the source of administrative evil. These "aristocratic" privileges represent the meta level context within which organizational activity takes place. Once these sustaining social relationships are accepted, legislated, or both, then by calling forth instrumental rationality as both the facilitating and legitimating logic, an antiseptic layer of unchallengeable (and biased) implementation process is instituted. The resulting administrative hierarchies reflect the principles discussed above and control the actions of those acting within this domain.

At the next level (*mezzo*), the administrative hierarchy provides the context for action at the organizational level. As previously developed, critical evaluation is limited as the administrative hierarchy separates the means from the ends and each actor operates within this rationally formulated context. The system is effective in establishing and maintaining the conditions associated with abdicating moral responsibility. For example, one of the primary mechanisms of maintaining organizational discipline in the workplace is the fear of job relocation and loss if the prevailing administrative hierarchies are questioned (e.g. McArdle *et al.*, 1995)[19]. The specification and routinization of roles and practices are carried out by the application of technology by experts (technicians) steeped in instrumentally rational logic. The quantification of means and ends is accomplished as part of the technological response to associated demands placed upon the administrative control structures.

The application of the technology in the cause of maximizing shareholder wealth enhances the dominance of the prevailing capitalist ideology. The economically grounded and unequally privileging aims are developed, clarified, and expanded through instrumentally rational problem solving and physical and administrative technology. Technology can enhance and accelerate the capitalists' demands. Coupling the capitalists' demands with advanced information technology implemented through bureaucratic hierarchies facilitates their immediate, disciplined, and efficient implementation. As a result, the time for participants to critically reflect and evaluate the unfolding events and the ensuing outcomes diminishes. Eventually, the ability to recognize and challenge the practices and fundamental principles is severely constrained by those inhabiting the administrative hierarchies, as is the ability to critically evaluate the logic of instrumental rationality. As a result, the rationally formulated outcome criteria become the unquestioned goals. The only domain of inquiry is a technical one concerning how the techniques (means) for efficiently and effectively accomplishing the given goals (ends).

Total quality management (TQM) provides an example of legitimating administrative technology. By critically analyzing Total Quality Management programs, we gain insight into how administrative technology becomes an obscuring end. Munro (1995) demonstrates the predominant focus on outcome criteria in the TQM practices in a study undertaken at an automobile manufacturer's processing plant. At the meta level, demands of market capitalism are obscured, and at the mezzo level, quality, legitimated by and constituted through instrumental rationality, becomes an unquestioned, and unquestionable, value that redefines the identity of work and the interests of employees:

The matter of identity is therefore not one of taking sides; for quality or against it. Initially this may be part of the bludgeon. But being "for quality" is not itself part of the issue. Who can be against quality? (*And still work for this company?*) The question of quality becomes: *how to be for quality? How do people reshape their interests in the context of quality?* (Munro, p. 131, emphasis in original).

Processes (roles and practices) and the accompanying management information systems (quantification) are evaluated based on their contribution to the TQM program. Neither the program's objective nor the ultimate objective of the organization is questioned. Phrased more generically, at least two levels of ends – the ends of the TQM program, and the ends of the organization – are not questioned; only the means for carrying out the TQM program are subject to debate.

The situations discussed above as well as those considered by Chwastiak, Dillard, Munro, Shearer, and others provide examples of enquiry directed toward understanding the role of instrumental reason manifested as economic logic. They all represent situations where economic forms of analysis – especially the notions of efficiency and profitability as they relate to stockholder primacy – have become the taken for granted values narrowing discourse and removing broader moral and ethical issues from consideration. These examples all suggest that instrumentally rational economic forms of analysis have colonized and dominate aspects of organizational thinking that led to instances of administrative evil. In Habermas' terms, the technical systems have colonized the social systems, creating imbalance within the social lifeworld. Overcoming the imbalance comes about through critical inquiry as we can begin to recognize the need to question the ends being pursued.

