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Guest editorial: Accounting and performance measurement in the age of rankings, quality assurance, accreditation, and excellence frameworks

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Accounting and performance measurement in the age of rankings, quality assurance, accreditation, and excellence frameworks

Background

Over the past three decades, numbers, particularly those that can be expressed in financial terms, have come to be presented as a form of truth. Today, numbers guide and govern us, and shape and influence who we are, or who we should try to become (Kurunmäki, Mennicken and Miller, 2016). A few decades ago, this quantifying movement was restricted to a few fields. Today, however, it appears as if no one can escape the movement: higher education, healthcare, and the public and private sectors in general have all witnessed a radical uptick of new management models, methods, and calculative practices (Grossi *et al.*, 2020; Argento *et al.*, 2020; Eyraud, 2022; Parker *et al.*, 2023). The so-called audit culture (Shore and Wright, 2015a) or audit explosion (Power, 2003) has resulted in the use of financial accounting technologies to measure and rank organizations and their employees and thus use quantification and statistics as instruments of governance and power (Shore and Wright, 2015b). More recently, the quality and quality assurance (QA) of operations and services, rankings of service providers, and different excellence frameworks in public organizations have received increasing attention. Not least in the form of different accreditation systems (Bell and Taylor, 2005; Alajoutsijärvi *et al.*, 2018; Vega and Cunha, 2023). Along with the rise in auditing and rankings, a vast number of international firms specializing in accountancy and statistical ratings have emerged (Shore and Wright, 2015a). These firms measure the creditworthiness of countries and organizations (*ibid.*).

The external control and monitoring of activities are taken up by administrative structures in public services or organizations and verified through standardized measures and instruments. The introduction of accounting and calculative practices, such as performance measurements and accreditation, has often been justified with reference to the positive effects they could have on transparency, effectiveness, and quality. Studies have pointed to the normalizing and disciplining powers associated with ranking and accreditations and to responses to “reputational risk” as explanations for organizational change (Burrows, 2012; Espeland and Sauder, 2007; Power *et al.*, 2009; Sauder and Espeland, 2009). Nevertheless, numerous studies have reported on the negative effects of introducing performance measures and demonstrated how performance measurement and

ranking may cause stress and anxiety (Chandler *et al.*, 2002), the valuing of quantity over quality (Kallio and Kallio, 2014; Olssen and Peters, 2005), or evaluations being limited by standardized scores based upon rankings and ratings (Lane, 2010; Gebreiter, 2020). According to Sauder and Espeland (2009: 80), “Rankings are part of a global movement that is redefining accountability, transparency, and good governance in terms of quantitative measures ... they diminish the salience of local knowledge and professional autonomy, they absorb vast resources, and they insinuate and extend market logic”. Muller (2018: 3) continues, “There are things that can be measured. There are things that are worth measuring. But what can be measured is not always what is worth measuring ... The things that get measured may draw efforts away from the things we really care about. And measurement may provide us with distorted knowledge.”

Responding to a challenge by Sauder and Espeland (2009) and Muller (2018), this special issue focuses on the effects and consequences of the age of rankings, quality assurance, accreditation, and excellence frameworks in public services and organizations. Earlier studies have pointed to how ranking and performance measurement generate tensions between corporate and collegial cultures (Christopher, 2012; Kallio *et al.*, 2021), how underlying logics of academics become challenged (Kallio and Kallio, 2014), and how the combination of two or more elements from different sectors or logics that are normally found separately becomes merged into a hybrid construct with the introduction of calculative practices (Wiesel and Modell, 2014; Johanson and Vakkuri, 2018; Kastberg and Lagström, 2019; Kallio *et al.*, 2021). Consequently, we may expect to find the effects and consequences of the age of rankings, quality assurance, accreditation, and excellence frameworks on both macro and micro levels in society. Moreover, since public sector organizations are typically not directly subject to market mechanisms, it is far from easy to determine what quality means for public sector organizations in general and for knowledge-intensive public organizations in particular.

Our call for papers has provided us with a group of interesting studies with a range of public institutions (healthcare, higher education, municipal organizations). The common themes of the four papers passing the review process are the focus on perceptions of calculative practices, performative effects, and navigations of expectations of the introduction of accreditation. The studies also address how educational background affects reporting quality. These themes are investigated differently in the four papers and

use a range of different methods as well as varied theoretical frames and empirical material from different countries.