Taking the analysis a step further in recognizing the need for a radical shift in evaluative criteria, Shearer (2002, p. 569) suggests that:

... what is needed is an ethic that is incapable of assimilation to the logic of economics. However, if such an ethic is successfully to compete with economic discourse, it cannot be *merely* regulatory or prohibitive in its aim, but must rather comprise a discourse of human identity distinct from economic man, and it must be capable to infusing our self-understanding as economic subjects with a moral obligation that exceeds our own self-interest.

In other words, using a new ethic (i.e. legitimating criteria) as an orienting basis, we need to step outside the prevailing dogma and deconstruct those “taken for granted” precepts that have been institutionalized into organizations. Shearer uses Levinas’ project[20] to put forth an alternative basis for a moral code in which “ethically adequate accountability on the part of the economic entities demands an answerability *to the Other* because the discourse cannot be accommodated in the objectifying and other-denying discourse of neo-classical economics” (Shearer, 2002, p. 567). This more inclusive perspective begins to move the orientation toward an accounting for an alternative public interest.

Enlightenment: removing the mask

The enlightenment stage acknowledges the processes necessary for imposing an alternative value structure by making individuals aware of the need for change and providing the knowledge necessary to formulate a constructive response. The processes of evaluation and critique are the same as in the previous stage as the critical evaluation of both the technical applications and the cultural context continues. However, in this phase the actors become more actively involved in the critique as well as in providing insights as to what changes are desirable and how they might be brought about. Following Adams and Balfour (1998), the enlightenment stage might be viewed as a process of “removing the mask” through critical discourse that suggests alternatives to those ideas and processes that have been accorded mythical status at the cultural level and roles and routines at the organizational level[21]. As the mask is removed, actors and organizations can evaluate and be held accountable for their actions in terms other than those dictated by instrumental rationality, motivating reflection by the participants that could ultimately lead to change.

Part of the enlightenment stage includes motivating workplace participants[22] to take part in the critical dialogue. As the participants become aware of the possibilities as part of the enquiry stage, they begin to engage in, or are at least motivated to engage in, critical dialogue that leads to the unmasking of administrative evil. Here, we presume the drive for freedom and autonomy to be inherent in the human condition. As such, engaging in critical discourse will occur as human beings are provided with facilitating contexts unless impediments intervene. This process can be retarded or prevented by coercion – physical, economic, or psychological. Within such totalitarian regimes, critical dialogue becomes extremely difficult, if not impossible.

We commend Roberts’ (1991, 1996) critique of accountability as useful in illustrating enlightened discourse. By drawing on these ideas, we gain a more enlightened perspective with respect to organizational hierarchies helpful in identifying and perhaps overcoming administrative evil. Roberts differentiates between hierarchical and socializing forms of accountability. These notions of accountability reflect two

distinctly different perspectives, or sets of underlying assumptions, that provide the legitimating grounds for organizational hierarchies. As such, they serve as both evaluation criteria for identifying the type of administrative structures in place and as design criteria useful in constructing alternative systems[23].

Hierarchical forms of accountability refer to Foucault's (1979) notion of disciplinary power, especially the notion that the subject of the discipline is rendered "invisible" while the object becomes more visible. Accounting and other measurement regimes remove the comprehensive person from the analysis to be replaced by judgments of the subordinate that are "dictated by the categories supplied by accounting information" (Roberts, 1996, p. 48). Roberts (1996) goes on to note that, within hierarchical accountability contexts, the individual's ability to make sense of the workplace is limited and disconnected from a sense of relationship to others, "individualizing" the person. Administrative evil is masked by a narrow, technologically grounded perspective and a moral disconnect separates the actor and the subject[24] who is acted upon.

Socializing forms of accountability develop an awareness of the individual as a member of an ongoing community. Others are recognized outside the instrumental dictates of hierarchical accountability structures. These socializing forms "have the potential to confirm self and other, both instrumentally and morally" (Roberts, 1996, p. 50). Socializing forms of accountability provide a template or criteria set for undertaking a critique of the hierarchical accountability structures. Contrasting the forms of accountability provides a process for unmasking administrative evil. Overcoming administrative evil can occur only as a reconnection of the instrumental and the moral is undertaken through a reintegration of socializing and hierarchical accountability systems.

Munro (1995) provides a specific empirical example of how Roberts' conceptions of hierarchical and socializing accountability can be useful in unmasking administrative evil. Hierarchical accountability is created as part of the implementation of a TQM domain. Munro (1995) notes that the unquestionable "black box" status (Latour, 1987) of quality enables managers to "manage by distance" such that accountability for work is redirected from the processes of the work to "... 'output' measures which individuate and intensify responsibilities, facilitat[ing] a shift to an *insistence* on a number being met, at all costs to the individuals concerned. In this way, a propensity by managers to give 'accounts' which excuse, legitimate, or justify their failures is silenced." (p. 147, italics in original). In other words, the extant hierarchical accountability systems stifle necessary critique and thus perpetuate the status quo, facilitating administrative evil. As workers are enlightened to the possibilities of critique, they are more likely to recognize its importance and to search for, and create, opportunities for engaging in this dialogue.

At the enlightenment stage, both the enabling and constraining potential of TQM would be recognized through a critical dialogue among the participants. The hierarchical accountability systems coexist with the socializing accountability systems. As the necessary tension between these systems is recognized and evaluated, the autonomous, instrumental relationships with others are supplemented by recognizing the necessity of cooperative and respectful relationships among the actors. As the presence, and importance, of these relationships become evident through critique, participants gain a broader, more inclusive perspective and as a result develop

strategies that will facilitate change. Alternative strategies for change are not specified at this stage, but critical background information is provided and fundamental questions are raised with respect to the particular circumstances, providing the starting point, and the context, for undertaking the third stage.

Strategies for creating change

In stage three, the participants develop, evaluate, and act upon alternative change strategies that follow from, and are grounded in, the critical analysis undertaken in the enlightenment stage. The change strategies may incorporate the notion of changes in cultural, social, as well as technical structures that impact administrative hierarchies. The question arises as to how can we change an organization once it has been colonized by instrumental reason? Laughlin notes that change may occur in one of three ways during this stage: by changing the cultural or social roots of the issue[25]; by changing the technical structure (e.g. regulatory change); and through cultural adaptation (e.g. applying regulatory mandates).

Changing the cultural roots. Shearer (2002, p. 567) proposes changes in the cultural context arguing “that an ethically adequate accountability on the part of economic entities demands an answerability that cannot be accommodated in the objectifying and other-denying discourse of neoclassical economics.” She goes on to suggest a standard for accounting that “possesses the potential to challenge the monologic economic appropriation and to begin thereby to effect change in the moral identity of the economic agents for whom we account” (p. 569).

One such analysis and redefinition of the current accountability structure at the cultural (meta) level is proposed by Kelly (2001) who argues that the “taken for granted” elements of free-market capitalism must be reexamined and redefined. By way of opening the ideological “black box,” Kelly’s six principles of the “economic aristocracy” discussed in the previous section form the basis for critique that centers on the core imperative of shareholders’ privileged status. The insights obtained from such a critique move the dialogue forward by recognizing that alternative formulations might exist. In this context, Kelly (2001, p. 10) proposes six principles of “economic democracy” as counterpoints:

- (1) *Enlightenment.* Because all persons are created equal, the economic rights of employees and the community are equal to those of capital owners.
- (2) *Equality.* Under market principles, wealth does not legitimately belong only to stockholders. Corporate wealth belongs to those who create it, and community wealth belongs to all.
- (3) *Public good.* As semipublic governments, public corporations are more than pieces of property or private contracts. They have a responsibility to the public good.
- (4) *Democracy.* The corporation is a human community, and like the larger community of which it is a part, it is best governed democratically.
- (5) *Justice.* In keeping with equal treatment of persons before the law, the wealthy may not claim greater rights than others, and corporations may not claim the rights of persons.