The first paper by Miguel Vega and Joao Vieira da Cunha (2023), “Commensuration of health-care quality standards through hospital accreditation: from measurement weapon to management tool?” examines management perceptions of calculative practices behind the reconstruction of a mandatory hospital accreditation system. Through the lens of commensuration (see Espeland and Stevens, 1998), they emphasize that metrics, such as the accreditation system, have an important performativity effect. The findings of their case study illustrate “how the interplay between the features of a quality assurance system and their appropriation by organizations turns it into a quality improvement system suggesting that contemporary hospital accreditation and similar accreditation systems are becoming hybrid models” (Vega and Cunha, 2023). They conclude that although the hospital accreditation might be perceived as threatening by management, there is also the possibility of an alternative view: accreditation might also be used as an instance for organizational changes and improvement of performance.

The second paper by Iman Harymawan, Adib Minanurohman, Mohammad Nasih, Rohami Shafie, and Ismaanzira Ismail (2022), "Chief financial officer's educational background from reputable universities and financial reporting quality," examines the relationship between the educational background of Chief Financial Officers (CFO) from reputable, high ranked universities and financial reporting quality. Harymawan *et al.* (2022) use data from companies listed on the Indonesia Stock Exchange with least-squares regression analysis model. They find that the educational background of CFOs from a reputable university has a significant and positive association with financial reporting quality. They explain the result by the fact that the CFOs with a degree from a high-ranked university have higher and broader financial skills, which, in turn, help to improve financial reporting quality and the individual performance of CFOs.

The third paper by Lise Degn, Miriam Madsen, and Katja Brøgger “Translating quality criteria in university accreditation,” deals with the Danish higher education sector and seeks to find out how these higher education institutions navigate the demands and expectations of accreditation procedures. By doing this, they demonstrate how the limited freedom posed by accreditation schemes is used by higher education studies by way of translation (Sahlin and Wedlin, 2008). From studying policy documents and institutional

self-assessment reports, the authors conclude that the Danish higher education institutions they study exercise a great deal of agency, albeit within the rather narrow frame of the regulations, guidelines, and procedures of the national accreditation system in Denmark. They show how the institutions not only imitate and abide with institutionalized norms and concepts of quality but also reformulate, edit, omit, and enhance certain elements of quality.

The fourth paper by Linda Höglund, Maria Mårtensson and Pia Nylinder, “Public value accounting and the use of performance measurements as a management tool in a context of various assessments,” discusses understanding of public value accounting by studying the use and usefulness of performance measurements as a management tool in a Swedish regional health care division. The paper shows how performance measurements become an instrumental tool for performance and thus leave out non-instrumental use related to such things as quality, with the result that output is promoted above outcome. The authors show a conceptual shortcoming in the discussion of public value accounting, as the effort needed to achieve outcome-based information might exceed the ability of an organization to deliver it. Furthermore, the paper encourages the enhancing of interaction among different stakeholders, including politicians, the public, and the media.

The papers in this special issue show that although the literature paints a dark picture of the effects and consequences of the age of rankings, quality assurance, accreditation, and excellence frameworks in public services and organizations, there are also many positive aspects, including organizational change and improvement of performance (Vega and Cunha, 2023), improved financial reporting quality (Harymawan *et al.*, 2023), opportunities for institutions to reformulate, edit, omit, and enhance elements of quality (Degn *et al.*, 2023), and, finally, encouraging of interaction between different stakeholders in the process of choosing performance measurements for management purposes and the creation of public value (Höglund *et al.*, 2023). Overall, there is still a need for future studies on accounting and performance measurement in the age of rankings, quality assurance, accreditation, and excellence frameworks. Some interesting themes that need further investigation include the following: *How is quality produced in discourses within organizations? How do different public sector entities (such as healthcare, education, municipalities) make use of excellence frameworks? How are rankings used to support decision-making and how do they steer the actions of organizations? How can quality assurance and accounting be put to good use in the*

future when dealing with issues such as equality, inclusion, and diversity within knowledge-intensive public organizations? We urge future researchers to draw on a wide range of methods and theories to tackle these issues.

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