- (6) (*r*)*Evolution*. As it is the right of the people to alter or abolish government, it is the right of the people to alter or abolish the corporations that now govern the world.

These six principles provide an alternative basis for rethinking the structure of property rights, corporate forms and control mechanisms, and alternative forms of corporate financial reporting. For example, a shift in perspective from the notion that stockholders are privileged to Kelly's principle of equality emphasizes the accountability of corporations to constituency groups beyond stockholders. Redefining corporations as semipublic governments challenge conventional understandings of "property rights" and the methods of corporate governance. Kelly suggests a reorientation of legitimating principles towards a democratically governed organizational structure in which community and worker rights reside along side those of capital owners. This echoes Dillard (2003), who suggests pluralistic democracy as a force for mitigating the dominance of instrumental rationality and advancing the public interest.

Changing the technical structure. Within organizations, Jönsson (1996) and Roberts (1996) suggest changes to the administrative hierarchies brought about by changes in the hierarchical accountability patterns described earlier. Roberts (1996) notes the need to develop socializing forms of accountability that work within the organization to provide an interdependent sense of self in relation to work. Further, Roberts argues that these socializing forms of accountability complement the instrumental nature of formal hierarchical accountability with ethical restraint and judgment. Jönsson's (1996) notion of lateral responsibility relations is similar and suggests a shifting of accountability from distant supervisors to local dialogue and authentic self-management. Both notions represent critical, discursive processes that lead to action and change within work organizations and that have the potential to identify administrative evil as well as modifying the structures that embody and sustain it.

Changing the technical structure of accounting reports, for example, redefines the objectives of the technical measurement potential enabling dialogue among various stakeholder groups. For example, Kelly (2001) proposes an alternative format for the income statement that would recognize employee contributions to organizational output on an equal footing with those of financial capital. She contends that by changing the technical structure there is a greater likelihood of critical dialogue and debate and, therefore, change. For example, with respect to financial capital and employees:

... it means that employees are likely to start asking tough, market-based questions: Who contributed to the company's success recently? When was the last time stockholders put any real capital in? How much have they *already made* off their contribution? Employees are not asking these questions today. The financial statements do not encourage them to do so. Nor does corporate governance allow them a vote in income allocation, because they are defined as outsiders (Kelly, 2001, p. 25, emphasis in original).

Cultural adaptation. In drawing distinctions between socializing and hierarchical forms of accountability, Roberts (1991, p. 365) comments on the possibility of change within organizations: "If an emancipatory interest in the possibilities of accountability can draw little solace from the existence of the socializing forms of accountability within the informal organization, one can however point to the emergence of a critique

of the individualizing effects of hierarchical accountability from within instrumental reason itself." For example, one of the recognized benefits from programs such as TQM is the value added by the integration of the atomistic efforts of independent actors. While the gain is marginal, based as it is on an instrumental, financial perspective, it does expand the criteria set.

The work of Sennett (2000) provides another example of the individualizing effects of hierarchical accountability leading to an imbalance between the technical and the social. Responsibility, but not authority, is shifted downward within the organization. This can result in shifting accountability for results away from management to the lower levels without a requisite degree of authority or control over underlying work conditions. This process facilitates administrative evil by disenfranchising workers and mitigating their sense of identity:

The employee labors in a vacuum, even in Western-style teams, and the burden of making sense of his or her work becomes internalized. It might seem, logically, that this would free up the individual to contrive whatever meaning for work he or she wills. But in fact, without a witness who responds, who challenges, who defends and is willing to take responsibility for the power he or she represents, the interpretative capacity of workers becomes paralyzed (Sennett, 2000, p. 188),

Here, enabling dialogue concerning the prevailing organizational context establishes a basis for restructuring the accounting and organizational technologies and rebalancing the social life-world with the technological elements within organizations:

To restore the balance it is not enough to confront managerial instrumentalism with critical moralizing: it can never be a matter of either/or. Instead the instrumental and the moral need to be brought back into relation. By confirming self in a way that simultaneously expresses and articulates the interdependence of self and others, dialogue as a process and practice of accountability has just this potential (Roberts, 1996, p. 59).

Creating change from outside the organization. The above examples emphasize using critical theory to create changes in the culture and structures within organizations. Perhaps as, if not more, promising are ways in which accountability structures can be created from outside of the organization. A number of books, documentaries and other media (e.g. Democracy Now! radio and satellite broadcasts) have also been rallying points for citizen activism and for unmasking the roots of administrative evil.

The internet provides a relatively inexpensive way to reach large numbers of potential activists that work to expose administrative evil and to organize for corporate reform. These internet sites create forums and disseminate resources that enable enquiry, enlightenment, and strategies for change.

Examples of such groups include Citizen Works and its Corporate Reform Commission, Corporate Accountability International (formerly INFACT; www.stopcorporateabuse.org), Essential Information (www.essentialinformation.org), and Common Dreams (www.commondreams.org). Common Dreams was founded in 1997; their website describes their function as follows: "we are committed to being on the cutting-edge of using the internet as a political organizing tool - and creating new models for internet activism." They provide a daily news service that includes a broad range of corporate issues. Essential Information, founded in 1982, publishes a monthly newsletter but also has a website that contains numerous links for specific actions and contacts. The newsletter, *Multinational Monitor* (www.multinationalmonitor.org),

“tracks corporate activity, especially in the Third World, focusing on the export of hazardous substances, worker health and safety, labor union issues and the environment.” Common Dreams was founded in 1997 and provides a progressive news wire service and daily.

The rules are
no game

While Essential Information and Common Dreams highlight information dissemination, other sites focus more on empowerment and change actions. Citizen Works' web site (www.citizenworks.org) contains a large number of resources for education and provides assistance and training for the formation of local activist groups. They promote enquiry and use their website to expose corporate abuses and advocate for structural changes in corporate control. Corporate Accountability International also uses a website to provide education and dialogue. They describe their activism as protecting people by “waging and winning campaigns challenging irresponsible and dangerous corporate actions around the world. For over 25 years, Corporate Accountability International and its members have scored major victories that protect people and save lives.”

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Creating change through the academy. Within the academy, we have role specification and rule bound procedures. These rules and procedures are established on professional expertise and legitimized through professional organizations, publishing structures, and disciplinary forces (such as tenure and publication requirements). The first paragraph of this paper describes how the rules of this game play out: “we shy away from metaphysical and emotionally charged terminology,” we use “rational discourse” and “reasoned exploration.” These rules are constructed to “divorce sentiment and emotion from intellect and to substitute impartial evidence for nuanced moral codes and spiritual values.”

If we view accounting and its varied forms of practice as “accountability structures,” as ways to “regulate social relationships” or as a part of a culture’s “justice systems” (Association for Integrity in Accounting, 2004), then we must also engage our students and colleagues in the enquiry and enlightenment activities discussed above. The ways in which accounting education and research might change to reflect and question the inherent value structures within organizations and accounting treatments is beyond the scope of this paper. An emerging literature has begun to address these questions. For example, the Association for Integrity in Accounting (2004, p. 12) has a whitepaper on accounting education which recognizes the importance of getting beyond teaching the instrumental rationality contained within accounting rules: “We must include in our ethics discussions in our classrooms not just the ethical conundrums individuals find themselves in, but also the ethical problems of accounting as an institution. Ends in view are just as much a topic worthy of ethical scrutiny as the means employed to achieve them.”

Closing remarks

The rules of instrumental rationality are no game, but represent instead a deadly earnest and very powerful facet of modernity. In the preceding discussion, we inquire into the accounting expertise, technologies, and systems that enable and foster problems of moral inversion and administrative evil. We suggest that the roots of administrative evil can be found in the roles played by ideology in shaping accounting systems, expertise, and technological processes as they facilitate “good rationales” for masking organizational violence. We use the three stage framework suggested by

critical theory methodology for exploring and unmasking the cultural roots of organizational violence and developing strategies for redefining facilitating structures in ways that bring the social lifeworld back into balance with technological systems. We must, however, be realistic in our expectations and not underestimate the difficulty in bringing about meaningful change. For example, following from Dillard's (2003) discussion of the role played by IBM and its information professionals in facilitating the Holocaust, it is highly unlikely that changing, say, the objective of the firm from maximizing shareholder wealth to that of sustaining the "human community best governed democratically" would have had much impact on preventing the Holocaust. Arguably, however, such a shift in perspective would likely empower employees, other stakeholders and the public at large to question their actions and the actions of organizations in ways that are currently not done, possibly leading to actions more compatible with acting in the public interest.

Limitations and opportunities

The methodological framework. Extending the work of Laughlin (1987), ours is a preliminary foray into naming and unmasking administrative evil embedded in administrative hierarchies and facilitated by accounting expertise, technology, and systems. While we believe the tack we have suggested has significant possibilities, we also recognize that it is not without its limitations. The critical theory based methodology emphasizes the role of language and dialogue in the construction of the context wherein social integration and action take place. A critical understanding enables movement beyond the traditional objectivist, functionalist assumptions and privileges a developmental process of discovery over an investigative inquiry into a preexisting reality. As such, the possibility exists to see beyond the tangible and obvious into the reified domain of existence that conceals the ideological nature of the social world. Consistent with the tenets of critical theory, theory and practice are interactively engaged to demystify a limited notion of reality and to bring about meaningful change.

Laughlin (1987) discusses several significant limitations with this proposed methodology that must be recognized and attempts must be made to overcome them through further development and dialogue. The method, based on Habermas' formulation, situates discourse among social agents as central to understanding and change. From one perspective, it can be argued that there is insufficient recognition of the role of social structures in determining human behavior. As a result, the ability of an agent to initiate and achieve meaningful change is overstated. A second issue can be raised with respect to the applicability of Habermas' theoretical formulations to an organizational level. Laughlin (1987) responds to these criticisms suggesting that such criticism can be applied to almost any approach that is based on assumptions that are open to challenge.

A third criticism concerns the underdevelopment of the formulation, understanding, and theorizing of how and why change is motivated and occurs. Relatedly, the "benchmarks" for determining if, and how, the discursive processes leading to change are difficult to specify and therefore are underdeveloped. Here, we, with Laughlin (1987) concede that this is true, but propose that this does not diminish the usefulness of the framework. We propose these issues as an agenda for improving the approach. The last criticism is a practical one that addresses the feasibility and the cost of

actually implementing the ideas in an ongoing, functioning organization. Again, these difficulties are acknowledged, but we do not believe that they significantly undermine the usefulness of such an approach. Also, our assumption as to the natural inclination toward autonomy and freedom on the part of the participants needs further substantiation within organizational settings.

Administrative evil as a theoretical construct. There are significant issues that need further elaboration and investigation relating to the theorization and identification of administrative evil and the related process of moral inversion. First, a critique of instrumental rationality is difficult because our concept of critique is saturated with this logic. For example, the logic of language syntax is instrumental logic. The rules of the language are implemented to form symbolic representations in order to attain a prespecified goal – the formulation of a sentence having a particular meaning.

Second, the alternatives to the current instrumentally rational society are not well developed (e.g. communitarianism), may be frightening in the degree of social change that would be required to implement them (e.g. communism), or would co-opt democratic inclinations with metaphysical (e.g. theocracy) or physical (e.g. fascism) authority. Third, the definition of administrative evil and moral inversion are culturally relative and situationally defined. Fourth, there is a need to look more explicitly at the metaphors and euphemisms used in describing organizational environments and action situations to illustrate how administrative evil is masked. Fifth, Adams and Balfour (1998) take a structuralist perspective in formulating the dynamics associated with the instigation of administrative evil. Change is brought about through the exercise of human agency. Our proposed methodology recognizes this and begins to integrate the two. In this regard, there is a need to develop more fully the structure-agency dynamic. Sixth, Adams and Balfour's (1998) assumption that evil is inherent in the human condition needs further evaluation.

Concluding comments

Instrumental rationality has the potential to be both facilitating and impeding, and constructive and destructive. The problem is instrumental rationality's unquestioned domination of the cultural context. In Habermas' terminology, the lifeworld has been colonized by the instrumental rationality of the economic and administrative systems implemented through the media of money and power.

Instrumental rationality makes it highly problematic for human agency to modify existing structures. Legitimizing structures of modernity privilege instrumental rationality as the appropriate criteria for evaluation. As such, instrumental rationality is the basis for, and therefore is embedded in, the symbolic structures such as accounting systems, professional standards, and the economic calculus. The allocation of resources follows from, and reinforces, the legitimating structures and the symbolic representations. The legitimating authority of instrumental rationality overwhelms all other alternatives. The pervasiveness of administrative evil is sustained because no other alternatives can be seriously entertained.

In the current environment, administrative evil is obscured behind layers of processes and structures beginning with the unquestioned commitment to the neoclassical economic calculus. These processes and structures are solely grounded in the legitimating construct of modernity – instrumental rationality. From this central, legitimating criteria follows accountability structures, expertise/professional

knowledge, and machines. Because the legitimating criteria is not critically questioned, the only accountability structures, expertise/professional knowledge, or machines allowed are those firmly grounded in, and supported by, instrumental rationality. As such, spiritual, moral, and emotional dimensions are excluded from consideration. Human beings are represented as objects to be manipulated with respect to the laws and logic embedded in the economic calculus. Alternative criteria are abdicated in favor of instrumentally rational ones.

The legitimating criteria become buried under the layers of processes and procedures that they have motivated. The ultimate outcomes become distanced intellectually, socially, and spatially from the actors. The spatial distance is maintained as the action is carried out by a physical manifestation of instrumental rationality (e.g. a machine). The intellectual distance is maintained as the action is directed by the instrumentally rational application of professional knowledge (expertise). Social distance is maintained as action is planned, coordinated, and carried out within instrumentally rational administrative structures (bureaucracies). As long as organizational discipline is maintained, tasks are routinized through role specification and rule governed practices, and the focus of the ultimate action is objectified. As long as there is no critical analysis of the legitimating claims of the system, the reproduction of administrative evil is self-organizing, self-perpetuating, requiring no direct planning, no particular leadership, and no one's consent.

However, administrative evil is not all-powerful. It can be resisted. It can be identified and strategies for change can be developed. Accountability based on responsibility for the Other is one alternative, one that can never be completely fulfilled within our current conception of hierarchical accountability structures, but one that can be seriously and creatively contemplated. "In every period of history' people have risen up against systems that are 'based on illegitimate measures' and that deny people 'the right and freedoms . . . to live and survive with dignity'" (Shiva as quoted in Bakan, 2004, 167). In this article, we have provide some impetus and guidance for initiating the critical analysis central to identifying how accounting and accountability structures enable administrative evil and how by its "unmasking" it might be constrained.

Notes

1. However, see Bernstein's (2002) extended discussion of evil, at least from a philosophical perspective.
2. For example, this could take the form of depriving the person of dignity, justice, health, security, opportunity, or freedom.
3. The conceptualization of instrumental rationality is not unproblematic. In our discussion, we do not distinguish it from technical rationality, the term used by Adams and Balfour (1998), or from Mannheim's (1940) notion of "functional rationality" in which the efficiency of completing tasks becomes the orientation. Generally, we are attempting to draw a more general distinction similar to that made by Weber (1979) concerning instrumental (formal, purposeful) rationality and substantive (value based) rationality.
4. Adams and Balfour (1998) differentiate this concept from "workplace violence," which is physical or emotional violence inflicted by employees or former employees on their colleagues or supervisors. The physical harm inflicted on a coworker by a disgruntled colleague is an example of workplace violence and would not be related to carrying out his or her organizational responsibilities. Organizational violence can be direct, such as in the Holocaust, in which people were killed as a direct result of the organizational policies or

indirect, such as the loss of employees' pensions as a result of the collapse of Enron. Adams and Balfour (1998) also describe the *Challenger* space shuttle disaster and the act of tobacco companies' conspiring to continue to sell cigarettes in the face of known health hazards as other examples of organizational violence.

5. We introduce and develop the idea of administrative evil in the consideration of hierarchical accountability structures. Williams (2002) applies the concept of administrative evil in discussing financial accounting standard setting.
6. Though idealistic, Habermas' (1984, 1987) communicative action represents a template for engaging in the dialogue and debate.
7. While we consider all three in the following discussion, our primary focus is on the administrative hierarchies in that they provide the context for accountants (experts) and accounting systems (machines) in organizations. The other two are developed more fully in Dillard *et al.* (forthcoming) and Dillard (2003).
8. Within the sociology literature, these issues have been extensively considered (e.g. Giddens, 1987; Parsons, 1971; Goffman, 1959). In the accounting literature, see the work of Wilkerson *et al.* (2003), Fogarty (1992), and Roslender (1992, 1996).
9. The socializing context must condition participants such that they accommodate the sustaining setting for these conditions.
10. Bauman (1989, 21ff) uses these conditions to illustrate the ability of ordinary, hard working people to facilitate the Holocaust by undertaking to carryout their organizational roles and responsibilities. It should also be noted that these conditions are not mutually exclusive; thus, overlap would be expected.
11. From a Weberian perspective, substantive rationality is overwhelmed by purposeful or formal rationality.
12. Within the current neoclassical economics paradigm, maximization of shareholder value, or some derivation hereof, represents the ultimate legitimatizing goal.
13. In fact, the moral issues are presumed to be responsibly addressed by applying a "rational" decision process in evaluating and selecting alternatives.
14. This is obviously true for profit-oriented organizations. However, we would argue that non-for-profit and governmental organizations are more and more being evaluated with respect to their financial related outcomes (see, for example, Broadbent *et al.*, 1991; Hood, 1995; Dillard and Tinker, 1996; Dillard, 2002.)
15. Critical theory is a social philosophy developed by a group of social scientists commonly referred to as the Frankfurt School who attempted to extend Marxist theory to more adequately address the social and cultural milieu they observed in the twentieth century (see Held, 1980).
16. Laughlin also refers to this as the formulation of critical theorems.
17. These three stages are similar to those traditionally espoused by critical theory: enlightenment; empowerment; and emancipation (Fay, 1987) and are specifically related to Habermas' (1974) key stages in processes for change. We have chosen to use Laughlin's formulation because he has explicated them in terms of accounting and accounting applications.
18. We recognize the likelihood of attaining the type of "consensual" outcomes that Habermas postulates are a distant possibility at this point, but we still believe that the insights gained will be useful.
19. Kelly (2001), among others, argues that because of the influence of the privileged classes, the prevailing legal environment does nothing to ameliorate this situation.

20. Emmanuel Levinas' work is extensive and wide ranging. The primary sources for Shearer's discussion include Levinas (1969, 1985, 1987) and Cohen (1986). For a recent introduction to Levinas, see Robbins (2001) and Critchley and Bernasconi (2002). Also, see Roberts (2001).
21. This process is not unlike that described as opening the "black box" by Latour (1987).
22. The work place should not be the first place individuals encounter critical dialogue. As mentors and teachers, we can foster critical dialogue in our interactions with students by exposing them to the critical literature and engaging in critical dialogue in our classes. We should prepare our students to become catalysts for change within their workplace.
23. Roberts rightly notes that both forms are present and should be integrated into administrative structures.
24. Ultimately, the "subject" becomes an "object" acted upon.
25. Changes here motivate changes to the technical structure.

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